



**BRE BANK SA**

# Results of BRE Bank Group Q1-2 2009

**Sustainable business prevails**

*Management Board of BRE Bank*

*Presentation for Investors and Analysts  
06 August 2009*

[ THE BEST FINANCIAL INSTITUTION  
FOR DEMANDING CUSTOMERS ]



## *Summary of BRE Bank Group Results Q1-2/09*

### *Business Environment*

### *BREnova in Focus*

### *Analysis of the Results, Q2/09*

### *Risk Management*

### *Appendix*

Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data



## *Summary of BRE Bank Group Results Q1-2/09*

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*Business Environment*

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*Appendix*

Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data



**1**

*Strong business fundamentals*

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**2**

*Financial results  
undermined by high risk provisions*

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**3**

*Recurrent income Q2/09 hits a record high*

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**4**

*BREnova – it works!*

- *continued reduction in C/I*
  - *planned savings already achieved in half*
-

# Summary of Q1-2/09 in BRE Bank Group

## Profitability of Business



<b>Result before tax H1/09</b>		<b>PLN +16.2 M</b>
Result before tax Q2/09		PLN -87.1 M
<b>ROE before tax</b>		<b>0.8%</b>
<b>Cost/Income (C/I)</b>		<b>52.1%</b>
<b>Capital adequacy ratio (CAR)</b>		<b>11.08%</b>

# Summary of Q1-2/09 in BRE Bank Group

## Profitability of the Business Lines



### Quarterly Result before Tax by Business Line

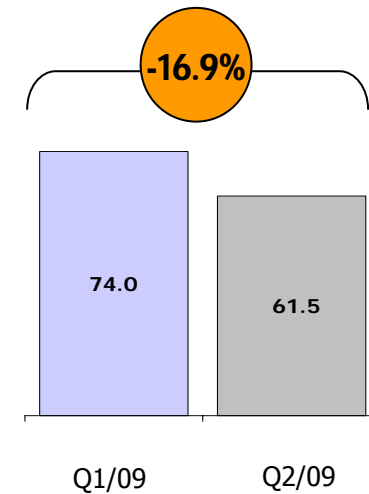
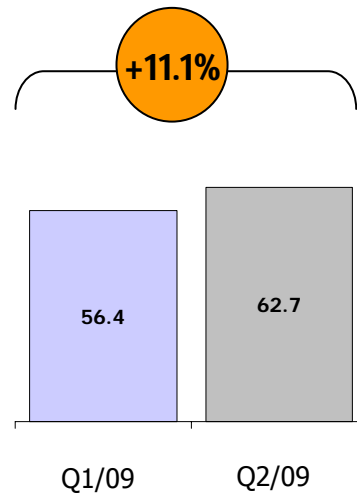
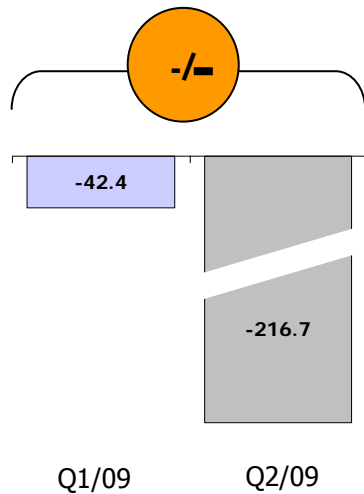
#### Corporates & Financial Markets

#### Retail Banking

PLN M

Corporates and Institutions

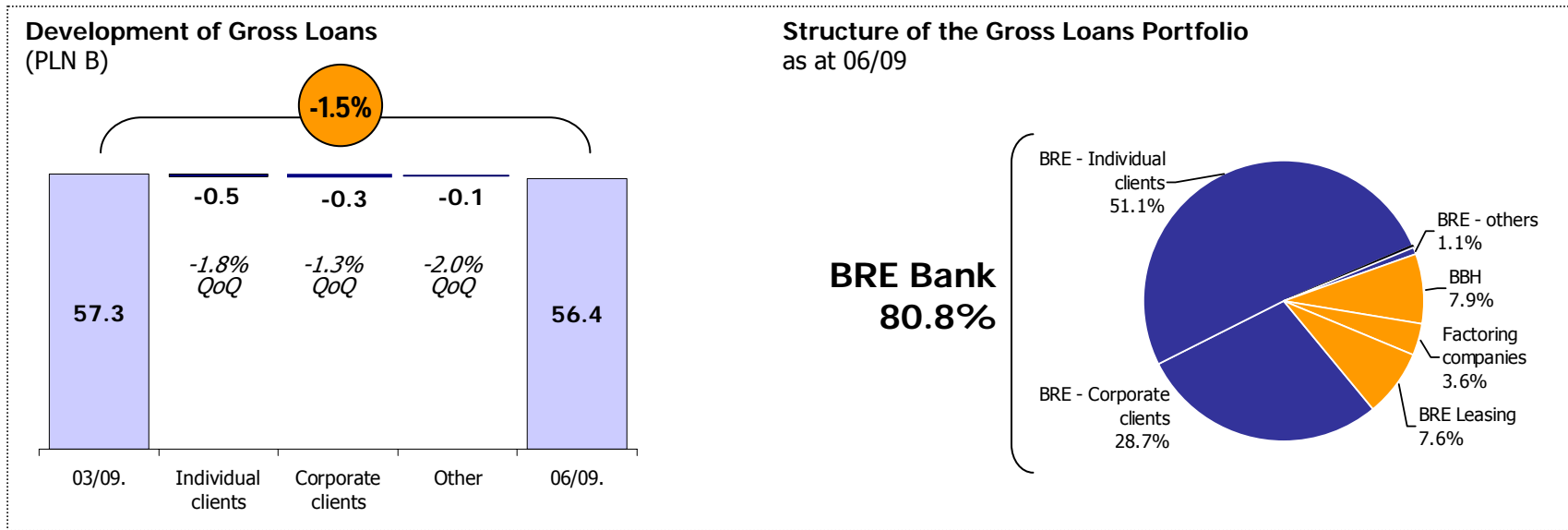
Trading and Investment Activity



# Summary of Q1-2/09 in BRE Bank Group



## Development of Loans to Clients



***Slight decrease of total loans due to effects of PLN appreciation on portfolio***

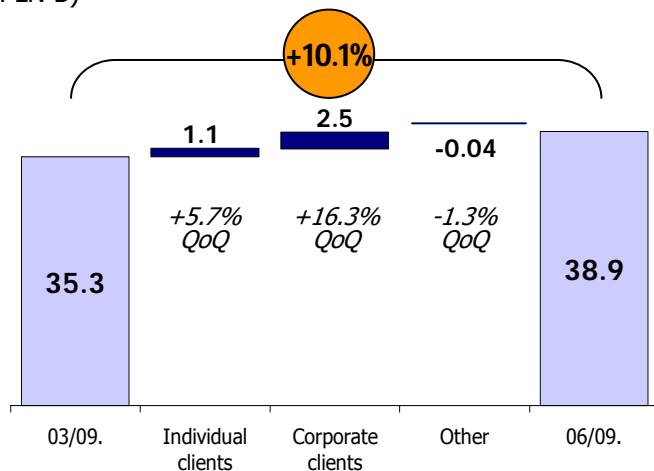
- *Total gross lending down by 1.5% QoQ and up by 39.7% YoY (market: -0.4% QoQ and +27.0% YoY)*
- *Total gross lending without the impact of PLN appreciation: +1.2% QoQ*
- *Stable QoQ share of loans to retail clients in total portfolio*

# Summary of Q1-2/09 in BRE Bank Group

## Development of Deposit Base

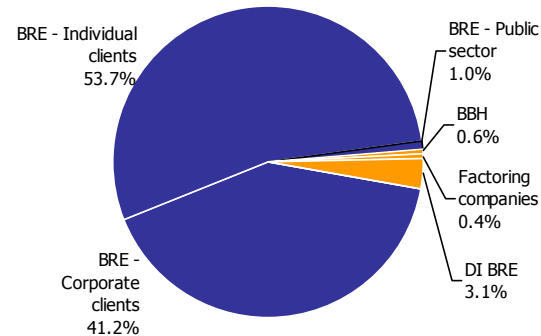


Development of Deposits  
(PLN B)



Structure of Amounts Due to Clients  
as at 06/09

**BRE Bank**  
**95.9%**



***Inflow of corporate deposits  
after seasonal decline***

***Increase of retail deposits  
without aggressive pricing***

- *Total deposits up by 10.1% QoQ  
and up by 6.9% YoY  
(market: +2,5% QoQ and +18,6% YoY)*
- *Total share of deposits of retail clients  
slightly down QoQ*
- *Stable market share in deposits:*
  - *Retail deposits at 4.2%*
  - *Corporate deposits at 6.6%*

# Summary of Q1-2/09 in BRE Bank Group

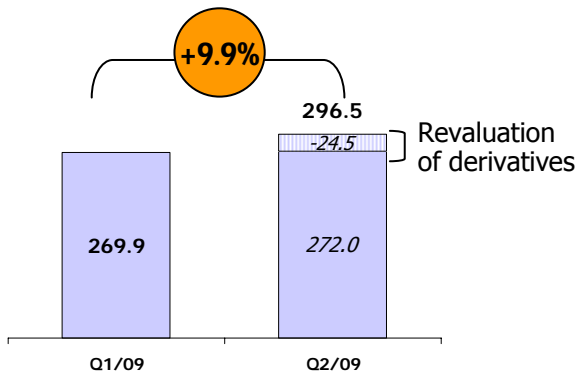
## Business Development: Corporates & Institutions



### Sound basic parameters of the corporate business

#### Revenue

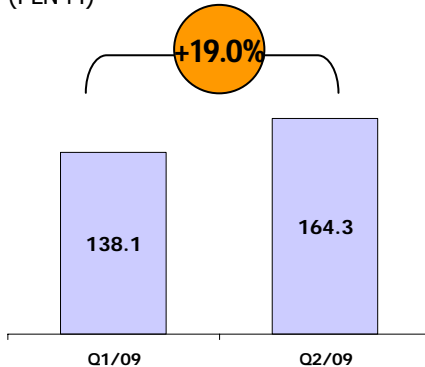
(before costs excl. LLP, PLN M)



- *Revenue growth driven by increased margins on risk-consuming products despite lower income from financial instruments sale and decreasing market rates*

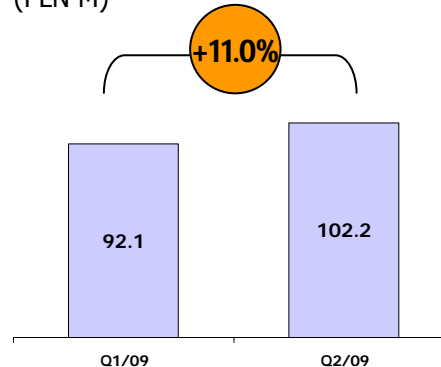
#### Net Interest Income\*

(PLN M)



#### Net Commission Income

(PLN M)



- *Higher net interest income due to increase in interest margin*
- *Net commission income growth due to increase in commission on loans and Cash Management products*

\* Incl. internal settlements

# Summary of Q1-2/09 in BRE Bank Group

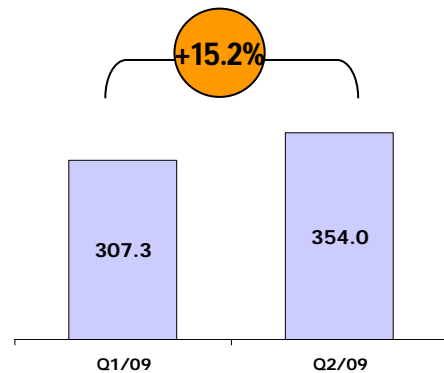
## Business Development: Retail Banking



### Over 3 million BRE Retail clients in June 2009

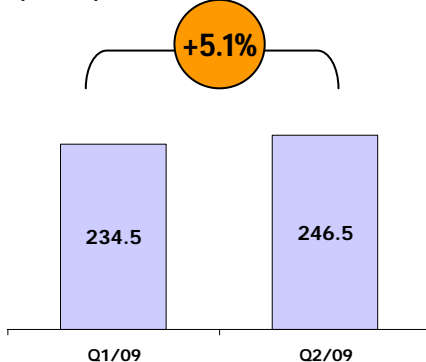
#### Revenue

(before costs excl. LLP, PLN M)



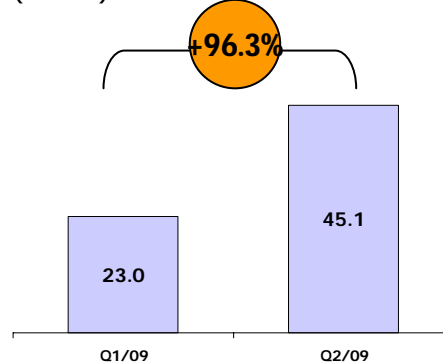
#### Net Interest Income\*

(PLN M)



#### Net Commission Income

(PLN M)



\* Incl. internal settlements

- **Revenue growth** mainly triggered by increasing commission income

- **Growth of interest income**  
Growth in interest income thanks to non-involvement in the deposit war on the Polish market

- More significant growth despite a drop in CHF exchange rate by 5.5% (or 2.2% on average) in Q1/Q2

- **Strong commission income** related to Q2/09 repricing initiatives:

- increase in insurance fees on credit cards and mortgage loans, increase in account maintenance fee (MultiBank only)

- higher turnover on brokerage accounts due to mutual funds market revival



## *Summary of BRE Bank Group Results Q1-2/09*

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### ***Business Environment***

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*BREnova in Focus*

*Analysis of the Results, Q2/09*

*Risk Management*

*Appendix*

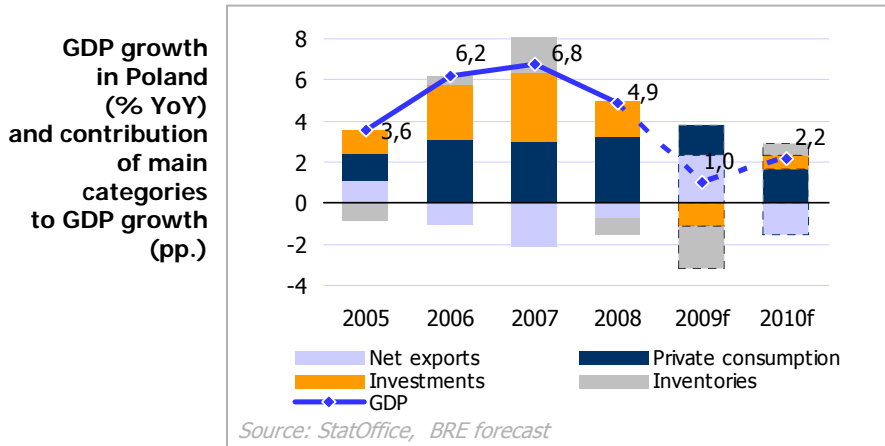
Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data

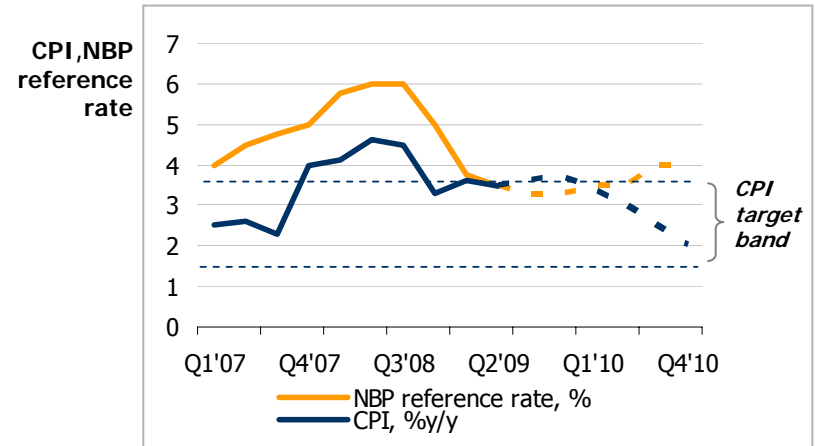
# Business Environment

Global slowdown considerably decelerates Polish economic growth...

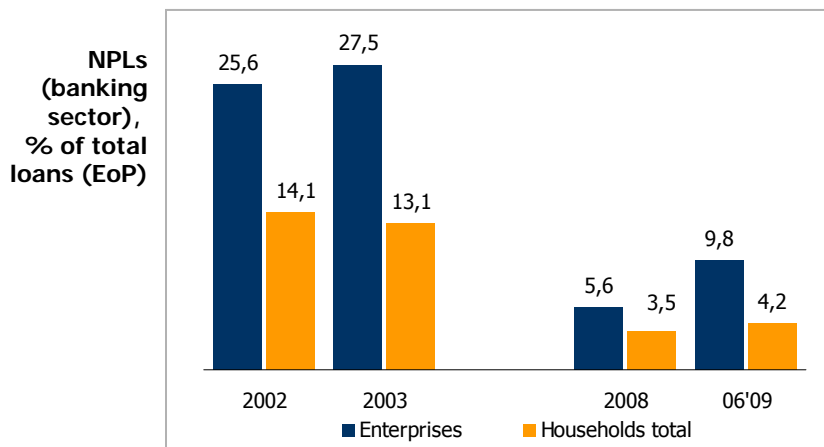
## GDP in 2009 will grow by 1%



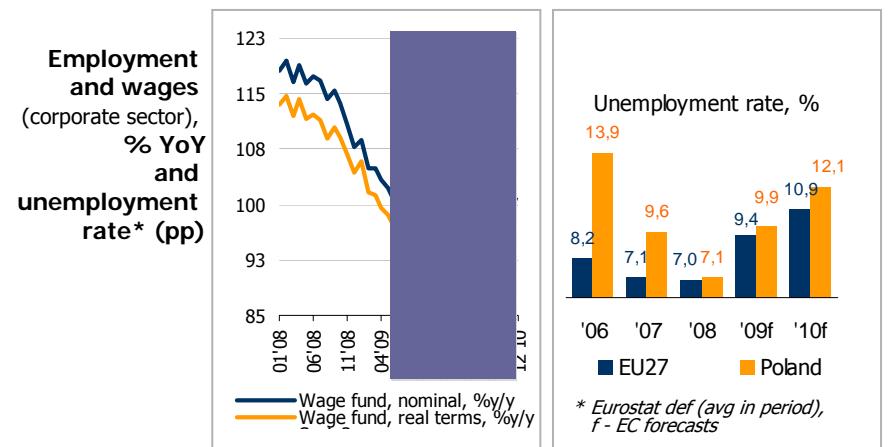
## Inflation should ease by the end of the year



## NPLs ratio so far has been low



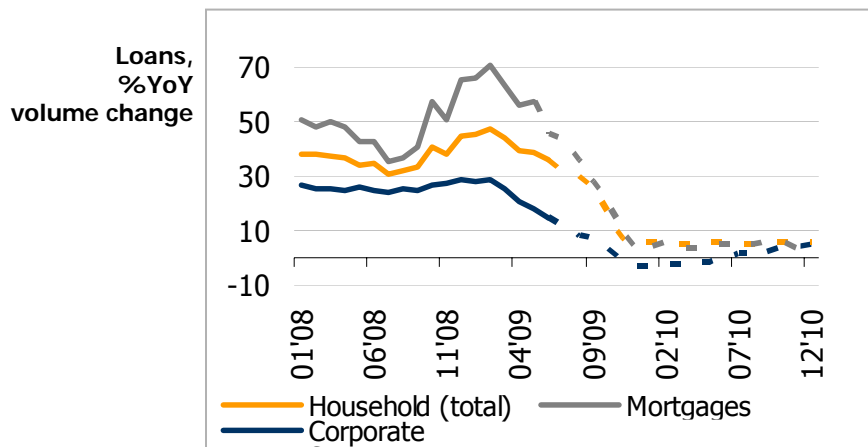
## Unfortunately labor market will deteriorate further



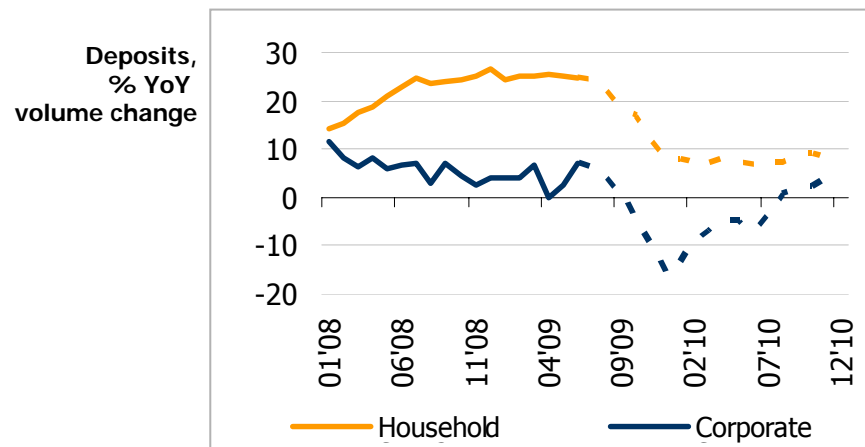
# Business Environment

## Bottoming-out

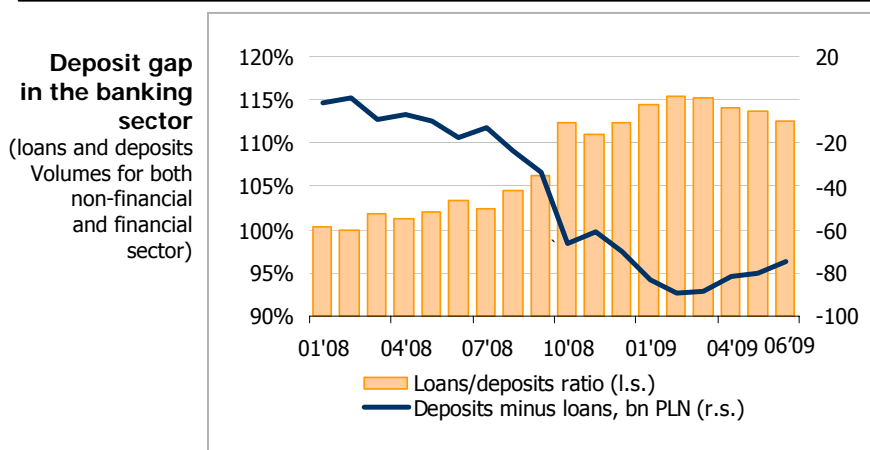
*Loans dynamics will slow down in '09 and '10...*



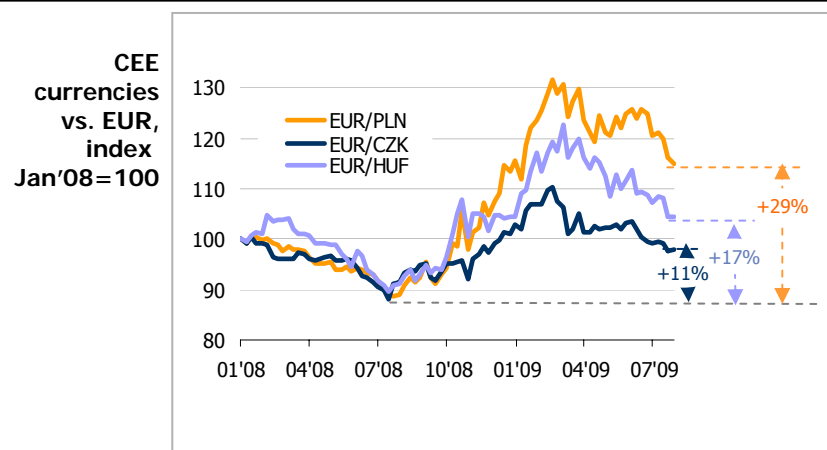
*... while corporate deposits will shrink only this year*



*As a result deposit gap narrowed*



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





*Summary of BRE Bank Group Results Q1-2/09*

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***BREnova in Focus***

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Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data

# BREnova Revenue Enhancement

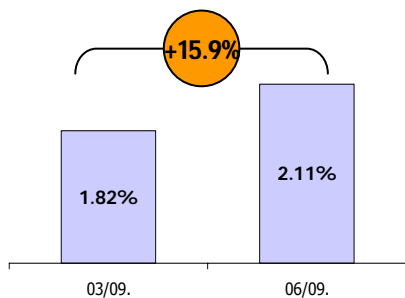
## Major Achievements in Q2/09 Corporates & Institutions



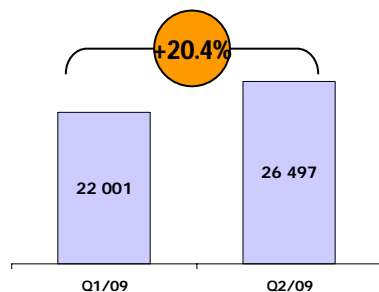
### *Continued development of credit margin in corporate clients segment*

Major achievements to date

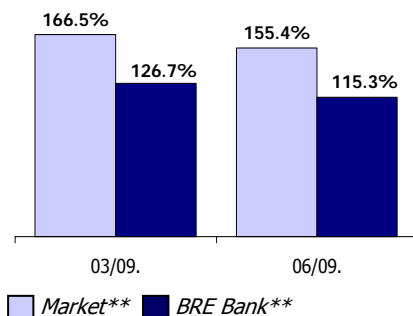
Credit Margin\*  
on Total Loan Portfolio



Cash Mangement  
(PLN thou.)



Loan/Deposit Ratio vs. Market



Market\*\* BRE Bank\*\*

\* Interests + annualized commissions

\*\* Source: own calculations on base of NBP data

- Implementation of **tightly managed pricing policy**
- Focus on intensive cross-sell of non-solvency products to increase client value
- Higher fee and commission income on Cash Management products
- Launch of the CRM system in April 2009
- Implementation of **CRM Business Monitoring Tool**:
  - Ensuring proper verification of client's situation and faster reaction of the bank on unwelcome phenomena
- **Product innovation** in cash management/electronic banking:
  - Implementation of iBRE Cash – cash orders' management module on iBRE platform
  - Cards with direct access to account (dedicated for K3 segment)

# BREnova Revenue Enhancement

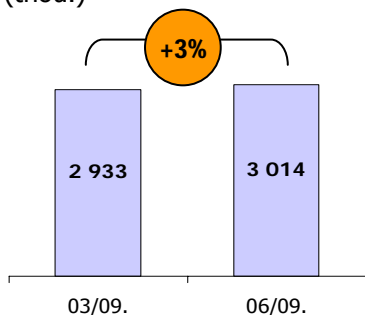
## Major Achievements in Q2/09 Retail Banking



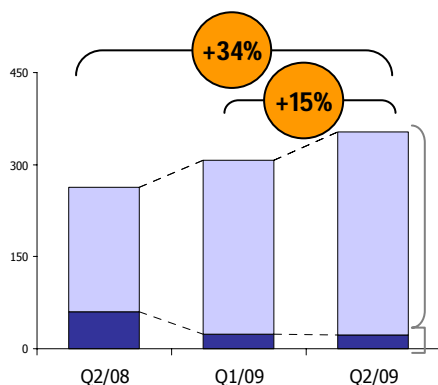
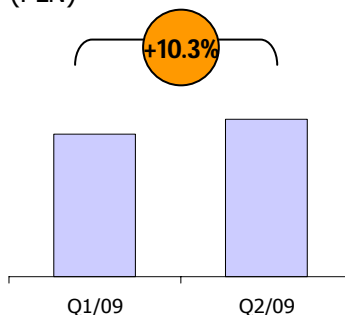
***Continued growth of customer base  
and gross revenue per customer***

*Major achievements to date*

**Number of Customers**  
(thou.)



**Gross Revenue per Customer**  
(PLN)



**Total Gross Revenue  
by Quarters**  
(PLN M)

Regular revenue:  
+63% YoY and +17% QoQ

Up-front revenue (mainly mortgage):  
-63% YoY and -7% QoQ

### Poland

- *Regular revenues growth attributable to intensified cross-selling activities*
- *Focus on non-mortgage lending:*
  - *dynamic growth in credit cards, overdrafts to retail clients and in lending facilities for small and micro-enterprises both in mBank and Multibank*
- *Changes in pricing model:*
  - *average margins on new CHF mortgage loans sold in Q2/09 increased ca. 3 times as compared to Q2/08*
- *Balanced growth of the deposit base (primarily term deposits and current accounts)*

### Czech Republic and Slovakia

- *Strong growth in saving accounts and term deposits (+PLN 411 M or +12% QoQ)*

# BREnova Cost Optimisation

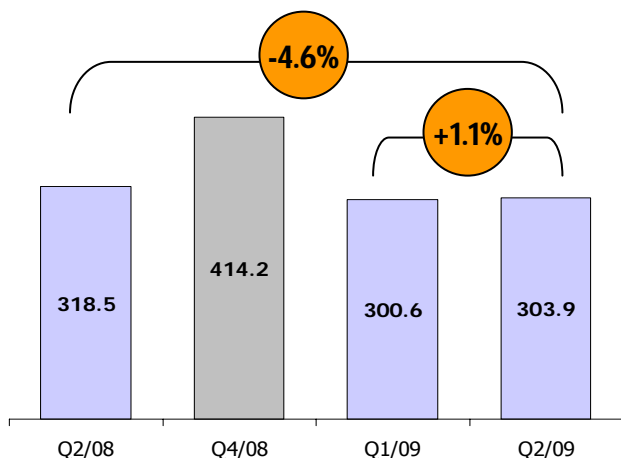
## Major Achievements in Q2/09



***50% of the planned cost reductions achieved***

*Major achievements to date*

Change of Total Overhead Costs YoY and QoQ  
(PLN M)



- **Half of planned PLN 280 M cost base revision realised**
- *Close ongoing monitoring of financial and operating indicators*
- **HR**  
*Full target level of staff reduction already achieved in Q2/09*  
*Focus on further HR related cost reductions, i.e. bonus program, business trips, trainings etc.*
- **Logistics & IT**  
*Rent optimisation in selected outlets (i.e. Łódź) successfully finalized*  
*Downsizing of investment portfolio (IT, Logistics, etc.) by 30% seems sustainable after Q2/09*
- **Marketing**  
*Optimisation of Marketing budget*



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*BREnova in Focus*



***Analysis of the Results, Q2/09***

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*Risk Management*

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Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data

# Analysis of the Results, Q2/09

## P&L of Continued Operations



(PLN M)	Q2/09	Q1/09	Change QoQ	
Total income <sup>1/</sup>	714.8	672.5	+6.3%	↑
Total cost	(363.2)	(359.1)	+1.1%	↑
Operating profit <sup>2/</sup>	351.7	313.3	+12.2%	↑
Net provisions	(438.8)	(210.0)	+108.9%	↑
Profit/loss before tax	(87.1)	103.3	-/+	↓
Net profit/loss <sup>3/</sup>	(61.6)	77.2	-/+	↓

1/ Including net other operating income and cost

2/ Before provisions

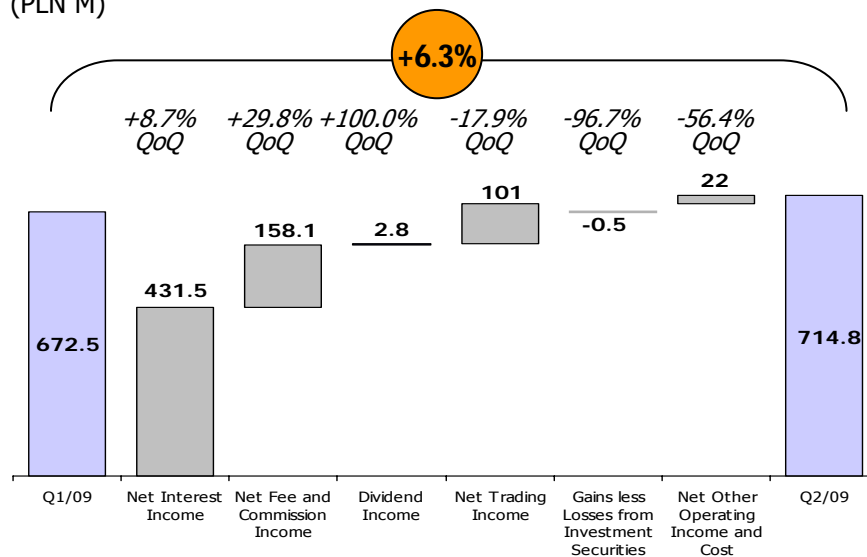
3/ Net profit attributable to owners of BRE Bank SA

# Analysis of the Results, Q2/09

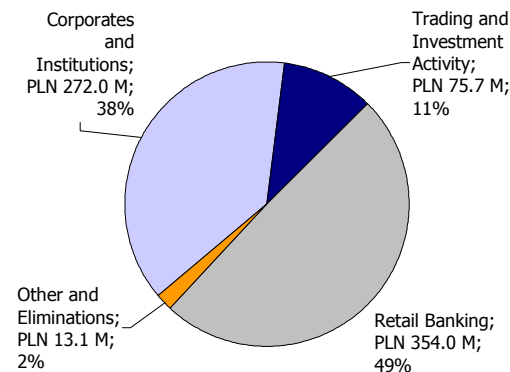
## Income of BRE Bank Group



**BRE Bank Group Income Q2/09 vs. Q1/09**  
(PLN M)



**Structure of BRE Bank Group Income by Business Line, Q2/09**



**Recurrent income  
Q2/09  
hits a record high**

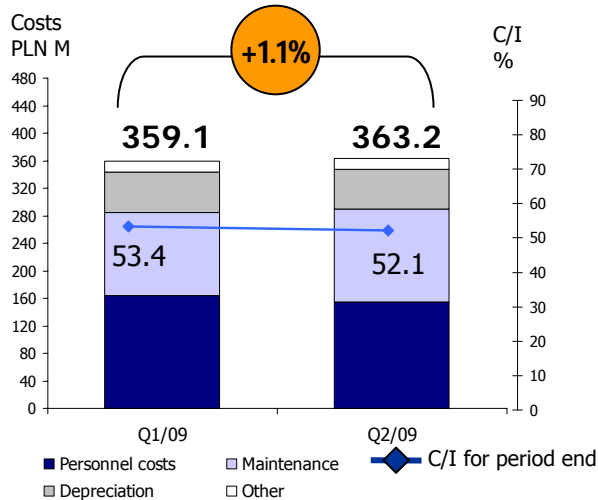
- **Steady increase of net interest income since January 2009;** net interest margin up to 2.3% (vs. 2.2% in Q1/09)
- **Net fee and commission income up 30%** mainly thanks to growing brokerage fees and insurance activity
- **Lower trading income:** Negative impact of FX options at PLN -24.5 M due to identified credit risk; Partly offset by profitable market making and position taking on FX spot
- **Other operating result influenced by credit impairment** of Intermarket's subsidiary at PLN -18.5 M

# Analysis of the Results, Q2/09

## Costs of BRE Bank Group



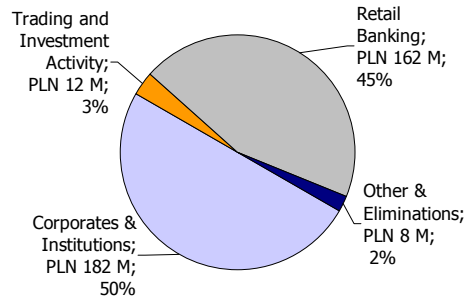
**Overhead Costs + Depreciation of BRE Bank Group**  
Q2/09 vs. Q1/09



***Tight cost management shows effects:  
C/I ratio down to 52.1%***

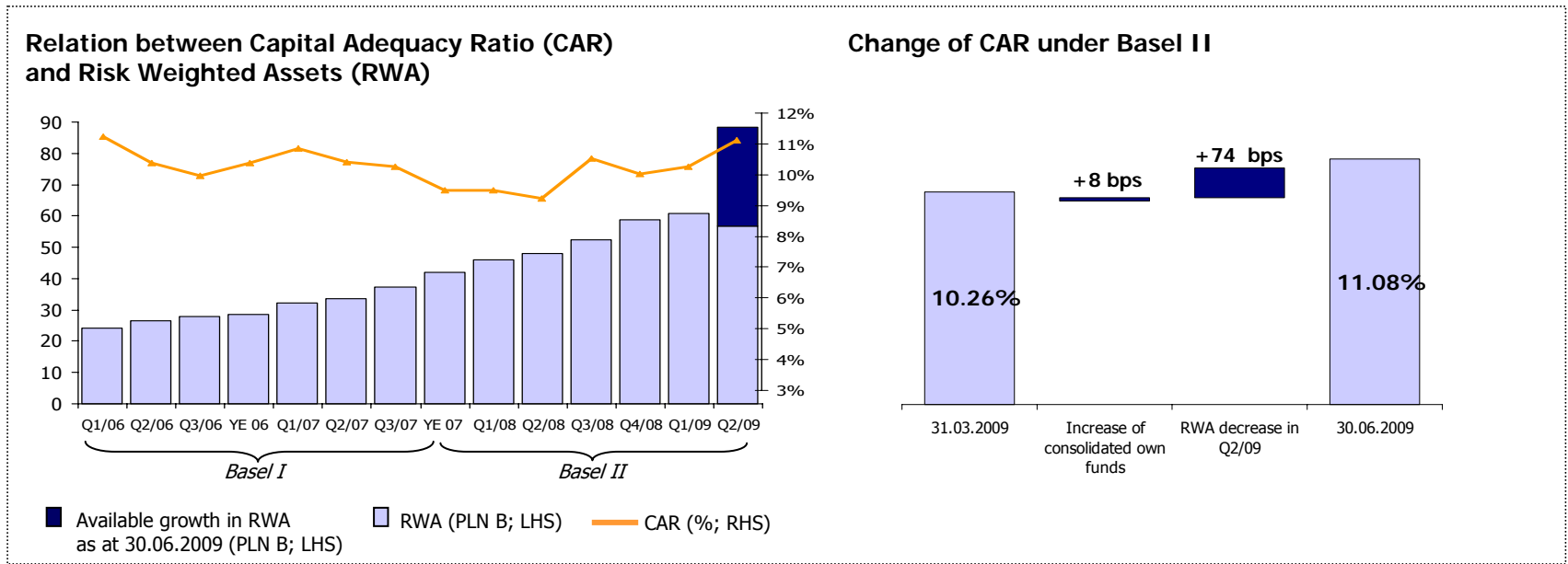
- *Overhead costs plus depreciation up 1.1% QoQ and down 1.0% YoY*
- *Stable level of costs on a quarterly basis:*
  - *5.5% reduction of personnel costs*
  - *Higher marketing expenses and general growth of prices in the market lead to increase of maintenance costs (+11.3% QoQ)*
- *C/I ratio of continued business down by 4.3 p.p. YoY*

**Cost Structure by Business Line**  
in Q2/09



# Analysis of the Results, Q2/09

## BRE Bank Group's Capital Adequacy Ratio (CAR)



## Increase of CAR to 11.08%

- CAR at 11.08% in 06/09 vs. 10.26% in 03/09 and 10.04% in 12/08
- Consolidated risk-weighted assets (RWA) down by PLN 4.0 B to PLN 56.9 B in Q2/09 thanks to strict RWA management
- Tier 1 ratio at 6.20% in 06/09 compared to 5.67% in 03/09 and 5.62% in 12/08



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***Risk Management***

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*Appendix*

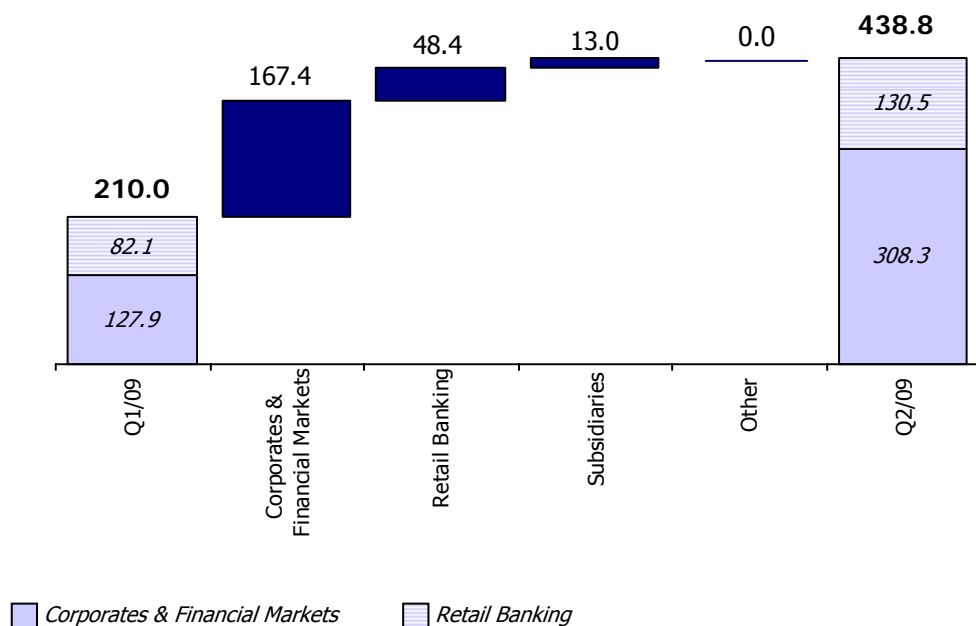
Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data



***Provisions reflect the overall economic situation downfall and combined effect of asymmetric derivatives and cash lending in mBank for non-customer***

**BRE Bank Group's  
Impairment Losses on Loans and Advances in Q2/09**  
(quarterly change of provisions by segments, PLN M)



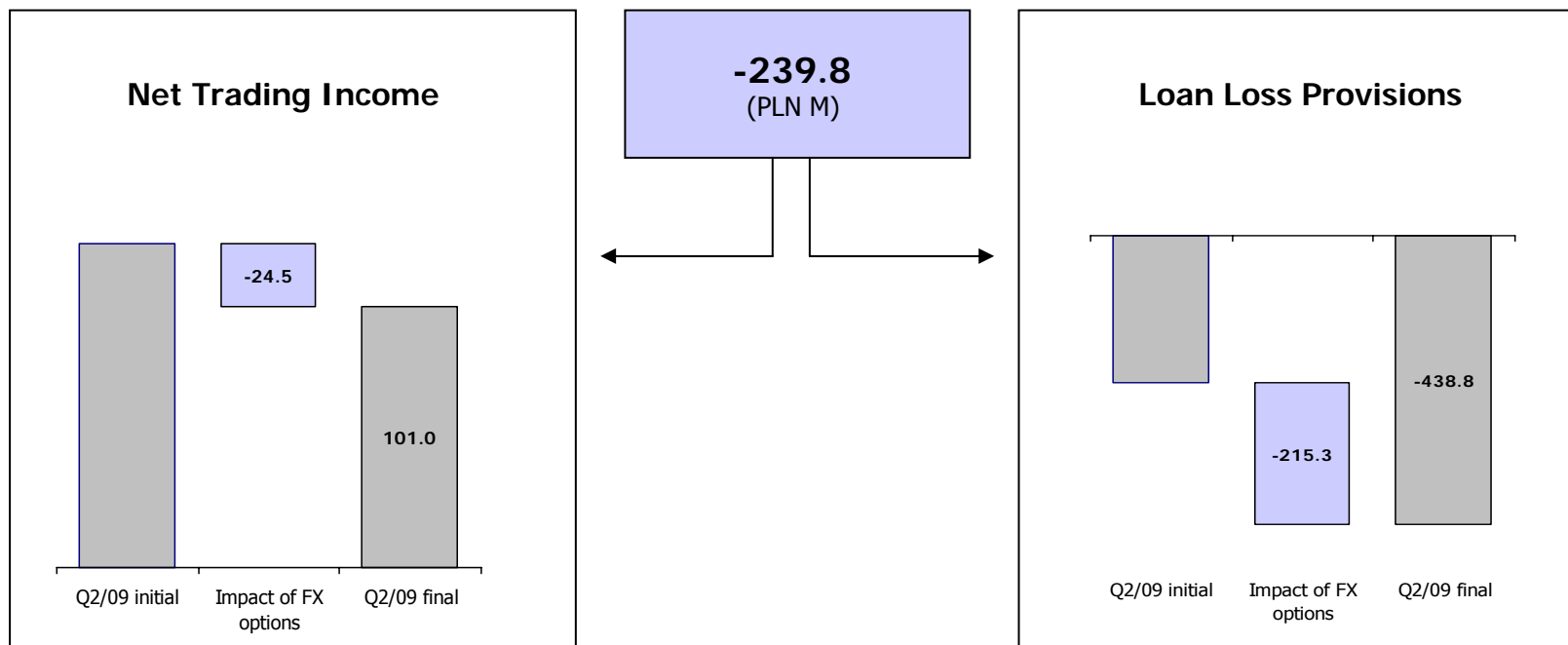
- *Factors influencing Q2/09 growth of LLP:*
  - *The impairment of customers with derivative exposures*
  - *Higher provisions for non-mortgage portfolio in mBank*
  - *Increase of provisions for leasing customers*
- *BRE Bank's NPL ratio (under PAS) at 4.8%, below the market (6.3%)*
- *Default ratio of BRE Bank's risk portfolio 3.5% as at 06/09 vs. 2.3% as at 03/09*

# Risk Management

## Derivative Instruments Provisions in Q2/09: Impact on Pre-tax Result



### Impact of Derivative Instruments on Q2/09 Consolidated Pre-tax Result



- Revaluation of derivatives due to identified credit risk (PLN): -24.5 M
- Increase of LLP related to closed derivatives' exposure of affected clients (PLN): -215.3 M

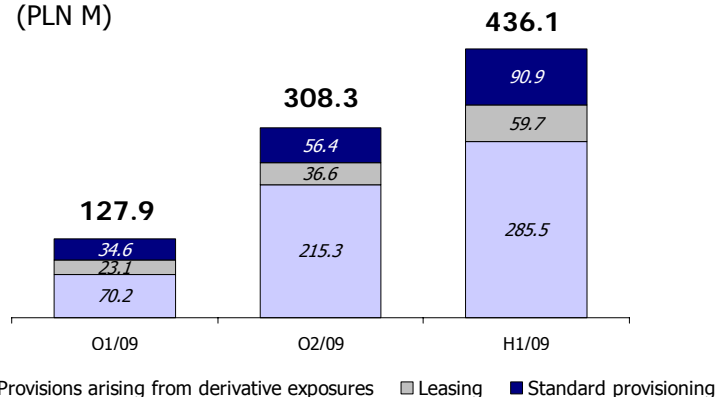
# Risk Management

## Structure of Loan Loss Provisions in Q2/09: Corporates & Financial Markets

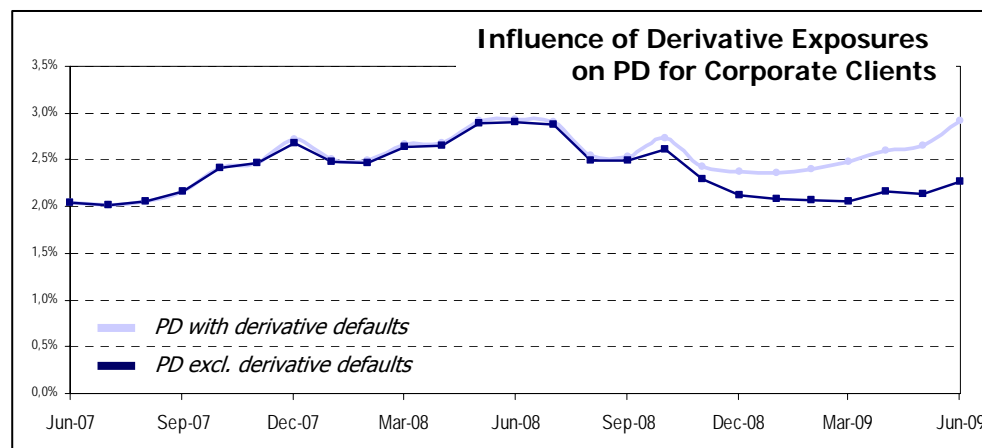
### *Impairment of customers with derivative exposures as main factor of high provisioning of the Segment*

- *Total impact at PLN 215.3 M in Q2/09 (total: PLN 285.5 M at the end of H1/09)*
- *188 customers were subject of analysis:*
  - *19 in workout (extending maturity, changing the structure of exposure and collateral)*
- *Due to the deterioration of the overall economical situation negative rating migration is observed (the trend seen since several quarters)*
- *Due to the restructuring process that is planned to be completed by the end of Q3/09, there is an adequate gradual decrease of provisioning expected*

Corporate portfolio provisions by quarters (PLN M)



Influence of Derivative Exposures on PD for Corporate Clients



# Risk Management

## Structure of Loan Loss Provisions in Q2/09: Retail Banking



### *Increase of provisioning caused by non-mortgage portfolio*

#### *mBank's cash loan portfolio:*

- Sales of the product terminated in May
- Delayed impact on the overall quality of the non-mortgage portfolio and on the provisions
- Expected gradual decrease of provisions in 2009

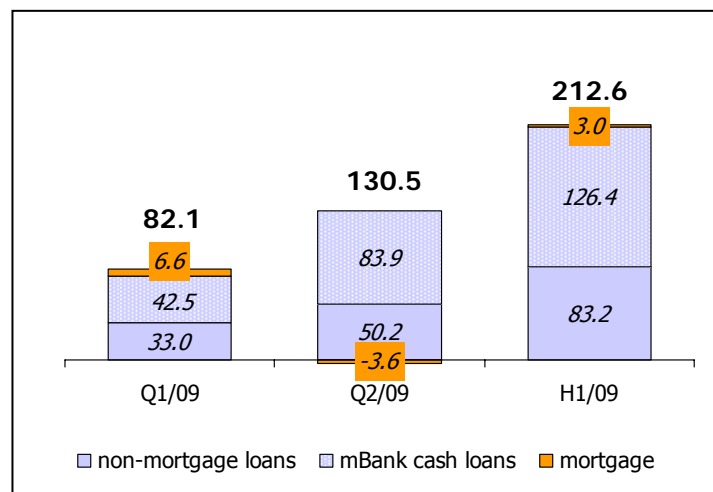
#### *The rest of the non-mortgage portfolio*

- does not deviate from the accepted risk levels for this type of products
- stays in the lower market ranges

### *Good and stable mortgage portfolio quality*

- Quality of the mortgage portfolio is significantly better than for the peer group
- Only moderate deterioration of the quality is expected, without having significant impact on the LLP level
- Mortgage portfolio NPL at 0.43%

Retail customers provisions by quarters  
(PLN M)





**1**

***BREnova: making BRE weatherproof***

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**2**

***Sound business fundamentals***

---

**3**

***Expected gradual drop in LLP***

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*Appendix*

Detailed Results of Business Lines, Q1-2/09

Additional Information: Selected Financial Data



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

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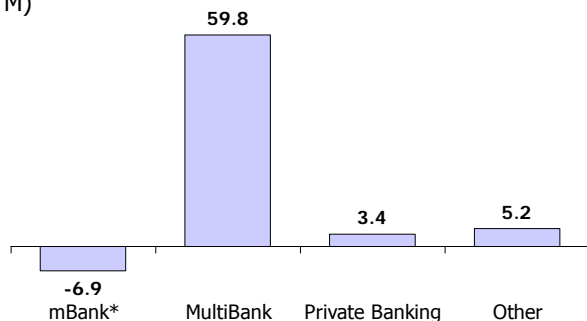
*Retail Banking*

# Appendix

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

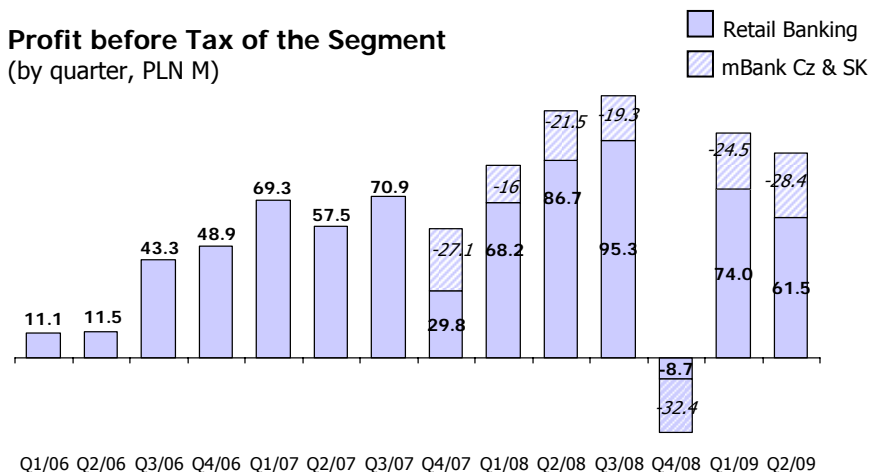


**Contributors to the Profit before Tax of Retail Banking in Q2/09**  
(PLN M)



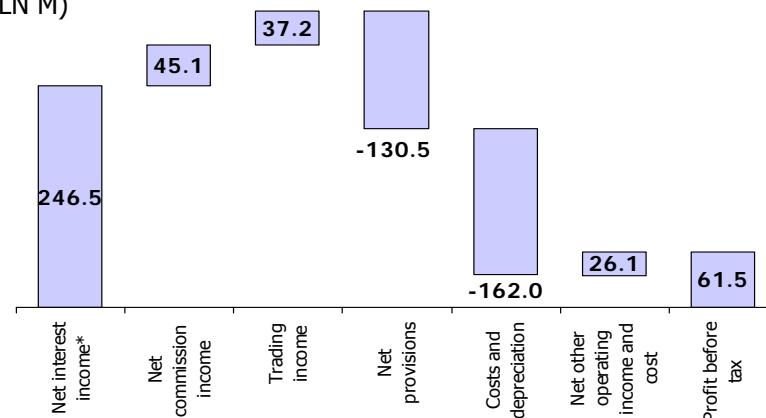
\*mBank's profit before tax including mBank's loss in Czech Rep. and Slovakia

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



- **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)*

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



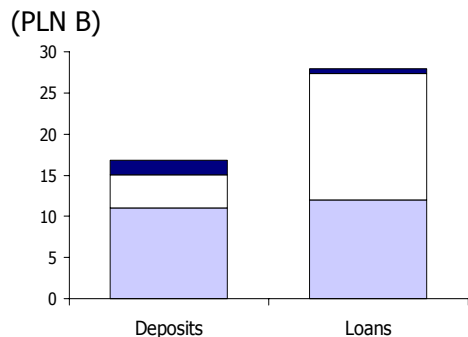
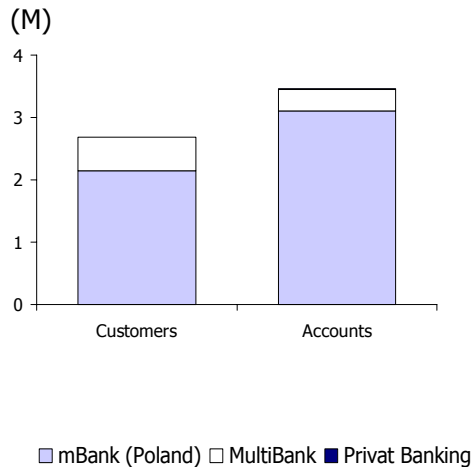
\* Incl. internal settlements

# Appendix

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



Data as at 30.06.2009



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%

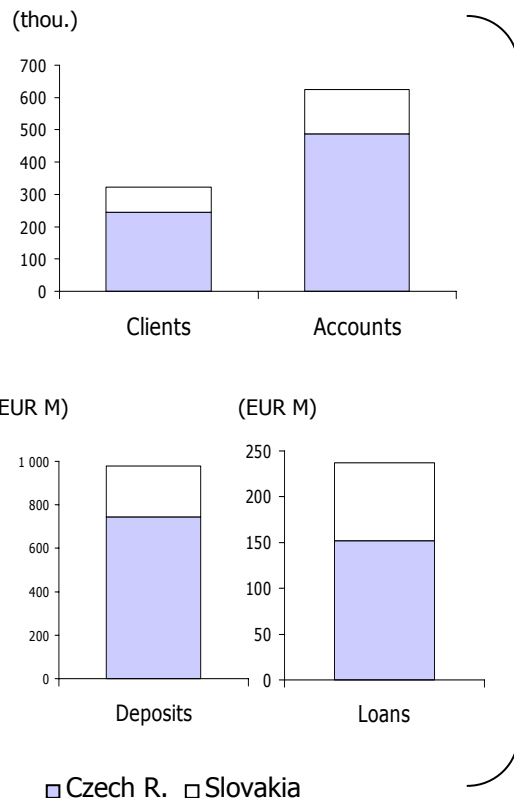
22.2 B

# Appendix

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



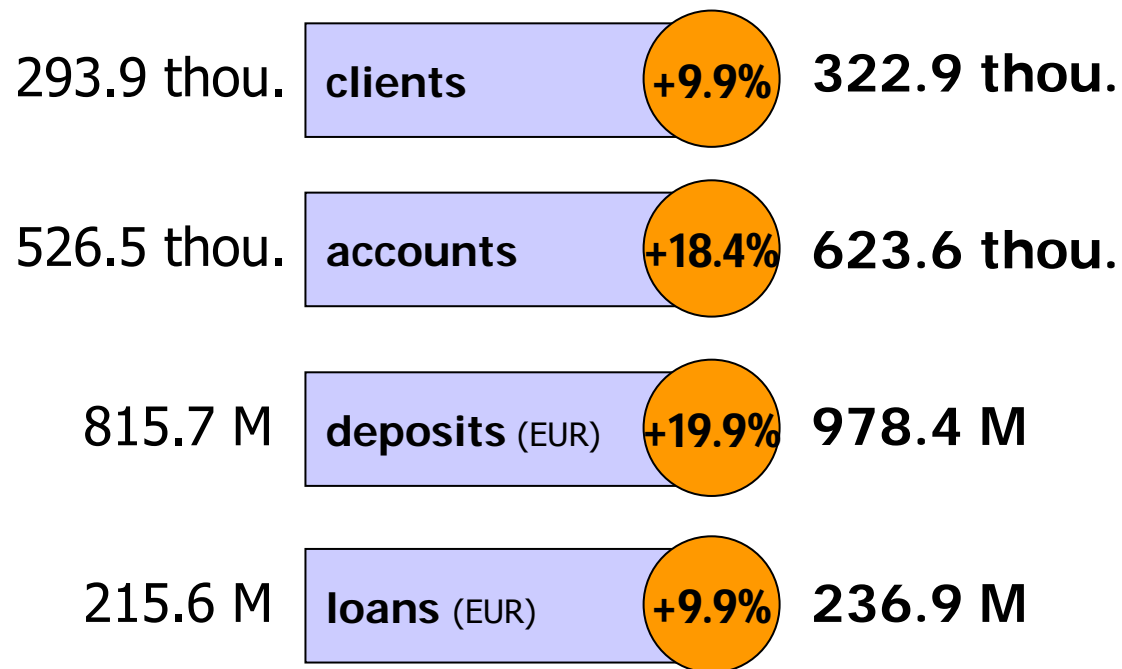
Data as at 30.06.2009



End of Q1/09

Change

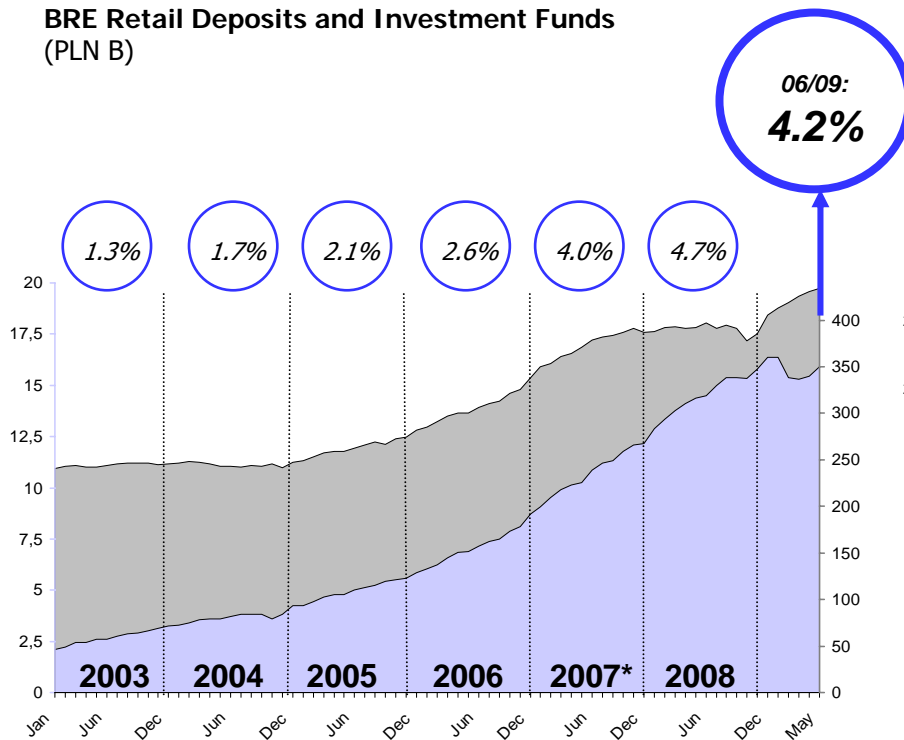
End of Q2/09



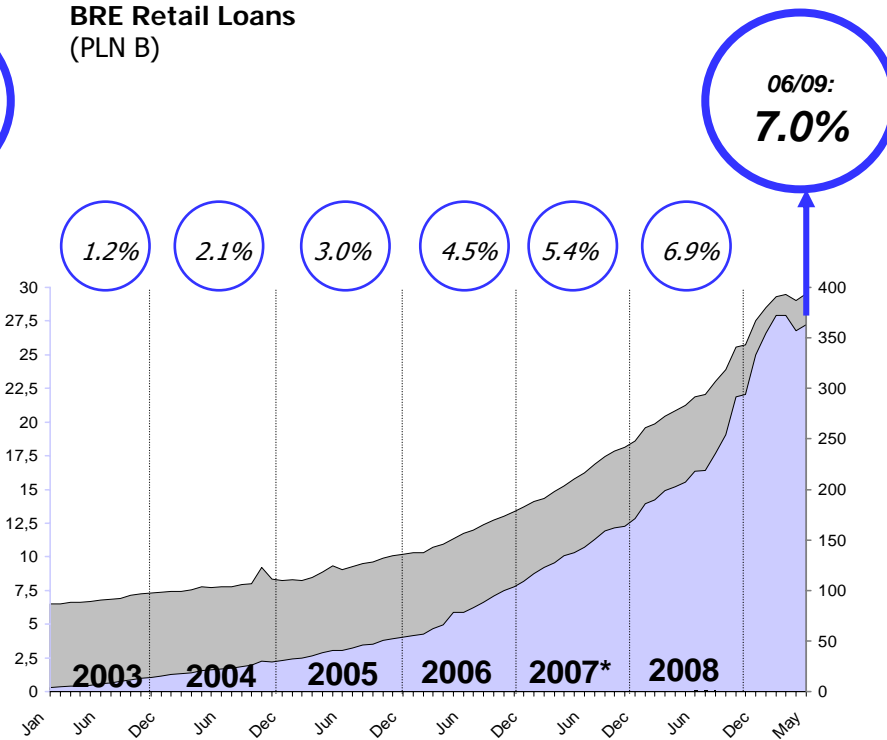
# Appendix

## 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

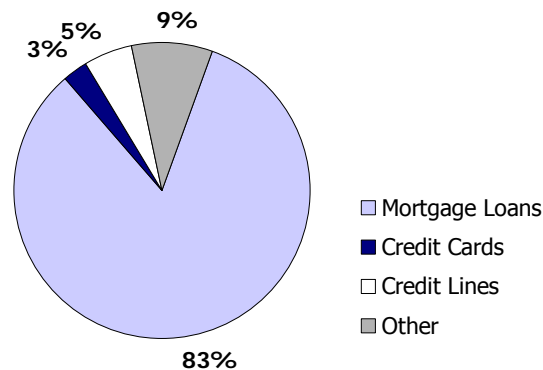


**BRE Bank's Mortgage Loans Portfolio**  
(Retail Banking loans to individuals)

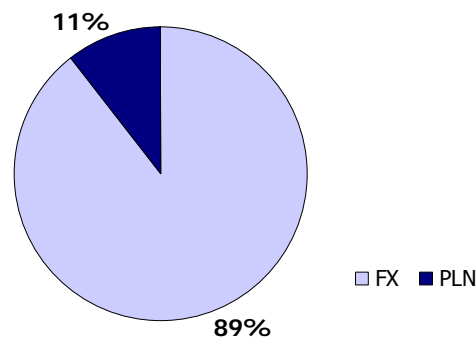
	<i>Total</i>	<i>PLN</i>	<i>FX</i>
<i>Balance-sheet value (PLN B)</i>	<i>22.23</i>	<i>2.35</i>	<i>19.88</i>
<i>Average maturity (years)</i>	<i>23.37</i>	<i>20.57</i>	<i>23.80</i>
<i>Average value (PLN thou.)</i>	<i>265,57</i>	<i>209.20</i>	<i>274.31</i>
<i>Average LTV (%)</i>	<i>85,3</i>	<i>55.7</i>	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



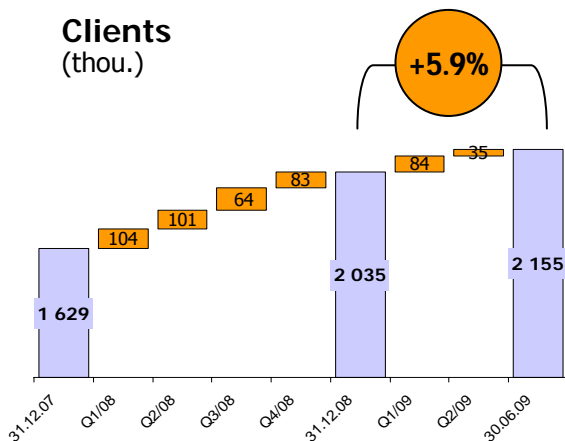
# Appendix

## BRE Bank Retail Banking: Net Sales by Quarters

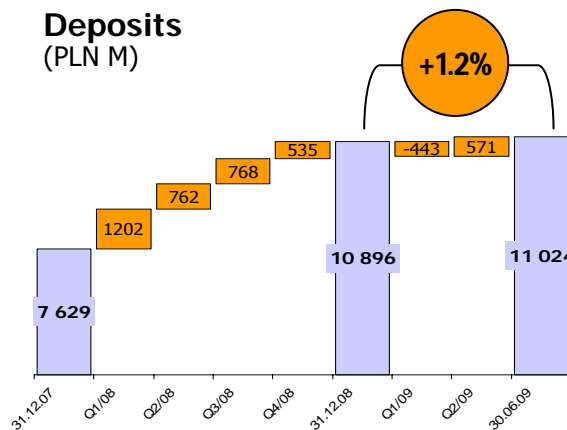


### mBank

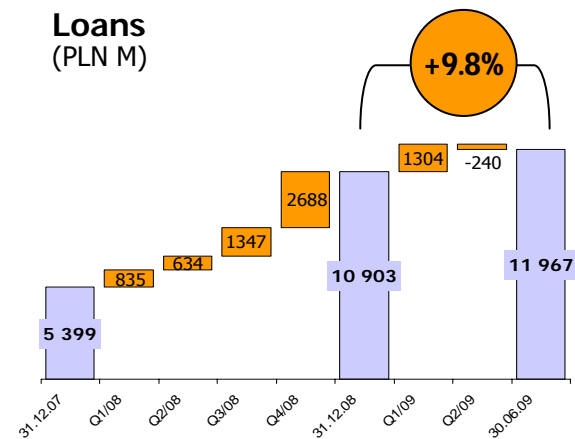
**Clients**  
(thou.)



**Deposits**  
(PLN M)

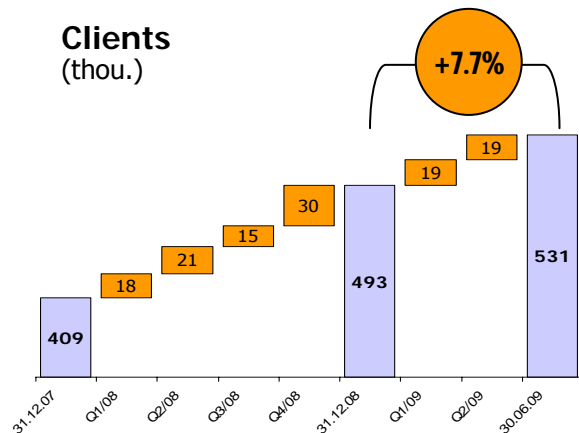


**Loans**  
(PLN M)

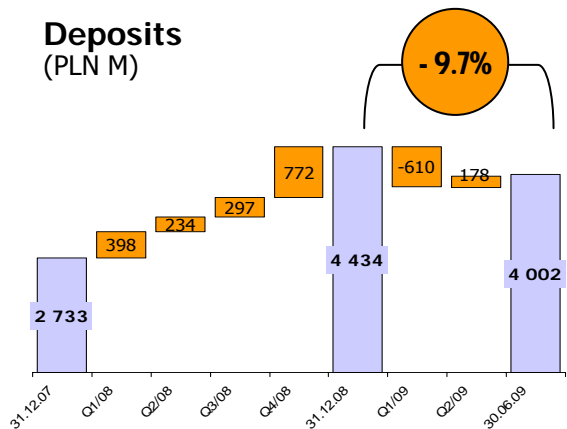


### MultiBank

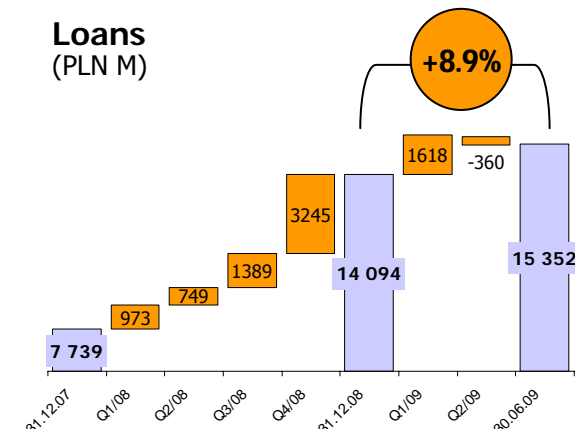
**Clients**  
(thou.)



**Deposits**  
(PLN M)



**Loans**  
(PLN M)



Balance Change



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

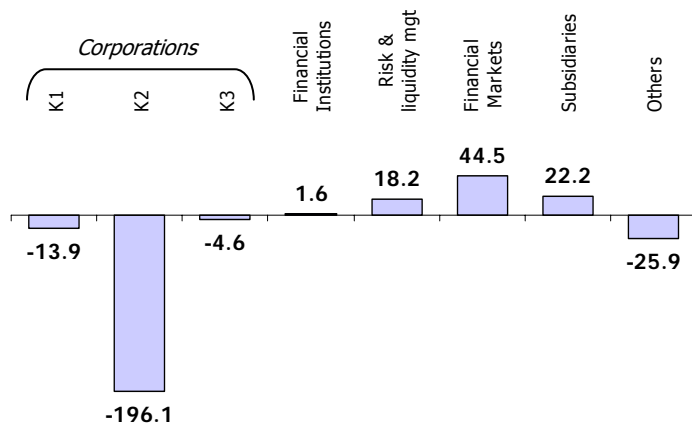
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*Corporates & Financial Markets*

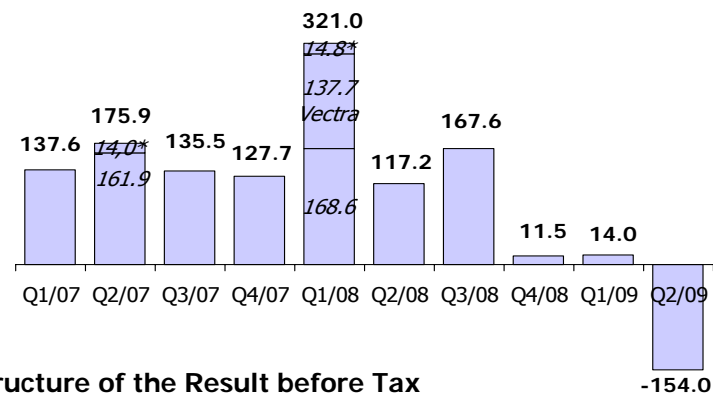


## Corporates and Financial Markets: Summary of Q2/09: Financial Results

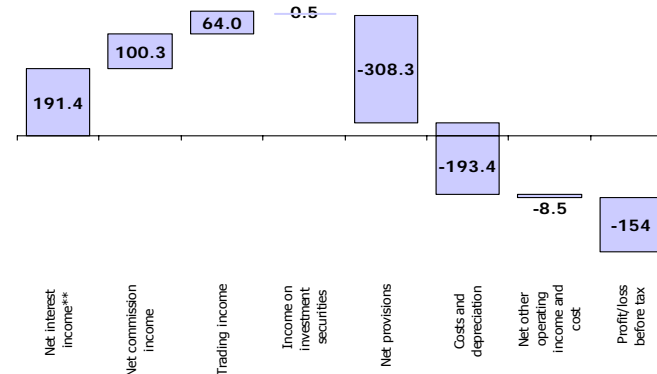
**Contributors to the Result before Tax  
of Corporates & Financial Markets in Q2/09  
(PLN M)**



**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)**



- *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*

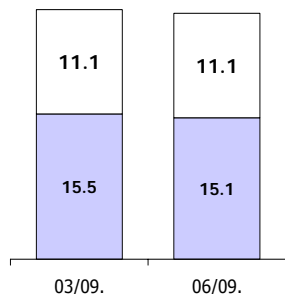
\* Q2/07: sale of shares of Mostostal Zabrze; Q1/08: Repayment of default loan  
 \*\* Incl. internal settlements

# Appendix

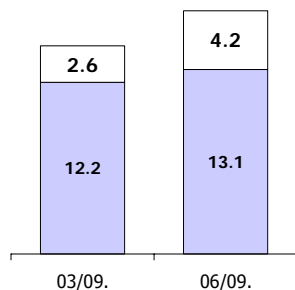
## Corporates and Institutions: Customer Acquisition and Volume Trends



**Corporate Loans**  
(PLN B)



**Corporate Deposits**  
(PLN B)



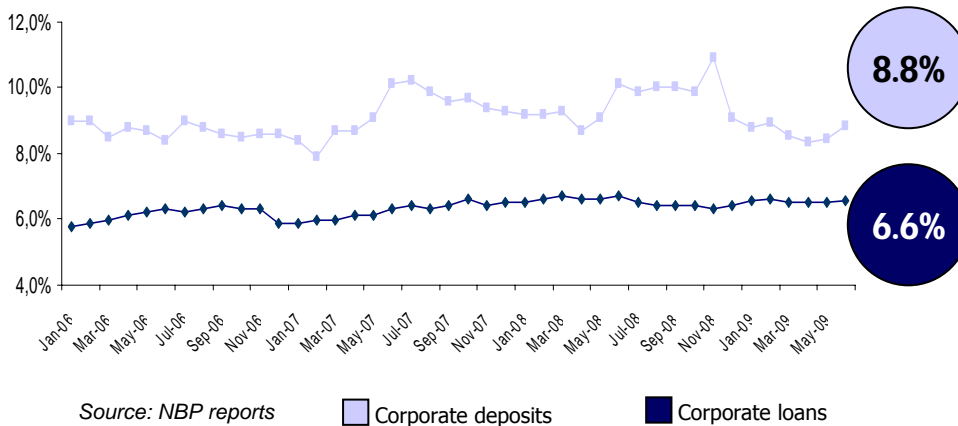
■ Enterprises  
acc. to NBP definition

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

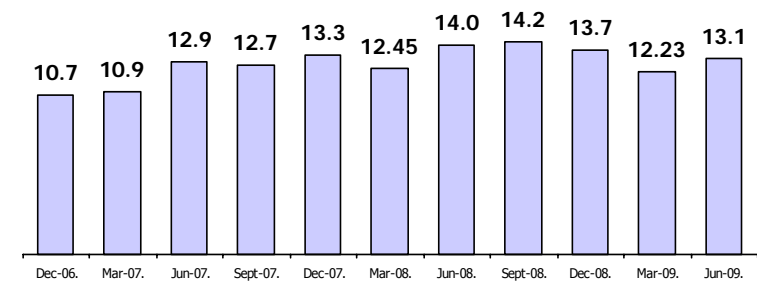
# Appendix

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

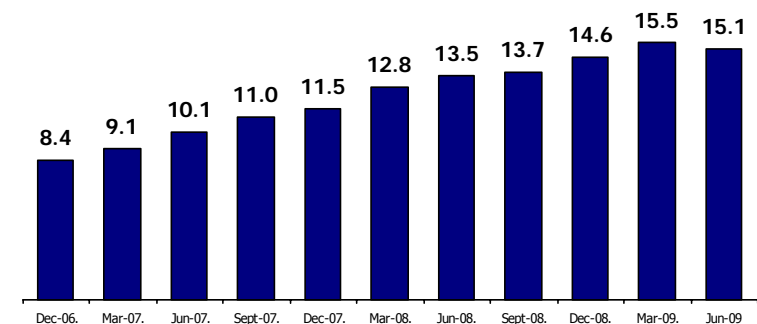
**BRE Bank's Market Share in Corporate\* Loans and Deposits**  
01/05 – 06/09



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



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



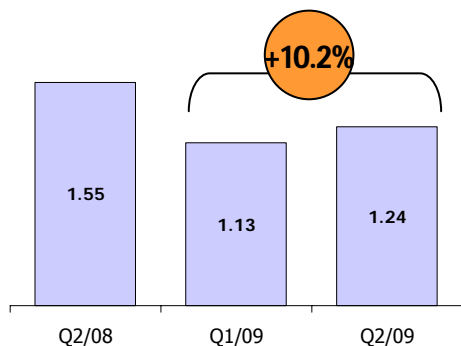
- **PLN 13.1 B of corporate deposits in BRE Bank at the end of Q2/09**
- **Growth of deposits base in Q2/09 (+7.1% QoQ) resulted mainly from implemented „Deposit Sales Initiative“ (in 06/09)**
- **PLN 15.1 B of corporate loans in BRE Bank at the end of Q2/09 (up by 11.9% YoY)**

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



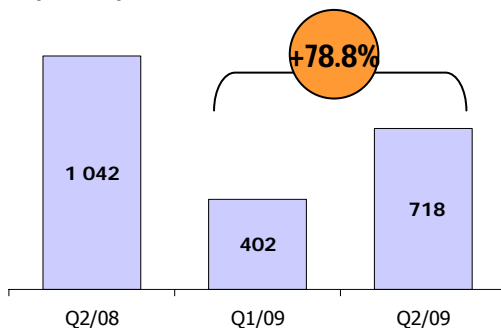
### Intermarket Group

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)

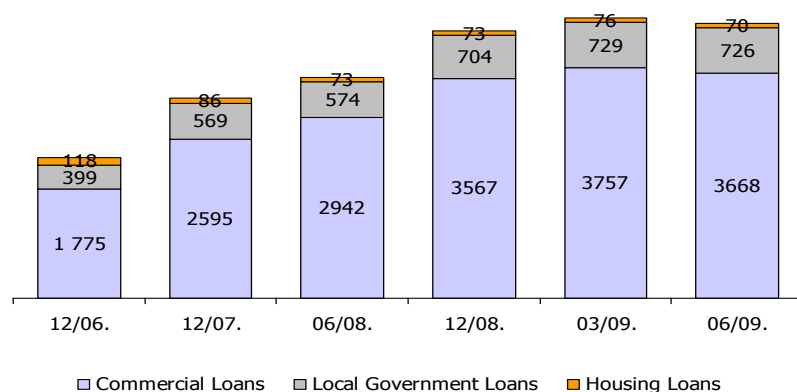
- PLN -32 thou. of pre-tax loss in Q2/09; pre-tax profit in H1/09 of PLN 4.8 M
- Q2/09 pre-tax loss due to lower sales and necessity to create impairment provisions related to economic slowdown
- Leasing contracts written:
  - total of PLN 718 M in Q2/09, up by 78.8% QoQ due to new mortgage leasing contracts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

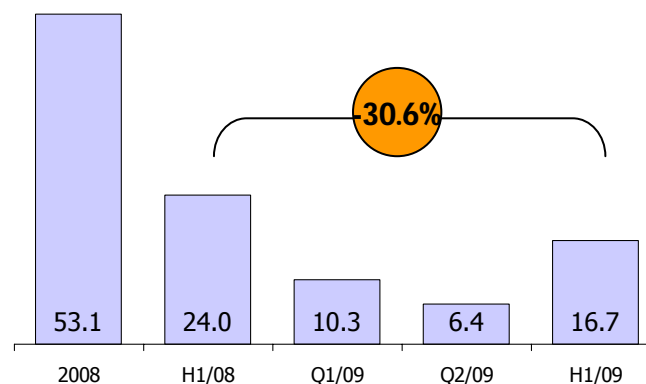
# Appendix

## 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)




**LUBELSKI WĘGIEL  
„BOGDANKA”  
SPÓŁKA AKCYJNA**

- *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)*

### 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>

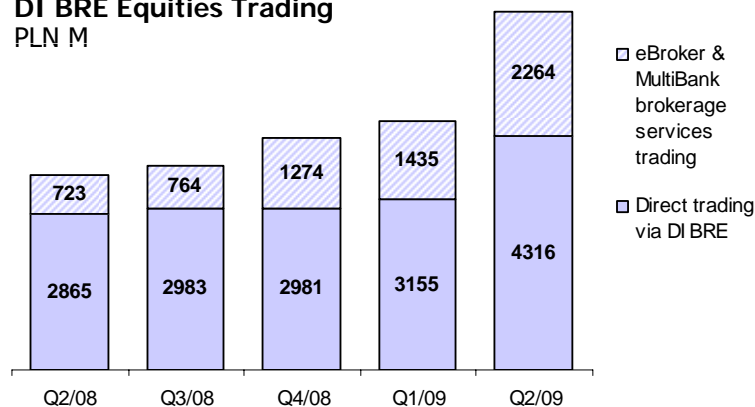
### DI BRE Market Share H1/09, by volume\*

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

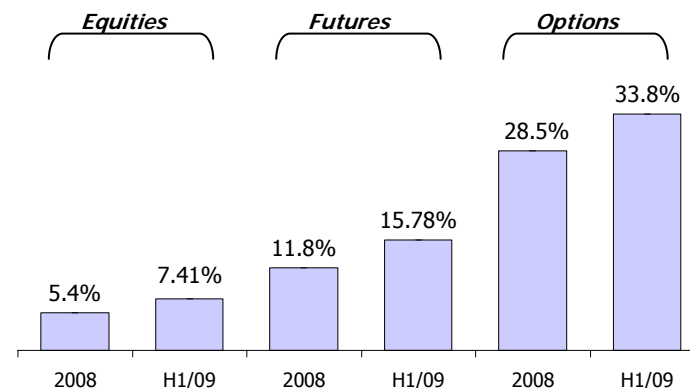
\* Calculations based on WSE, DI data

- *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



### 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*

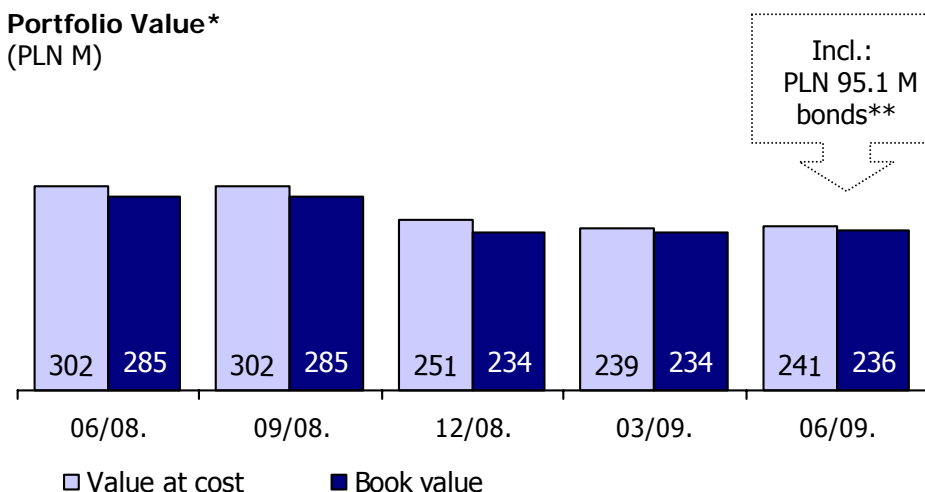
0.76%

*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)



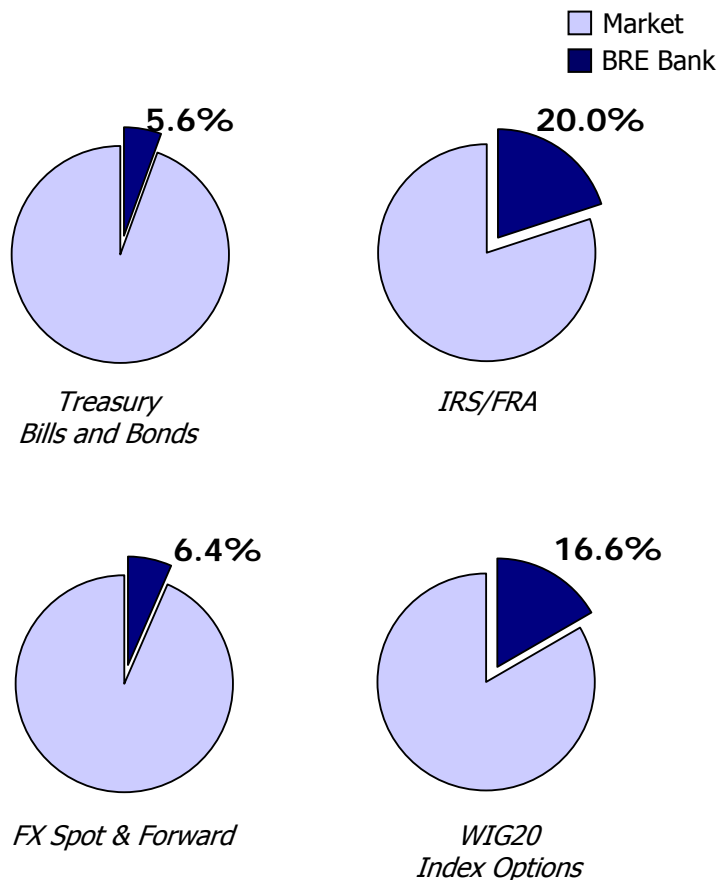
*\*Incl. consolidated Garbary i Teletech Investment  
\*\*Bonds issued due to mezzanine finance transactions*

# Appendix

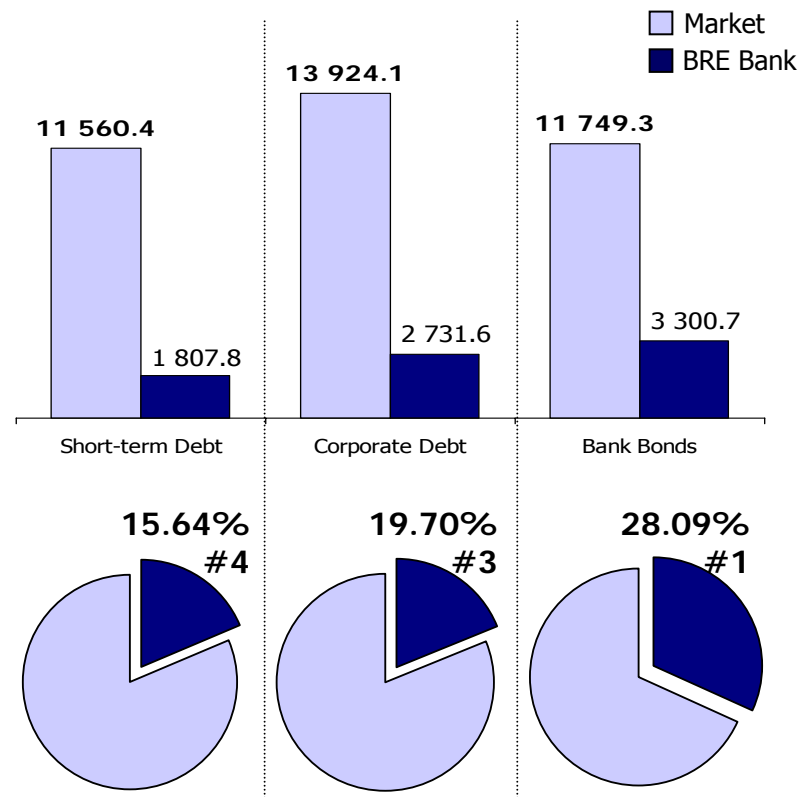
## Trading and Investment Activity: Market Share



**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>

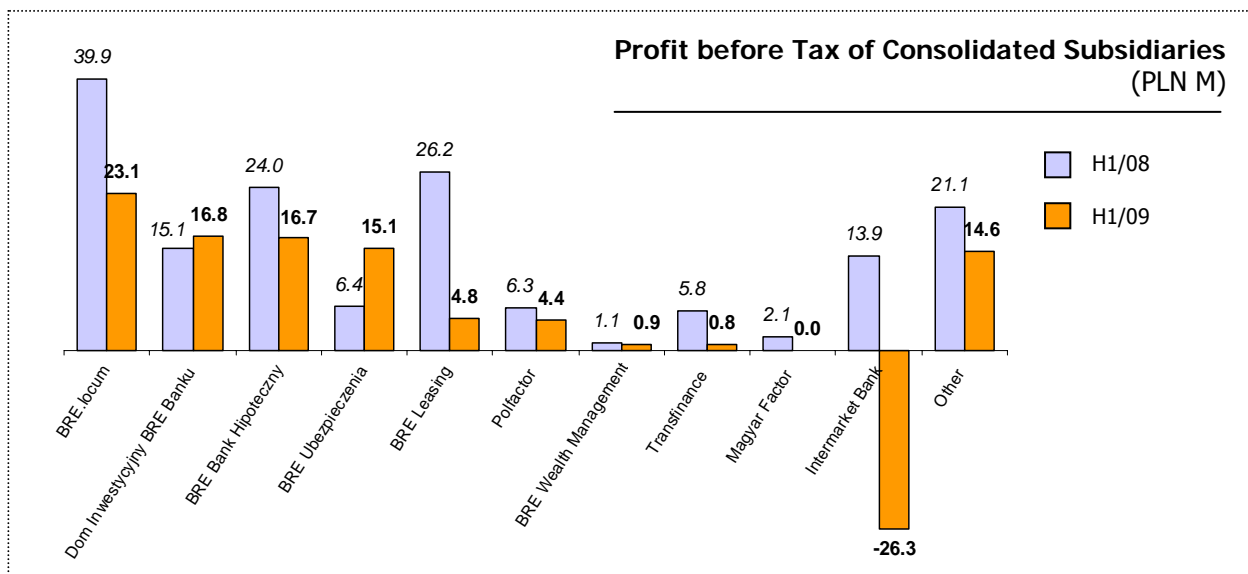
\* Quarterly data for continued & discontinued operations, Q2-Q4 2008 incl. impact of consolidation of BRE Ubezpieczenia (BRE Insurance)

# Appendix

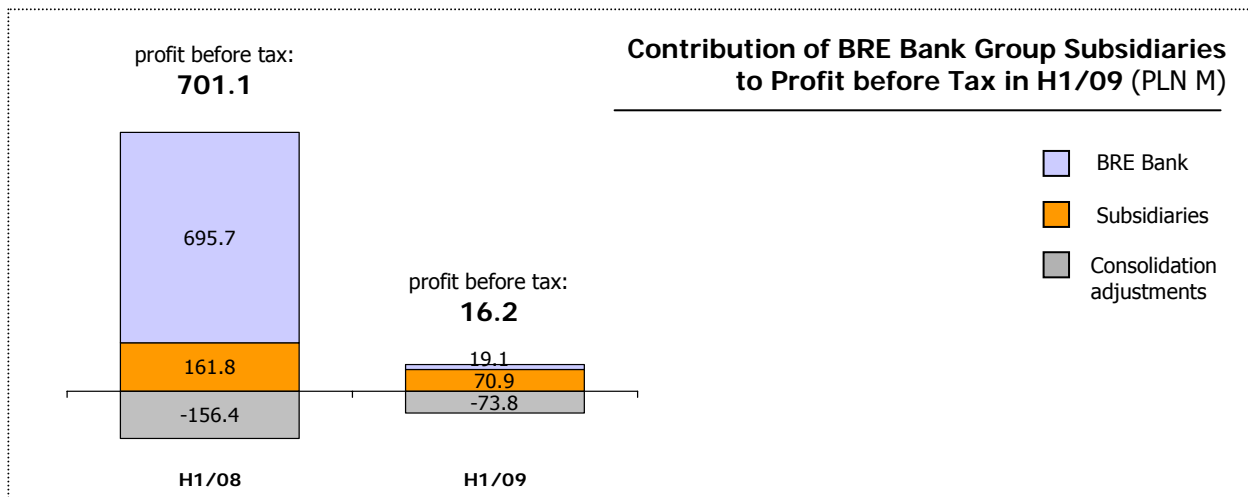
## Additional Information: Selected Financial Data Results of Subsidiaries



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



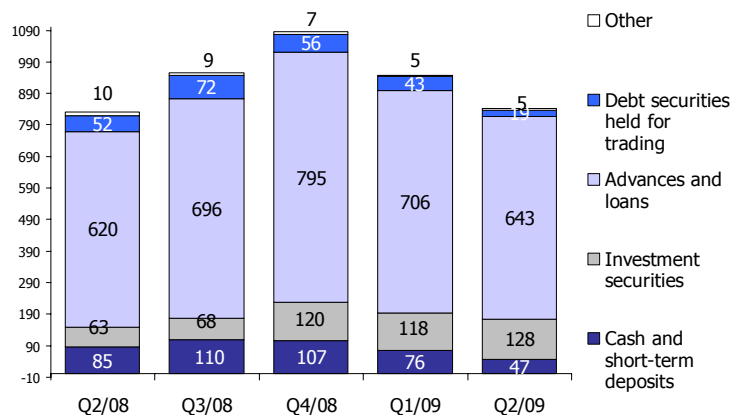
***PLN 37.6 M of Q2/09 profit before tax of consolidated subsidiaries (+12.5% vs. Q1/09)***



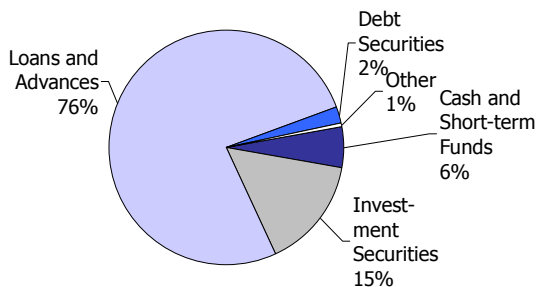
## Additional Information: Selected Financial Data Net Interest Income & Margin



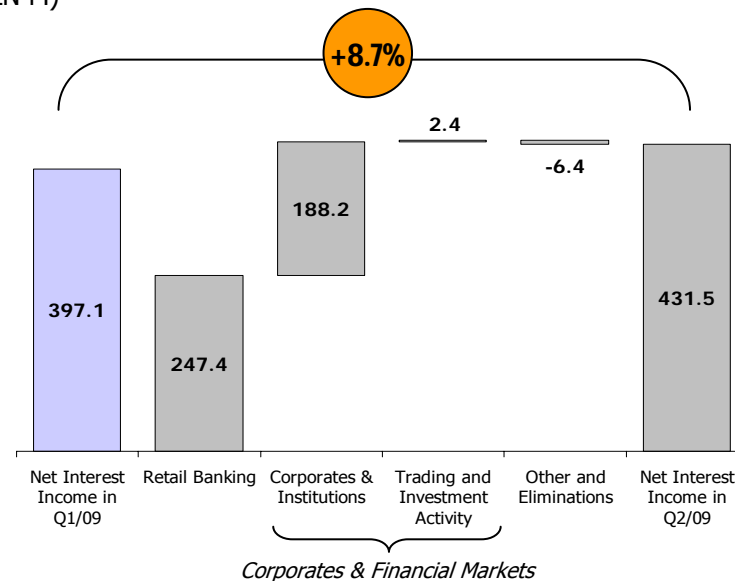
**Interest Income Structure (PLN M)**



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



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



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

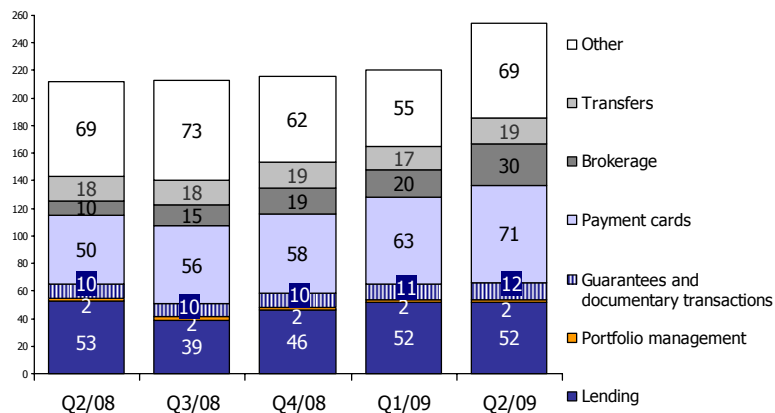
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
2007				2008				2009	
2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.3	2.2	2.3

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

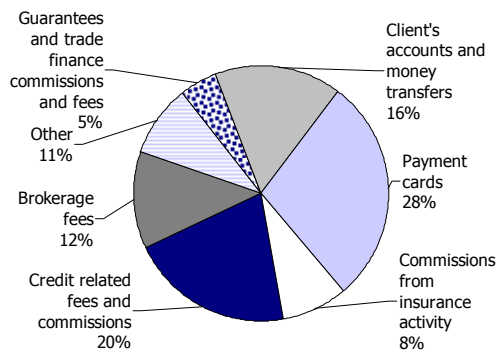
## Additional Information: Selected Financial Data Commission Income



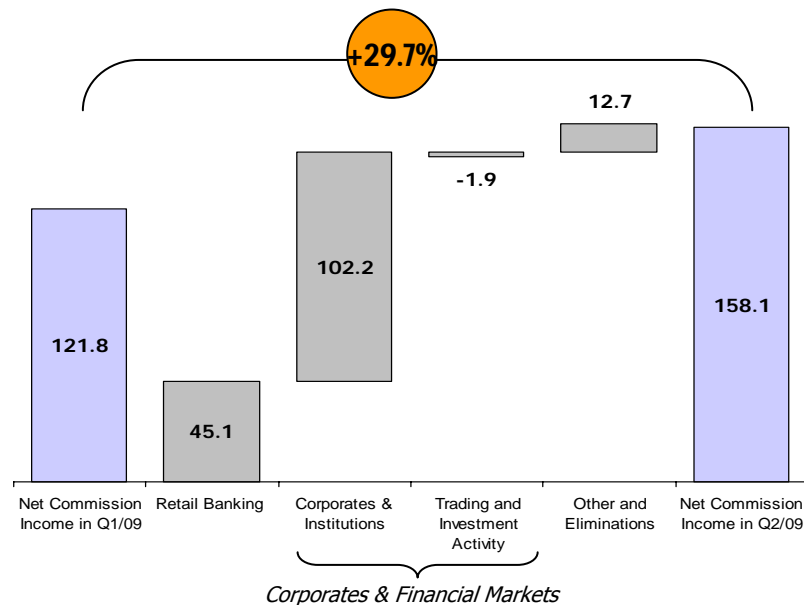
**Commission Income Structure (PLN M)**



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



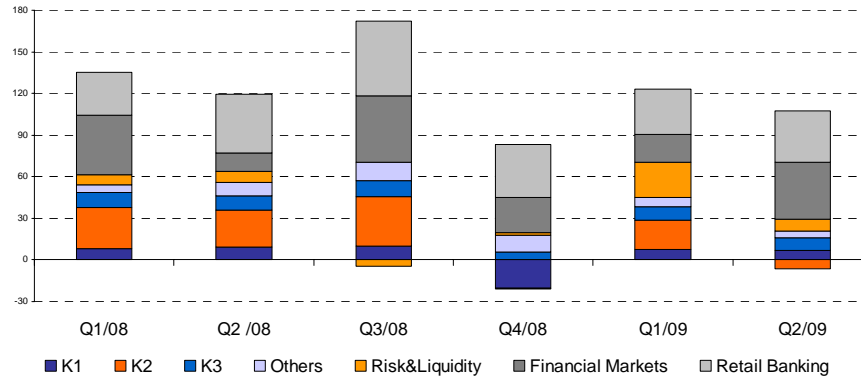
**Net Commission Income, Q2/09 by Business Line (PLN M)**



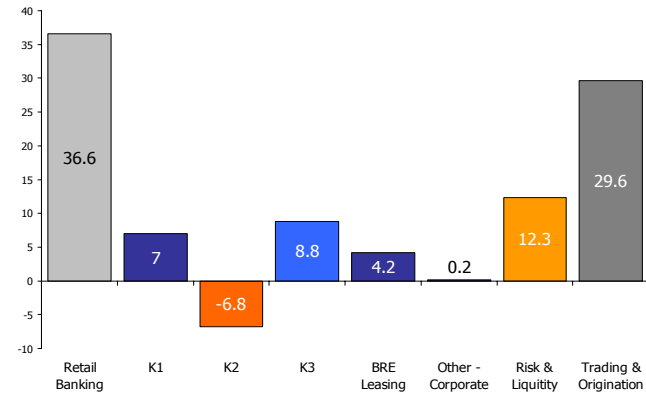
## Additional Information: Selected Financial Data Trading Income



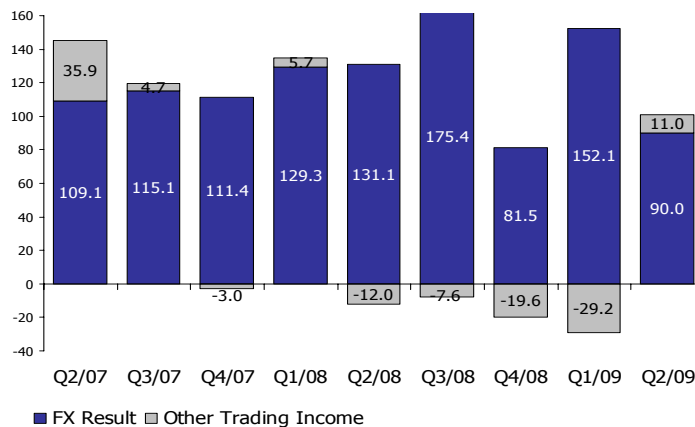
**Contributors of Net Trading Income  
(PLN M)**



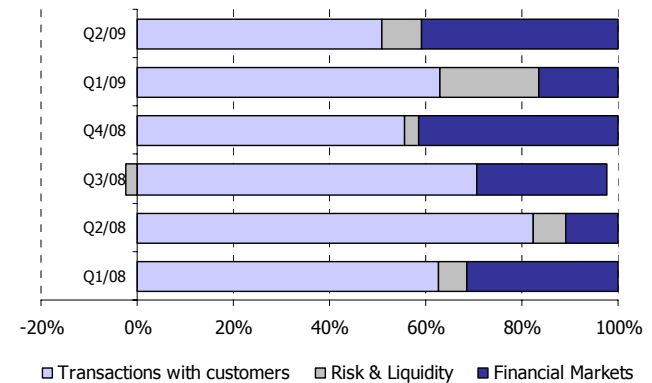
**FX Result Contributors in Q2/09  
(PLN M)**



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



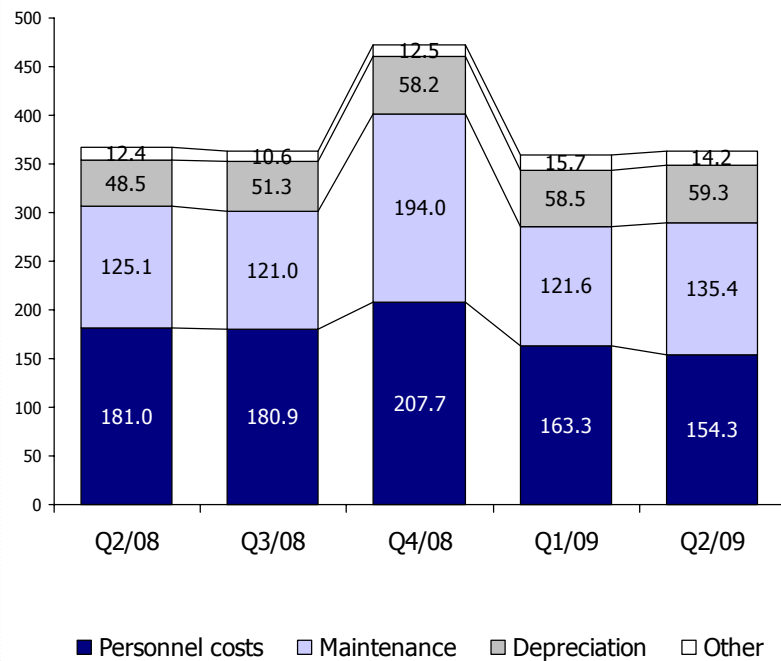
**Share of Client Driven Transactions  
in Net Trading Income  
(%)**



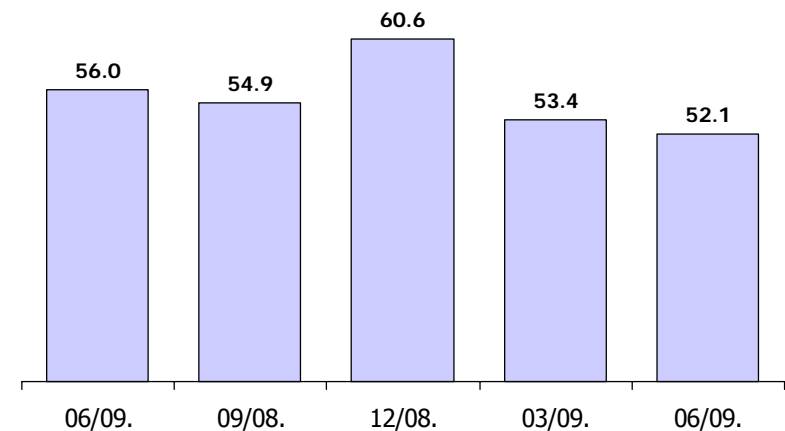
## Additional Information: Selected Financial Data Administrative Expenses Structure



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



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

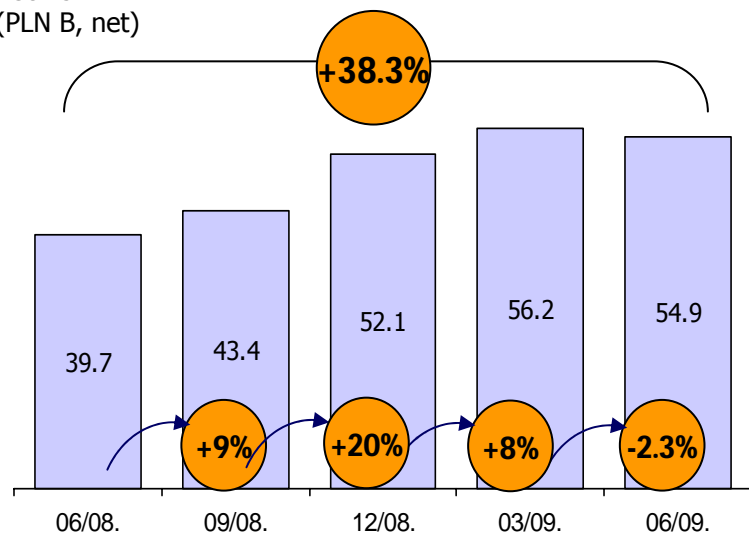


\* Calculated for continued and discontinued operations net of one-offs.  
Incl. one-offs the ratio was:  
48.3% in Q2 2008, 49.7% in Q3 2008 and 55.1% in Q4 2008;  
No one-offs and discontinued operations in Q1 and Q2 2009

## Additional Information: Selected Financial Data Loans and Deposits

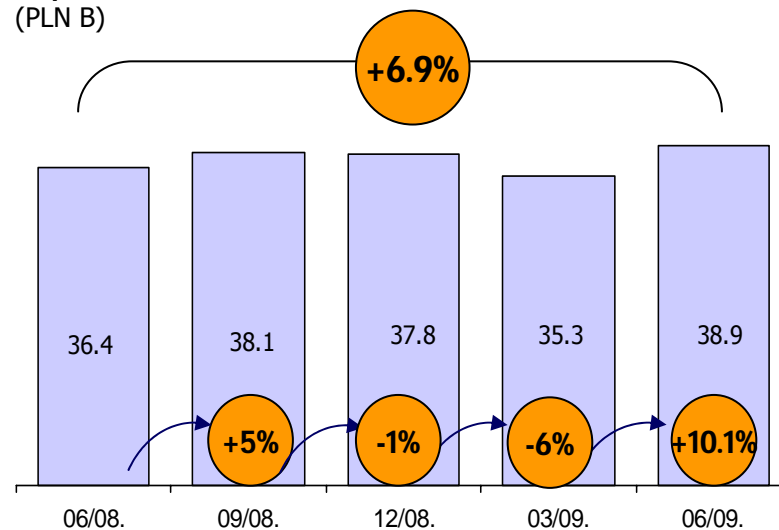


**Loans**  
(PLN B, net)



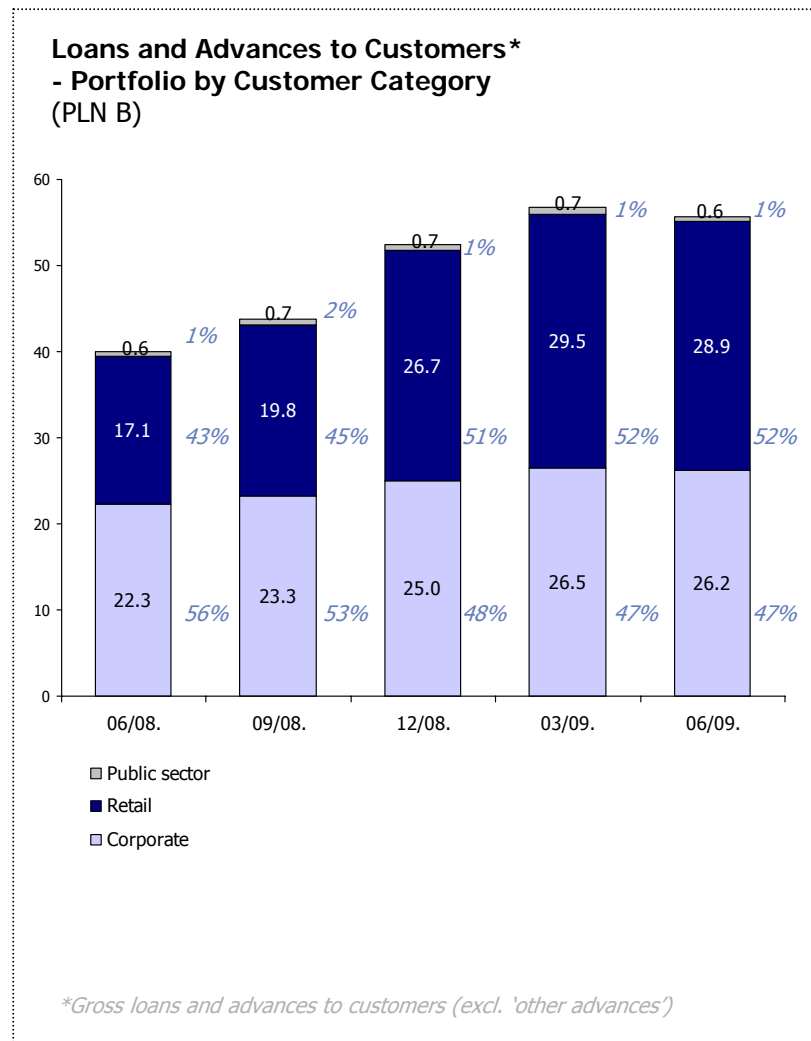
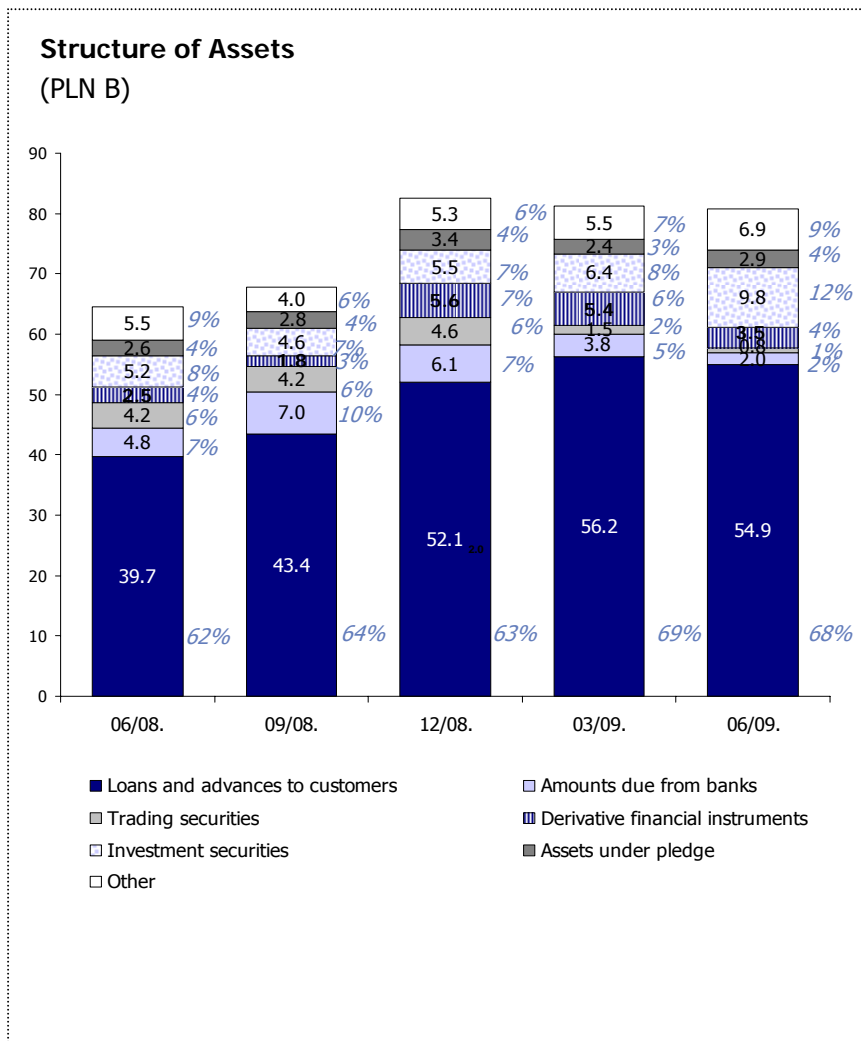
- Credit portfolio growth above the market average YoY**  
 (+38.3% YoY vs. market: + 27.0% YoY),  
 driven by retail (+69.2% YoY)  
 and corporate loans (+17.7% YoY)
- QoQ drop of credit portfolio**  
 (-2.3% QoQ vs. market: -0.4%)  
 as a result of drop of corporate (-1.3%)  
 and retail loans (-1.8%)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

**Deposits**  
(PLN B)



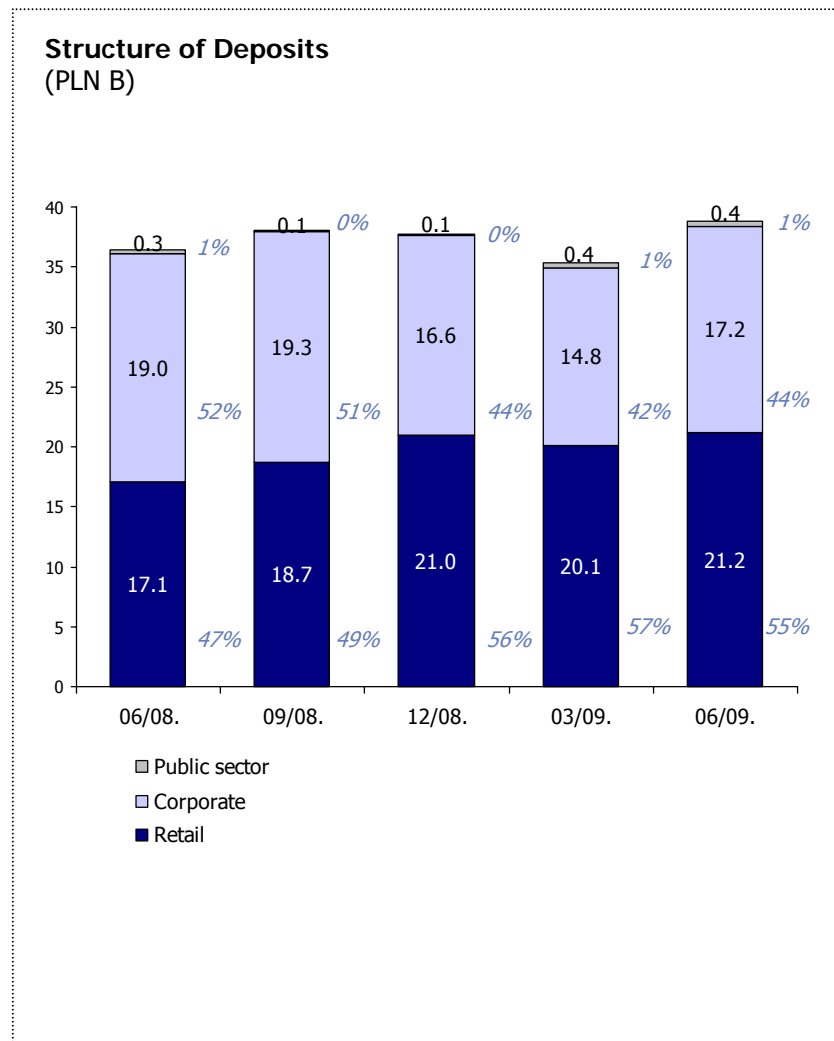
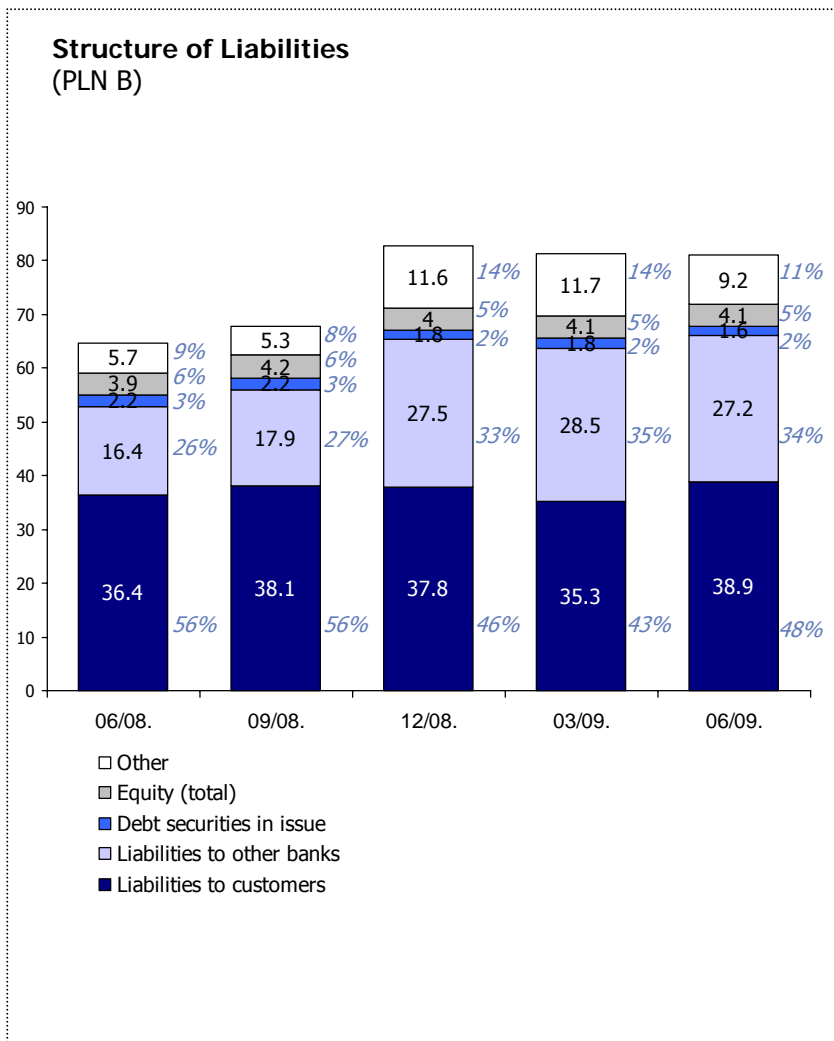
- Deposits growth below the market average YoY**  
 (BRE Bank: +6.9% YoY vs. market: +18.6% YoY),  
 as a result of falling corporate deposits (-9.0% YoY)  
 and increasing retail deposits (+24.5% YoY)
- QoQ increase of deposits in BRE Bank Group**  
 (10.1% QoQ vs. market: +2.5% QoQ)  
 as a result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

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



# Appendix

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



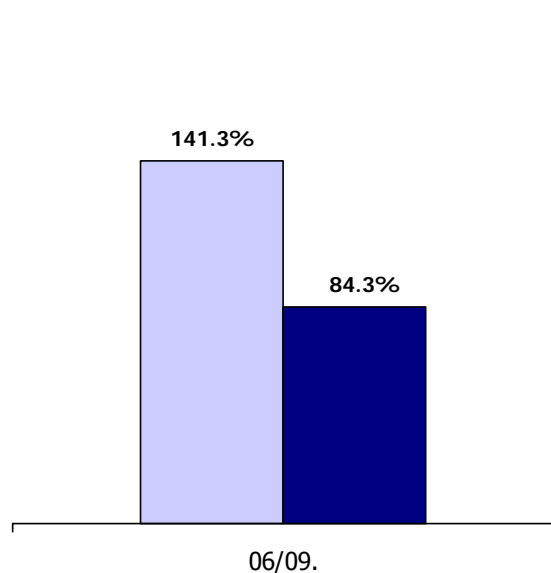
# Appendix

## Loan to Deposit Ratio

*The ratio of loans to deposits stands at 141.3%.  
However, funding policy for FX risk mitigation is implemented.  
BRE mid-term loans in CHF fund CHF-denominated mortgages, therefore...*

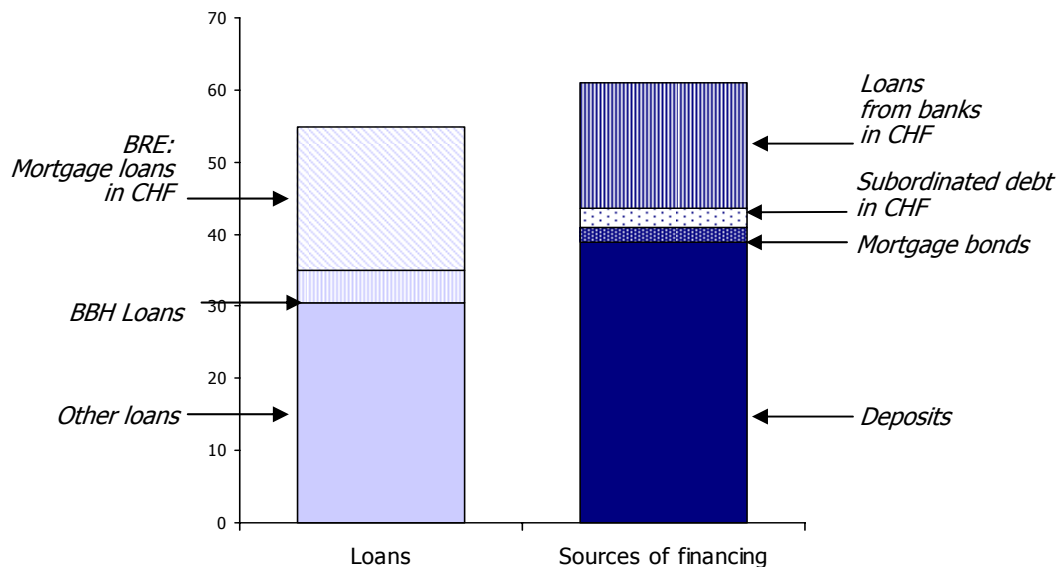
***...the actual ratio of loans funded from deposits is 84.3%***

LtD Ratio in BRE Bank Group  
at 30.06.2009



□ L/D - balance sheet    ■ L/D - actual ratio

Structure of Financing Loans of the BRE Bank Group  
at 30.06.2009 (PLN B)





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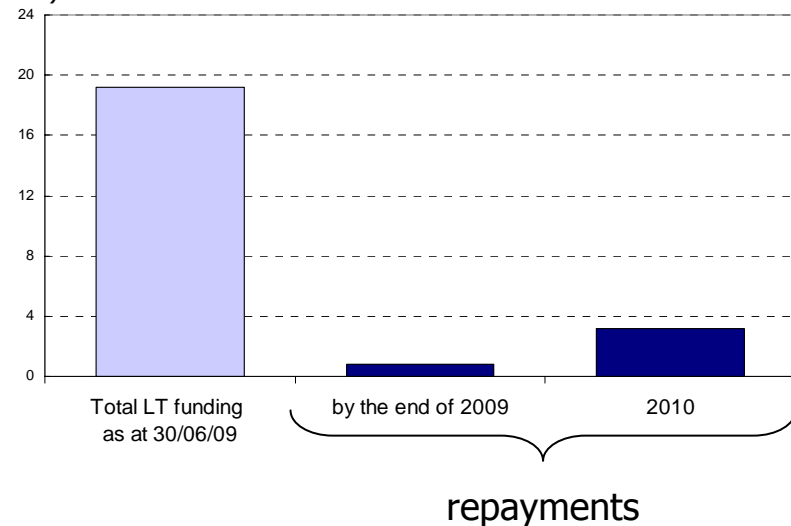
*By the end of 2010 BRE Bank will need to refinance PLN 4.0 B of long- and mid-term loans drawn in the past to fund FX lending.*

*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*

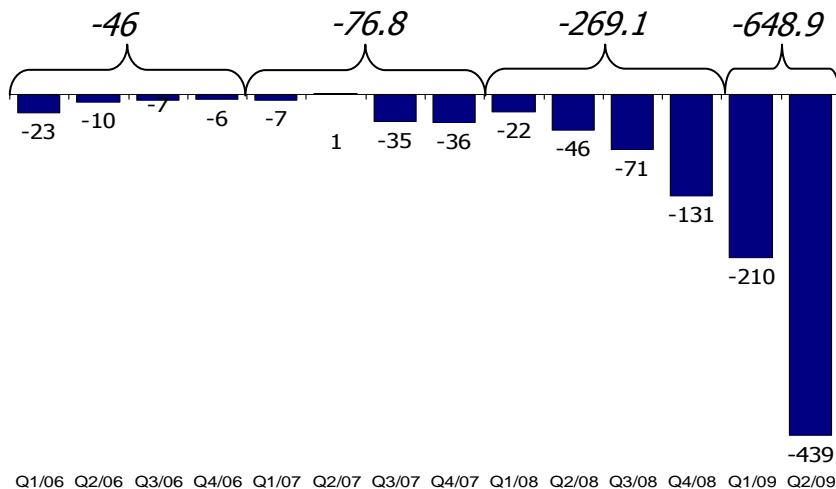
<i>Capital Requirement (PLN M)</i>	<i>Q4/07 Basel I</i>	<i>Q4/08 Basel II</i>	<i>Q1/09 Basel II</i>	<i>Q2/09 Basel II</i>
<i>Credit risk</i>	<i>2 998</i>	<i>4 177</i>	<i>4 368</i>	<i>4 101</i>
<i>Market risk</i>	<i>93</i>	<i>89</i>	<i>66</i>	<i>46</i>
<i>Operational risk</i>	<i>-</i>	<i>326</i>	<i>326</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

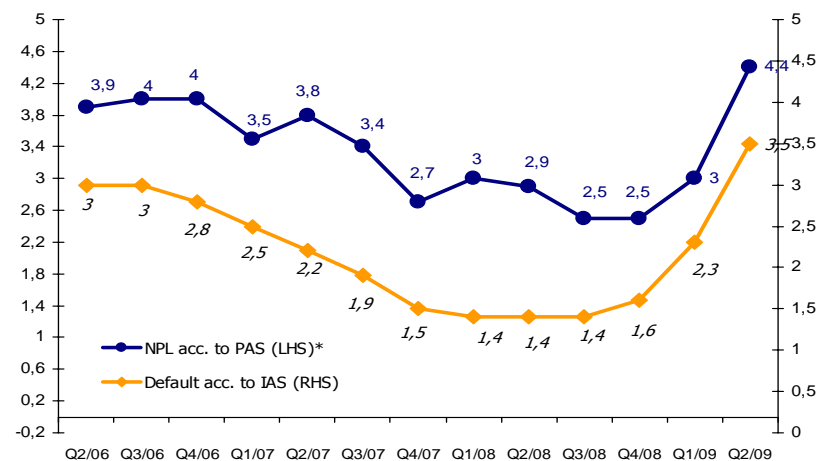
## Additional Information: Selected Financial Data Credit Provisions



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



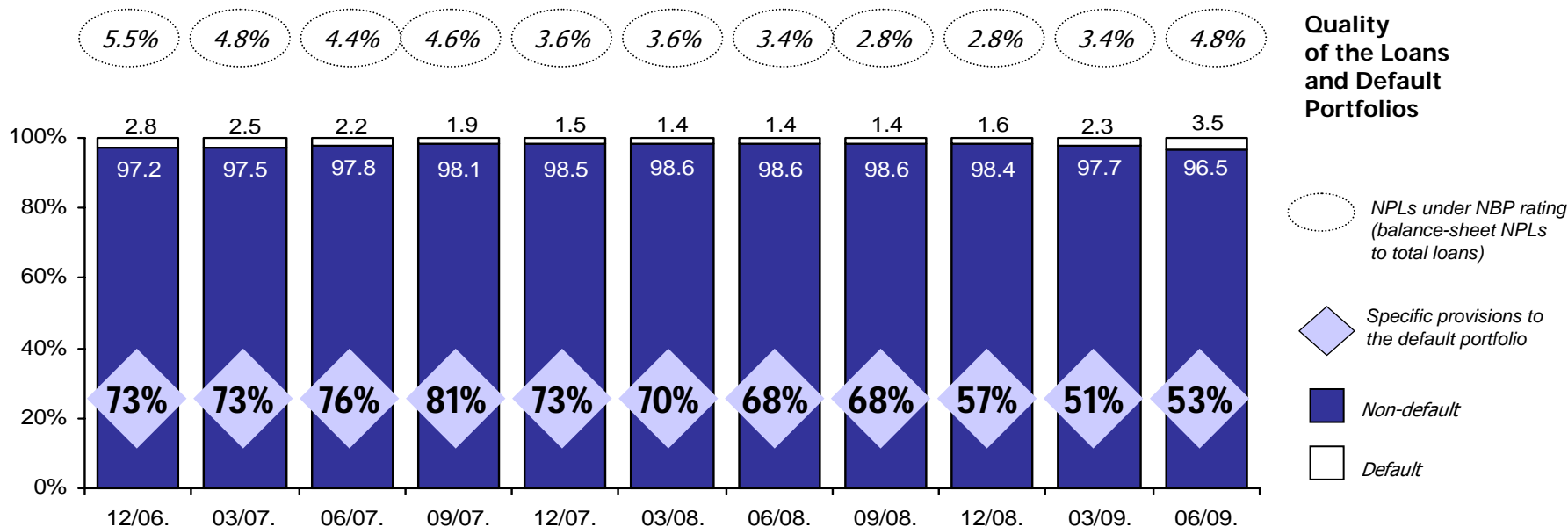
**BRE Bank Portfolio Quality**  
(%)



*\*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	<b>2 144</b>	<b>3.5</b>	<b>992</b>	<b>1.6</b>	<b>695</b>	<b>1.4</b>
Non-default	<b>58 458</b>	<b>96.5</b>	<b>60 481</b>	<b>98.4</b>	<b>47 607</b>	<b>98.6</b>
TOTAL	<b>60 602</b>	<b>100.0</b>	<b>61 473</b>	<b>100.0</b>	<b>48 302</b>	<b>100.0</b>

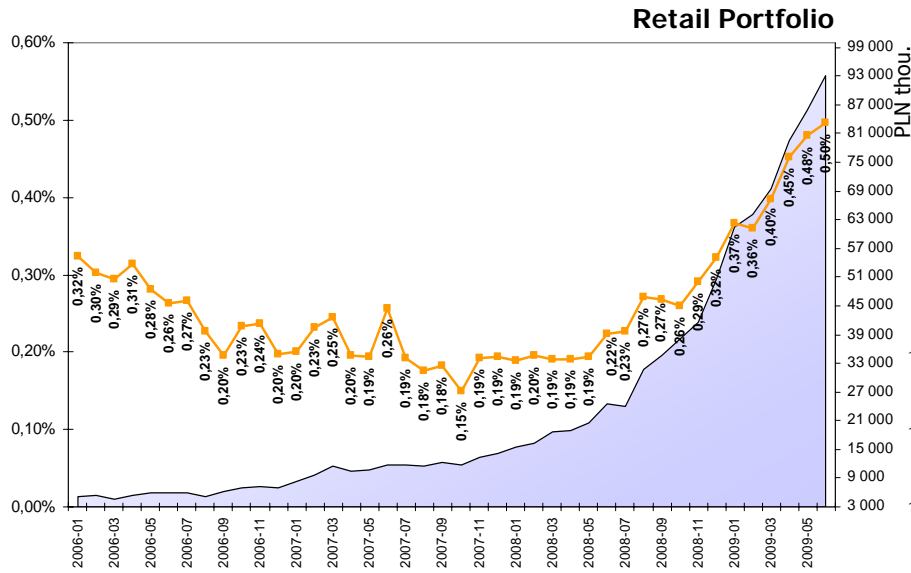
**Structure of the Default Portfolio**

# Appendix

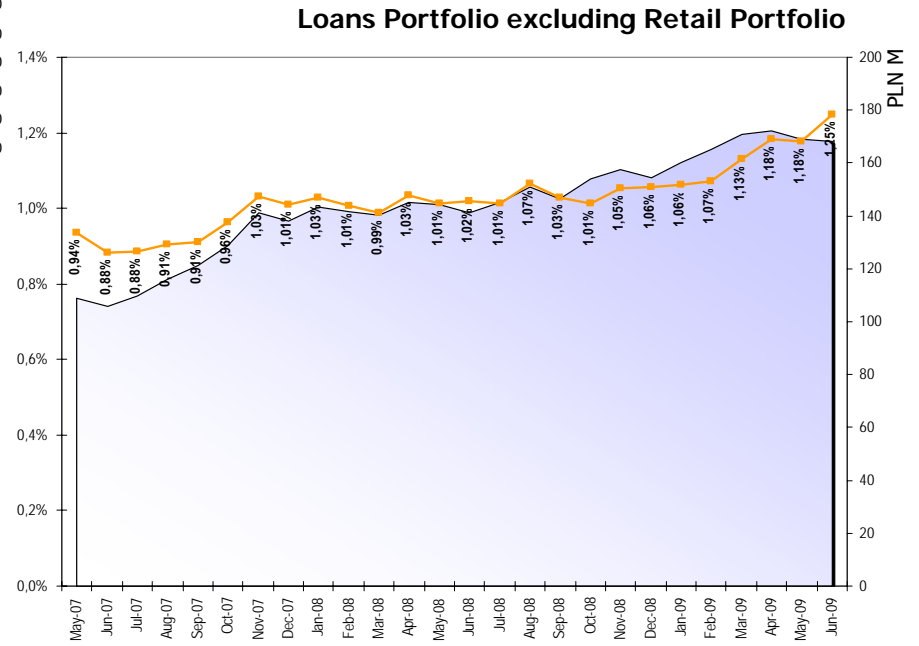
## Additional Information: Average PD and Portfolio Provisions



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



+ Average exposure-weighted PD, % (LHS)  
 Portfolio provisions in PLN (RHS)





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

**Joanna Filipkowska**

Head of Investor Relations

Direct dial: +48 22 829 04 53

Secretariat: +48 22 829 02 98

Fax: +48 22 829 02 97

E-mail: [joanna.filipkowska@brebank.pl](mailto:joanna.filipkowska@brebank.pl)

or

**Agnieszka Solarz**

Investor Relations

Direct dial: +48 22 829 08 18

Fax: +48 22 829 02 97

E-mail: [agnieszka.solarzjedrych@brebank.pl](mailto:agnieszka.solarzjedrych@brebank.pl)

**Visit our Investor Relations website:**

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