



# BRE Bank Group Results Q1-2 2009

**Sound foundations for sustainable growth**

*Mariusz Grendowicz, President of BRE Bank*

*Presentation for the media  
6 August 2009*

# Most important events in the quarter



**1**

***Impact of high provisions on risk***  
***- we turn over a new leaf***

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**2**

***BRE Bank is a profitable business***  
***• Record-high result from recurring operations***

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**3**

***Improved efficiency in difficult times***  
***• Further drop in C/I ratio***

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**4**

***Reliable partner for the market***  
***• Deposits grow four times faster than the market***  
***• Over 3 million retail clients***

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*Economic conditions*

*Risk management*

*Summary of the BRE Bank Group results in Q1-2 2009*

*BREnova in a nutshell*

*Analysis of consolidated financial results*

*Appendix*

Detailed results of business lines in Q1-2 2009

Additional information on selected financial data



## *Economic conditions*

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*Risk management*

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Detailed results of business lines in Q1-2 2009

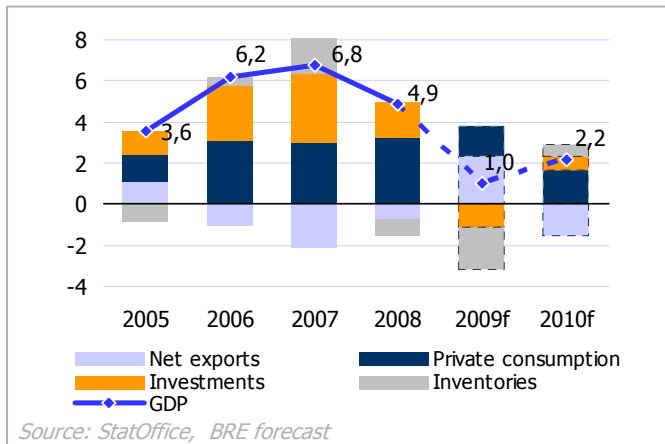
Additional information on selected financial data

# Business Environment

Global slowdown considerably decelerates Polish economic growth...

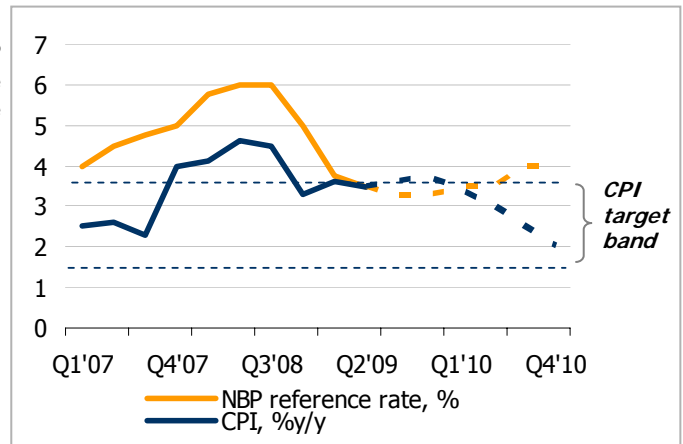
## GDP in 2009 will grow by 1%

GDP growth in Poland (% YoY) and contribution of main categories to GDP growth (pp.)



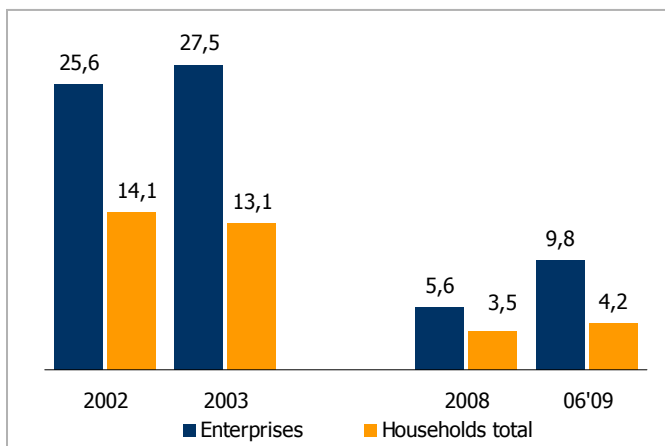
## Inflation should ease by the end of the year

CPI, NBP reference rate



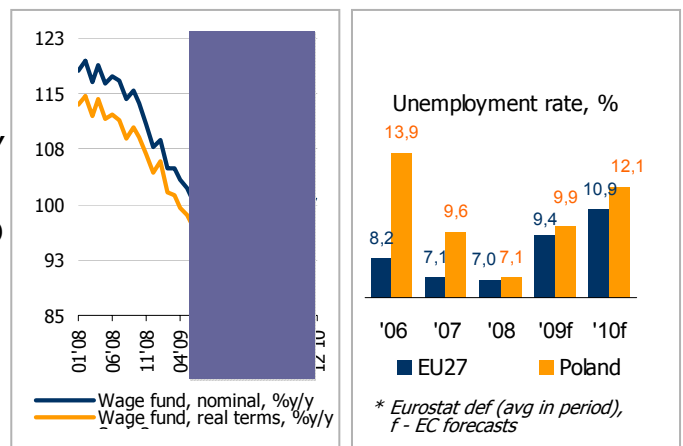
## NPLs ratio so far has been low

NPLs (banking sector), % of total loans (EoP)



## Unfortunately labor market will deteriorate further

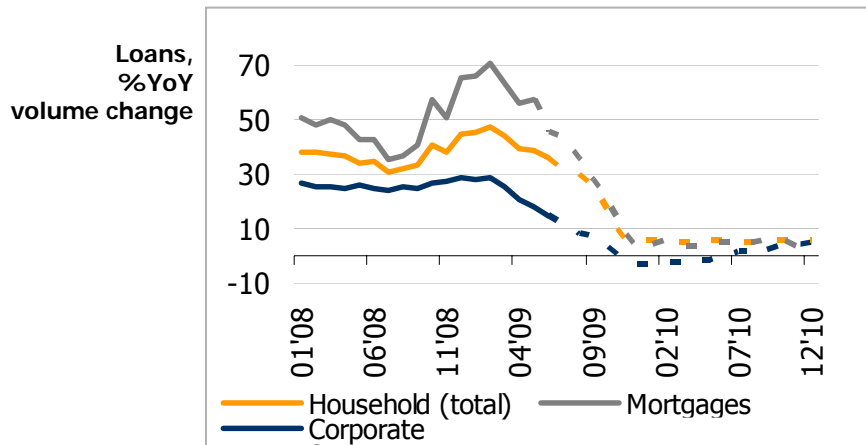
Employment and wages (corporate sector), % YoY and unemployment rate\* (pp)



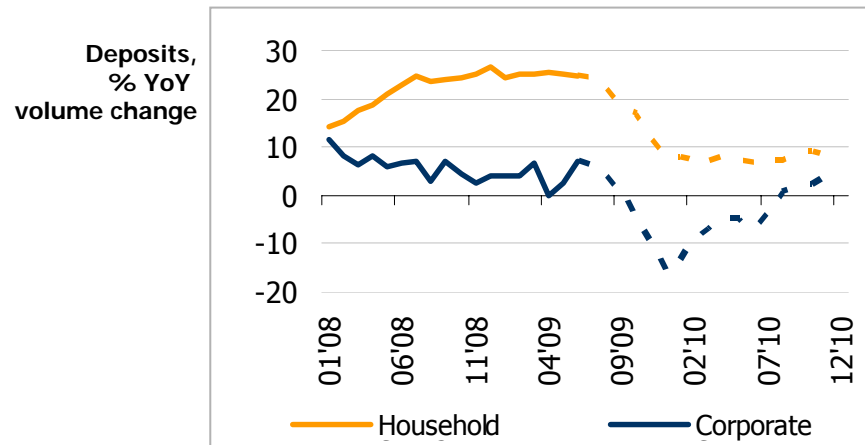
# Business Environment

## Bottoming-out

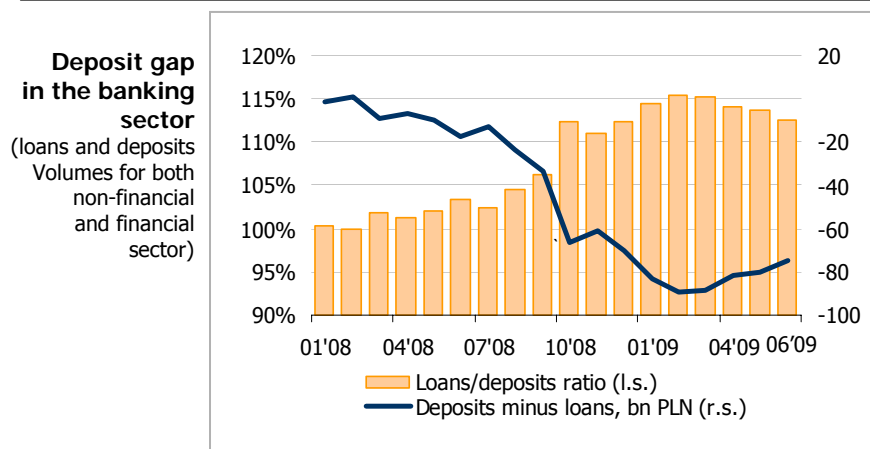
*Loans dynamics will slow down in '09 and '10...*



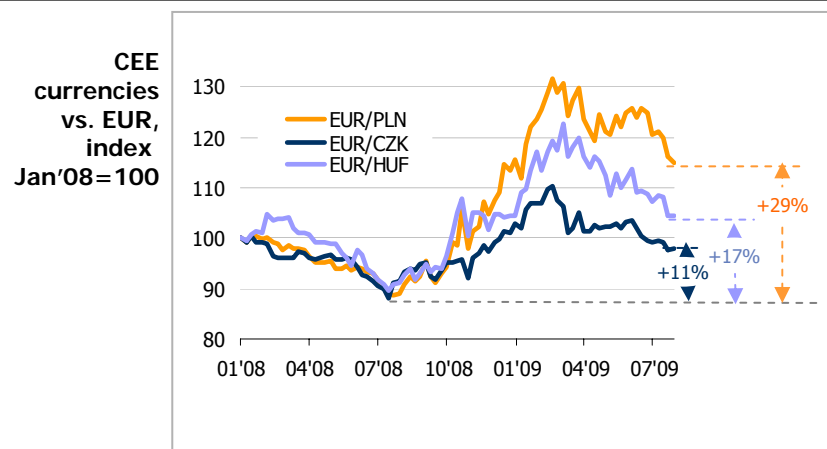
*... while corporate deposits will shrink only this year*



*As a result deposit gap narrowed*



*Zloty seems to be most undervalued currency in the region*





*Economic conditions*



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## ***Risk management***

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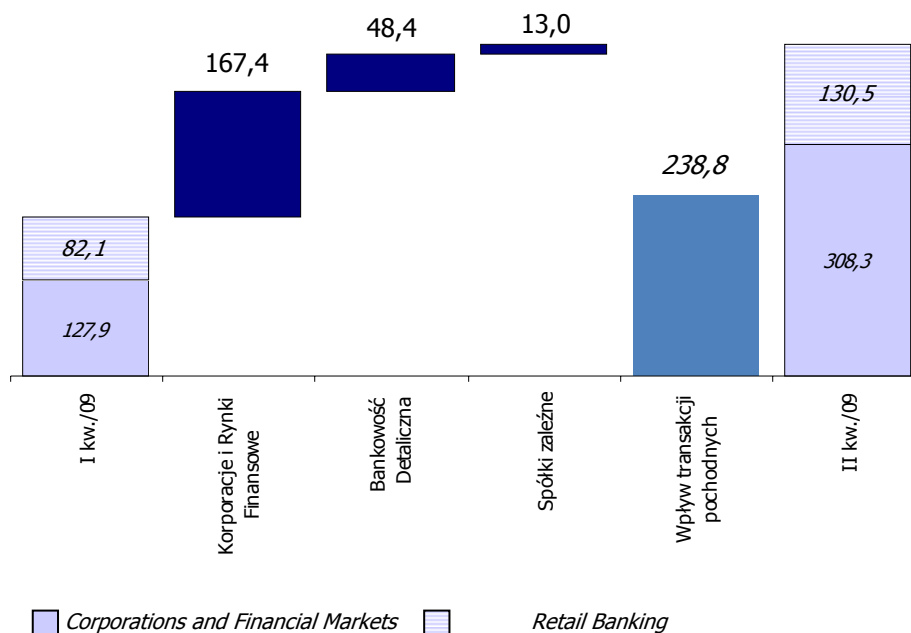
Additional information on selected financial data



### *Provisions - deteriorating market conditions, problems with options and cash loans for external mBank clients*

#### Structure of provisions for loans in the BRE Bank Group in Q2 2009

(quarterly increase in provisions for loans according to segments vs the previous quarter, PLN million)



- **Substantial part of provisions is of a one-off type**
- **Factors influencing the growth in provisions for loans in Q2 2009:**
  - Provisions for credit receivables from clients who have liabilities arising from derivative transactions
  - Higher provisions for non-mortgage mBank loans
  - Increase in provisions for BRE Leasing clients
- **NPL ratio at BRE Bank (according to PSR) stands at 4.8%, below the market average (6.3%)**



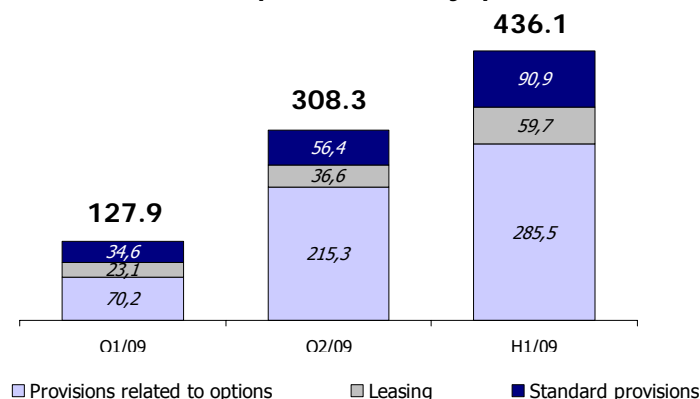
# Risk management

Provisions for loans in Q1-Q2 2009:  
Corporations and Financial Markets

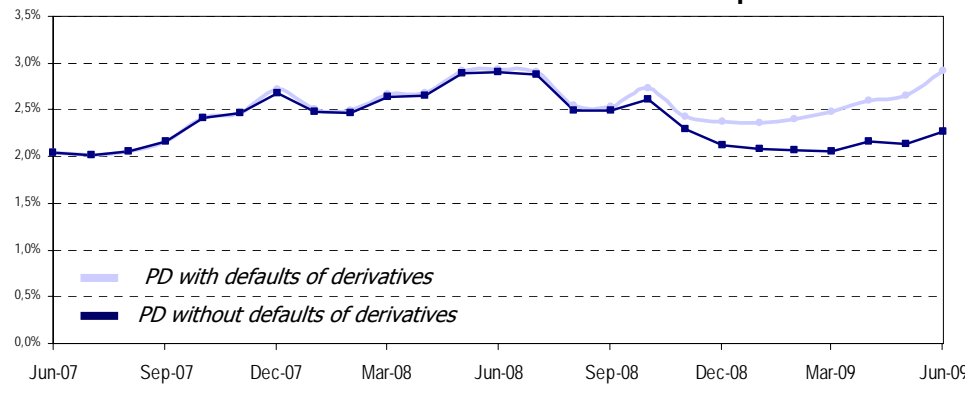
***We give a helping hand to those clients who ran into troubles with FX options***

- *Total income at PLN 215.3 million in Q2 2009 (a total of: PLN 285.5 million in H1 2009)*
- *Due to a downturn in the general economic situation we observe rating migration (a trend that has been persisting for several quarters)*
- *As the restructuring process, scheduled to end in Q3 2009, is in progress we expect that the level of set up provisions will gradually diminish*
- *BRE Bank treats the problems of clients with utmost care. We apply innovative solutions of debt restructuring. The press covered e.g. the case of Feroco and Dudy.*

Provisions for corporate loans by quarters (PLN million)



Influence of derivative transactions on PD of corporate clients



# Risk management

## Provisions for loans in Q1-Q2 2009: Retail Banking



### *Higher provisions caused by the non-mortgage portfolio*

#### *Portfolio of cash loans at mBank:*

- *Product sale ended in May*
- *Delayed influence on the quality of portfolio of the non-mortgage loans and the level of provisions*
- *Expected gradual fall in provisions in 2009 .*

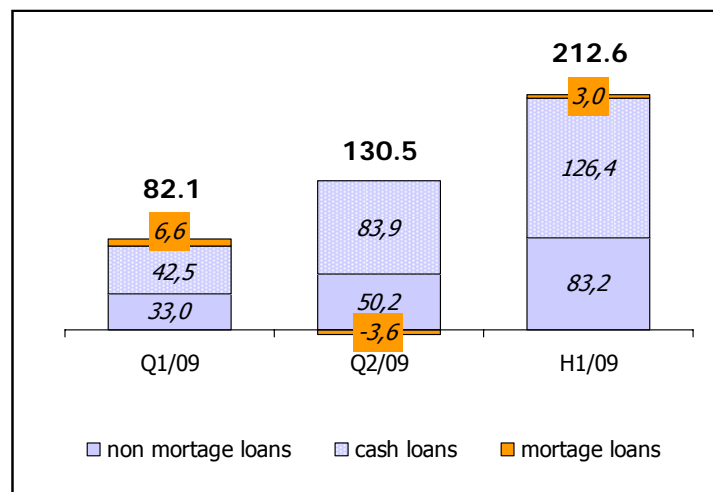
#### *The remaining part of the non-mortgage portfolio:*

- *does not depart from the acceptable risk levels for such a type of exposure*
- *is within the lower market ranges*

### *High and stable quality of the mortgage loan portfolio*

- *Quality of the mortgage loan portfolio is much higher than in the peer group*
- *We expect a slight worsening in the portfolio quality, without significant influence on the level of provisions*
- *The NPL of mortgage loans is at 0.43%*

Provisions for retail loans by quarters (PLN million)





*Economic conditions*

*Risk management*



***Summary of the BRE Bank Group results in Q1-Q2 2009.***

*BREnova in a nutshell*

*Analysis of consolidated financial results*


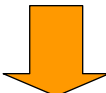
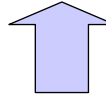
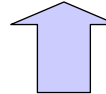
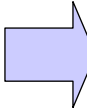
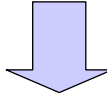
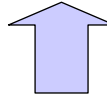
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Detailed Results of business lines in Q1-2 2009

Additional Information on Selected Financial Data

# Summary of Q1 - Q2 2009 at the BRE Bank Group

## Profitability of operations

<b>Net result for H1 2009</b>		<b>PLN +16.2 million</b>
<b>Net result for H2 2009</b>		<b>PLN -61.6 million</b>
<b>Interest income for Q2 2009</b>		<b>PLN 431.5 million</b>
<b>Commission income for Q2 2009</b>		<b>PLN 158.1 million</b>
<b>Costs for Q2 2009</b>		<b>PLN 363.2 million</b>
<b>Cost/Income (C/I)*</b>		<b>52.1 %</b>
<b>Capital adequacy ratio (CAR)</b>		<b>11.08 %</b>

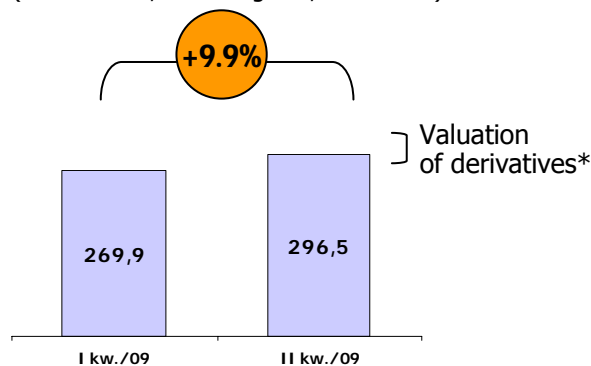
# Summary of Q1 - Q2 2009 at the BRE Bank Group

## Business development: Corporate Clients and Institutions

### Corporate business – higher income

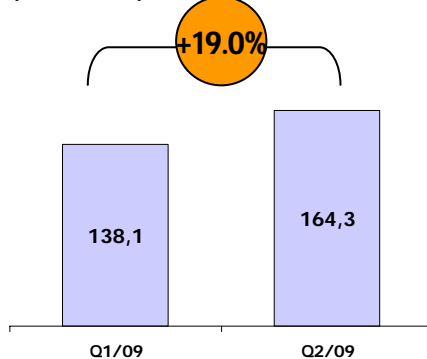
#### Revenues

(before costs, excluding LLP, PLN million)



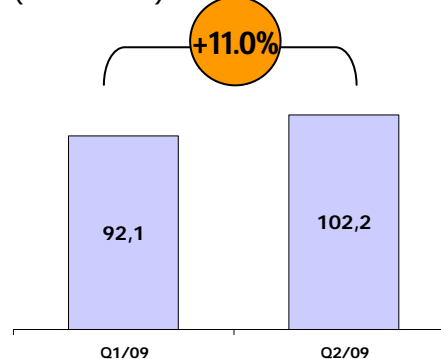
#### Interest income

(PLN million)



#### Commission and fees income

(PLN million)



- **Growth in revenues**  
*as a result of rising margins for the products that involve risk despite lower revenues from the sale of financial instruments and falling interest rates*
- **Higher interest income** thanks to an increase in the interest margin
- **Higher commissions and fees income** resulting from the growth in credit commissions and the commissions obtained from the products  
*Cash Management*

\*One-off impact of the valuation of derivatives (PLM -24.5 million)

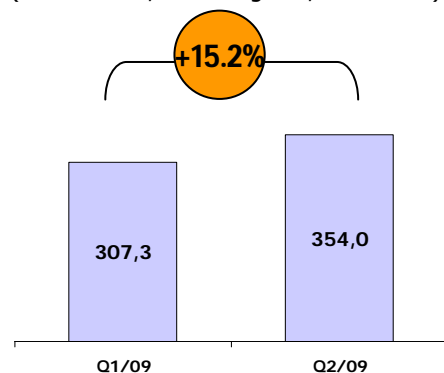
# Summary of Q1 - Q2 2009 at the BRE Bank Group

## Business development: Retail Banking

### *Retail Banking is more profitable*

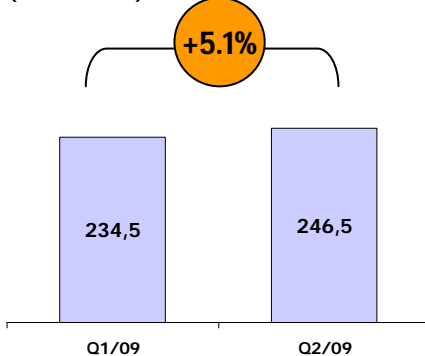
#### Revenues

(before costs, excluding LLP, PLN million)



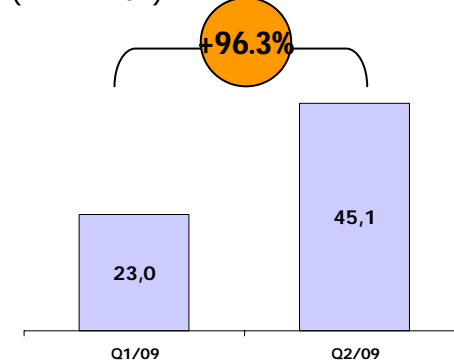
#### Interest income

(PLN million)



#### Commission and fees income

(PLN million)

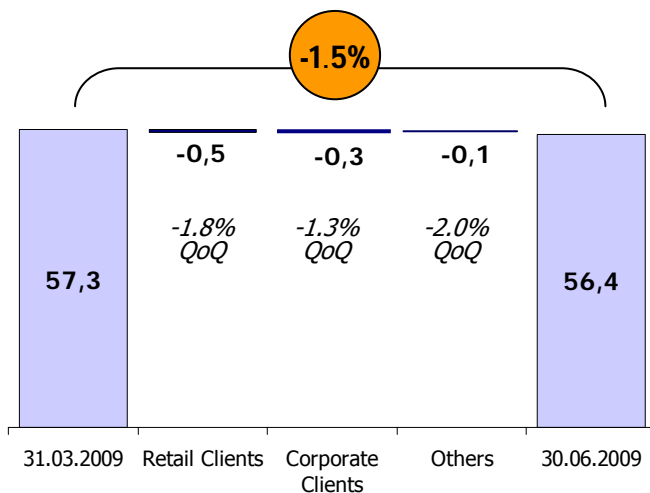


- **Growth in revenues** mostly stimulated by increasing revenues from commissions
- **Growth in interest income** thanks to not taking part in the deposit war on the domestic market
  - Higher growth is limited by the drop by 5.5% of the CHF exchange rate (or 2.2% on average) against Q1 2009
- **Reconstruction of the commission and fees income** connected with changes in the pricing policy in Q2 2009:
  - an increase in the fee for running an account (only MultiBank – mBank still PLN 0.00)
  - Higher turnover in investment accounts in connection with the recovery on the investment funds markets

# Summary of Q1- 2 2009 at the BRE Bank Group

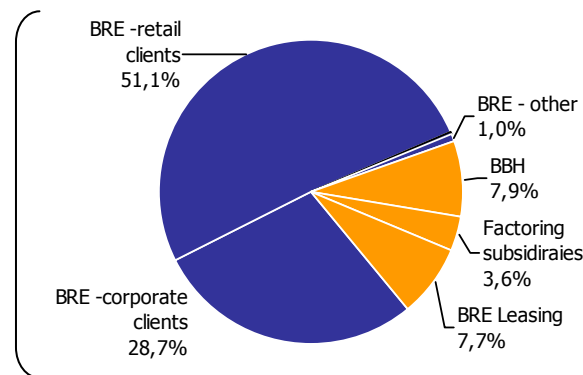
## Growth in loans – stable lending

Growth in gross loans (PLN billion)



Structure of the BRE Bank Group credit portfolio (gross) as of 30 June 2009

**BRE Bank**  
**80.8%**



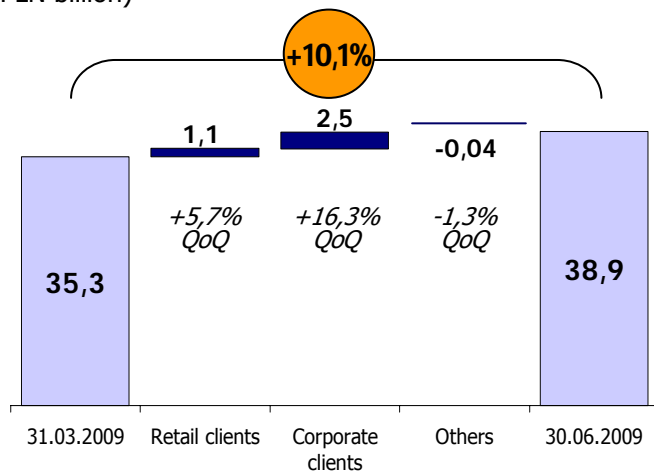
***If we deduct the zloty appreciation, the credit portfolio increases by 1.2 %***

- Overall gross lending demonstrated slight drop in Q2 (-1.5% QoQ) and increase (+39.7% YoY) (the market: -0.4% QoQ and +27% YoY)
- It is due to the zloty appreciation. If we deduct the appreciation of our currency, the gross portfolio increases by +1.2% QoQ
- Stable portfolio share of retail clients compared to Q1 of 2009

# Summary of Q1- 2 2009 at the BRE Bank Group

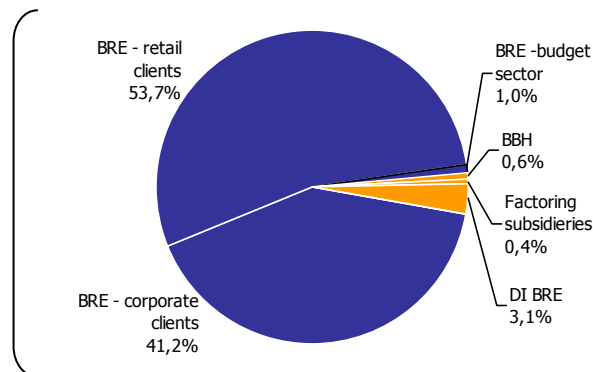
The deposit base – increase by 10 % throughout the Quarter

Growth in deposits  
(PLN billion)



Structure of the BRE Bank Group liabilities towards clients  
as of 30 June 2009

**BRE Bank**  
**95,9%**

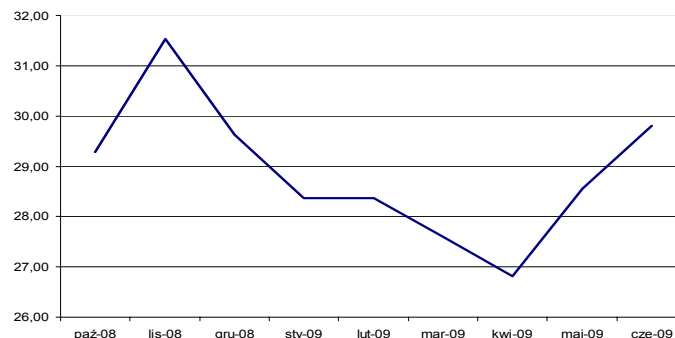


***Corporate deposit comeback  
after a seasonal decrease***

***Increase in retail deposits  
without aggressive pricing policy***

- ***Growth in deposits in total: + 10.1% QoQ and +6.9% YoY (the market: +2,5% QoQ and +18,6% YoY)***

Deposits (PLN bln)





# Loans to deposit ratio



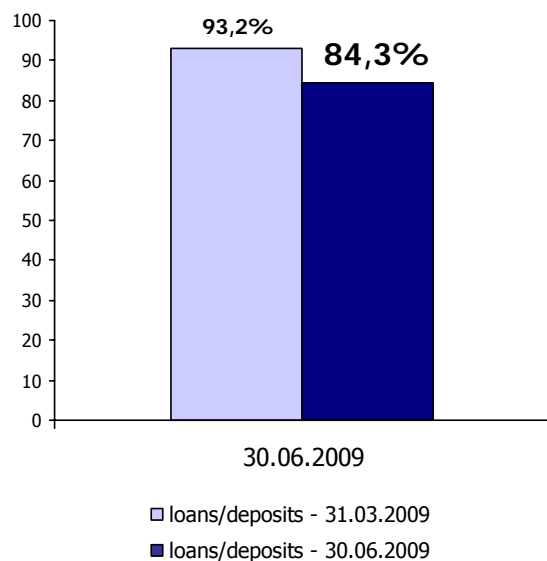
*The loan-to-deposit ratio totals 141.3%*

*The financing policy mitigating FX risk was implemented*

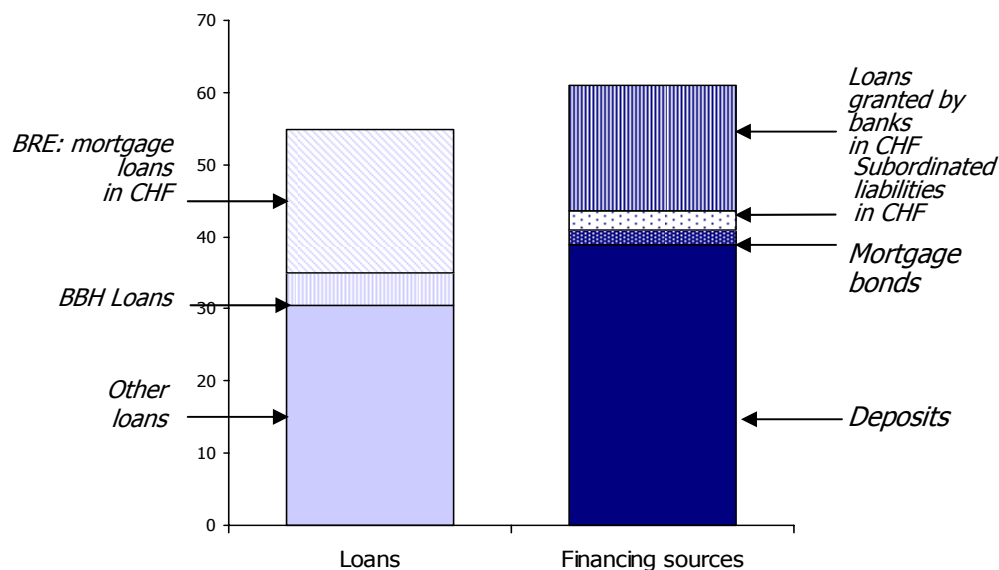
*Mid-term borrowings in CHF are financed by loans in CHF, so...*

***...the actual ratio of loans financed by deposits is 84.3%***

**The loan-to-deposit ratio at the BRE Bank Group**  
The actual ratio as of 30 June 2009



**The structure of financing lending at the BRE Bank Group**  
as of 30 June 2009 (PLN billion)





*Economic conditions*

*Risk management*

*Summary of the BRE Bank Group results in Q1-2 2009*



***BREnova in a nutshell***

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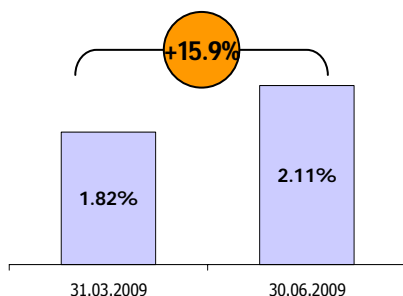
# BREnova: revenue initiatives

## Main achievements in Q2/09 - Corporate Clients and Institutions

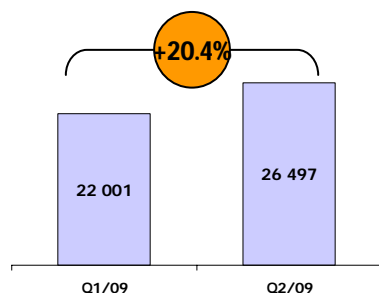
***Credit margin increased by 15.9 %***

*Actions taken and tasks performed*

Credit margin\*  
on the whole credit portfolio



Cash Management  
(PLN thousand)



- ***Pricing policy defined and implemented precisely***
- ***Focus on intensive cross-selling of products which do not require the capital involvement***
- ***Higher income due to commissions and fees***
- ***Product innovations***  
*in cash management and electronic banking:*
  - Introduction of iBRE Cash - the module for management of iBRE platform cash transactions
  - Payment cards with direct access to funds on the account (dedicated to K3 segment clients)

\* Interest + cancelled commissions

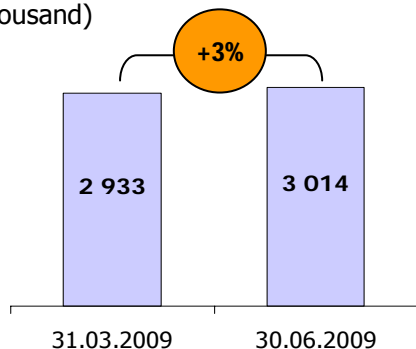
# BREnova: revenue initiatives

## Main achievements in Q2/09 - Retail Banking

***More than 3 million of  
retail banking clients***

*Actions taken and tasks performed*

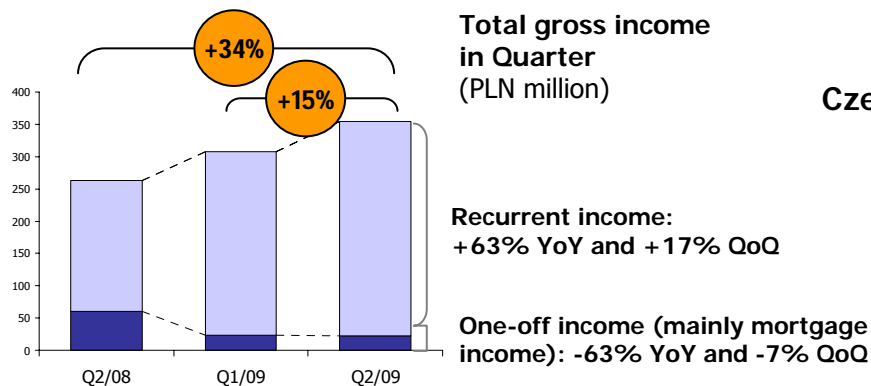
Number of clients  
(thousand)



### Poland

- *Increase in recurrent income is related to more intensive cross-selling*
- *Focus on non-mortgage loans:*
  - *Dynamic increase in debt in terms of credit cards, overdrafts and loans granted to small enterprises and microenterprises in mBank and Multibank*
- *Sustainable growth in the deposit base (mainly term deposits and current accounts )*

### Czech Republic and Slovak Republic



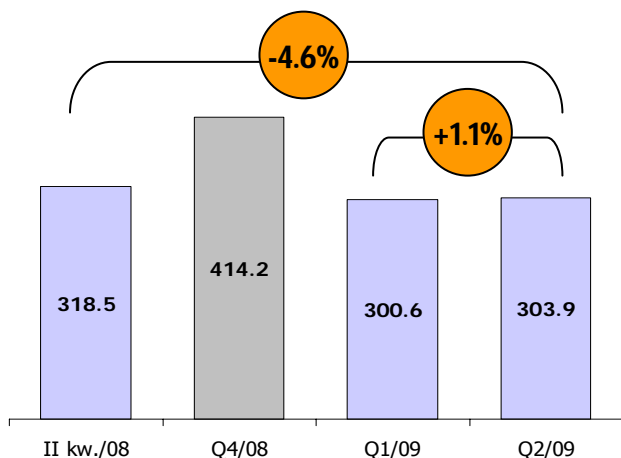
# BREnova: costs optimisation

Main achievements in Q2/09

## *Cost discipline in line with the plan*

*Actions taken and tasks performed*

Change in administration costs YoY and QoQ  
(PLN million)



- **Half of the planned 280 million of additional savings achieved**
- *Strict monitoring of financial and operational ratios*
- **HR**  
*Reduction of employment conducted as planned until the end of Q2 2009*
- **Logistics and IT**  
*The process of rent optimisation in selected branches (e.g. Łódź) achieved, reduction in the investment portfolio (IT, logistics, etc.) by 30% possible to achieve in the light of works in Q2*
- **Marketing**  
*Expenditure optimisation*



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# Analysis of Q2 2009 results

Results from continued operations

*Quarterly*

(PLN million)	Q2 2009	Q1 2009	QoQ growth	
Total income <sup>1/</sup>	714.8	672.5	+6.3%	↑
Total Costs	(363.2)	(359.1)	+1.1%	→
Operating result <sup>2/</sup>	351.7	313.3	+12.2%	↑
Net provisions	(438.8)	(210.0)	+108.9%	↑
Net profit (loss) <sup>3/</sup>	(61.6)	77.2	-/+	↓

1/ Incl. the balance of other operating income/costs

2/ Before provisions

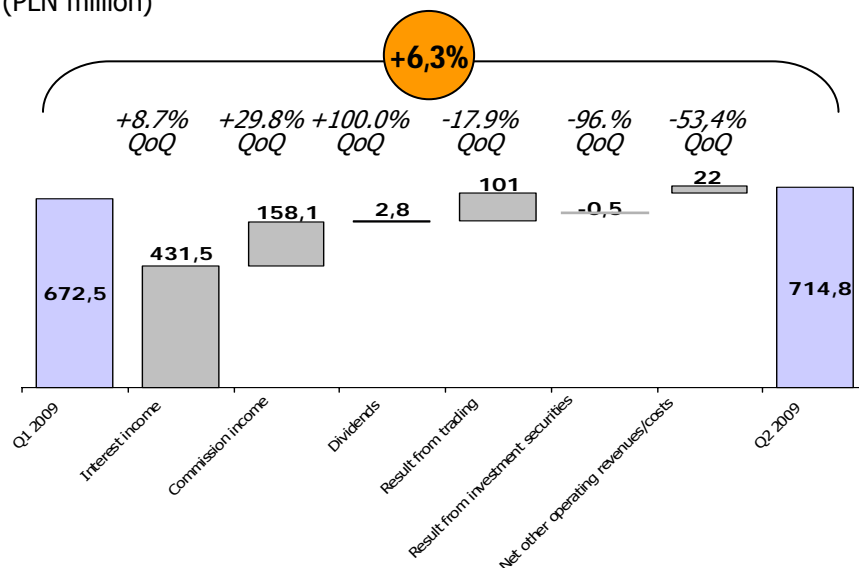
3/ Net profit attributable to the shareholders of BRE Bank SA

# Analysis of Q2 2009 results

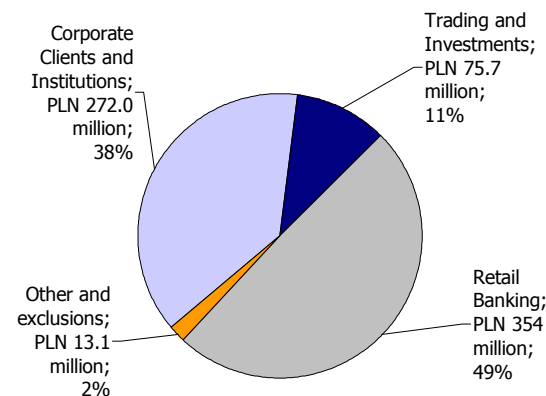
## Income of the BRE Bank Group



Income of the BRE Bank Group in Q2 2009 vs Q1 2009  
(PLN million)



Structure of revenues of the  
BRE Bank Group  
by business lines, Q2 2009



### ***Rising income from recurring operations***

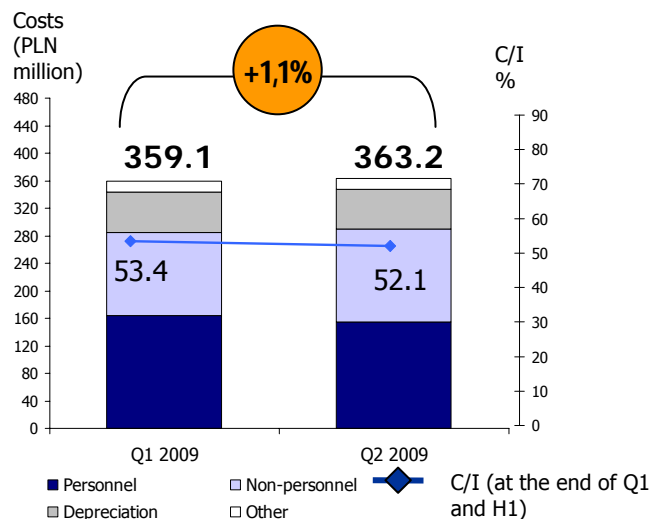
- **Continuing growth in interest income** - since January 2009; increase in interest margin to 2.3% (compared with 2.2% in Q1 2009)
- **A 30% rise in commission income** thanks to increased fees for brokerage and insurance activities
- **Reduced income from trading:** adverse influence of currency options on the account of identified credit risk amounting to PLN -24.5 million



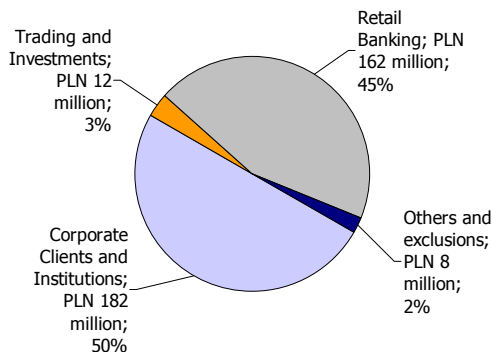
# Analysis of Q2 2009 results

## Costs of the BRE Bank Group

**BRE Bank Group overhead costs (+depreciation)**  
in Q2 2009 vs Q1 2009



**Cost structure by business lines**  
in Q2 2009

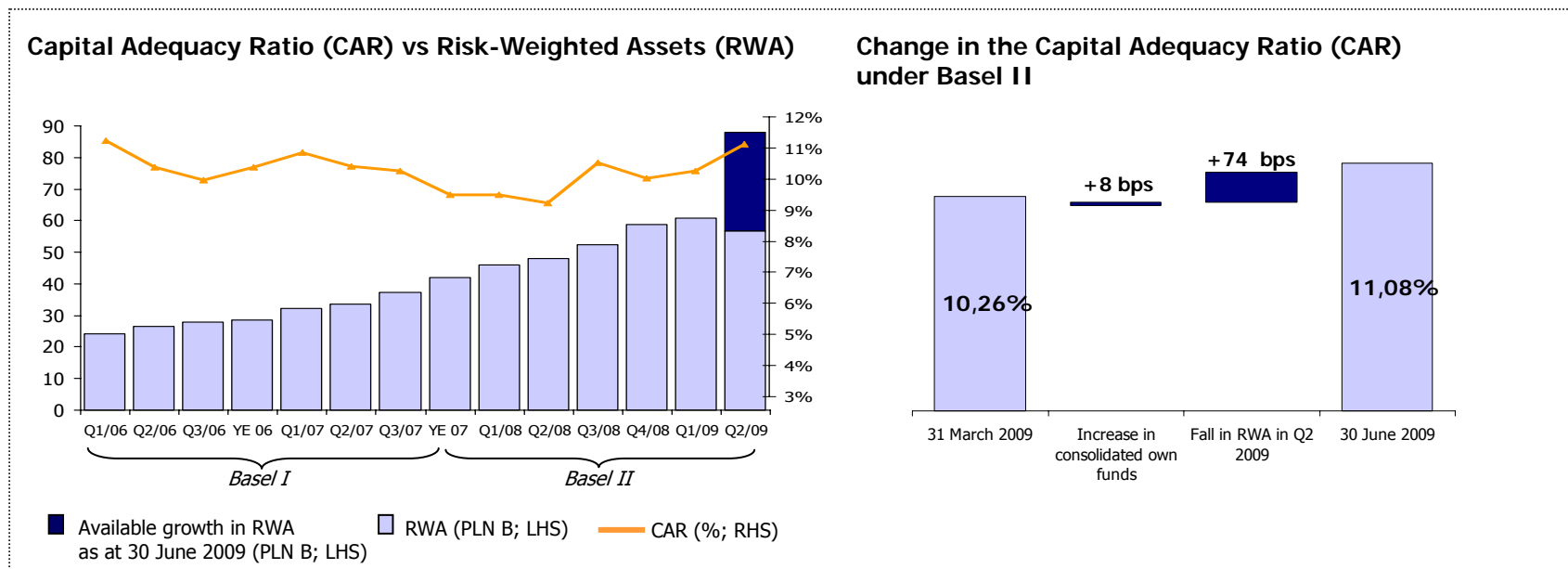


***Strict cost control  
produces results:  
C/I ratio reduced to 52.1%***

- *Increase in overhead costs including depreciation by 1.1% QoQ and a fall by 1% YoY*
- *Stable QoQ cost level:*
  - *cost initiatives – the BREnova project*
  - *5.5% reduction in personnel costs*
- *Increase in non-personnel costs by 11.3% QoQ mainly due to a general price rise on the market affecting the costs of the logistics area*
- *H1 2009 vs H1 2008:  
reduction in overhead costs by 2.5%*

# Analysis of Q2 2009 results

## Capital adequacy ratio of the BRE Bank Group



***Capital adequacy ratio  
above 10% in the long-term***

- CAR at the level of 11.08% in June 2009 compared with 10.26% in March 2009 and 10.04% in December 2008
- Decrease in the risk-weighted assets (RWA) by PLN 4.0 billion to PLN 56.9 billion in Q2 2009 thanks to strict RWA management

# Most important events in the quarter



**1**

***Impact of high provisions on risk***  
***- we turn over a new leaf***

---

**2**

***BRE Bank is a profitable business***  
***• Record-high result from recurring operations***

---

**3**

***Improved efficiency in difficult times***  
***• continuing drop in C/I ratio***

---

**4**

***Reliable partner for the market***  
***• Deposits grow four times faster than the market***  
***• Over 3 million retail clients***

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## ***Appendix***

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Detailed results of business lines in Q1-2 2009

Additional information on selected financial data



## **Detailed Results of the Business Lines, Q2/09**

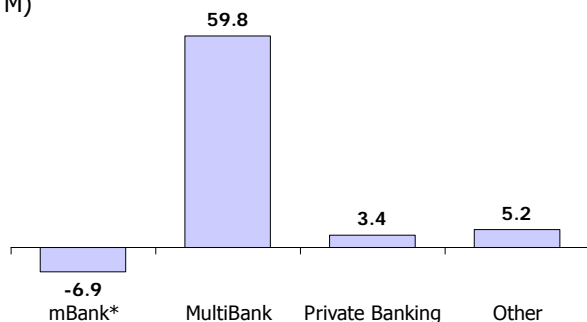
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*Retail Banking*

# Appendix

## BRE Bank Retail Banking: Summary of Q2/09: Financial Results

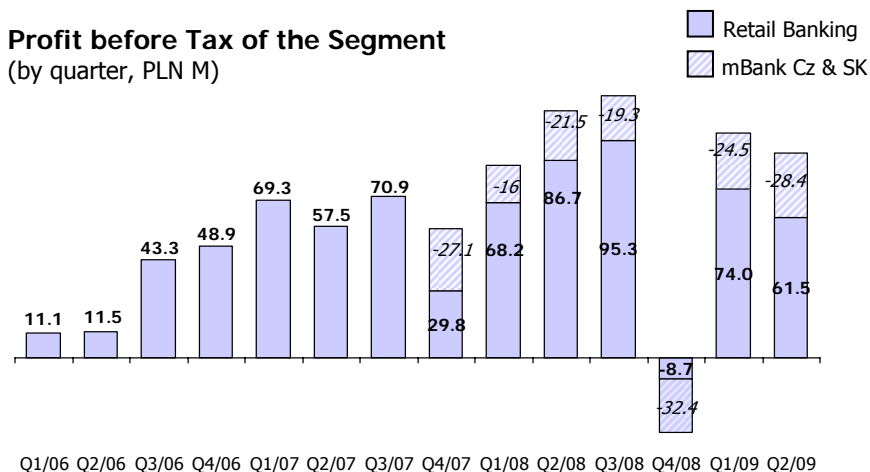
**Contributors to the Profit before Tax of Retail Banking in Q2/09**  
(PLN M)



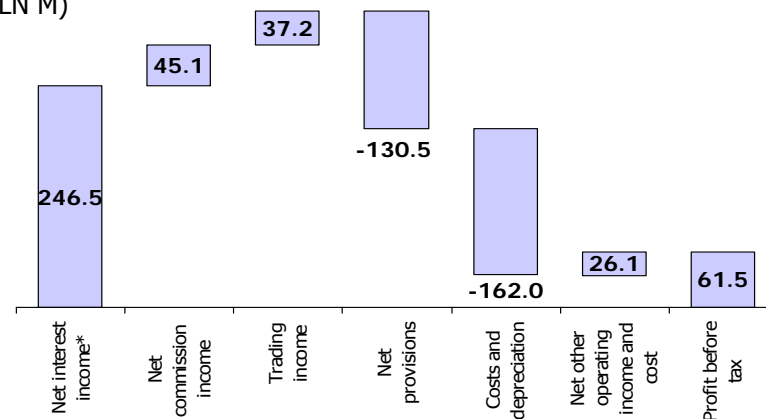
\*mBank's profit before tax including mBank's loss in Czech Rep. and Slovakia

- **PLN 61.5 million of pre-tax profit in Retail Banking in Q2/09**
- **Line's contribution to BRE Bank Group results in Q2:**  
49.5% to the Group's total income,  
57.1% to net interest income,  
28.5% to Group's net commission income
- **Growth of net interest income in Q2/09 (+5.1% QoQ)**
- **Significant increase of net commission income (+96.3 QoQ)**

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



**Structure of the Profit before Tax of Retail Banking in Q2/09**  
(PLN M)



\* Incl. internal settlements

# Appendix

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

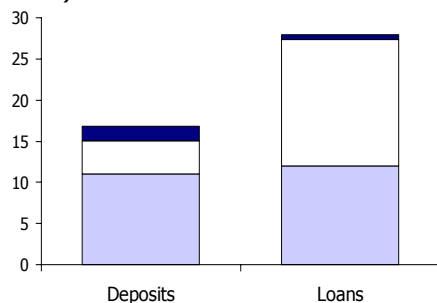


Data as at 30.06.2009



■ mBank (Poland) □ MultiBank ■ Privat Banking

(PLN B)



End of Q1/09

Change

End of Q2/09

2.6 M

clients

+3.8%

2.7 M

3.3 M

accounts

+6.1%

3.5 M

16.1 B

deposits (PLN)

+4.3%

16.8 B

28.4 B

loans (PLN)

-1.8%

27.9 B

23.2 B

thereof:  
mortgage (PLN)

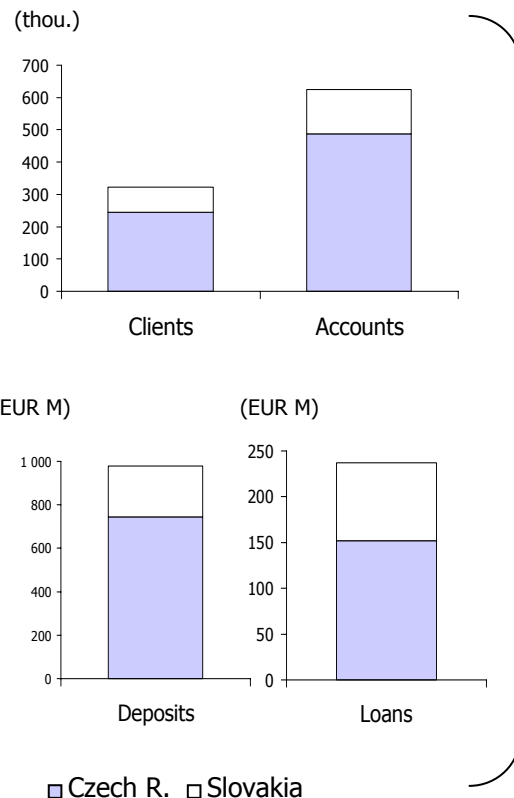
-4.3%

22.2 B

# Appendix

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

Data as at 30.06.2009



End of Q1/09

Change

End of Q2/09

293.9 thou.

clients

+9.9%

322.9 thou.

526.5 thou.

accounts

+18.4%

623.6 thou.

815.7 M

deposits (EUR)

+19.9%

978.4 M

215.6 M

loans (EUR)

+9.9%

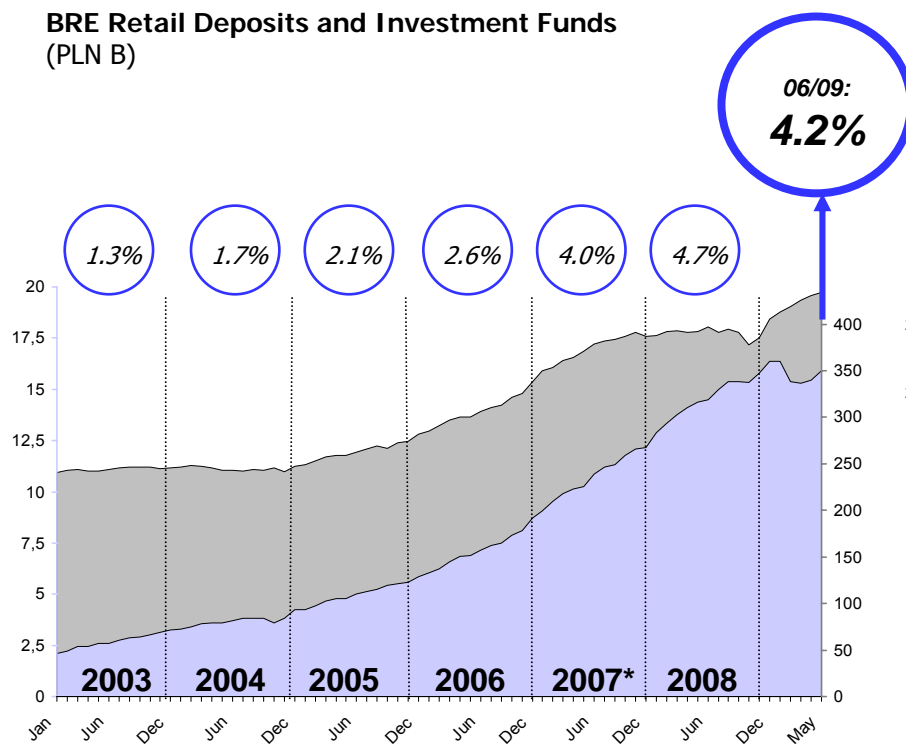
236.9 M



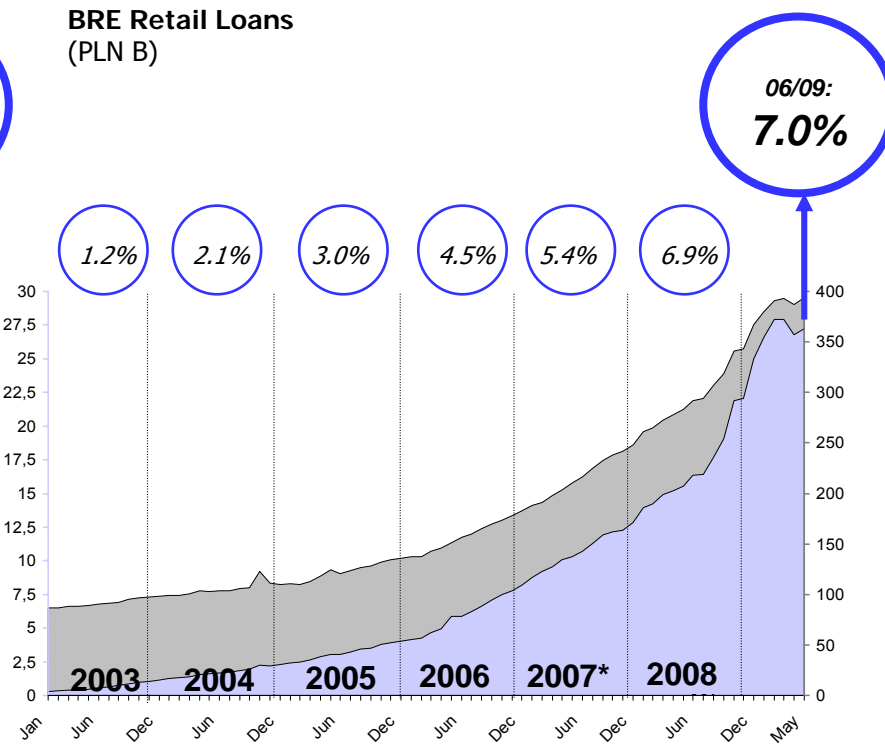
# Appendix

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

**BRE Retail Deposits and Investment Funds  
(PLN B)**



**BRE Retail Loans  
(PLN B)**



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

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

# Appendix

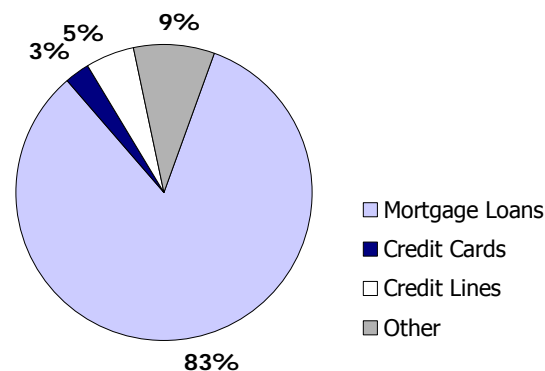
## BRE Bank Retail Banking: Mortgage Loans: Portfolio Structure and Quality

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

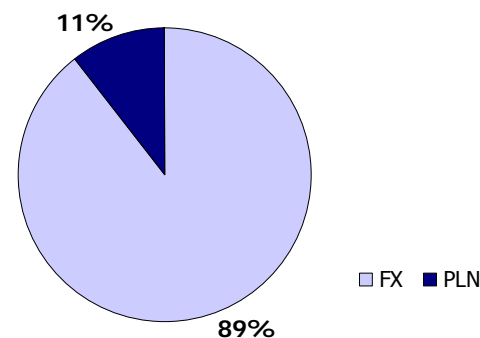
	<i><b>Total</b></i>	<i><b>PLN</b></i>	<i><b>FX</b></i>
<i>Balance-sheet value (PLN B)</i>	<i>22.23</i>	<i>2.35</i>	<i>19.88</i>
<i>Average maturity (years)</i>	<i>23.37</i>	<i>20.57</i>	<i>23.80</i>
<i>Average value (PLN thou.)</i>	<i>265,57</i>	<i>209.20</i>	<i>274.31</i>
<i>Average LTV (%)</i>	<i>85,3</i>	<i>55.7</i>	<i>89.7</i>
<i>NPL (%)</i>	<i>0.43</i>	<i>1.45</i>	<i>0.31</i>

*As at 30.06.2009*

**Structure of the Retail Banking Loans Portfolio**  
(Household Loans) at 30.06.2009



**Currency Structure of the Retail Banking Mortgage Loans Portfolio**  
(Household Loans) at 30.06.2009

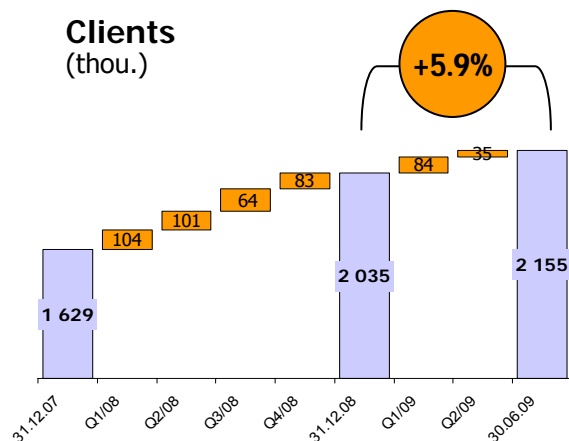


# Appendix

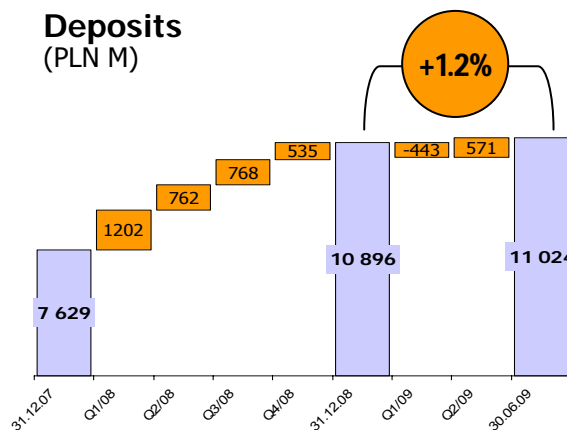
## BRE Bank Retail Banking: Net Sales by Quarters

### mBank

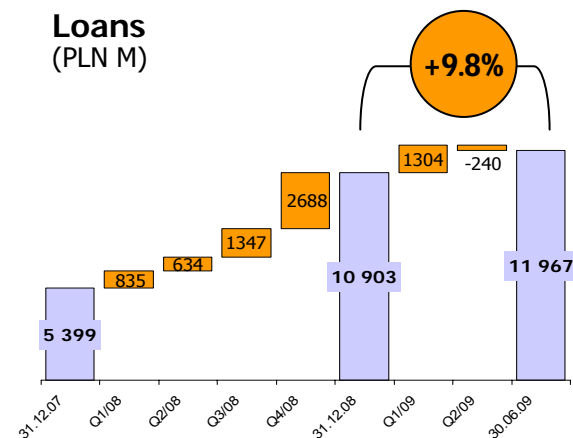
**Clients**  
(thou.)



**Deposits**  
(PLN M)

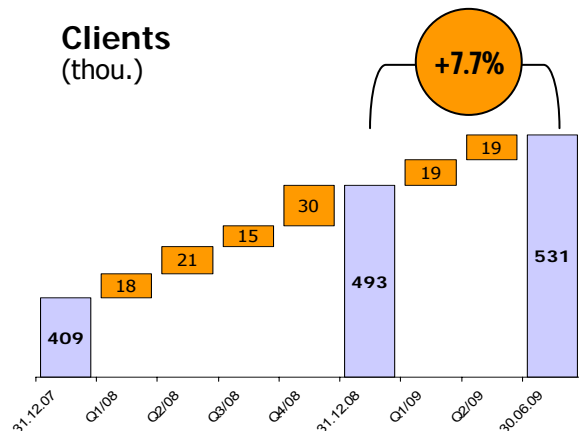


**Loans**  
(PLN M)

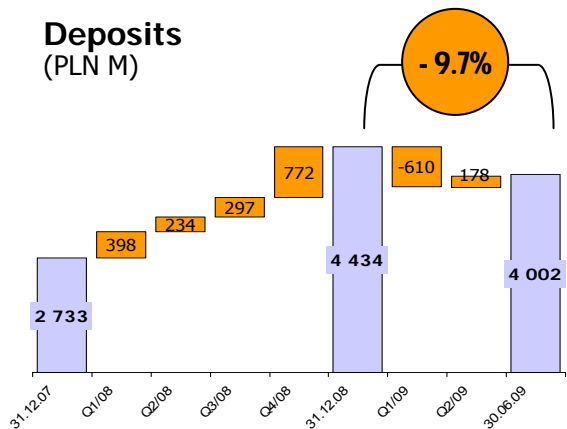


### MultiBank

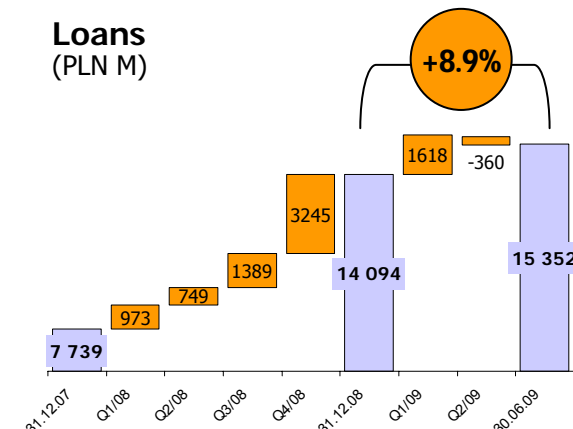
**Clients**  
(thou.)



**Deposits**  
(PLN M)



**Loans**  
(PLN M)



Balance Change



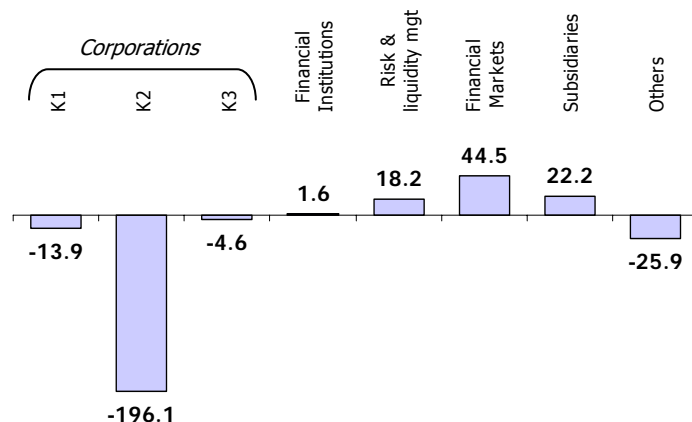
## **Detailed Results of the Business Lines, Q2/09**

---

*Corporates & Financial Markets*

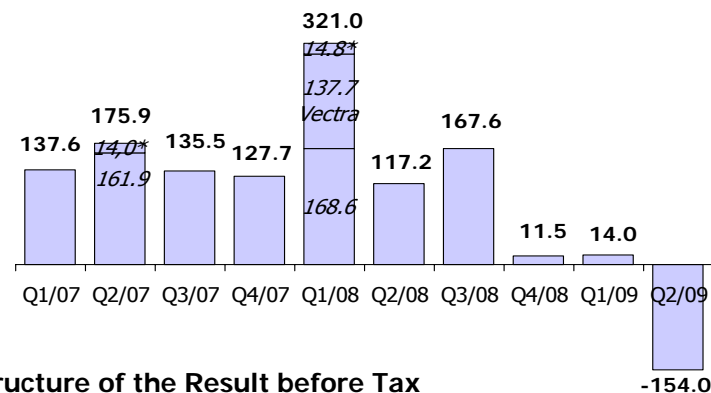
## Corporates and Financial Markets: Summary of Q2/09: Financial Results

**Contributors to the Result before Tax  
of Corporates & Financial Markets in Q2/09**  
(PLN M)

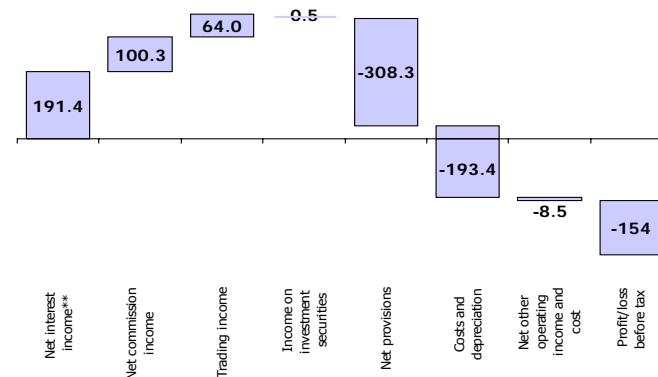


- *Segment's result before tax at PLN -154.0 M in Q2/09*
- *Significant impact of provisions (PLN 308.3 M) on Segment's profit, particularly provisions related to derivative transactions (PLN 215.3 M)*
- *Segment's subsidiaries generated profit before tax at PLN 22.2 M*

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



**Structure of the Result before Tax  
of Corporates & Financial Markets in Q2/09**  
(PLN M)

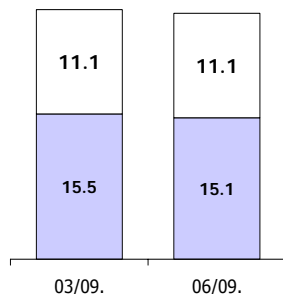


\* Q2/07: sale of shares of Mostostal Zabrze; Q1/08: Repayment of default loan  
\*\* Incl. internal settlements

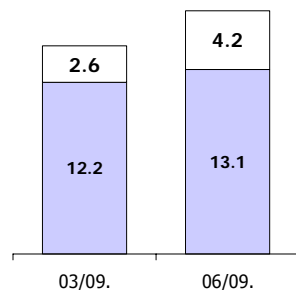
# Appendix

## Corporates and Institutions: Customer Acquisition and Volume Trends

**Corporate Loans**  
(PLN B)



**Corporate Deposits**  
(PLN B)



□ Enterprises  
acc. to NBP definition

Q1/09

Change

Q2/09

13 081

corporate  
clients

-0.7%

12 990

26.6 B

corporate  
loans (PLN)

-1.5%

26.2 B

15.5 B

thereof loans for  
enterprises (PLN)

-2.5%

15.1 B

14.8 B

corporate  
deposits (PLN)

+16.9%

17.3 B

12.2 B

thereof deposits of  
enterprises (PLN)

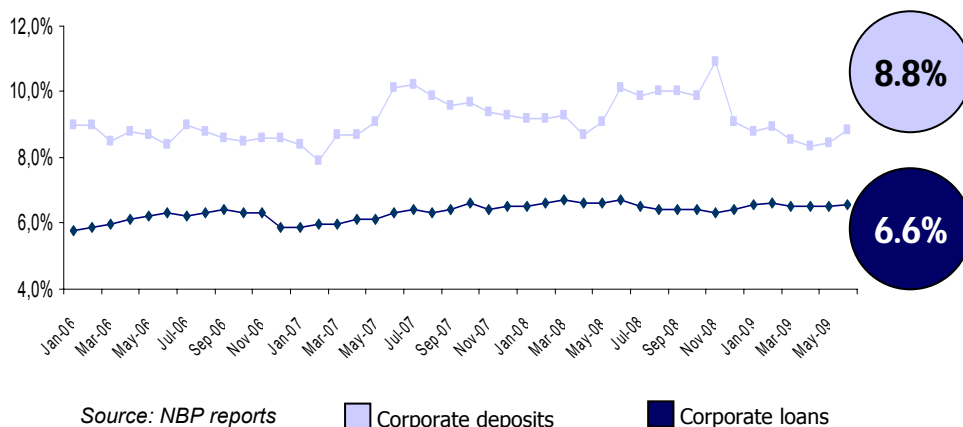
+7.1%

13.1 B

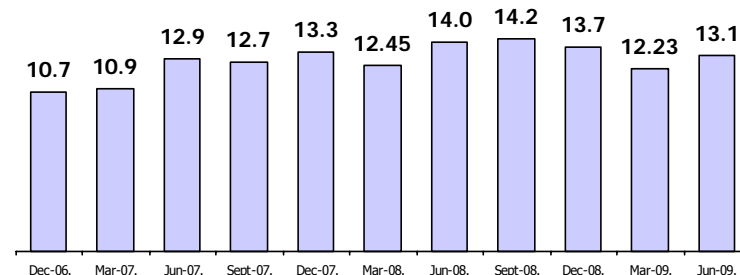
# Appendix

## Corporates and Institutions: Loans and Deposits – Market Share

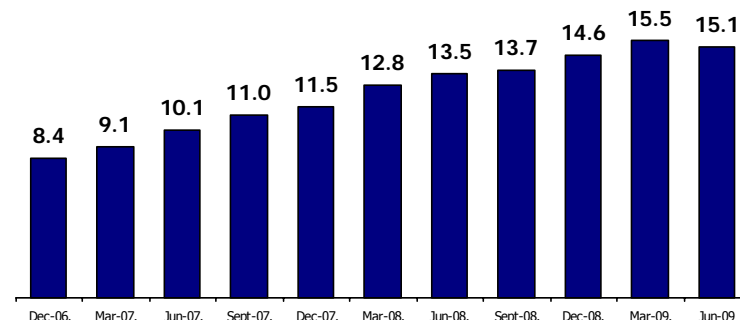
### BRE Bank's Market Share in Corporate\* Loans and Deposits 01/05 – 06/09



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



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



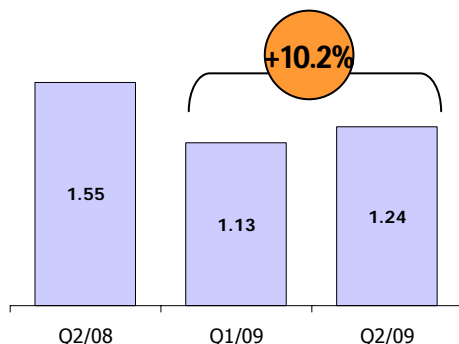
- **PLN 13.1 B of corporate deposits in BRE Bank at the end of Q2/09**
- **Growth of deposits base in Q2/09 (+7.1% QoQ) resulted mainly from implemented „Deposit Sales Initiative“ (in 06/09)**
- **PLN 15.1 B of corporate loans in BRE Bank at the end of Q2/09 (up by 11.9% YoY)**

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

## Corporates and Institutions: Leasing and Factoring

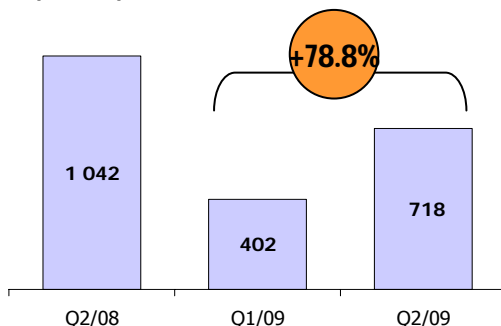
### Intermarket Group

Sales of Intermarket Group Companies  
(by quarters, EUR B)



### BRE Leasing

Value of BRE Leasing Contracts  
(PLN M)



### Intermarket Group companies\*

- PLN -7.5 M of pre-tax loss in Q2/09 (incl. PLN 18.5 M impairment on credit exposure of Romanian subsidiary); total loss: PLN -20.6 M in H1/09
- Sales at EUR 1.2 B in Q2/09, up by 10.2% QoQ
  - 19% YoY decrease in the amount of purchased invoices due to lower activity of factoring customers and increased number of insolvencies. However sales of Q2/09 show signs of recovery

### Polfactor

- Pre-tax profit at PLN 2.4 M in Q2/09 (-5.8% QoQ) under influence of higher impairment losses in Q2/09 in connection with economic slowdown; total pre-tax profit: PLN 4.9 M in H1/09
- Sales at PLN 1 003 M in Q2/09 (+28% QoQ); total sales after Q2/09 of PLN 1 785 M (+9% YoY)

- PLN -32 thou. of pre-tax loss in Q2/09; pre-tax profit in H1/09 of PLN 4.8 M
- Q2/09 pre-tax loss due to lower sales and necessity to create impairment provisions related to economic slowdown
- Leasing contracts written:
  - total of PLN 718 M in Q2/09, up by 78.8% QoQ due to new mortgage leasing contracts of PLN 368 M
  - 31.1% YoY decrease of sales results from lower demand for leasing services

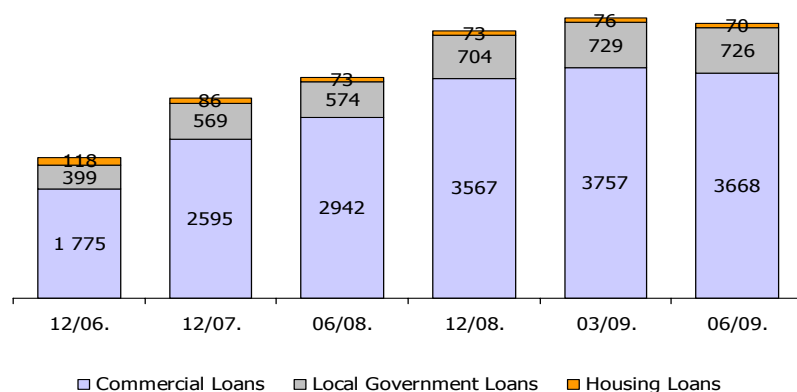
\*companies consolidated by BRE Bank: Intermarket Bank AG, Transfinance a.s., Polfactor S.A. and Magyar Factor zRt.



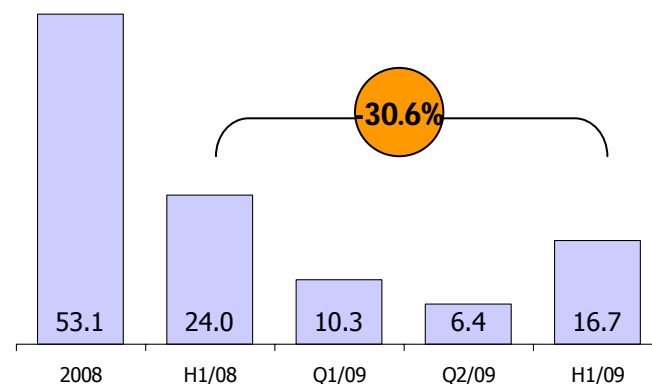
# Appendix

## Corporates and Institutions: BRE Bank Hipoteczny (BBH)

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



**Profit before Tax (PLN M)**



- *PLN 5 B of BBH's total balance-sheet and off-balance-sheet loans portfolio at the end of Q2/09, up by 11.6% YoY*
- *PLN 894.4 M total balance-sheet housing developers loans portfolio in 06/09*
- *PLN 16.7 M profit before tax in 06/09 ( PLN 24.0 M in 06/08)*
- *10.7% ROE ratio in Q2/09 (17.85% in Q2/08)*
- *C/I ratio increased from 43.3% in Q2/08 to 50.1% in Q2/09*
- *Provisions for the end of Q2/09 amounted to PLN 12.3 M (PLN 9.4 M at the end of Q2/08); LLP increased by PLN 1.03 M at the end of 06/09 (up by 9.2% in comparison to YE 2008)*

*\*As of July 2004 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)



- *IPO of LW Bogdanka accomplished (June 2009)*



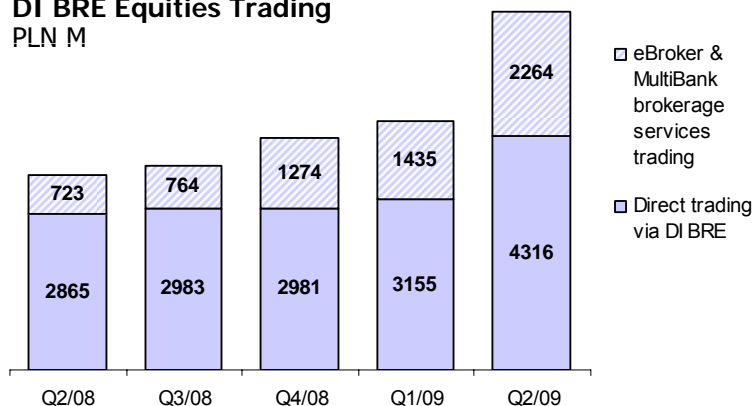
- *1st rank in „Primary Market Leaders” (April 2009)*



- *1st rank in the number of market debuts and oversubscribed IPOs in 2008 (April 2009)*

- *Profit before tax at PLN 16.8 M in H1/09 compared to PLN 15.1 M in H1/08 (annualised ROE in H1/09: 94%)*
- *Strengthening of the market position in main segments of capital market*
- *Continuous growth of the number of clients: 177.3 thou. accounts at the end of Q2/09 compared to 155.3 thou. in 2008*

**DI BRE Equities Trading**  
PLN M



**Number of Accounts with DI BRE - End of Q2/09 (thousand)**

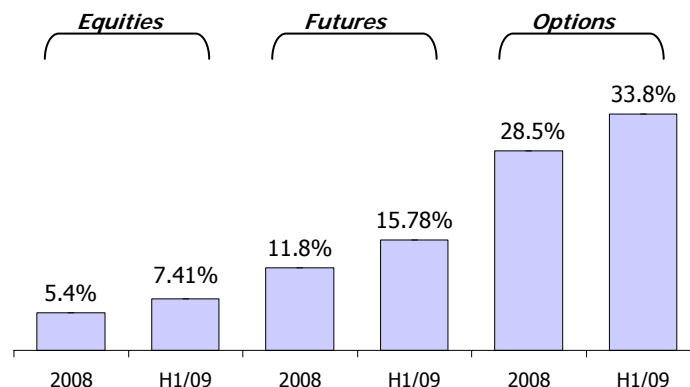
DI BRE accounts	24.5
eBroker (mBank)	133.2
Brokerage Service (MultiBank)	16.6
<b>TOTAL</b>	<b>177.3</b>

**DI BRE Market Share H1/09, by volume\***

Equities	7.41%	#5
Bonds	4,55%	#4
Futures	15,78%	#2
Options	33,8%	#1

\* Calculations based on WSE, DI data

**DI BRE Market Share in WSE Trading**



# Appendix

## Corporates and Institutions: Proprietary Investments Portfolio

*Major Equity Investments  
at 30.06.2009*

*Equity Stake*

*PZU SA*

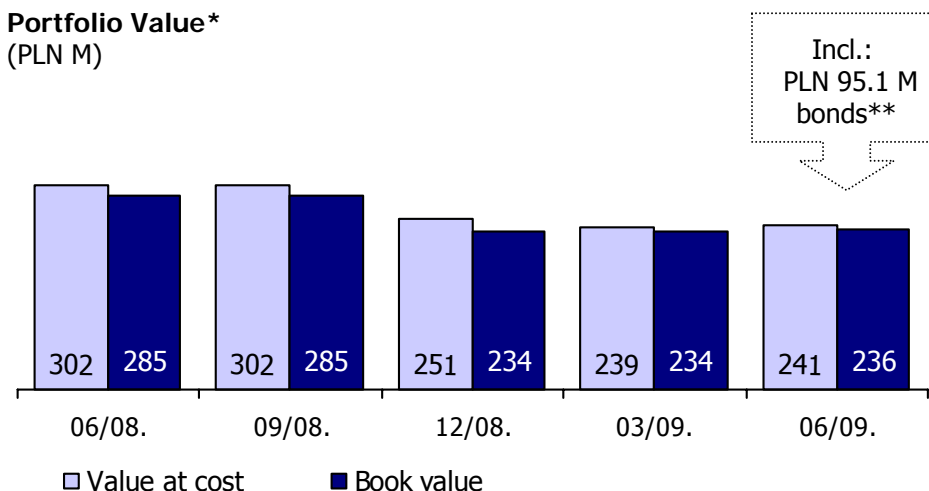
0.76%

*Garbary Sp. z o.o.*

100.00%

- *At the end of Q2/09,  
value at cost  
of **proprietary investments**  
and **mezzanine portfolio**  
reached **PLN 241 M***
- *A decrease of the portfolio value  
by PLN 10 M  
compared to year-end 2008 is due to  
the sale of remaining Xtrade SA stake  
and the purchase  
of Internet Group shares  
as a result of call option execution*

**Portfolio Value\***  
(PLN M)



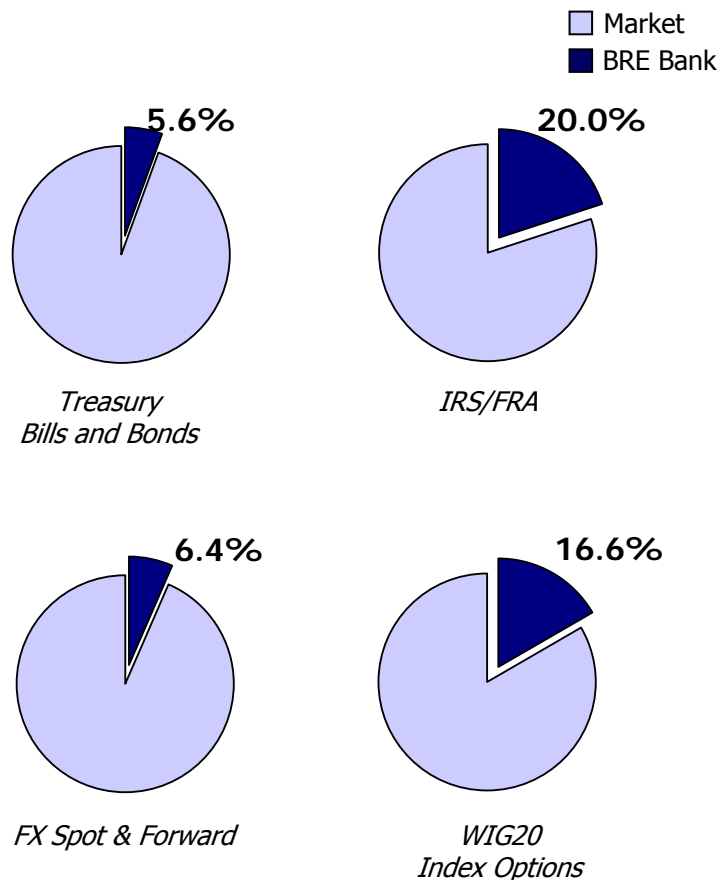
*\*Incl. consolidated Garbary i Telettech Investment*

*\*\*Bonds issued due to mezzanine finance transactions*

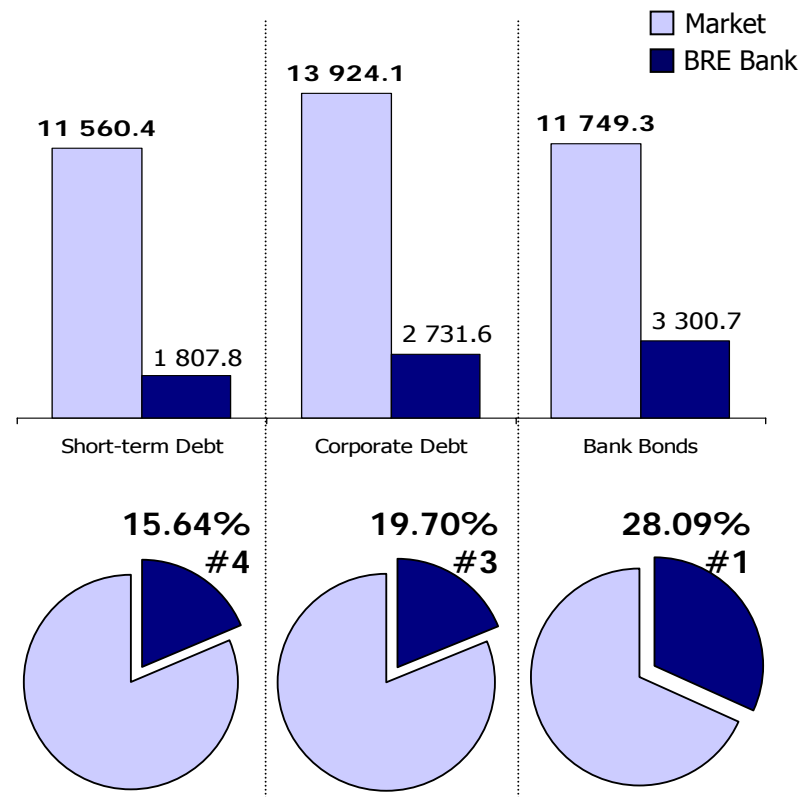
# Appendix

## Trading and Investment Activity: Market Share

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



**BRE Bank in the Market  
of Non-Treasury Debt\*\*  
at 30.06.2009 (PLN M)**



\* As at 31.05.2009; own calculations based on NBP and WSE figures

\*\* After Fitch Polska S.A., Rating & Rynek, 30.06.2009 and own calculations



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

---

# Appendix

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



<i>PLN thou. By quarter</i>	<i>Q2/08</i>	<i>Q3/08</i>	<i>Q4/08</i>	<i>Q1/09</i>	<i>Q2/09</i>
<i>Net interest income</i>	<i>327 305</i>	<i>364 846</i>	<i>384 421</i>	<i>397 103</i>	<i>431 487</i>
<i>Net commission income</i>	<i>145 359</i>	<i>135 026</i>	<i>128 700</i>	<i>121 842</i>	<i>158 122</i>
<i>Dividend income</i>	<i>3 733</i>	<i>10</i>	<i>5 686</i>	<i>-</i>	<i>2 822</i>
<i>Trading profit</i>	<i>119 115</i>	<i>167 758</i>	<i>61 907</i>	<i>122 991</i>	<i>100 971</i>
<i>Gains less losses from investment securities</i>	<i>330</i>	<i>97</i>	<i>(2 149)</i>	<i>(16 606)</i>	<i>(544)</i>
<i>Other operating income</i>	<i>50 074</i>	<i>37 529</i>	<i>48 281</i>	<i>90 158</i>	<i>66 575</i>
<i>Net credit and loans impairment provisions</i>	<i>(45 626)</i>	<i>(70 808)</i>	<i>(130 468)</i>	<i>(210 028)</i>	<i>(438 824)</i>
<i>Overhead costs</i>	<i>(318 503)</i>	<i>(312 512)</i>	<i>(414 180)</i>	<i>(300 610)</i>	<i>(303 890)</i>
<i>Depreciation/Amortisation</i>	<i>(48 456)</i>	<i>(51 299)</i>	<i>(58 224)</i>	<i>(58 526)</i>	<i>(59 264)</i>
<i>Other operating cost</i>	<i>(25 554)</i>	<i>(16 542)</i>	<i>(33 122)</i>	<i>(43 003)</i>	<i>(44 588)</i>
<i>Operating profit</i>	<i>207 777</i>	<i>254 105</i>	<i>(9 148)</i>	<i>103 321</i>	<i>(87 133)</i>
<i>Share in profits (losses) of associated companies</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Profit before tax</i>	<i>207 777</i>	<i>254 105</i>	<i>(9 148)</i>	<i>103 321</i>	<i>(87 133)</i>
<b><i>Net profit attributable to owners of BRE Bank</i></b>	<b><i>278 656</i></b>	<b><i>198 460</i></b>	<b><i>35 190</i></b>	<b><i>77 221</i></b>	<b><i>(61 557)</i></b>

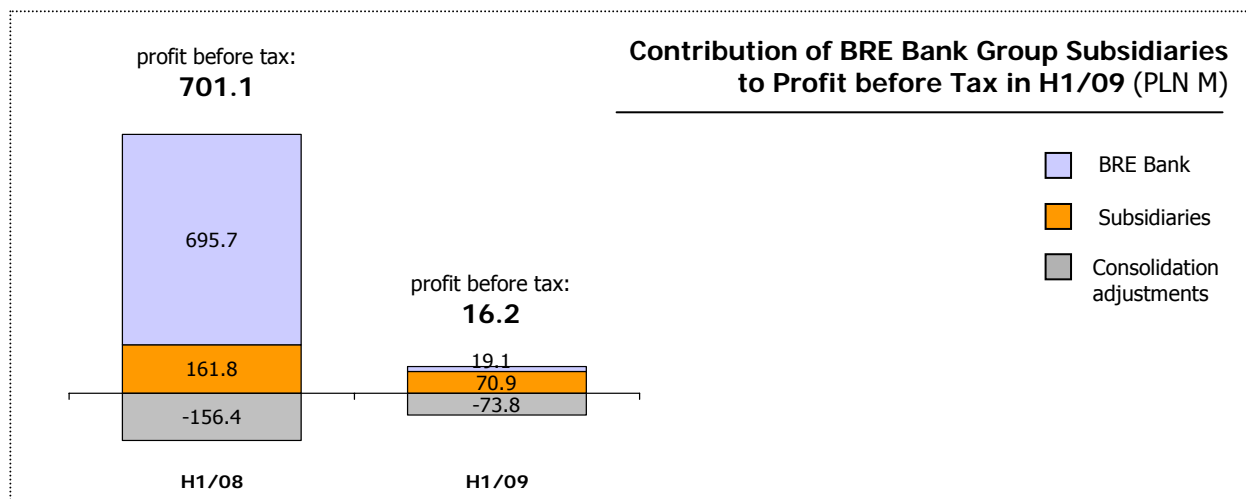
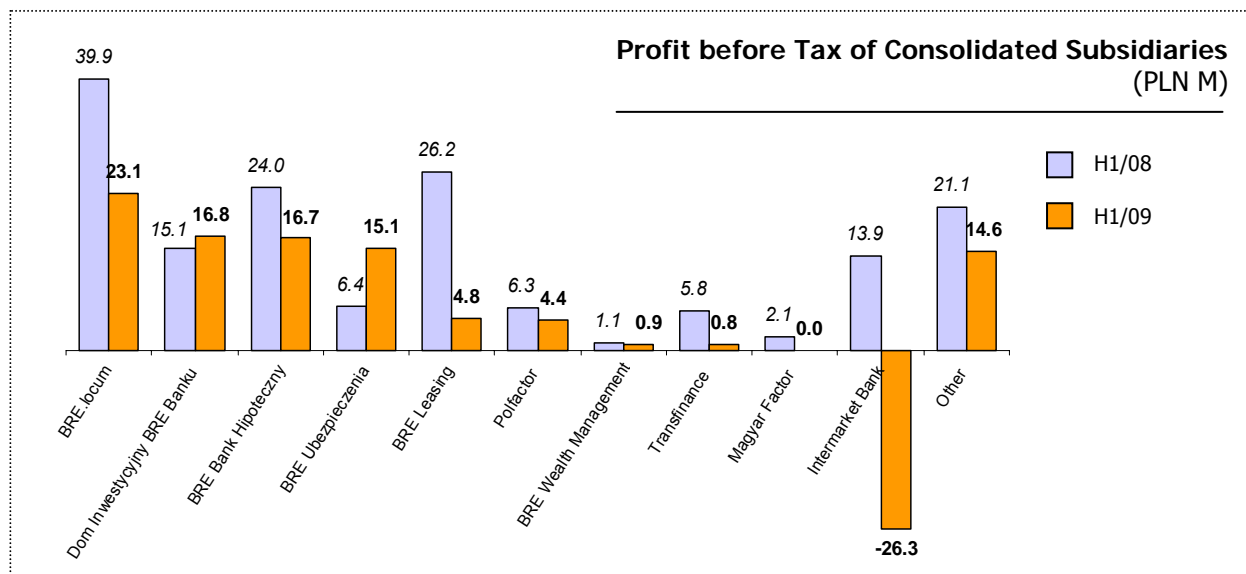
\* Quarterly data for continued & discontinued operations, Q2-Q4 2008 incl. impact of consolidation of BRE Ubezpieczenia (BRE Insurance)

# Appendix

## Additional Information: Selected Financial Data Results of Subsidiaries

***H1/09 profit  
before tax  
of consolidated  
subsidiaries  
at PLN 70.9 M  
vs. PLN 161.8 M  
in H1/08***

***PLN 37.6 M of Q2/09  
profit before tax  
of consolidated  
subsidiaries  
(+12.5% vs. Q1/09)***

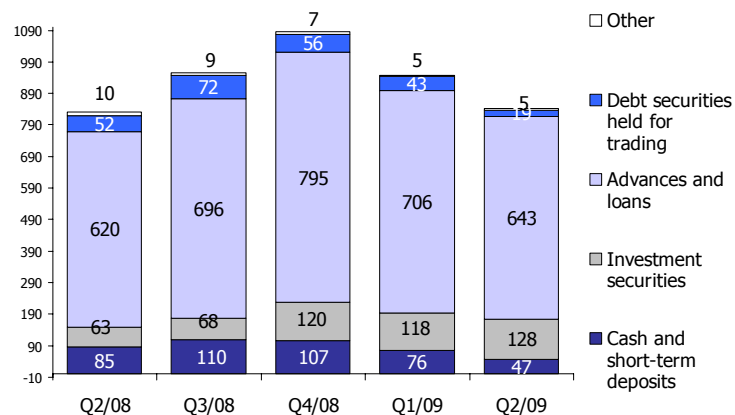


# Appendix

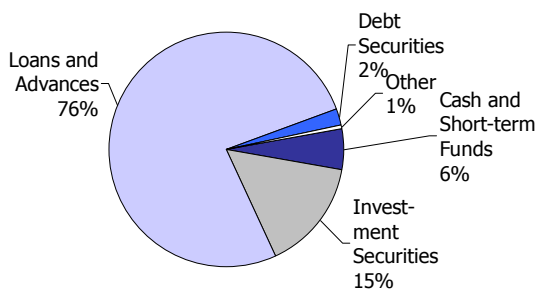
## Additional Information: Selected Financial Data Net Interest Income & Margin



**Interest Income Structure**  
(PLN M)

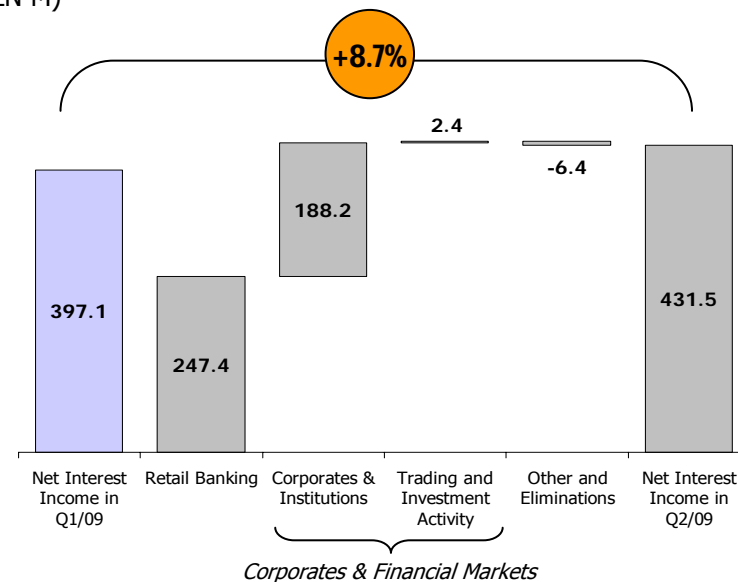


**Structure of Interest Income Q2/09**  
(%)



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

**Net Interest Income, Q2/09 by Business Line**  
(PLN M)



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

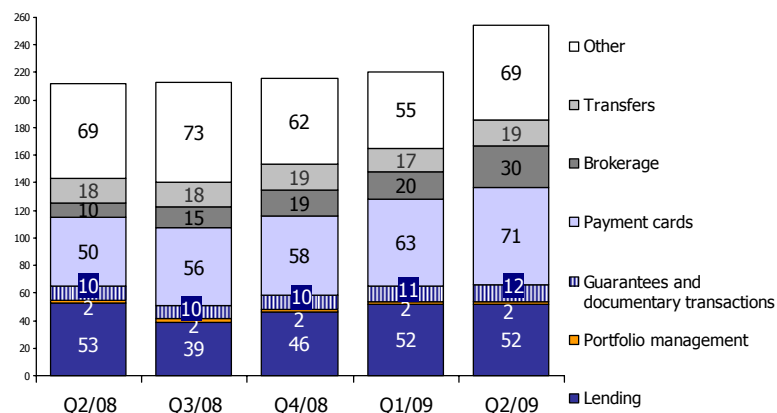
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
2007				2008				2009	
2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.3	2.2	2.3



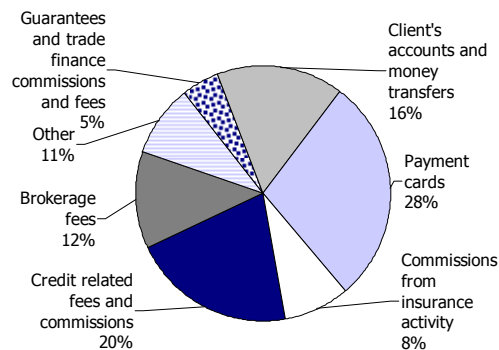
# Appendix

## Additional Information: Selected Financial Data Commission Income

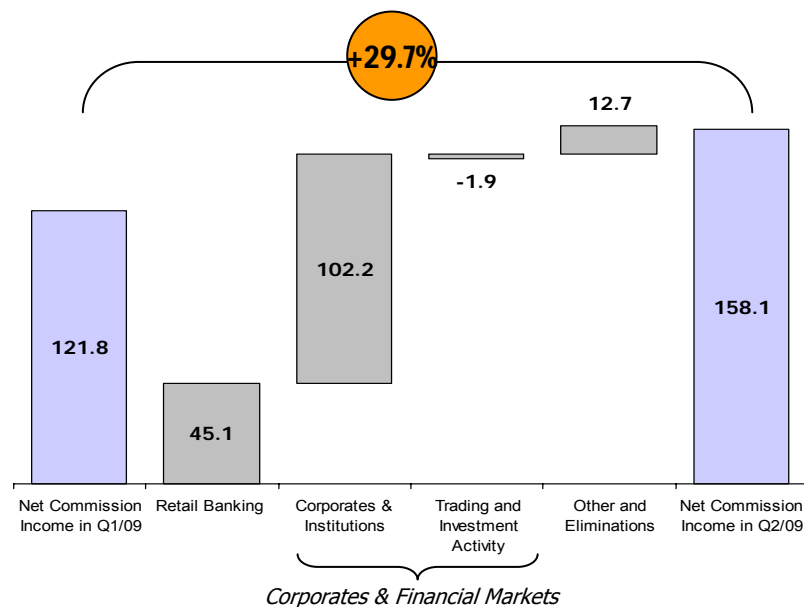
**Commission Income Structure (PLN M)**



**Structure of Commission Income Q2/09 (%)**



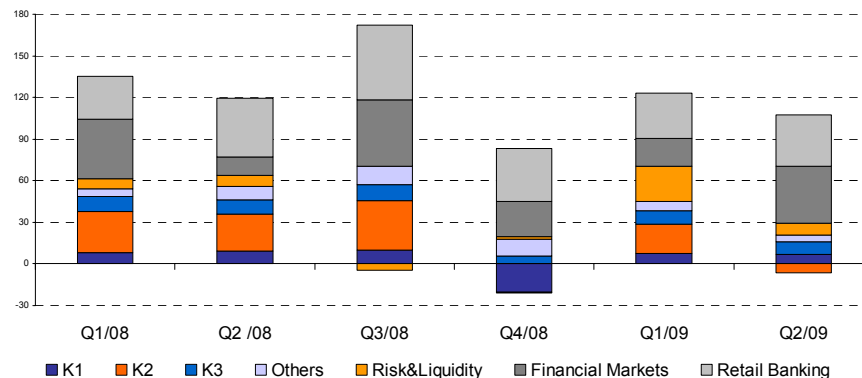
**Net Commission Income, Q2/09 by Business Line (PLN M)**



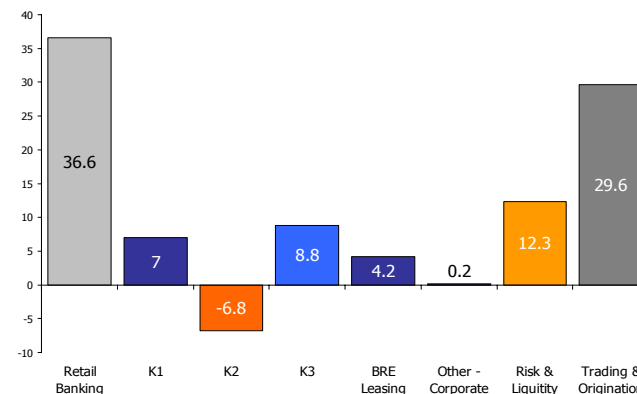
# Appendix

## Additional Information: Selected Financial Data Trading Income

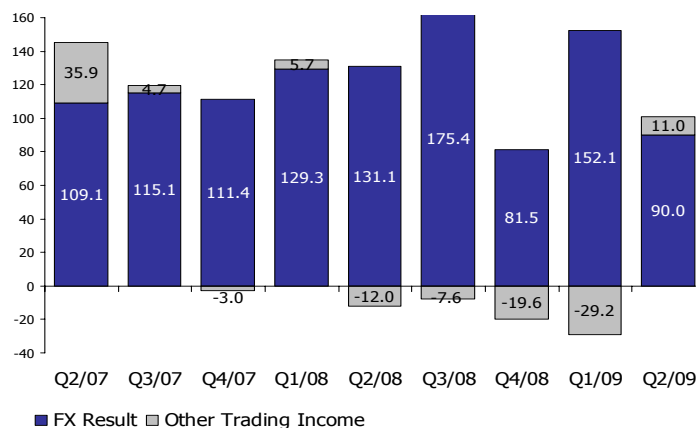
**Contributors of Net Trading Income  
(PLN M)**



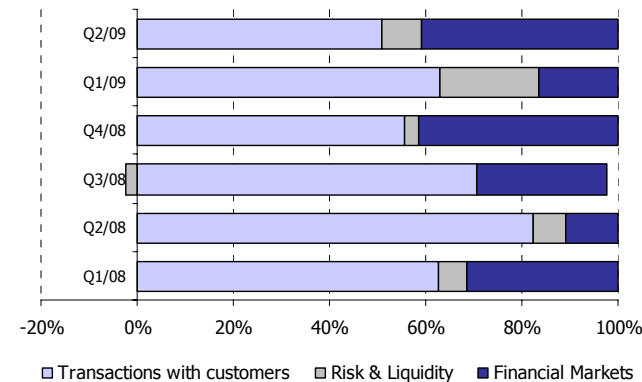
**FX Result Contributors in Q2/09  
(PLN M)**



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



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

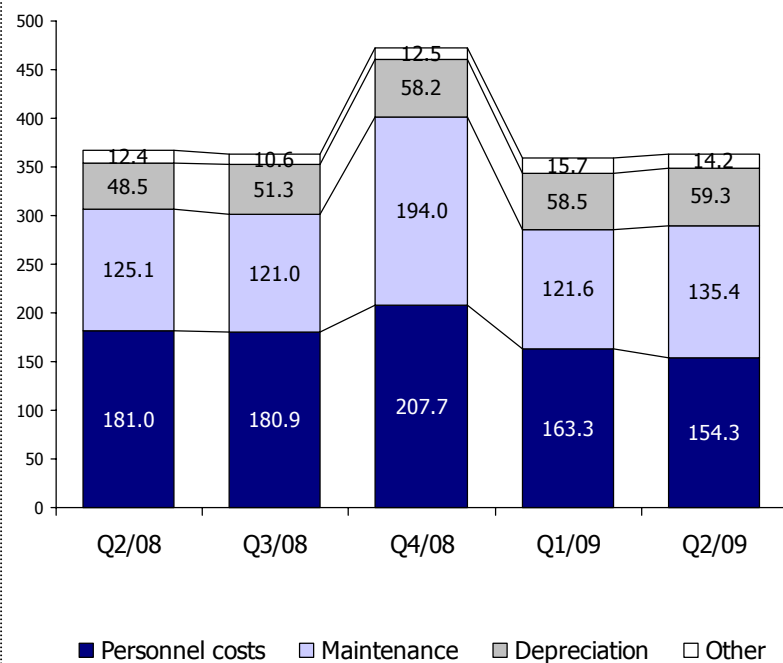


# Appendix

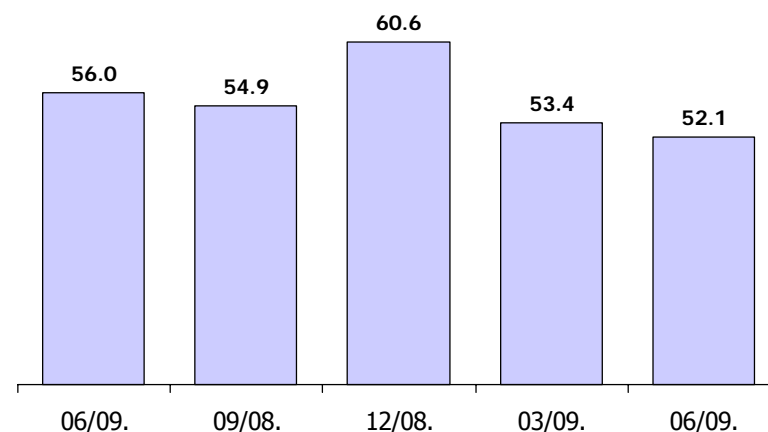
## Additional Information: Selected Financial Data Administrative Expenses Structure



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



**C/I Ratio of BRE Bank Group\*  
(%)**

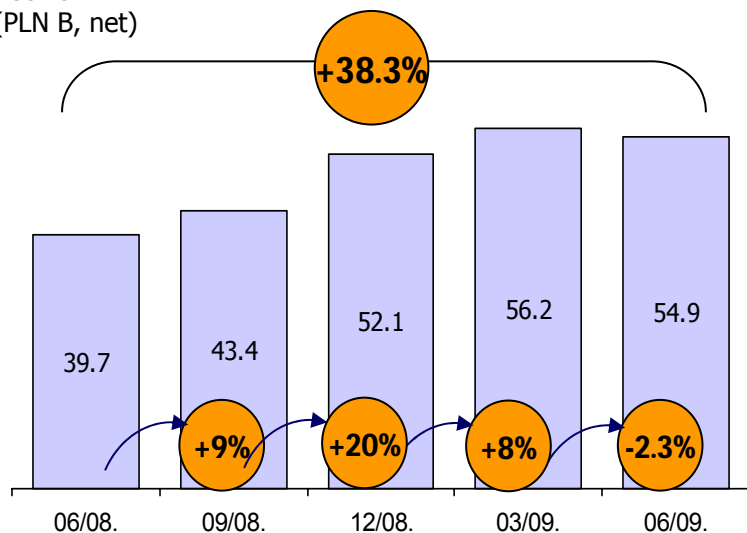


\* Calculated for continued and discontinued operations net of one-offs.  
Incl. one-offs the ratio was:  
48.3% in Q2 2008, 49.7% in Q3 2008 and 55.1% in Q4 2008;  
No one-offs and discontinued operations in Q1 and Q2 2009

# Appendix

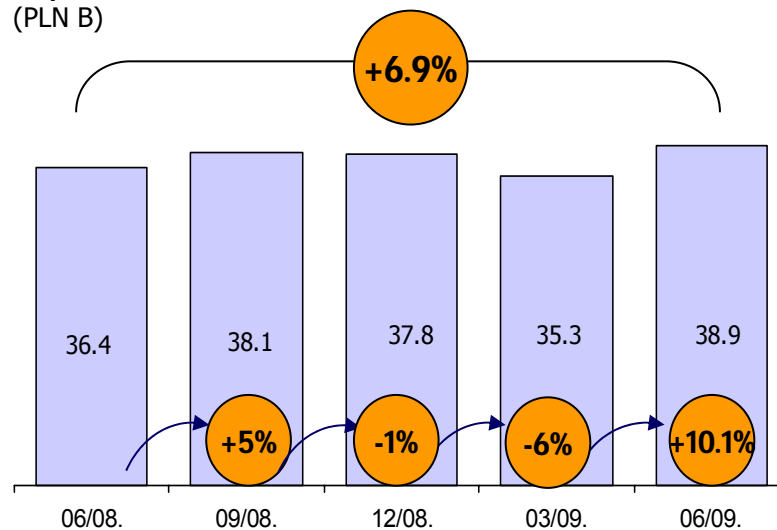
## Additional Information: Selected Financial Data Loans and Deposits

**Loans**  
(PLN B, net)



- **Credit portfolio growth above the market average YoY**  
(+38.3% YoY vs. market: + 27.0% YoY),  
driven by retail (+69.2% YoY)  
and corporate loans (+17.7% YoY)
- **QoQ drop of credit portfolio**  
(-2.3% QoQ vs. market: -0.4%)  
as a result of drop of corporate (-1.3%)  
and retail loans (-1.8%)  
and influenced by PLN appreciation in Q2/09

**Deposits**  
(PLN B)



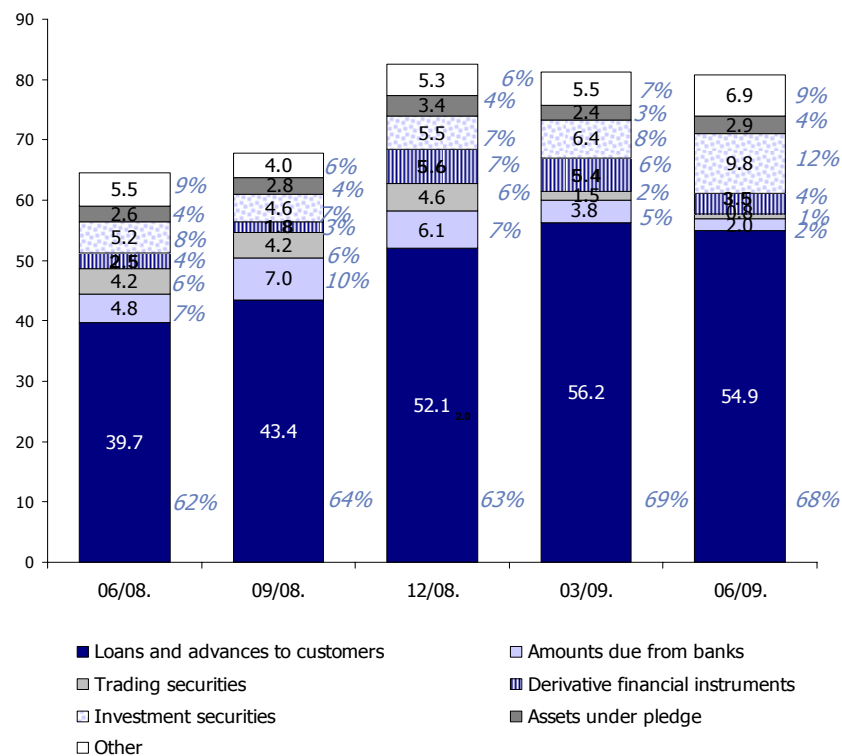
- **Deposits growth below the market average YoY**  
(BRE Bank: +6.9% YoY vs. market: +18.6% YoY),  
as a result of falling corporate deposits (-9.0% YoY)  
and increasing retail deposits (+24.5% YoY)
- **QoQ increase of deposits in BRE Bank Group**  
(10.1% QoQ vs. market: +2.5% QoQ)  
as a result of increase in both corporate (+16.4% QoQ)  
and retail (+5.7% QoQ) deposits in Q2/09

# Appendix

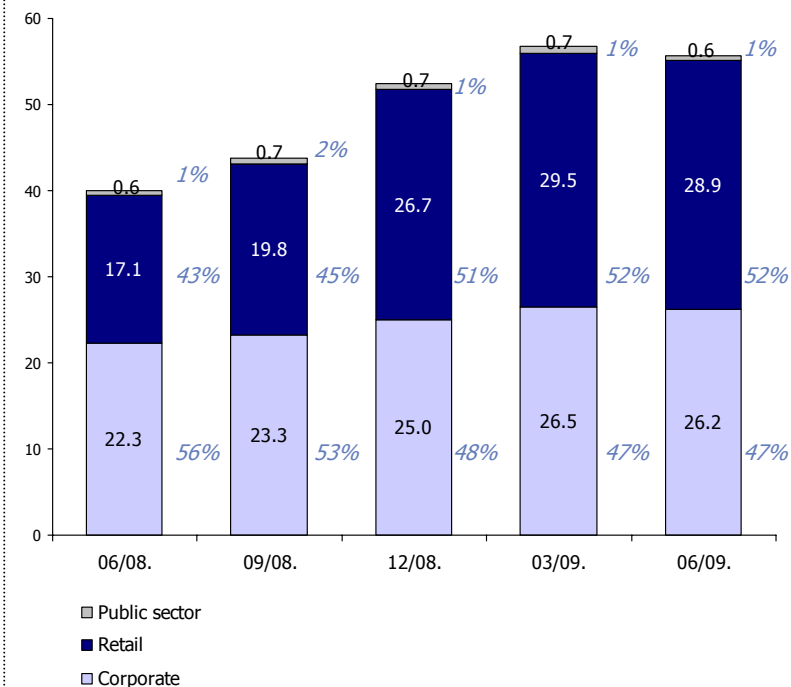
## Additional Information: Selected Financial Data Balance Sheet Analysis: Assets



**Structure of Assets**  
(PLN B)



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

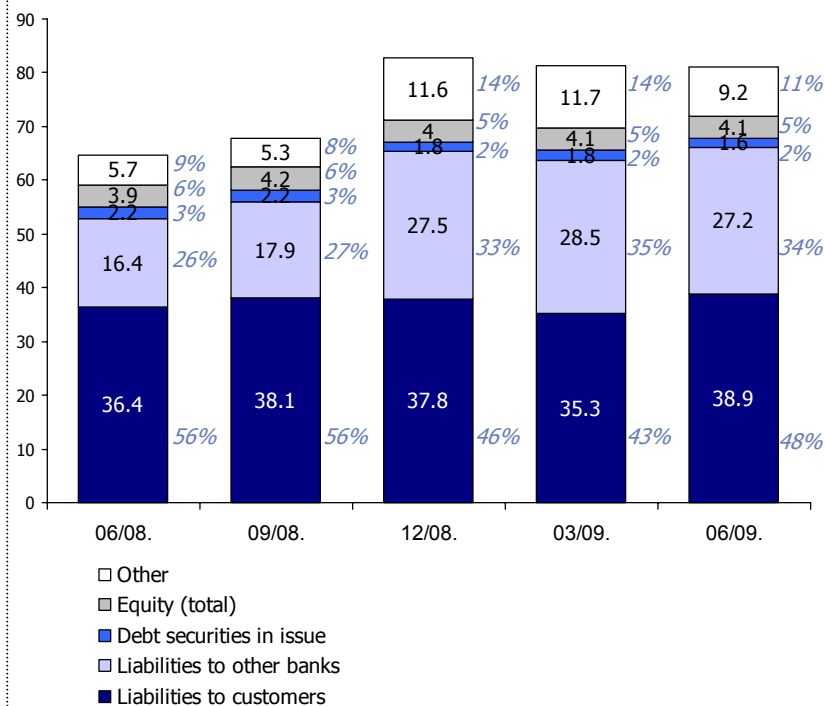


\*Gross loans and advances to customers (excl. 'other advances')

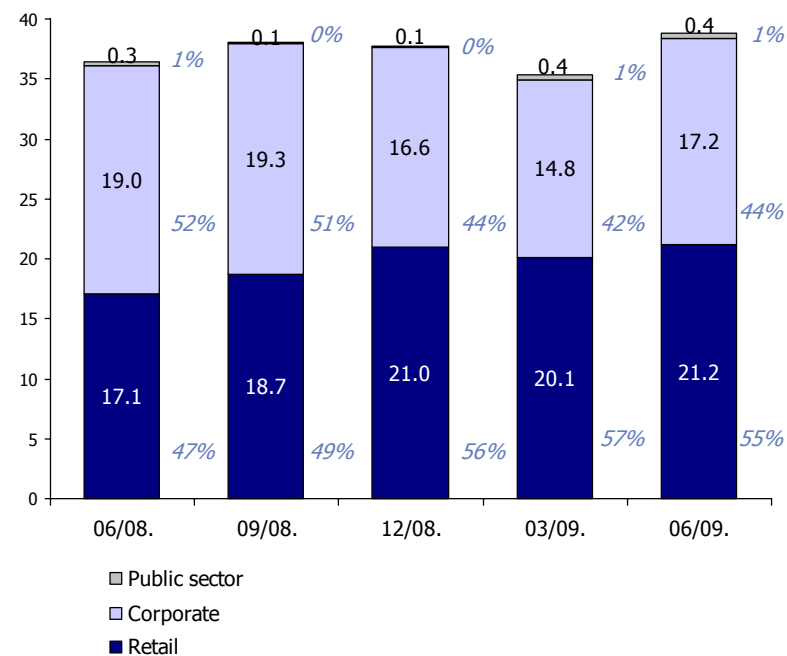
# Appendix

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

**Structure of Liabilities**  
(PLN B)



**Structure of Deposits**  
(PLN B)



# Appendix

## Maturity of Long- and Midterm FX Loans by 2010



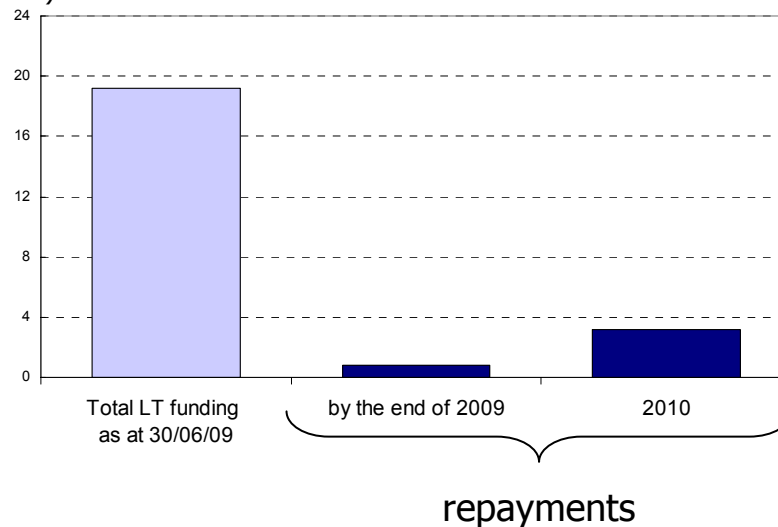
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*By the end of 2010 BRE Bank will need to refinance PLN 4.0 B of long- and mid-term loans drawn in the past to fund FX lending. This means that...*

***... mid-term we will need to refinance ca. 20% of the outstanding balance of long- and mid-term loans***

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**Maturity of Long- and Mid-term FX Loans by 2010 (PLN B)**



# Appendix

## Additional Information: Selected Financial Data Capital Adequacy Ratio

### *Capital Adequacy Ratio under NCA*

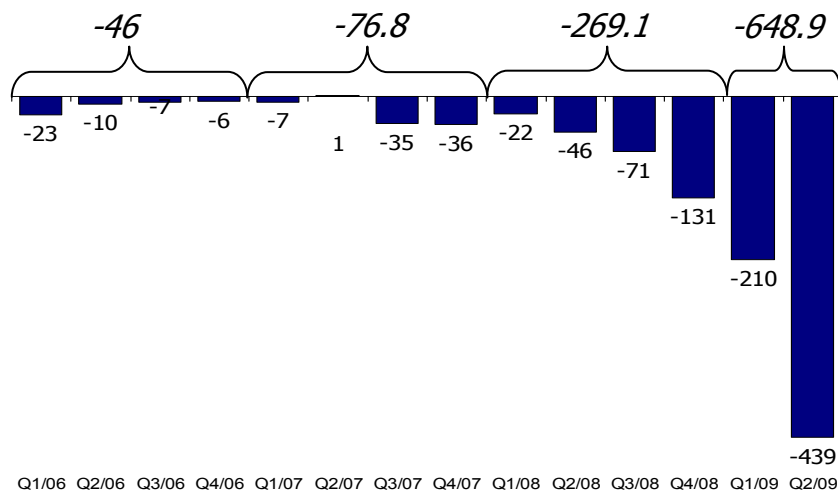
<i>Capital Requirement (PLN M)</i>	<i>Q4/07 Basel I</i>	<i>Q4/08 Basel II</i>	<i>Q1/09 Basel II</i>	<i>Q2/09 Basel II</i>
<i>Credit risk</i>	<i>2 998</i>	<i>4 177</i>	<i>4 368</i>	<i>4 101</i>
<i>Market risk</i>	<i>93</i>	<i>89</i>	<i>66</i>	<i>46</i>
<i>Operational risk</i>	<i>-</i>	<i>326</i>	<i>326</i>	<i>326</i>
<i>Other risks</i>	<i>24</i>	<i>120</i>	<i>113</i>	<i>75</i>
<i>Total capital requirement</i>	<i>3 114</i>	<i>4 712</i>	<i>4 873</i>	<i>4 548</i>
<i>CAR (%)</i>	<i>10.16</i>	<i>10.04</i>	<i>10.26</i>	<i>11.08</i>



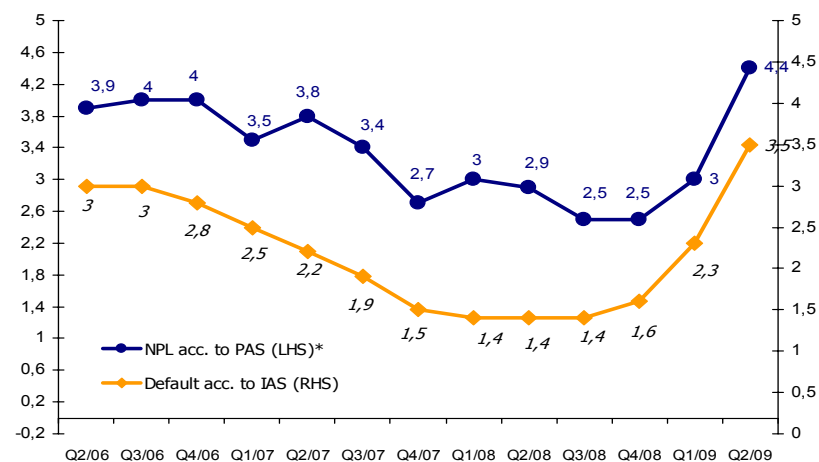
# Appendix

## Additional Information: Selected Financial Data Credit Provisions

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



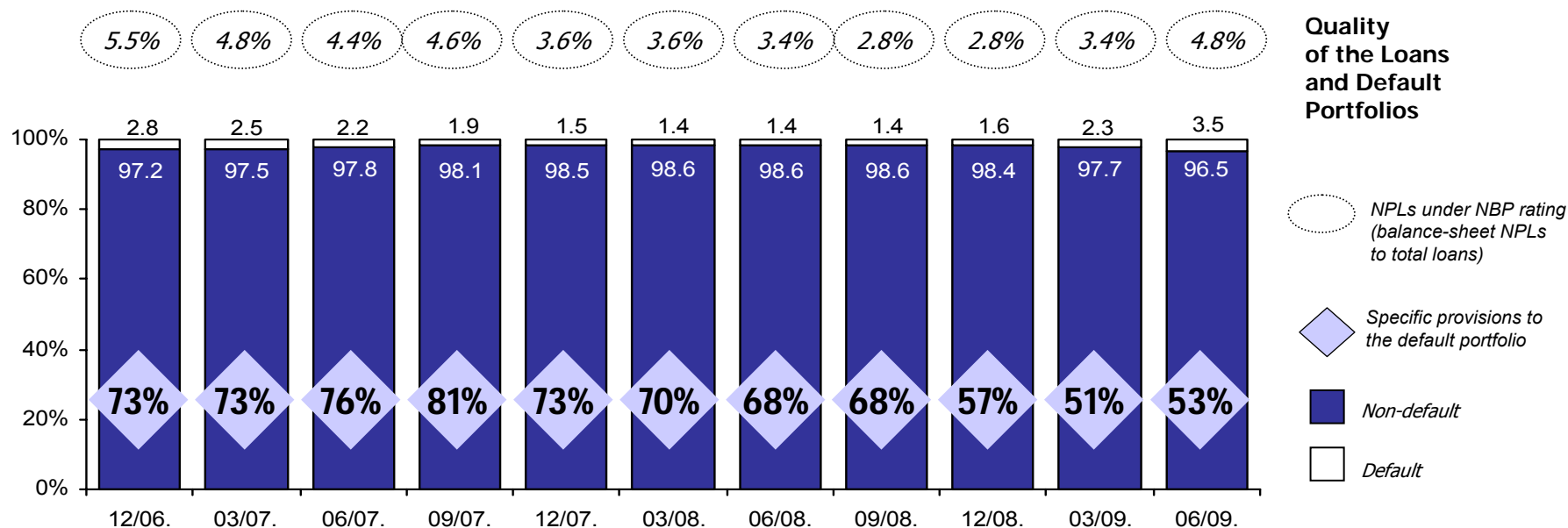
**BRE Bank Portfolio Quality**  
(%)



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

# Appendix

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



PLN M	06/09	% share	12/08	% share	06/08	% share
Default	2 144	3.5	992	1.6	695	1.4
Non-default	58 458	96.5	60 481	98.4	47 607	98.6
TOTAL	60 602	100.0	61 473	100.0	48 302	100.0

**Structure of the Default Portfolio**

# Appendix

## Additional Information: Average PD and Portfolio Provisions

### Change of average PD in the credit portfolio vs. portfolio provisions

