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Appendix 7
approved by the Polish Financial Supervision Authority on September 8th 2011, to the Base Prospectus of BRE Bank Hipoteczny S.A., approved by the Polish Financial Supervision Authority on October 28th 2009

This Appendix 7 has been drawn up to update the Issue Prospectus by supplementing it with interim financial information for H1 2011 and with information on relevant changes in the period from January 1 to July 31st 2011, in connection with the publication of condensed financial statements of BRE Bank Hipoteczny S.A. for H1 2011 on August 31st 2011.

Second page of the cover, last paragraph

The following text is added after the existing wording:

(g) the Issuer's condensed financial statements for H1 2011, prepared in accordance with IAS 34 "Interim Financial Reporting", containing comparative data for H1 2010 and reviewed by PricewaterhouseCoopers Sp. z o.o., along with the review report;

Chapter II

Section 1.

The following text is added at the beginning:

The Issuer's financial information for H1 2011 and 2010 is based on IFRS-compliant condensed financial statements prepared for H1 2011, containing comparative data for H1 2010. The financial information was supplemented with selected unaudited operating and financial data sourced from the Issuer’s management accounts.

Sub-Section 1.1

The following text is added at the beginning:

As at the end of June 2011, the volume of the loan portfolio (including off-balance-sheet items) increased slightly, by PLN 8,441 thousand relative to the end of 2010, the total on-balance-sheet and off-balance-sheet exposures reached PLN 4,437m as at the end of H1 2011 (commercial loans, housing loans, loans to local government institutions), and loans granted from January to June 2011 amounted to PLN 378,548 thousand (Table 3b).

Commercial loans for the financing of commercial real estate accounted for 81.5% of the Bank’s entire loan portfolio as at the end of H1 2011, and 80.5% as at the end of 2010. In terms of currency, PLN-denominated loans had a dominant share in the total portfolio, followed by EUR-denominated loans. As at the end of June 2011, foreign currency loans accounted for 40.2% of the aggregate loan portfolio (Table 2b).

The following new table is added under Table 1a:

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Table 1b The Bank's total loan portfolio by product group (PLN '000)*

Product		**Jun 30 2011**	**Dec 31 2010**	**Change**
	On-balance-sheet exposure	3,155,974	3,075,446	2.62%
	Off-balance-sheet exposure	458,510	487,454	-5.94%
Commercial loans	***Total exposure***	**3,614,485**	**3,562,900**	**1.45%**
	On-balance-sheet exposure	51,066	53,250	-4.10%
	Off-balance-sheet exposure	21	101	-79.21%
Housing loans	***Total exposure***	**51,087**	**53,351**	**-4.24%**
	On-balance-sheet exposure	624,117	640,435	-2.55%
Loans to local government institutions	*Off-balance-sheet exposure*	147,378	171,941	-14.29%
	Total exposure	**771,496**	**812,376**	**-5.03%**
	On-balance-sheet exposure	3,831,158	3,769,131	1.65%
	Off-balance-sheet exposure	605,910	659,496	-8.13%
Total	***Total exposure***	**4,437,068**	**4,428,627**	**0.19%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts. The above data concerns the portfolio value including loan interest, net of impairment losses.*

The following new table is added under Table 2a:

Table 2b Total loan portfolio by currency and main product groups*

Product	**Jun 30 2011**			**Dec 31 2010**		
	PLN	**EUR**	**USD**	**PLN**	**EUR**	**USD**
Commercial loans	51.5%	45.7%	2.8%	50.8%	46.0%	3.2%
Housing loans	39.9%	48.6%	11.6%	39.8%	47.5%	12.7%
Loans to local government institutions	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Total loan portfolio (on-balance-sheet and off-balance-sheet exposure)	**59.8%**	**37.8%**	**2.4%**	**59.7%**	**37.6%**	**2.7%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 3a:

Table 3b Sales of loans – value and number of executed loan agreements, by product groups (PLN '000)*

Product	**Jan 1 - Jun 30 2011**		**Jan 1 - Jun 30 2010**	
	value**	**number**	**value**	**number**
Commercial loans	**378,548**	**25**	**138,700**	**16**
Including loans for:				
- construction projects	20,500	1	16,722	3
- refinancing of real estate	185,131	14	57,278	9

- land purchase	0	0	0	0
- loans to residential developers	172,917	10	64,700	4
Housing loans	0	0	0	0
Loans to local government institutions	**0**	**0**	**0**	**0**
Local government institutions	0	0	0	0
Public healthcare centres (loans guaranteed by local government institutions)	0	0	0	0
Total	**378,548**	**25**	**138,700**	**16**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*
***The value of sales in the period January 1st – June 30th 2011 accounts for annexes to loan agreements under which the principal amounts of previous years' loans were increased by PLN 12,342 thousand.*

Sub-Section: Loans for the Purchase or Refinancing of Existing Real Estate (Including the Purchase of Shares in Special Purpose Vehicles Owning Real Estate)

The following text is added after the existing wording:

The commercial loan portfolio as at the end of June 2011 totalled PLN 3,614,485 thousand (on-balance-sheet and off-balance-sheet exposure), compared with PLN 3,562,900 thousand as at the end of 2010. The change in the loan portfolio in the first half of 2011 was driven chiefly by an increase in sales of loans for the refinancing of real estate and loans to residential developers, as well as repayment of loans advanced in previous years.

The loan portfolio comprises primarily agreements with large institutional clients (including in the first place loans for the refinancing of commercial real estate and loans to residential developers). The average loan repayment period was 12.6 years. Loans bearing interest at variable rates prevailed in the portfolio. PLN-denominated loans had the largest share in the total commercial loan portfolio – 51.5% as at the end of June 2011.

The Bank financed chiefly developers investing in office and service buildings and developers' residential projects. Loans to developers investing in retail and warehouse space accounted for a significant portion of the commercial loan portfolio. The share of loans financing purchase of land and construction of hotels and entertainment and recreation facilities was insignificant due to the higher credit risk connected with such financing.

A geographical diversification was clearly visible in the structure of lending activity. Most of the projects financed by the Bank were located in the Provinces of Warsaw, Wrocław, Gdańsk and Kraków; commercial loans advanced in these provinces accounted for 73.5% of the Bank's total on-balance-sheet exposure.

In line with the concentration limits, as at June 30th 2011 the financing of any single entity or a group of entities with equity or organisational links did not exceed 25% of the Bank's equity, i.e. PLN 116,438 thousand.

Sub-Section 1.1.2: Loans to Local Government Institutions

The following text is added at the beginning:

As at the end of June 2011, the total on-balance-sheet and off-balance-sheet exposure to the public sector reached PLN 771,449 thousand and represented 17.4% of the total credit exposure. Loans with an average repayment term of 13.7 years account for the majority of the portfolio of loans to local government institutions.

Sub-Section 1.1.3: Housing Loans to Retail Customers

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The following text is added after the second paragraph:

As at the end of June 2011, the total value of the housing loan portfolio stood at PLN 51,087 thousand, compared with PLN 53,351 thousand as at the end of 2010. PLN-denominated loans have a prevailing share in the portfolio. The share of PLN-denominated loans rose sharply – from approximately 10% in 2002 to 39.9% as at the end of June 2011.

The following new table is added under Table 4a:

Table 4b Housing loans to retail clients – total value of the portfolio as at June 30th 2011*

Housing loans in	Total exposure (PLNm)
PLN	20.48
EUR	24.75
USD	5.86
Total	**51.09**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

Section 1.3: Issues of Mortgage Covered Bonds

The following text is added at the beginning:

As at June 30th 2011, BRE Bank Hipoteczny S.A. carried out a total of 34 issues of covered bonds, including 11 private placements and 23 public offerings, maintaining the leading position on the Polish covered bonds market as at the end of June 2011. The total value of covered bonds issued by BRE Bank Hipoteczny and outstanding as at the end of June 2011 was approximately PLN 1.9bn. The Bank offers chiefly covered bonds with three- and five-year maturities.

To the Issuer's knowledge, BRE Bank Hipoteczny S.A. has been the largest issuer of covered bonds since they were first introduced into the Polish capital market in 2000, with a market share of approximately 70% as at the end of June 2011. In H1 2011, the Bank issued covered bonds totalling PLN 500m. The issues comprised three tranches of mortgage covered bonds.

As at June 30th 2011, the covered bonds issued by BRE Bank Hipoteczny S.A. were assigned an investment-grade rating by international rating agency Moody's Investors Service Ltd. (Baa2 for mortgage covered bonds and Baa1 for public sector covered bonds).

The following new table is added under Table 6a:

Table 6b Mortgage covered bonds issued by BRE Bank Hipoteczny S.A., traded on a regulated market as at June 30th 2011

Issue date	Maturity	Currency	Value ('000)	Moody`s rating
Oct 10 2008	Oct 7 2011	PLN	150,000	Baa2
Jun 24 2009	Jun 15 2012	PLN	300,000	Baa2
Apr 28 2010	Apr 29 2013	PLN	25,000	Baa2
Apr 28 2010	Apr 28 2014	PLN	25,000	Baa2
Jul 28 2010	Jul 28 2014	PLN	200,000	Baa2

Sep 28 2010	Sep 28 2015	PLN	100,000	Baa2
Nov 29 2010	Nov 28 2014	PLN	100,000	Baa2
Apr 28 2011	Apr 20 2016	PLN	200,000	Baa2
May 16 2011	May 15 2015	PLN	100,000	Baa2
Jun 15 2011	Jun 16 2017	PLN	200,000	Baa2
TOTAL		**PLN**	**1,400,000**	

Source: the Issuer.

On July 7th 2011, the Bank issued mortgage covered bonds with a nominal value of PLN 100,000 thousand.

The following new table is added under Table 7a:

Table 7b Public sector covered bonds issued by BRE Bank Hipoteczny S.A., traded on a regulated market as at June 30th 2011

Issue date	Maturity	Currency	Value ('000)	Moody`s rating
Jul 27 2007	Jul 27 2012	PLN	100,000	Baa1
Sep 28 2007	Sep 28 2012	PLN	200,000	Baa1
Sep 22 2008	Sep 20 2013	PLN	100,000	Baa1
Nov 29 2010	Nov 30 2015	PLN	100,000	Baa1
TOTAL		**PLN**	**500,000**	

Source: the Issuer.

The following new table is added under Table 8a:

Table 8c Issues of mortgage covered bonds of BRE Bank Hipoteczny S.A. – redeemed as at June 30th 2011

Issue date	Maturity		Currency	Value ('000)
Jun 28 2000	Jun 28 2005	Private placement	PLN	5,000
Jul 29 2002	Jul 31 2006	Private placement	PLN	50,000
Sep 14 2001	Sep 14 2004	Private placement	EUR	5,000
May 20 2002	May 20 2009	Private placement	EUR	10,000
May 20 2003	May 20 2009	Private placement	EUR	20,000
May 20 2004	May 20 2009	Private placement	EUR	25,000
Sep 14 2001	Sep 14 2004	Private placement	USD	10,000
Nov 20 2001	Nov 21 2005	Private placement	USD	10,000
May 20 2002	May 20 2008	Private placement	USD	10,000
May 20 2004	May 20 2009	Private placement	USD	25,000
Apr 10 2003	Apr 10 2008	Public offering	PLN	200,000
Oct 23 2003	Oct 10 2008	Public offering	PLN	200,000
Apr 14 2005	Apr 12 2010	Public offering	PLN	100,000
Mar 12 2008	Sep 28 2010	Public offering	PLN	200,000
Nov 21 2005	Nov 22 2010	Private placement	USD	10,000
Nov 28 2007	Nov 29 2010	Public offering	PLN	170,000
Apr 25 2008	Apr 28 2011	Public offering	PLN	250,000

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May 20 2009	May 16 2011	Public offering	PLN	60,000
Jun 13 2008	Jun 15 2011	Public offering	PLN	200,000

Source: the Issuer.

2. Financial Information

The following text is added at the beginning:

The Issuer's financial information for H1 2011 and 2010 is based on IFRS-compliant condensed financial statements prepared for H1 2011, containing comparative data for H1 2010. The financial information was supplemented with selected unaudited operating and financial data sourced from the Issuer's management accounts.

The following new table is added under Table 9a:

Table 9b Selected financial data of the Issuer (PLN '000)

	Jun 30 2011	Dec 31 2010
ASSETS		
Cash and balances with Central Bank	5,896	13,319
Amounts due from other financial institutions	1,922	377
Derivative financial instruments	787	5,013
Loans granted to non-financial sector	3,831,158,	3,769,131
Investment securities	237,700	287,823
Pledged assets	1,164	2,079
Investments in subsidiaries	65	65
Intangible assets	2,377	1,995
Property, plant and equipment	9,681	9,027
Deferred tax assets	8,062	8,050
Other assets	23,833	4,052
Total assets	**4,122,645**	**4,100,931**

Source: financial statements of the Issuer.

The following new table is added under Table 10a:

Table 10b Selected financial data of the Issuer (PLN '000)

	Jun 30 2011	Dec 31 2010
EQUITY AND LIABILITIES		
Amounts due to other financial institutions	1,320,997	1,324,356
Derivative financial instruments	2,750	1,601
Amounts due to non-financial sector	174,507	242,665
Liabilities under debt securities in issue	2,143,325	2,060,385
Subordinated liabilities	100,268	100,251
Other liabilities	3,292	3,307
Total liabilities	**3,745,139**	**3,732,565**
Equity		

Equity	377,506	368,366
Share capital:	175,000	175,000
Retained earnings	202,519	193,404
- Profit/(loss) brought forward	193,150	162,550
- Current year profit/(loss)	9,369,	30,854
Revaluation reserve	-13	-38
Total equity	377,506	368,366
Total equity and liabilities	**4,122,645**	**4,100,931**

Source: financial statements of the Issuer.

The following text is added under Table 10b:

As at the end of June 2011, the Bank’s balance-sheet total stood at PLN 4,122,645 thousand and was PLN 21,714 thousand higher than as at the end of 2010. The key item of assets was loans granted to non-financial sector, which accounted for 92.9% of total assets.

As at the end of H1 2011, the Bank's loan portfolio totalled PLN 4,437,068 thousand, slightly above the level reported at the end of 2010. As at the end of June 2011, 81.5% of loans granted to non-financial sector (gross) were loans to corporate clients, and 18.5% - loans to retail clients and the budget sector.

The main item of the Bank's equity and liabilities is liabilities under debt securities in issue, which as at June 30th 2011 accounted for 52.0% of the balance-sheet total. The debt securities in issue comprise covered bonds and bonds. As at the end of June 2011, liabilities under mortgage covered bonds and public sector covered bonds amounted to PLN 1,916,315 thousand, and under bonds - to PLN 227,010 thousand. Equity and liabilities also included amounts due to other financial institutions, which accounted for 32.0% of the balance-sheet total.

The following new table is added under Table 11a:

Table 11b Off-balance-sheet items (PLN ‘000)

Contingent liabilities and commitments	**Jun 30 2011**	**Dec 31 2010**
Financial commitments and liabilities	617,968	661,494
Interest rate derivatives	48,637	208,316
Foreign currency derivatives	827,556	711,487
Financial commitments received	218,081	218,307
Total off-balance sheet items	**1,712,242**	**1,799,604**

Source: The Issuer.

** Unaudited operating and financial data sourced from the Issuer’s management accounts.*

The following new table is added under Table 12a:

Table 12b Selected items of the income statement (PLN ‘000)

	H1 2011	**H1 2010**

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Interest income	108,537	112,252
Interest expense	-74,655	-72,977
Net interest income	**33,882**	**39,275**
Fee and commission income	595	644
Fee and commission expense	-539	-511
Net fee and commission income	**56**	**133**
Trading profit, including:	5,700	1,479
Foreign exchange gains/(losses)	*1,332*	*1,719*
Profit/(loss) on other trading activities	*4,368*	*-240*
Other operating income	558	405
Net impairment losses on loans	-7,456	-887
General and administrative expenses	-17,935	-16,200
Amortisation and depreciation	-1,742	-1,669
Other operating expenses	-237	-22
Operating profit	**12,826**	**22,514**
Pre-tax profit	**12,826**	**22,514**
Corporate income tax	-3,457	-3,231
Net profit	**9,369**	**19,283**

Source: financial statements of the Issuer.

The following text is added under Table 12b:

Interest income was the main source of the Bank's revenue. Similarly, expenses were dominated by interest expense. These items and, to a smaller extent, the trading profit had a decisive effect on the operating profit, which amounted to PLN 12,826 thousand in H1 2011 and was PLN 9,688 thousand lower than the operating profit generated in H1 2010.

The weaker financial performance in H1 2011 is attributable to the lower value of the loan portfolio, difficulties with rebuilding the client base, and the falling quality of the loan portfolio in the segment of loans to residential developers. The Bank's financial result was also affected by the persistently high refinancing costs.

The deteriorated operating performance in H1 2011 was chiefly an outcome of higher net impairment losses on loans (up by PLN 6,569 thousand) and lower net interest income (down by PLN 5,393 thousand). At the same time, however, the Bank recorded a marked rise in trading profit (up by PLN 4,221 thousand).

Chapter III

Section 1.1: Credit Risk

After the second paragraph, a new paragraph is added to read as follows:

As at June 30th 2011, the Issuer’s loan portfolio was of good quality, evidenced by a low share (2.68%) of impaired loans in the total gross credit exposure. In H1 2011, a slight improvement in the Bank's loan portfolio quality (as measured by the value of impaired loans) was recorded.

The following new table is added under Table 13a:

Table 13b Quality of the Bank's loan portfolio

	Jun 30 2011		Dec 31 2010	
Loans granted to non-financial sector	**Exposure (PLN '000)**	**share/coverage (%)**	**Exposure (PLN '000)**	**share/coverage (%)**
Not past due, not impaired	3,380,686	87.66%	3,377,213	89.11%
Past due, not impaired	372,395	9.66%	297,193	7.84%
Impaired	103,488	2.68%	115,670	3.05%
Total gross	**3,856,569**	**100.00%**	**3,790,076**	**100.00%**
Impairment charge (on impaired loans and not impaired loans)	-25,411	0.66%	-20,945	0.55%
Total net	**3,831,158**	**99.34%**	**3,769,131**	**99.45%**

Source: financial statements of the Issuer.

Sub-Section: High Share of Commercial Loans in the Loan Portfolio

The following text is added after the existing wording:

As at June 30th 2011, the share of commercial loans in the Issuer's total loan portfolio (on-balance-sheet and off-balance-sheet exposures) was at a high level of 81.5%.

As BRE Bank Hipoteczny S.A. is a mortgage bank, the credit risk which it can take is limited by numerous provisions of the Covered Bond and Mortgage Banks Act, dated August 29th 1997, including:

- the concept of the mortgage lending value of real estate and the rules for determining the value;
- a limit on the share of loans exceeding 60% of the mortgage lending value of real estate in the total loan portfolio; the amount of such loans may not exceed 30% of the loan portfolio value (Art. 13.1) – as at June 30th 2011, at the Bank the share was 18.7% (representing 62.3% of the limit),
- a limit on refinancing of loans under covered bonds – up to 60% of the mortgage lending value of real estate (Art. 14); a mortgage bank may apply the proceeds from issue of covered bonds to refinance mortgage-backed loans and acquired claims of other banks under mortgage-backed loans originated by those banks, however, the amount of such refinancing may not exceed the equivalent of 60% of the mortgage lending value of real estate – as at June 30th 2011, at the Bank it amounted to 54.9% (representing 91.5% of the limit),
- a limit on the share of loans secured with real estate under construction (Art. 23.1); receivables secured with mortgages created during the execution of construction projects may not exceed 10% of the aggregate value of the mortgage-backed receivables which are the basis for issuing mortgage covered bonds – as at June 30th 2011, at the Bank their share amounted to 2.1% (representing 21.1% of the limit),

and of the Polish Banking Law of August 29th 1997:

- a limit on large exposures (in excess of 10% of the Bank's equity), whose value may not exceed 800% of the Bank's equity (Art. 71.2) – as at June 30th 2011, at the Bank it was 267% (representing 33% of the limit),
- a limit on concentration with respect to a single entity or group of entities with capital or organisational links; the concentration may not exceed 25% of the Bank's equity (Art. 71.1.2) – as at June 30th 2011, at the Bank the limit was not exceeded.

As at June 30th 2011, none of the above limits was exceeded.

As at June 30th 2011, the Bank’s equity was PLN 465,753 thousand.

As at the end of H1 2011, loans exceeding 10% of the Bank’s equity totalled PLN 1,241,471.8 thousand and represented 267% of the Bank’s equity. Pursuant to Art. 71.6 of the Banking Law, the Bank’s Management Board is required to notify immediately the Polish Financial Supervision Authority each time the limit of 10% of the Bank’s equity is exceeded with respect to the level of the Bank’s receivables or off-balance sheet liabilities and commitments exposed to the risk relating to a single entity or a group of entities with capital or organisational links. Such notifications are submitted on a monthly basis.

Sub-Section: High Share of Foreign Currency Loans in the Loan Portfolio

The following text is added after the existing wording:

As at June 30th 2011, the share of foreign currency loans in the Issuer’s total loan portfolio (on-balance-sheet and off-balance-sheet exposures) was 40.2%.

As at June 30th 2011, foreign-currency loans accounted for 48.5% of commercial loans. The relatively high share of foreign-currency loans in the Bank’s commercial portfolio follows from the specific nature of the real estate market. A majority of the cash flows, including income from the rental of commercial real estate, is expressed and generated in foreign currencies. The main source of funds for the repayment of commercial loans is income from the rental of real estate financed with a loan. Loans denominated in the euro and the U.S. dollar are granted where the currency of the loan matches the currency of respective incomes and the dates for rent payment match debt servicing dates. These measures limit the effects of potential depreciation of the złoty on the loan portfolio quality.

As at the end of H1 2011, PLN-denominated loans represented 59.8% of the total loan portfolio (on-balance-sheet and off-balance-sheet exposures), compared with 59.6% as at the end of 2010. The change in the share of PLN-denominated loans is attributable, among other things, to exchange rate fluctuations and the high share of commercial loans, a large portion of which is denominated in foreign currencies. In recent years, new loans for residential developers and local government institutions were granted in the złoty, and new loans for commercial developers were denominated in the złoty and the euro.

Sub-Section: High Share of Variable Interest Rate Loans in the Loan Portfolio

The following text is added after the existing wording:

As at June 30th 2011, the proportion of variable interest rate loans to the total loan portfolio amounted to 99.2% of the Issuer’s credit exposure. A significant and lasting increase in interest rates may affect the borrowers’ ability to service and repay debt. Consequently, this could have a bearing on the Bank’s performance and have an adverse effect on the Issuer’s ability to service and repurchase Covered Bonds.

Sub-Section: Geographical and Sectoral Concentration of the Loan Portfolio

At the beginning of the sub-section, the following new paragraph is added:

Pursuant to the credit policy, the real estate financed by the Bank should be situated in prime locations enabling its re-sale in a long term. These factors are reflected in the geographical structure of the loan portfolio. As at the end of H1 2011, 58.5% of the Bank’s commercial loan portfolio were loans financing real estate located in the Warsaw, Gdańsk and Wrocław Provinces. The highest demand for real estate is seen in the capital cities of provinces. The largest cities, enjoying the fastest rates of economic growth, attract investors who have access to substantial sources of capital abroad. These cities are good markets for commercial real estate, which can be leased out in a relatively short time.

The following new table is added under Table 14a:

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Table 14b Regional concentration of the loan portfolio*

Commercial loans and loans to local government institutions - geographical structure (by provinces)	Jun 30 2011 Share in on-balance-sheet exposure	Dec 31 2010 Share in on-balance-sheet exposure
Warsaw Province	33.68%	33.90%
Wrocław Province	14.58%	13.99%
Gdańsk Province	10.25%	9.96%
Kraków Province	8.73%	10.55%
Katowice Province	7.80%	7.44%
Poznań Province	5.60%	5.52%
Łódź Province	4.94%	4.96%
Olsztyn Province	2.76%	1.66%
Bydgoszcz Province	2.57%	2.63%
Lublin Province	2.29%	2.45%
Szczecin Province	2.18%	2.59%
Zielona Góra Province	1.41%	1.48%
Opole Province	1.41%	0.84%
Rzeszów Province	1.02%	1.06%
Białystok Province	0.42%	0.60%
Kielce Province	0.34%	0.39%
Total	**100.00%**	**100.00%**

Source: The Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 15a:

Table 15b Loans by sector exposure*

Loans by sector - type of loan-financed project	Jun 30 2011 Share in on-balance-sheet exposure	Dec 31 2010 Share in on-balance-sheet exposure
Office and service buildings	23.38%	28.15%
Retail space	19.10%	12.48%
Loans to local government institutions	16.14%	17.24%
Residential development projects	11.94%	12.75%
Warehouse space	10.55%	7.61%
Commercial space	7.27%	3.60%
Land	3.84%	4.07%
Hotels	2.89%	3.71%
Entertainment and recreation facilities	0.96%	1.05%
Office and retail complexes	0.04%	8.09%
Other	2.18%	1.25%
Total	**100.00%**	**100.00%**

Source: The Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

Section 1.2 Market Risk

Sub-Section: Liquidity Risk

At the beginning of the sub-section, the following new paragraph is added:

Liquidity risk relates to differences between maturities of the Bank's assets and liabilities, typical of all banks, including mortgage institutions. At the current stage of the Bank's development, as regards covered bonds, there is a mismatch in maturities between the issued securities and the loans securing their redemption, specified in the register of collateral for covered bonds. As at the end of H1 2011, liabilities with a principal-weighted average maturity of 1.69 years were used to finance assets with an average maturity of 6.95 years and duration of 5.83 years, including depreciation of the principal. Therefore, it may prove necessary at the maturity dates of Covered Bonds to refinance part of the debt under the Covered Bonds through, for instance, new securities issues or obtaining financing from other banks. The Bank strives to eliminate the mismatch between its assets and liabilities used to finance those assets, while enhancing the stability of its sources of financing, which is done by extending the maturities of long-term covered bonds and by contracting long-term liabilities under loans and deposits with other banks. As at the end of June 2011, the average maturity of the issued covered bonds was 3.12 years in the case of mortgage covered bonds and 2.04 years in the case of public sector covered bonds. The average maturity of long-term deposits was 0.72 year. The average maturity of mortgage covered bonds issued in H1 2011 was 5.09 years. In H1 2011, the Bank did not issue public sector covered bonds.

Sub-Section: Risk Related to Investment in Covered Bonds

The following text is added after the existing wording:

As at June 30th 2011:

- The proportion of loans advanced by the Bank for projects under construction to the total value of mortgage-backed receivables entered in the register of collateral for covered bonds was 2.10%, which represented a decline of 2.81 percentage points relative to December 31st 2010.
- The value of receivables secured with mortgages created on real estate intended for development in accordance with the applicable zoning plan represented 0% of the value of the receivables secured with mortgages created during the execution of construction projects and serving as the basis for issuing mortgage covered bonds.
- The Bank did not maintain substitute security for issues of mortgage covered bonds and public sector covered bonds in 2008–2011.
- The value of the mortgage covered bonds and public sector covered bonds issued by the Bank represented 407.9% of the Bank's equity, having declined by 30.63 percentage points relative to the end of December 2010.
- The total value of outstanding mortgage covered bonds and public sector covered bonds issued by the Bank was PLN 1,400,000 and PLN 500,000 thousand, respectively. They were secured with receivables totalling PLN 2,222,775.25 thousand and PLN 626,327.95 thousand.
- The total value of outstanding mortgage covered bonds dropped by 0.71% relative to the end of 2010, while the value of loan receivables entered in the register of collateral for mortgage covered bonds increased by 2.54%.
- The total value of outstanding public sector covered bonds did not change relative to the end of 2010, while the value of loan receivables entered in the register of collateral for public sector covered bonds fell by 2.63%.

- The value of the part of mortgage-backed loans in excess of the 60% threshold of the mortgage lending value of real estate represented approximately 18.69% of the total value of all mortgage-backed loans (the maximum permitted level is 30%).
- The value of mortgage covered bonds in issue represented 54.92% of the value of the part of mortgage-backed loans not exceeding the 60% threshold of the mortgage lending value of real estate. This means that PLN 1,149,019.20 thousand still remains to reach the limit.
- The total overcollateralisation of receivables in the register of collateral for mortgage covered bonds amounted to PLN 822,775.25 thousand and represented 37.02% of the value of receivables serving as the basis for issuing mortgage covered bonds. This figure is by 2.06 percentage points higher relative to the end of 2010. Given the value of receivables in the register, the Bank is statutorily permitted to make an additional issue of PLN 620,704.77 thousand, taking into account the 10% overcollateralisation for mortgage covered bonds.
- The total overcollateralisation of receivables in the register of collateral for public sector covered bonds amounted to PLN 126,327.95 thousand and represented 20.17% of the value of receivables serving as the basis for issuing public sector covered bonds. This figure is lower by 2.10 percentage points compared with the end of 2010. Based on the value of receivables in the register, the Bank may issue public sector covered bonds for another PLN 90,875.42 thousand, taking into account the 6% overcollateralisation for this type of bonds.

Section 2
Risk Factors Connected with the Issuer's Business Environment

Sub-Section: Growing Competition in the Banking Sector

The following text is added after the existing wording:

Competition from local universal banks may interfere with the Issuer's intention to increase the share of commercial loans in its total loan portfolio. Universal banks' competitive advantage in the commercial loans sector follows from the lower refinancing costs of most such banks, more developed sales networks, greater awareness of their brands among customers and, in some cases, more lenient approach to the assessment of a potential borrower's creditworthiness. In addition, the Bank faces competition from major universal banks in large-scale projects financing. This is a consequence of such banks having larger equity than the Issuer. As at June 30th 2011, the Bank's equity was PLN 465,753 thousand. Thus, according to the banking law, the Issuer's maximum credit exposure to a single customer (or group of customers with capital links) was PLN 116,438 thousand as at June 30th 2011, therefore the Bank may finance large-scale projects only as a member of syndicates. The Bank intends to focus on financing medium-scale projects.

Chapter V

Section 6

A new, second paragraph is added:

PricewaterhouseCoopers Sp. z o.o. reviewed the Issuer's condensed financial statements for H1 2011.

Chapter VII

Sub-Section: Share Capital, Major Shareholders, and Related Party Transactions

The following text is added after the existing wording:

The Bank's liabilities to BRE Bank S.A. as at June 30th 2011 amounted to PLN 1,422,558 thousand, including PLN 100,268 thousand under a subordinated loan, PLN 400,627 thousand under deposits, PLN 920,370 thousand under loans, and PLN 1,293 thousand under derivative instruments.
On July 22nd 2011, BRE Bank Hipoteczny and BRE Bank S.A. entered into an agreement on a stand-by loan of up to PLN 200,000 thousand.

As at June 30th 2011, the Bank's liabilities to Commerzbank AG amounted to PLN 821 thousand and comprised liabilities under derivative instruments.

Chapter VIII

Section 1.3

The following text is added at the beginning:

The Issuer's financial information for H1 2011 and 2010 is based on IFRS-compliant condensed financial statements prepared for H1 2011, containing comparative data for H1 2010. The financial information was supplemented with selected unaudited operating and financial data sourced from the Issuer's management accounts.

The following new table is added under Table 16a:

Table 16b Selected financial data of the Issuer (PLN '000)

	Jun 30 2011	**Dec 31 2010**
ASSETS		
Cash and balances with Central Bank	5,896	13,319
Amounts due from other financial institutions	1,922	377
Derivative financial instruments	787	5,013
Loans granted to non-financial sector	3,831,158,	3,769,131
Investment securities	237,700	287,823
Pledged assets	1,164	2,079
Investments in subsidiaries	65	65
Intangible assets	2,377	1,995
Property, plant and equipment	9,681	9,027
Deferred tax assets	8,062	8,050
Other assets	23,833	4,052
Total assets	**4,122,645**	**4,100,931**

Source: financial statements of the Issuer.

The following new table is added under Table 17a:

Table 17b Selected financial data of the Issuer (PLN '000)

	Jun 30 2011	**Dec 31 2010**
EQUITY AND LIABILITIES		
Amounts due to other financial institutions	1,320,997	1,324,356
Derivative financial instruments	2,750	1,601
Amounts due to non-financial sector	174,507	242,665
Liabilities under debt securities in issue	2,143,325	2,060,385

Subordinated liabilities	100,268	100,251
Other liabilities	3,292	3,307
Total liabilities	**3,745,139**	**3,732,565**
Equity		
Equity	377,506	368,366
Share capital:	175,000	175,000
Retained earnings	202,519	193,404
- Profit/(loss) brought forward	193,150	162,550
- Current year profit/(loss)	9,369,	30,854
Revaluation reserve	-13	-38
Total equity	377,506	368,366
Total equity and liabilities	**4,122,645**	**4,100,931**

Source: financial statements of the Issuer.

The following text is added under Table 17b:

As at the end of June 2011, the Bank’s balance-sheet total stood at PLN 4,122,645 thousand and was PLN 21,714 thousand higher than as at the end of 2010. The key item of assets was loans granted to non-financial sector, which accounted for 92.9% of total assets.

As at the end of H1 2011, the Bank's loan portfolio totalled PLN 4,437,068 thousand, slightly above the level reported at the end of 2010. As at the end of June 2011, 81.5% of loans granted to non-financial sector (gross) were loans to corporate clients, and 18.5% - loans to retail clients and the budget sector.

The main item of the Bank's equity and liabilities is liabilities under debt securities in issue, which as at June 30th 2011 accounted for 52.0% of the balance-sheet total. The debt securities in issue comprise covered bonds and bonds. As at the end of June 2011, liabilities under mortgage covered bonds and public sector covered bonds amounted to PLN 1,916,315 thousand, and under bonds - to PLN 227,010 thousand. Equity and liabilities also included amounts due to other financial institutions, which accounted for 32.0% of the balance-sheet total.

The following new table is added under Table 18a:

Table 18b Off-balance-sheet items (PLN ‘000)

Contingent liabilities and commitments	Jun 30 2011	Dec 31 2010
Financial commitments and liabilities	617,968	661,494
Interest rate derivatives	48,637	208,316
Foreign currency derivatives	827,556	711,487
Financial commitments received	218,081	218,307
Total off-balance sheet items	**1,712,242**	**1,799,604**

Source: The Issuer.

** Unaudited operating and financial data sourced from the Issuer’s management accounts.*

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The following new table is added under Table 19a:

Table 19b Selected items of the income statement (PLN '000)

	H1 2011	**H1 2010**
Interest income	108,537	112,252
Interest expense	-74,655	-72,977
Net interest income	**33,882**	**39,275**
Fee and commission income	595	644
Fee and commission expense	-539	-511
Net fee and commission income	**56**	**133**
Trading profit, including:	5,700	1,479
Foreign exchange gains/(losses)	*1,332*	*1,719*
Profit/(loss) on other trading activities	*4,368*	*-240*
Other operating income	558	405
Net impairment losses on loans	-7,456	-887
General and administrative expenses	-17,935	-16,200
Amortisation and depreciation	-1,742	-1,669
Other operating expenses	-237	-22
Operating profit	**12,826**	**22,514**
Pre-tax profit	**12,826**	**22,514**
Corporate income tax	-3,457	-3,231
Net profit	**9,369**	**19,283**

Source: financial statements of the Issuer.

The following text is added under Table 19b:

Interest income was the main source of the Bank's revenue. Similarly, expenses were dominated by interest expense. These items and, to a smaller extent, the trading profit had a decisive effect on the operating profit, which amounted to PLN 12,826 thousand in H1 2011 and was PLN 9,688 thousand lower than the operating profit generated in H1 2010.

The weaker financial performance in H1 2011 is attributable to the lower value of the loan portfolio, difficulties with rebuilding the client base, and the falling quality of the loan portfolio in the segment of loans to residential developers. The Bank's financial result was also affected by the persistently high refinancing costs.

The deteriorated operating performance in H1 2011 was chiefly an outcome of higher net impairment losses on loans (up by PLN 6,569 thousand) and lower net interest income (down by PLN 5,393 thousand). At the same time, however, the Bank recorded a marked rise in trading profit (up by PLN 4,221 thousand).

The following text is added after the existing wording:

In H1 2011, due to a decrease of PLN 9,914 thousand in the net profit relative to H1 2010, the Bank recorded lower profitability ratios, calculated as the ratio of net profit or pre-tax profit to a given financial figure.

In H1 2011, the book value per share grew to PLN 215.72, vs. PLN 203.78 after H1 2010. In the same period, earnings per share went down to PLN 5.35, from PLN 11.02.

As at the end of H1 2011, the capital adequacy ratio stood at 13.17% (versus 12.32% as at the end of June 2010) and remained at a safe level. According to the banking law, the minimum level of the capital adequacy ratio should be 8%.

As at June 30th 2011, the Issuer's loan portfolio was of good quality, evidenced by a low share (2.68%) of impaired loans in the total on-balance-sheet credit exposure.

Section 1.4. Lending Activities

The following text is added at the beginning:

As at the end of June 2011, the volume of the loan portfolio (including off-balance-sheet items) increased slightly, by PLN 8,441 thousand relative to the end of 2010, the total on-balance-sheet and off-balance-sheet exposures reached PLN 4,437m as at the end of H1 2011 (commercial loans, housing loans, loans to local government institutions), and loans granted from January to June 2011 amounted to PLN 378,548 thousand (Table 23b).

Commercial loans for the financing of commercial real estate accounted for 81.5% of the Bank's entire loan portfolio as at the end of H1 2011, and 80.5% as at the end of 2010. In terms of currency, PLN-denominated loans had a dominant share in the total portfolio, followed by EUR-denominated loans. As at the end of June 2011, foreign currency loans accounted for 40.2% of the aggregate loan portfolio (Table 22b).

The following new table is added under Table 21a:

Table 21b The Bank's total loan portfolio by product group (PLN '000)*

Product		**Jun 30 2011**	**Dec 31 2010**	**Change**
	On-balance-sheet exposure	3,155,974	3,075,446	2.62%
	Off-balance-sheet exposure	458,510	487,454	-5.94%
Commercial loans	***Total exposure***	**3,614,485**	**3,562,900**	**1.45%**
	On-balance-sheet exposure	51,066	53,250	-4.10%
	Off-balance-sheet exposure	21	101	-79.21%
Housing loans	***Total exposure***	**51,087**	**53,351**	**-4.24%**
	On-balance-sheet exposure	624,117	640,435	-2.55%
	Off-balance-sheet exposure	147,378	171,941	-14.29%
Loans to local government institutions	***Total exposure***	**771,496**	**812,376**	**-5.03%**
	On-balance-sheet exposure	3,831,158	3,769,131	1.65%
	Off-balance-sheet exposure	605,910	659,496	-8.13%
Total	***Total exposure***	**4,437,068**	**4,428,627**	**0.19%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts. The above data concerns the portfolio value including loan interest, net of impairment losses.*

The following new table is added under Table 22a:

Table 22b Total loan portfolio by currency and main product groups*

Product	**Jun 30 2011**			**Dec 31 2010**		
	PLN	**EUR**	**USD**	**PLN**	**EUR**	**USD**

Commercial loans	51.5%	45.7%	2.8%	50.8%	46.0%	3.2%
Housing loans	39.9%	48.6%	11.6%	39.8%	47.5%	12.7%
Loans to local government institutions	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Total loan portfolio (on-balance-sheet and off-balance-sheet exposure)	**59.8%**	**37.8%**	**2.4%**	**59.7%**	**37.6%**	**2.7%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 23a:

Table 23b Sales of loans – value and number of executed loan agreements, by product groups (PLN '000)*

Product	Jan 1 - Jun 30 2011		Jan 1 - Jun 30 2010	
	value**	number	value	number
Commercial loans	**378,548**	**25**	**138,700**	**16**
Including loans for:				
- construction projects	20,500	1	16,722	3
- refinancing of real estate	185,131	14	57,278	9
- land purchase	0	0	0	0
- loans to residential developers	172,917	10	64,700	4
Housing loans	0	0	0	0
Loans to local government institutions	**0**	**0**	**0**	**0**
Local government institutions	0	0	0	0
Public healthcare centres (loans guaranteed by local government institutions)	0	0	0	0
Total	**378,548**	**25**	**138,700**	**16**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*
***The value of sales in the period January 1st – June 30th 2011 accounts for annexes to loan agreements under which the principal amounts of previous years' loans were increased by PLN 12,342 thousand.*

Section 1.4.1
Sub-Section: Loans for the Purchase or Refinancing of Existing Real Estate (Including the Purchase of Shares in Special Purpose Vehicles Owning Real Estate)

The following text is added before Chart 6-1a "Commercial loans (on-balance-sheet exposure, net) by type of loan-financed project as at December 31st 2010":*

The commercial loan portfolio as at the end of June 2011 totalled PLN 3,614,485 thousand (on-balance-sheet and off-balance-sheet exposure), compared with PLN 3,562,900 thousand as at the end of 2010. The change in the loan portfolio in the first half of 2011 was driven chiefly by an increase in sales of loans for the refinancing of real estate and loans to residential developers, as well as repayment of loans advanced in previous years.

The loan portfolio comprises primarily agreements with large institutional clients (including in the first place loans for the refinancing of commercial real estate and loans to residential developers). The average loan repayment period was 12.6 years. Loans bearing interest at variable rates prevailed in the portfolio. PLN-denominated loans had the largest share in the total commercial loan portfolio – 51.5% as at the end of June 2011.

The Bank financed chiefly developers investing in office and service buildings and developers' residential projects. Loans to developers investing in retail and warehouse space accounted for a significant portion of the commercial loan portfolio. The share of loans financing purchase of land and construction of hotels and entertainment and recreation facilities was insignificant due to the higher credit risk connected with such financing.

The following new chart is added under Chart 6-1a:

Chart 6-1b Commercial loans (on-balance-sheet exposure, net) by type of loan-financed project as at June 30th 2011*

Source: the Issuer.

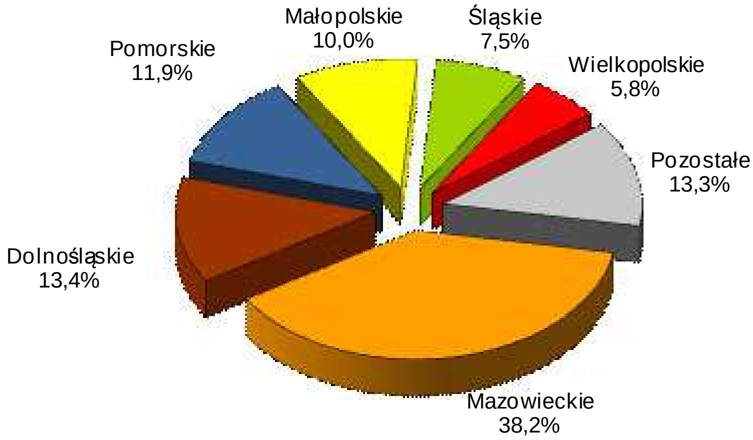
** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following text is added under Chart 6-1b:

A geographical diversification was clearly visible in the structure of lending activity. Most of the projects financed by the Bank were located in the Provinces of Warsaw, Wrocław, Gdańsk and Kraków; commercial loans advanced in these provinces accounted for 73.5% of the Bank's total on-balance-sheet exposure.

The following new chart is added under Chart 6-2a:

Chart 6-2b Commercial loans (on-balance-sheet exposure, net) – geographical structure (by provinces) as at June 30th 2011*



Source: the Issuer.

- *Unaudited operating and financial data sourced from the Issuer's management accounts.*

Mazowieckie – 38,2%	Warsaw Province – 38.2%
Dolnośląskie – 13,4%	Wrocław Province – 13.4%
Pomorskie – 11,9%	Gdańsk Province – 11.9%
Małopolskie –10,0%	Kraków Province – 10.0%
Śląskie – 7,5%	Katowice Province – 7.5%
Wielkopolskie – 5,8%	Poznań Province – 5.8%
Pozostałe – 13,3%	Other – 13.3%

The following text is added under Chart 6-2b:

In line with the concentration limits, as at June 30th 2011 the financing of any single entity or a group of entities with equity or organisational links did not exceed 25% of the Bank's equity, i.e. PLN 116,438 thousand.

Sub-Section 1.4.2 Loans to Local Government Institutions

The following text is added at the beginning:

As at the end of June 2011, the total on-balance-sheet and off-balance-sheet exposure to the public sector reached PLN 771,449 thousand and represented 17.4% of the total credit exposure. Loans with an average repayment term of 13.7 years account for the majority of the portfolio of loans to local government institutions.

Sub-Section 1.4.3 Housing Loans to Retail Customers

The following text is added after the second paragraph:

As at the end of June 2011, the total value of the housing loan portfolio stood at PLN 51,087 thousand, compared with PLN 53,351 thousand as at the end of 2010. PLN-denominated loans have a prevailing share in the portfolio. The share of PLN-denominated loans rose sharply – from approximately 10% in 2002 to 39.9% as at the end of June 2011.

The following new table is added under Table 24a:

Table 24b Housing loans to retail clients – total value of the portfolio as at June 30th 2011*

Housing loans in	Total exposure (PLNm)
PLN	20.48
EUR	24.75
USD	5.86
Total	**51.09**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

Section 1.6 Issues of Covered Bonds

The following text is added above Table 25:

As at June 30th 2011, BRE Bank Hipoteczny S.A. carried out a total of 34 issues of covered bonds, including 11 private placements and 23 public offerings, maintaining the leading position on the Polish covered bonds market as at the end of June 2011. The total value of covered bonds issued by BRE Bank Hipoteczny and outstanding as at the end of June 2011 was approximately PLN 1.9bn. The Bank offers chiefly covered bonds with three- and five-year maturities.

To the Issuer's knowledge, BRE Bank Hipoteczny S.A. has been the largest issuer of covered bonds since they were first introduced into the Polish capital market in 2000, with a market share of approximately 70% as at the end of June 2011. In H1 2011, the Bank issued covered bonds totalling PLN 500m. The issues comprised three tranches of mortgage covered bonds.

As at June 30th 2011, the covered bonds issued by BRE Bank Hipoteczny S.A. were assigned an investment-grade rating by international rating agency Moody's Investors Service Ltd. (Baa2 for mortgage covered bonds and Baa1 for public sector covered bonds).

The following new table is added under Table 26a:

Table 26b Mortgage covered bonds issued by BRE Bank Hipoteczny S.A., traded on a regulated market as at June 30th 2011

Issue date	Maturity	Currency	Value ('000)	Moody`s rating
Oct 10 2008	Oct 7 2011	PLN	150,000	Baa2
Jun 24 2009	Jun 15 2012	PLN	300,000	Baa2
Apr 28 2010	Apr 29 2013	PLN	25,000	Baa2
Apr 28 2010	Apr 28 2014	PLN	25,000	Baa2
Jul 28 2010	Jul 28 2014	PLN	200,000	Baa2
Sep 28 2010	Sep 28 2015	PLN	100,000	Baa2
Nov 29 2010	Nov 28 2014	PLN	100,000	Baa2
Apr 28 2011	Apr 20 2016	PLN	200,000	Baa2
May 16 2011	May 15 2015	PLN	100,000	Baa2
Jun 15 2011	Jun 16 2017	PLN	200,000	Baa2
TOTAL		**PLN**	**1,400,000**	

Source: the Issuer.

On July 7th 2011, the Bank issued mortgage covered bonds with a nominal value of PLN 100,000 thousand.

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The following new table is added under Table 27a:

Table 27b Public sector covered bonds issued by BRE Bank Hipoteczny S.A., traded on a regulated market as at June 30th 2011

Issue date	Maturity	Currency	Value ('000)	Moody`s rating
Jul 27 2007	Jul 27 2012	PLN	100,000	Baa1
Sep 28 2007	Sep 28 2012	PLN	200,000	Baa1
Sep 22 2008	Sep 20 2013	PLN	100,000	Baa1
Nov 29 2010	Nov 30 2015	PLN	100,000	Baa1
TOTAL		**PLN**	**500,000**	

Source: the Issuer.

The following new table is added under Table 28a:

Table 28c Issues of mortgage covered bonds of BRE Bank Hipoteczny − redeemed as at June 30th 2011

Issue date	Maturity		Currency	Value ('000)
Jun 28 2000	Jun 28 2005	Private placement	PLN	5,000
Jul 29 2002	Jul 31 2006	Private placement	PLN	50,000
Sep 14 2001	Sep 14 2004	Private placement	EUR	5,000
May 20 2002	May 20 2009	Private placement	EUR	10,000
May 20 2003	May 20 2009	Private placement	EUR	20,000
May 20 2004	May 20 2009	Private placement	EUR	25,000
Sep 14 2001	Sep 14 2004	Private placement	USD	10,000
Nov 20 2001	Nov 21 2005	Private placement	USD	10,000
May 20 2002	May 20 2008	Private placement	USD	10,000
May 20 2004	May 20 2009	Private placement	USD	25,000
Apr 10 2003	Apr 10 2008	Public offering	PLN	200,000
Oct 23 2003	Oct 10 2008	Public offering	PLN	200,000
Apr 14 2005	Apr 12 2010	Public offering	PLN	100,000
Mar 12 2008	Sep 28 2010	Public offering	PLN	200,000
Nov 21 2005	Nov 22 2010	Private placement	USD	10,000
Nov 28 2007	Nov 29 2010	Public offering	PLN	170,000
Apr 25 2008	Apr 28 2011	Public offering	PLN	250,000
May 20 2009	May 16 2011	Public offering	PLN	60,000
Jun 13 2008	Jun 15 2011	Public offering	PLN	200,000

Source: the Issuer.

The following new table is added under Table 29a:

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Table 29b Portfolio of receivables securing mortgage covered bonds, by currency and amounts as at June 30th 2011*

Value range (PLN '000)	Value of loans advanced (PLN '000)	Value of loans advanced in EUR (PLN '000)	Value of loans advanced in USD (PLN '000)	Total
<= 250	10,016	12,217	3,047	25,281
250 - 500	6,637	8,103	923	15,664
500 - 1,000	8,719	9,890	2,953	21,562
1,000 - 5,000	144,349	134,104	12,122	290,575
>5,000	622,562	1,166,930	80,201	1,869,693
Total	**792,284**	**1,331,245**	**99,247**	**2,222,775**
% of total portfolio	**35.64%**	**59.89%**	**4.47%**	

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 30a:

Table 30b Portfolio of receivables securing mortgage covered bonds, by type of borrower as at June 30th 2011*

Borrower	Value (PLN '000)	% of total portfolio
Legal persons/sole traders	2,187,066	98.39%
Natural persons	35,710	1.61%
Total	**2,222,775**	**100%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 31a:

Table 31b Portfolio of receivables securing mortgage covered bonds, by type of financed project as at June 30th 2011*

Financed project	Value (PLN '000)	% of total portfolio
Commercial real estate	2,125,413	95.62%
Residential real estate	97,362	4.38%
Total	**2,222,775**	**100.00%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 32a:

Table 32b Portfolio of receivables securing mortgage covered bonds, by type of interest rate as at June 30th 2011*

Interest rate	Value (PLN '000)	% of total portfolio
Variable interest rate	2,198,353	98.90%
Fixed interest rate	24,423	1.10%
Total	**2,222,775**	**100.00%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

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The following new table is added under Table 33a:

Table 33b Portfolio of receivables securing mortgage covered bonds, by maturity as at June 30th 2011*

Loan terms	Value (PLN '000)	% of total portfolio
<2 years	98,736	4.44%
2 - 3 years	3,899	0.18%
3 - 4 years	24,330	1.09%
4 - 5 years	3,155	0.14%
5 - 10 years	234,926	10.57%
> 10 years	1,857,729	83.58%
Total	**2,222,775**	**100.00%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 34a:

Table 34b Portfolio of receivables securing mortgage covered bonds, by geographical area as at June 30th 2011*

Province	*Value (PLN '000)*	*% of total portfolio*
Wrocław Province	293,987	13.23%
Bydgoszcz Province	18,108	0.81%
Lublin Province	52,448	2.36%
Zielona Góra Province	1,954	0.09%
Łódź Province	103,648	4.66%
Kraków Province	180,031	8.10%
Warsaw Province	859,032	38.65%
Opole Province	28,963	1.30%
Białystok Province	3,071	0.14%
Rzeszów Province	32,459	1.46%
Gdańsk Province	266,459	11.99%
Katowice Province	209,302	9.42%
Kielce Province	0	0.00%
Olsztyn Province	21,111	0.95%
Poznań Province	134,916	6.07%
Szczecin Province	17,286	0.78%
Total	**2,222,775**	**100.00%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 35a:

This is a translation from the original Appendix 7 dated 08.09.2011 and should not be read in substitution of the original Appendix 7. This translation of the original Appendix 7 dated 08.09.2011 does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Offer or to subscribe or purchase of any of the Mortgage and Public Sector Covered Bonds.

Table 35b Portfolio of receivables securing mortgage covered bonds by progress of investment project as at June 30th 2011*

	Value (PLN '000)	**% of total portfolio**
Construction projects in progress	46,608	2.10%
Completed real estate projects	2,176,167	97.90%
Total	**2,222,775**	**100.00%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 36a:

Table 36b Value range of receivables securing public sector covered bonds as at June 30th 2011*

Value range (PLN '000)	**Value of loans advanced (PLN '000)**	**% of total portfolio**	**No. of agreements**
<= 2,500	54,345	8.7%	40
2,500 - 5,000	96,591	15.4%	27
5,000 - 10,000	164,226	26.2%	24
10,000 - 20,000	203,165	32.4%	15
> 20,000	108,001	17.2%	4
Total	**626,328**	**100%**	**110**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 37a:

Table 37b Portfolio of receivables securing public sector covered bonds, by maturity as at June 30th 2011*

Loan term	**Value (PLN '000)**	**% of total portfolio**
< 5 years	104,449	16.7%
5 - 10 years	164,818	26.3%
10 - 15 years	114,904	18.3%
> 15 years	242,158	38.7%
Total	**626,328**	**100%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 38a:

Table 38b Portfolio of receivables securing public sector covered bonds, by geographical area as at June 30th 2011*

Province	Value (PLN '000)	% of total portfolio
Wrocław Province	128,961	20.6%
Bydgoszcz Province	68,238	10.9%
Lublin Province	30,916	4.9%
Zielona Góra Province	47,697	7.6%
Łódź Province	55,208	8.8%
Kraków Province	14,916	2.4%
Warsaw Province	66,625	10.6%
Opole Province	0	0.0%
Rzeszów Province	6,197	1.0%
Białystok Province	7,623	1.2%
Gdańsk Province	12,769	2.0%
Katowice Province	58,994	9.4%
Kielce Province	13,022	2.1%
Olsztyn Province	33,034	5.3%
Poznań Province	29,866	4.8%
Szczecin Province	52,262	8.3%
Total	**626,328**	**100%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 39a:

Table 39b Portfolio of receivables securing public sector covered bonds, by type of interest rate as at June 30th 2011*

Interest rate	Value (PLN '000)	% of total portfolio
Variable interest rate	626,328	100%

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

The following new table is added under Table 40a:

Table 40b Portfolio of receivables securing public sector covered bonds, by type of borrower* as at June 30th 2011

Borrower	Value (PLN '000)	% of total portfolio
Local government institutions	367,661	58.7%
Public healthcare centres	258,667	41.3%
Total	**626,328**	**100%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

Section 2.1. Description of the Real Estate Market in Poland

The following text is added after the existing wording:

As expected, the trends started in 2010 continued on the residential property market in Poland in H1 2011. The market responded to the post-crisis changes with a number of adjusting and regulatory mechanisms. According to the Polish Central Statistics Office (GUS), between January and June 2011 the number of new project launches fell by 1.3% compared with the same period in 2010. An upward trend was recorded only in June 2011, when the number of new projects launched was up by 10.1% on June 2010. A slight improvement was seen only with respect to building permits issued (88,100 building permits issued, which represented an increase of 7.3% relative to H1 2010).

In H1 2011, transaction prices of flats dropped in major Polish cities. The highest average price of approximately 8,600 PLN per square metre was recorded in Warsaw, where transaction prices grew (by approximately 5%) compared with the prior half-year period. In other main cities, average transaction prices fell by an average of 3%, with the lowest drop seen in Kraków (down by 1.5%, to PLN 6,567 per square metre) and the highest in Gdańsk (down by nearly 4.4%, to PLN 5,375 per square metre). An exception to this trend was Poznań, where in H1 2011 transaction prices significantly increased relative to the previous half-year period (up by 5.2%, to PLN 6,040 per square metre). Prices in other major cities were as follows: in Łódź – PLN 3,974 per square metre (down by 2.6%) and in Wrocław – PLN 6,231 per square metre (up by 1.6%).

Without doubt, one of the factors contributing to the decline in prices is the growing number of flats placed on the market by developers. There are more and more projects in the popular standard, comprising two-room and small three-room flats. By launching such projects, investors attempt to best adjust their offer to the needs of the broadest possible range of potential buyers. Moreover, to meet buyers' preferences, the floor area of offered flats is not too large, and the finishing of common areas is of standard quality. The price continues to be the primary factor affecting the decision to purchase a flat. Currently, the prices are no longer reduced through discounts; instead, developers apply new and well thought-out strategies, which far better meet buyers' current needs.

According to the Polish Bank Association, after Q1 2011 the total value of granted loans was PLN 265.8bn, including PLN 12.3bn of loans granted in Q1 2011 alone. In Q1 2011, as part of the *Rodzina na swoim* (Family on Its Own) programme, more than 13,000 loans were granted for a total of PLN 2.6bn, representing an almost twofold increase compared with the same period of 2010. The average loan value was PLN 208.4 thousand, with an average price of a flat in Warsaw at approximately PLN 500 thousand. Despite the availability of preferential financing of primary market properties as part of the *Rodzina na swoim* programme, more than 50% of loans granted were taken out to purchase secondary market flats. The changes in the programme planned by the government, to be effected in the second half of 2011, and the government's decision to close the programme as of the end of 2012, will surely not be without effect on the residential property market.

In H1 2011, nearly EUR 1bn was invested on the commercial real estate market in Poland, representing a 65% increase compared with the corresponding period in 2010. The largest number of transactions was related to office space (nearly 70%) and retail space (21%). The lowest number of transactions was recorded on the warehouse space market: 9% of all transactions in the commercial real estate segment in the period under analysis.

As regards the office real estate market, H1 2011 saw a growth in demand among corporate clients throughout Poland – in Warsaw, lease contracts were executed with respect to more than 320,000 square metres of office space, which represents a nearly 50% increase over H1 2010. In Poland's main provincial cities the demand also improved, resulting in lease contracts executed for more than 150,000 square metres of office space. Stronger demand for office space is also reflected in lower vacancy ratios across Poland, with the exception of Wrocław, where the vacancy ratio grew by 0.2 pp, to 3.2%, and Warsaw, where it remained unchanged. In Łódź, as at the end of H1 2011 the ratio of unleased space stood at 19% (as at the end of 2010: 21.8%), in the Gdańsk-Gdynia-Sopot agglomeration – 10% (as at the end of 2010: 11.2%), in Katowice – 16.8% (no change), in Kraków – 10.7% (as at the end of 2010: 12.2%), and in Poznań – 11% (as at the end of 2010: 11.9%).

After the economic crisis receded, the expected supply of office space increased across Poland. At present in Warsaw alone, more than 110,000 square metres of office space is under construction, whereas in other major provincial cities – more than 300,000 square metres. However, due to slower growth in the office segment during the crisis (throughout 2009 and at the beginning of 2010), the amount of office space completed in 2011 will be lower than in prior years. Nonetheless, taking into account the large number of projects under construction, in 2012–2013 a strong supply may be expected across Poland.

As at the end or H1 2011, the total stock of modern office space was as follows: in Warsaw – 3,459,000 square metres (as at the end of 2010: 3,436,000 square metres), in Łódź – 215,000 square metres (as at the end of 2010: 209,000 square metres), in Wrocław – 396,000 square metres (as at the end of 2010: 354,000 square metres), in the Gdańsk-Gdynia-Sopot agglomeration – 303,000 square metres (as at the end of 2010: 281,000 square metres), in Katowice – 268,000 square metres (as at the end of 2010: 235,000 square metres), in Kraków – 522,000 square metres (as at the end of 2010: 452,000 square metres), and in Poznań – 246,000 square metres (as at the end of 2010: 233,000 square metres). The growth in modern office space in Poland in percentage terms was lower than in the corresponding period of the previous year, however, this should be still seen as the aftermath of the economic crisis of 2009.

Compared with the end of 2010, rental rates changed only slightly. In Warsaw, rents increased to 15–16 EUR/square metre/month outside the Business Services Centre (COB) (as at the end of 2010: 14–16 EUR/square metre/month), and 22–28 EUR/square metre/month in the centre (in H2 2010: 20–25 EUR/square metre/month). In other main provincial cities, the lowest rents were recorded in Łódź, at 11–13.5 EUR/square metre/month (down from 12–14 EUR/square metre/month as at the end of 2010). Rental rates were also slightly down compared with the end of 2010 in Katowice and Poznań, where they fell from 12–15 EUR/square metre/month to 12–14.5 EUR/square metre/month, and from 14–16 EUR/square metre/month to 13–16 EUR/square metre/month, respectively. Higher rental rates were recorded in Kraków and Wrocław, up from 13–15 EUR/square metre/month to 13–16 EUR/square metre/month, and from 12–15 EUR/square metre/month to 14–16 EUR/square metre/month, respectively. Rents in the Gdańsk-Gdynia-Sopot agglomeration remained flat at 13–15 EUR/square metre/month.

Yields for the best office buildings in main provincial cities remained unchanged at approximately 7%, whereas in Warsaw they dropped from 7–6.5% to 6.5–6.25%.

The retail properties market in Poland is considered to be the least saturated and involve the lowest risk among the Central and Eastern Europe countries. In Q2 2011, the average saturation rate for retail space stood at approximately 210 square metres per 1,000 inhabitants, which is comparable with (but still lower than) the European average of 240 square metres per 1,000 inhabitants. In H1 2011, 15 shopping centres with an aggregate area of 290,000 square metres were completed across Poland, representing nearly 53% of the 2010 supply. Further 900,000 square metres is under construction, the vast majority of which is located in small and medium cities. The largest projects scheduled for completion in 2011 include: Millenium Hall Rzeszów shopping centre – 55,600 square metres, Galeria Kaskada Szczecin shopping centre – 43,000 square metres, and Echo Dekorada Kielce shopping centre – 40,000 square metres.

Compared with the end of 2010, Poland's retail space market did not change considerably. An increasing number of shopping centres are under construction in small and medium cities, and discount super- and hypermarket chains continue to expand. The vacancy ratio for the best retail premises did not exceed 3% nationwide, with as much as 10% recorded for older premises. The trend of building shopping malls next to railway stations and modernising older buildings in central locations continued.

Rental rates for the best retail premises have remained stable since the beginning of 2011 in Warsaw (70–90 EUR/square metre/month), the Upper Silesia (45–56 EUR/square metre/month) and the Gdańsk-Gdynia-Sopot agglomeration (40–43 EUR/square metre/month). In Kraków and Poznań, rental rates increased from 41–45 EUR/square metre/month to 42–78 EUR/square metre/month (with 78 EUR/square metre/month recorded only in the best premises in strict city centres) and from 41–52 EUR/square metre/month to 45–58 EUR/square metre/month, respectively. A decline in rental rates was recorded in Łódź and Wrocław, from 45–50 EUR/square metre/month to 35–42 EUR/square metre/month and from 42–59 EUR/square metre/month to 42–48 EUR/square metre/month, respectively.

The warehouse space was in considerable oversupply in 2009, which fairly soon curbed investments in this market segment. It is estimated that at the end of 2009 there was 1m square metres of warehouse space remaining to be commercialised. Until the end of 2010, the situation did not improve due to a growing number of completed built-to-suit (BTS) projects, which prevented the existing vacant space from being leased out. Although BTS projects continued to have a prevailing share in the investments in the warehouse space segment, following the end of H1 2011 the vacancy ratios started to decline throughout the country. This shows that the situation is improving and that there is a stronger demand for industrial and warehouse space, which in turn may indicate an improvement in the manufacturing sector. Across Poland, nearly 240,000 square metres of warehouse space is under construction, with all projects scheduled for completion in 2012–2013. Owners of completed properties are less frequently forced to reduce the rent rates or make other concessions, not related to rent.

The recovery on the warehouse space market relative to the end of 2010 is well reflected in a larger number of projects under construction. With the exception of the Wrocław province, where the number of projects under construction dropped, elsewhere in Poland the majority of projects suspended during the economic crisis in 2009 were relaunched. Despite the dominating demand for warehouses constructed on a BTS basis, more and more speculative projects are constructed in the vicinity of the planned motorway intersections (e.g. Wiskitki or

Emilanów). This confirms that the development of the warehouse space market continues to be dependent on road infrastructure.

In H1 2011, approximately 100,000 square metres of warehouse space was completed, representing less than 35% of total warehouse space completed in 2010. Despite the low supply of new space in H1 2011, the nationwide demand was above 2010 expectations, reaching approximately 800,000 square metres of warehouse space, of which 500,000 square metres were leased out in Q2 2011 alone. Compared with the 2010 quarterly average of 300,000 square metres, this is a clear indication of improvement.

Since the beginning of 2011, in zone II in Warsaw and in the province of Poznań effective rental rates (it noteworthy that there is a large discrepancy between nominal and effective rents) have gradually started to climb, going up by approximately 0.20 EUR/square metre/month, while in other main provincial cities effective rents remained unchanged: Upper Silesia – 2.20–3.20 EUR/square metre/month, Kraków – 3.40–4.00 EUR/square metre/month, the Gdańsk-Gdynia-Sopot agglomeration – 2.80–3.30 EUR/square metre/month, Central Poland – 2.10–4.30 EUR/square metre/month and Wrocław – 2.20–2.85 EUR/square metre/month.

The vacancy ratio in modern warehouse facilities dropped in almost entire country. The ratio increased only in the Gdańsk-Gdynia-Sopot agglomeration, from 4.4% to 6.6%. The vacancy ratio fell from 22.34% to 16% in Warsaw (in and around the city centre it remained at approximately 9%), in Upper Silesia – from 12.2% to 8.7%, in Wrocław – from 13% to 12%, in Kraków – from 10% to less than 3%, and in Central Poland – from 3.5% to 3%. A decline in vacancy ratios is a very positive development in this market segment.

Section 2.2.

The following text is added after the existing wording:

According to the Management Board assessment, since the introduction of covered bonds to the Polish capital market in 2000, BRE Bank Hipoteczny has remained the largest issuer of these securities, with a market share of around 70% as at the end of H1 2011.
In H1 2011, the Bank issued covered bonds for a total amount of PLN 500m. The issues comprised three tranches of mortgage covered bonds.

BRE Bank Hipoteczny S.A. carried out a total of 34 issues of covered bonds, including 11 private placements and 23 public offerings, maintaining the leading position on the Polish covered bonds market as at the end of June 2011. The total value of covered bonds issued by BRE Bank Hipoteczny and outstanding as at the end of June 2011 was approximately PLN 1.9bn. The Bank offers chiefly covered bonds with three- and five-year maturities.

As at June 30th 2011, the covered bonds issued by BRE Bank Hipoteczny S.A. were assigned an investment-grade rating by international rating agency Moody's Investors Service Ltd. (Baa2 for mortgage covered bonds and Baa1 for public sector covered bonds).

Chapter X

1. Material Trends Observed since the Date of the Last Audited Financial Statements

The following text is added after the existing wording:

Pursuant to Section 7.1 of Commission Regulation (EC) No. 809/2004 of April 29th 2004, we represent that no adverse changes in the Issuer's growth prospects have occurred since the publication of the most recent audited financial statements of the Issuer, prepared for the financial year 2010.
Pursuant to Section 11.7 of Commission Regulation (EC) No. 809/2004 of April 29th 2004, below we provide a description of all material changes in the Issuer's financial standing since the end of the most recent financial period for which audited financial data was published, that is the period from January 1st to July 31st 2011.

The total commercial loan portfolio increased by 7.5% compared with the corresponding period of 2010, and reached PLN 3,640,140 thousand as at the end of July 2011.
The total portfolio of loans to local government institutions dropped by 3.9%, to PLN 817,935 thousand, relative to the level reported as at July 31st 2010.
The share of PLN-denominated loans remained high and accounted for 59.1% of the Bank's total loan portfolio as at July 31st 2011.

The average LTV ratio () in the case of commercial loans advanced from January to July 2011 amounted to 79.5%.

The ratio of mortgage lending value to market value for commercial loans advanced from January to July 2011 amounted to 94.1%, and was lower than the level reported for loans advanced in the same period of 2010, which stood at 94.7%.

The concentration ratio for high credit exposures in the portfolio, computed as a quotient of the value of high exposures (loan agreements for amounts exceeding 10% of the Bank's equity) and the total exposure, amounted to 38.4% and was higher than the level reported as at July 31st 2010,when it stood at 29.8%.

In the period from January to July 2011, the Bank executed two loan agreements for amounts exceeding 10% of its equity.

Table 41b The Bank’s total loan portfolio by product group (PLN ‘000)*

Product		**Jul 31 2011**	**Jul 31 2010**	**Change**
I Commercial loans	*On-balance-sheet exposure*	3,144,316	3,150,577	-0.20%
	Off-balance-sheet exposure	495,824	235,832	110.24%
	Total exposure	**3,640,140**	**3,386,409**	**7.49%**
II Housing loans	*On-balance-sheet exposure*	50,882	57,965	-12.22%
	Off-balance-sheet exposure	21	876	-97.61%
	Total exposure	**50,903**	**58,841**	**-13.49%**
III Loans to local government institutions	*On-balance-sheet exposure*	639,028	672,931	-5.04%
	Off-balance-sheet exposure	178,907	178,286	0.35%
	Total exposure	**817,935**	**851,217**	**-3.91%**
Total (I+II+III)	***On-balance-sheet exposure***	3,834,226	3,881,473	-1.22%
	Off-balance-sheet exposure	674,752	414,994	62.59%
	Total exposure	**4,508,978**	**4,296,468**	**4.95%**

Source: the Issuer.

** The above data concerns the portfolio value net of loan interest and before impairment losses. Unaudited operating and financial data sourced from the Issuer’s management accounts.*

Table 42b Total loan portfolio by currency and main product groups*

Product	**Jul 31 2011**			**Jul 31 2010**		
	PLN	**EUR**	**USD**	**PLN**	**EUR**	**USD**
Commercial loans	50.2%	47.0%	2.8%	50.1%	46.2%	3.7%
Housing loans	39.8%	48.6%	11.6%	39.6%	46.8%	13.6%
Loans to local government institutions	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Total loan portfolio (on-balance-sheet and off-balance-sheet exposure) by currency (%)	**59.1%**	**38.5%**	**2.4%**	**59.8%**	**37.1%**	**3.1%**

Source: the Issuer.

** Unaudited operating and financial data sourced from the Issuer's management accounts.*

Table 43b Sales of loans – value and number of executed loan agreements by product group (PLN '000)*

Product	Jan 1 - Jul 31 2011		Jan 1 - Jul 31 2010	
	value**	number	value**	number
Commercial loans	**463,132,267**	**31**	**239,219,642**	**30**
Including loans for:				
- construction projects	44,680,000	2	24,722,475	4
- refinancing of real estate	228,890,757	18	81,151,130	16
- land purchase	0	0	0	0
- loans to residential developers	189,561,510	11	133,346,037	10
Loans to local government institutions, including:	**50,000,000**	**1**	**0**	**0**
- financing of operations of local government institutions	50,000,000	1	0	0
- financing of public healthcare centres guaranteed by local government institutions	0	0	0	0
Total	**513,132,267**	**32**	**239,219,642**	**30**

Source: the Issuer.

** The above data concerns the portfolio value net of loan interest and before impairment losses. The value of sales accounts for annexes under which the principal amounts of loans advanced in previous years were increased. Unaudited operating and financial data sourced from the Issuer's management accounts.*

*** The value of agreements corresponds to the loan amounts as per agreement, translated at historical exchange rate. **The value of sales from January 1st to July 31st 2011 accounts for annexes to loan agreements under which the principal amounts of previous years' loans were increased by PLN 12,342,227.*

Table 44b Sector concentration for the portfolio of commercial loans and loans to local government institutions (PLN '000)*

Commercial loans by type of loan-financed project	Jul 31 2011			Jul 31 2010		
	Total exposure (drawn and undrawn loans)	*No. of loans*	*% of the Bank's total exposure*	*Total exposure (drawn and undrawn loans)*	*No. of loans*	*% of the Bank's total exposure*
Office and service buildings	991,550	113	22.24%	1,153,481	162	27.22%
Loans to local government institutions	817,935	111	18.35%	851,217	111	20.09%
Retail space	796,906	94	17.88%	542,928	90	12.81%
Residential development projects	748,669	55	16.79%	729,047	58	17.20%
Warehouse space	407,728	38	9.15%	312,056	35	7.36%
Commercial space	318,845	59	7.15%	-	-	-
Land	136,547	9	3.06%	157,778	14	3.72%
Hotels	112,049	11	2.51%	143,641	13	3.39%
Entertainment and recreation facilities	36,710	7	0.82%	40,674	8	0.96%
Office and retail complexes	1,592	4	0.04%	259,147	19	6.12%
Other	89,543	17	2.01%	47,659	19	1.12%
Total	**4,458,075**	**518**	**100.00%**	**4,237,627**	**529**	**100.00%**

Source: the Issuer.

** The above data concerns the portfolio value net of loan interest and before impairment losses. Unaudited operating and financial data sourced from the Issuer's management accounts.*

2. Factors with a Material Bearing on the Issuer's Growth Prospects

2.1. External Factors

Macroeconomic Factors

The following text is added after the existing wording:

- In Q1 2011, Poland's GDP grew by 4.4% year on year and 1.0% quarter on quarter.
- In July 2011, the unemployment rate stood at 11.8%, compared with 12.3% as at the end of 2010. A potential increase in the unemployment rate or more stringent conditions of mortgage lending to retail customers may adversely affect the demand for residential real estate.
- In July 2011, the inflation rate stood at 4.1% year on year. Due to a significant increase in the CPI, the National Bank of Poland decided to raise the base interest rates in 2011. As at the end of July 2011, the reference rate of the National Bank of Poland was 4.5%, compared with 3.5% as at the end of 2010.
- Exchange rates decisively affect the Bank's loan portfolio. This is connected with foreign exchange gains/losses, which – in the case of loans advanced in foreign currencies – result from exchange rate fluctuations and thus might increase borrowers' debt. A large portion of commercial loans are advanced in foreign currencies, which might adversely affect borrowers' ability to repay the loans should a currency crisis occur. The high share of foreign currency loans is attributable to their interest rates, which are lower than in the case of PLN-denominated loans, as well as the fact that rents in commercial developments are established in foreign currencies.
- As at the end of July 2011, the base interest rates were 1.50% in the Euro zone and 0.25% in the U.S.

Growth Prospects for the Real Estate Market

The following text is added after the existing wording:

- In the first half of 2011, there was an oversupply of residential properties across Poland, caused by the post-crisis boom in new residential development projects started at the beginning of 2010. It caused a drop in the prices of flats, and, since the number of completed new flats is still growing, this trend may continue in the second half of 2011.
- In the first half of 2011, a slight decrease was recorded in new project starts (by nearly 1.5% year on year). However, considering the fact that the number of building permits is up by almost 7%, the existing oversupply is not likely to show signs of slowing down by the end of 2011.
- The changes in the programme *Rodzina na swoim* (Family on Its Own), whereby the group of the programme's beneficiaries is to be expanded to include unmarried persons, may boost the demand for smaller flats for single persons. However, the modified formula for the calculation of the maximum price of flats may reduce the range of flats available under the programme in cities with higher prices, such as Warsaw or Kraków.
- Regarding property financing, despite higher interest rates, only a small group of borrowers have been negatively affected in terms of their ability to obtain PLN-denominated loans, due to loan margins reaching their all-time lows and falling to levels below 1 percentage point. No major changes in the availability of residential loans are expected, unless the NBP interest rates are raised again.

- Recently, the lower chamber of Polish Parliament (the Sejm) intensified its work on the adoption of the draft act on the protection of rights of persons purchasing residential units or single-family houses. As a result of the potential changes following from the adoption of the aforementioned act (e.g.: closed trust account, mandatory insurance for property developers or bank guarantee, etc.), the cost of completion of a residential project is expected to go up. The entry barrier to the market will be also raised, as a result of which the market of residential property developers may undergo consolidation in the longer-term perspective, which in turn will reduce supply. A different equilibrium price is expected to be established on the primary residential market. Changes in the margins earned by property developers are also likely.
- In the first half of 2011, a recovery was seen on the market for land plots suitable for large projects, both developers' projects and commercial ones, in large cities. With an increasing pool of land covered by new zoning plans, this market segment is expected to continue its recovery also in the second half of 2011.
- During the remaining part of 2011 and through to 2014, new modern office space is likely to be added in the office real estate market. Most of new office projects will seek environmental construction certificates (e.g. LEED or BREEAM). A focus on environmental issues is clearly seen in the modern office parks, such as the Poleczki Business Park and all Skanska's projects. It is a pan-European trend which will probably be continued in the future. Moreover, higher demand for office space in the first half of 2011 may contribute to an increase in the number of new office projects being built in the near future.
- No changes are anticipated in the retail space market, although new investment projects are still planned in small and medium-sized towns. The new type of project, a mini-shopping mall (such as the Mini-market or Czerwona Torebka shopping malls), has been positively received on the market, which means that such projects may be expected to gain in popularity in the remaining part of the year. Moreover, shopping centres next to railway stations will be created as the railway stations are being refurbished for the Euro 2012 Championship.
- The warehouse space market saw a significant recovery in the first half of 2011. As a result, this positive trend may be expected to continue in the second half of the year. A drop in vacancy ratios may further encourage developers to invest in that market segment. However, with over a two-year long stagnation in this market segment, no large scale investments in warehouse projects are expected. In a longer-term perspective, we will see stabilisation and a slow increase in the share of speculative projects in new warehouse project starts.

Section 4. Significant Changes in the Issuer's Financial and Economic Standing

The following text is added after the existing wording:

From December 31st 2010 to the date of approval of this Supplement 7 to the Prospectus, no significant changes occurred in the financial and economic standing of the Issuer. The key trends which occurred since the date of the last audited financial statements are discussed in Chapter X, Section 1.

Chapter XIII Financial Information

The following text is added after the existing wording:

The Issuer's condensed financial statements for H1 2011, along with the auditor's report on the review of the financial statements, are included in this Prospectus by reference to the Issuer's report for H1 2011, released on August 31st 2011 and posted on the Issuer's website at: www.brehipoteczny.pl.

Chapter XIV

Section: Arbitration and Court Proceedings

This is a translation from the original Appendix 7 dated 08.09.2011 and should not be read in substitution of the original Appendix 7. This translation of the original Appendix 7 dated 08.09.2011 does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Offer or to subscribe or purchase of any of the Mortgage and Public Sector Covered Bonds.

The following text is added after the existing wording:

Claims for payment of amounts exceeding PLN 100,000 (amounts in the table as at July 31st 2011)

No.	Claimant	Defendant	Amount (PLN)
1	BRE Bank Hipoteczny S.A.	Legal person	1,645,086,64
2	BRE Bank Hipoteczny S.A.	Legal person	261,690,99
		Total:	**1,906,777,63**

Chapter XV

The following text is added after the existing wording:

(vii) the Issuer's condensed financial statements for H1 2011, prepared in accordance with IAS 34 "Interim Financial Reporting", containing comparative data for H1 2010 and reviewed by PricewaterhouseCoopers Sp. z o.o., along with the review report;

Chapter XIX

The following text is added after the existing wording:

5). the Issuer’s report for H1 2011, released on August 31st 2011 and published on the Issuer’s website at www.brehipoteczny.com.pl , containing the Issuer’s condensed financial statements for the period January 1st–June 30th 2011 along with the auditor’s opinion following the review of those statements,