Interim Consolidated Financial Report

of Kredyt Bank S.A. Capital Group

for the First Quarter of 2012 Prepared in Accordance with

the International Financial Reporting Standards

CONTENTS

I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF KREDYT BANK S.A. CAPITAL GROUP

1. Consolidated Income Statement

in PLN '000	1st quarter of 2012 01.01.2012 -31.03.2012	1st quarter of 2011 01.01.2011 -31.03.2011
Interest income	579 372	558 853
Interest expense	-361 629	-273 487
Net interest income	**217 743**	**285 366**
Fee and commission income	100 940	101 310
Fee and commission expense	-19 201	-21 240
Net fee and commission income	**81 739**	**80 070**
Dividend income	9	5
Net trading income	58 616	20 400
Net result on derivatives used as hedging instruments and hedged items	-1 079	-158
Net gains from investment activities	0	110
Other operating income	24 287	26 623
Total operating income	**381 315**	**412 416**
General and administrative expenses	-238 568	-230 065
Other operating expenses	-9 319	-17 279
Total operating expenses	**-247 887**	**-247 344**
Net impairment losses on financial assets, other assets and provisions	-57 942	11 471
Net operating income	**75 486**	**176 543**
Share in profit (loss) of associates	831	821
Profit before tax	**76 317**	**177 364**
Income tax expense	-20 175	-43 340
Net profit	**56 142**	**134 024**
including:		
Attributable to the Shareholders of the Bank	**56 142**	**134 024**
Attributable to non-controlling interests	0	0
Weighted average number of ordinary shares	271 658 880	271 658 880
Earnings per ordinary share (in PLN)	**0.21**	**0.49**

The Bank does not calculate diluted earnings per share due to the absence of capital categories resulting in dilution.

2. Consolidated Statement of Comprehensive Income

in PLN '000	**1st quarter of 2012** **01.01.2012 -31.03.2012**	**1st quarter of 2011** **01.01.2011 -31.03.2011**
Net profit for the period	**56 142**	**134 024**
Other comprehensive income		
Valuation of financial assets available-for-sale	40 996	-40 889
- including deferred tax	-9 616	9 591
Effects of valuation of derivatives designated for cash flow hedge	-7 147	-10 066
- including deferred tax	1 676	2 361
Other comprehensive income (loss) recognized directly in equity	**33 849**	**-50 955**
Total comprehensive income (loss)	**89 991**	**83 069**
including:		
Attributable to the Shareholders of the Bank	**89 991**	**83 069**
Attributable to non-controlling interests	0	0

3. Consolidated Balance Sheet

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Assets			
Cash and balances with Central Bank	1 109 536	784 668	1 041 666
Gross loans and advances to banks	1 100 980	1 188 012	1 550 168
Impairment losses on loans and advances to banks	0	0	-9
Receivables arising from repurchase transactions	264 468	0	815 350
Financial assets designated upon initial recognition as at fair value through profit or loss	101 787	100 684	118 716
Financial assets held for trading (excluding derivatives)	759 354	60 493	2 409 845
Derivatives, including:	659 911	1 071 089	355 772
- derivatives used as hedging instruments	89 138	95 592	51 508
Gross loans and advances to customers	30 170 642	30 493 915	29 038 917
Impairment losses on loans and advances to customers	-1 442 258	-1 408 161	-1 900 852
Investment securities:	9 410 907	8 678 712	11 892 594
- available-for-sale	6 034 955	5 262 038	8 111 177
- held-to-maturity	3 375 952	3 416 674	3 781 417
Investments in associates valued using the equity method	19 983	19 152	16 000
Property, plant and equipment	244 820	259 797	271 531
Intangible assets	71 133	59 711	52 994
Deferred tax asset	240 499	263 257	335 736
Current tax receivable	125 157	116 870	18 435
Investment properties	206 278	209 065	223 302
Non-current assets held for sale	2 819	12 128	2 080
Other assets	99 788	93 692	124 105
Total assets	**43 145 804**	**42 003 084**	**46 366 350**

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Liabilities			
Amounts due to Central Bank	32	32	2
Amounts due to banks	8 677 143	8 486 491	12 485 135
Liabilities arising from repurchase transactions	620 784	0	1 876 486
Financial liabilities held for trading (excluding derivatives)	86 702	0	9 999
Derivatives, including:	690 538	982 916	1 111 222
- derivatives used as hedging instruments	2 433	1 669	1 077
Amounts due to customers	28 504 216	28 043 157	26 695 702
Current tax liability	1 898	182	151
Provisions	112 868	116 402	89 871
Deferred tax liability	530	725	842
Other liabilities	306 239	271 044	295 939
Subordinated liabilities	989 238	1 036 510	889 708
Total liabilities	**39 990 188**	**38 937 459**	**43 455 057**

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Equity			
Share capital	1 358 294	1 358 294	1 358 294
Supplementary capital	900 065	900 065	889 340
Revaluation reserve	103 941	70 092	8 466
Other reserves	400 942	400 942	400 942
Retained earnings (loss)	336 232	8 988	120 227
Current net profit (loss) attributable to the Shareholders of the Bank	56 142	327 244	134 024
Equity attributable to the Shareholders of the Bank	**3 155 616**	**3 065 625**	**2 911 293**
Attributable to non-controlling interests	0	0	0
Total equity	**3 155 616**	**3 065 625**	**2 911 293**
Total equity and liabilities	**43 145 804**	**42 003 084**	**46 366 350**

Capital adequacy ratio (%)	13.82	12.51	12.19
Number of shares	271 658 880	271 658 880	271 658 880
Book value per share (in PLN)	11.62	11.28	10.72

4. Statement of Changes in Consolidated Equity

Changes in the period 01.01.2012 – 31.03.2012

in PLN '000	Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings (loss)	Net profit (loss) for the period	Equity attributable to Shareholders of the Bank	Equity attributable to non-controlling interests	Total equity
Equity at the opening balance – as at 01.01.2012	**1 358 294**	**900 065**	**70 092**	**400 942**	**336 232**	**0**	**3 065 625**	**0**	**3 065 625**
Valuation of financial assets available-for-sale			50 612				50 612		50 612
Effects of valuation of derivatives designated for cash flow hedge			-8 823				-8 823		-8 823
Deferred tax on items recognized in other comprehensive income			-7 940				-7 940		-7 940
Other comprehensive income (loss) recognized directly in equity			**33 849**				**33 849**		**33 849**
Net profit (loss) for the period						56 142	56 142		56 142
Total comprehensive income (loss)			**33 849**			**56 142**	**89 991**		**89 991**
Equity at the end of the period – as at 31.03.2012	**1 358 294**	**900 065**	**103 941**	**400 942**	**336 232**	**56 142**	**3 155 616**	**0**	**3 155 616**

Changes in the period 01.01.2011 – 31.12.2011

in PLN '000	Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings (loss)	Net profit (loss) for the period	Equity attributable to Shareholders of the Bank	Equity attributable to non-controlling interests	Total equity
Equity at the opening balance – as at 01.01.2011	**1 358 294**	**889 340**	**59 421**	**400 942**	**120 227**	**0**	**2 828 224**	**0**	**2 828 224**
Valuation of financial assets available-for-sale			2 576				2 576		2 576
Effects of valuation of derivatives designated for cash flow hedge			10 598				10 598		10 598
Deferred tax on items recognized in other comprehensive income			-2 503				-2 503		-2 503
Other comprehensive income (loss) recognized directly in equity			**10 671**				**10 671**		**10 671**
Net profit (loss) for the period						327 244	327 244		327 244
Total comprehensive income (loss)			**10 671**			**327 244**	**337 915**		**337 915**
Profit distribution		10 725			-10 725		0		0
Dividend payment					-100 514		-100 514		-100 514
Equity at the end of the period – as at 31.12.2011	**1 358 294**	**900 065**	**70 092**	**400 942**	**8 988**	**327 244**	**3 065 625**	**0**	**3 065 625**

Changes in the period 01.01.2011 – 31.03.2011

in PLN '000	**Share capital**	**Supplementary capital**	**Revaluation reserve**	**Other reserves**	**Retained earnings (loss)**	**Net profit (loss) for the period**	**Equity attributable to Shareholders of the Bank**	**Equity attributable to non-controlling interests**	**Total equity**
Equity at the opening balance – as at 01.01.2011	**1 358 294**	**889 340**	**59 421**	**400 942**	**120 227**	**0**	**2 828 224**	**0**	**2 828 224**
Valuation of financial assets available-for-sale			-50 480				-50 480		-50 480
Effects of valuation of derivatives designated for cash flow hedge			-12 427				-12 427		-12 427
Deferred tax on items recognized in other comprehensive income			11 952				11 952		11 952
Other comprehensive income (loss) recognized directly in equity			**-50 955**				**-50 955**		**-50 955**
Net profit (loss) for the period						134 024	134 024		134 024
Total comprehensive income (loss)			**-50 955**			**134 024**	**83 069**		**83 069**
Equity at the end of the period – as at 31.03.2011	**1 358 294**	**889 340**	**8 466**	**400 942**	**120 227**	**134 024**	**2 911 293**	**0**	**2 911 293**

5. Consolidated Cash Flow Statement

in PLN '000	1st quarter of 2012 01.01.2012 -31.03.2012	1st quarter of 2011 01.01.2011 -31.03.2011
Cash flow from operating activities		
Net profit (loss)	**56 142**	**134 024**
Adjustments to net profit (loss) and net cash from operating activities, and net increase/decrease in assets and liabilities	**862 750**	**1 433 892**
Current and deferred tax recognized in financial result	20 175	43 340
Non-realised profit (loss) from currency translation differences	-107 964	-19 145
Depreciation	18 445	23 987
Share in profit (loss) of associates	-831	-821
Net increase/decrease in impairment	33 024	-15 676
Dividends	-9	-5
Interest	-61 545	-88 057
Net increase/decrease in provisions	-3 534	-2 940
Profit (loss) on disposal of investments	-3 298	-371
Net increase/decrease in assets (excluding cash)	**-104 877**	**-1 404 762**
Net increase/decrease in loans and advances to banks	37 555	10 521
Net increase/decrease in receivables arising from repurchase transactions	-264 468	-728 132
Net increase/decrease in financial assets designated upon initial recognition as at fair value through profit or loss	-1 103	-154
Net increase/decrease in financial assets held for trading (excluding derivatives)	-619 614	-814 975
Net increase/decrease in derivatives (except for derivatives used as hedging instruments)	404 724	84 555
Net increase/decrease in gross loans and advances to customers	323 273	69 603
Net increase/decrease in current tax receivable	-8 287	-18 435
Net increase/decrease in other assets	23 043	-7 745
Net increase/decrease in liabilities	**1 073 164**	**2 898 342**
Net increase/decrease in amounts due to Central Bank	0	-4
Net increase/decrease in amounts due to banks	144 431	316 182
Net increase/decrease in liabilities arising from repurchase transactions	620 784	1 647 793
Net increase/decrease in liabilities held for trading (excluding derivatives)	86 702	9 999
Net increase/decrease in derivatives (except for derivatives used as hedging instruments)	-293 142	-19 659
Net increase/decrease in amounts due to customers	483 190	1 034 930
Net increase/decrease in other liabilities	43 388	80 965
Paid/received income tax	-12 189	-171 864
Net cash flow from operating activities	**918 892**	**1 567 916**

in PLN '000	**1st quarter of 2012** **01.01.2012 -31.03.2012**	**1st quarter of 2011** **01.01.2011 -31.03.2011**
Cash flow from investing activities		
Inflows	**16 800 936**	**14 524 960**
Disposal of property, plant and equipment, intangible assets and investment properties	6	1 199
Disposal of investment securities	16 798 539	14 517 640
Dividends	9	5
Interest received	2 382	6 116
Outflows	**-17 420 709**	**-16 889 260**
Acquisition of property, plant and equipment, intangible assets and investment properties	-29 978	-11 292
Acquisition of investment securities	-17 390 731	-16 877 968
Net cash flow from investing activities	**-619 773**	**-2 364 300**
Cash flow from financing activities		
Inflows	**22 713**	**11 368**
Proceeds from loans and advances	22 713	11 368
Outflows	**-46 441**	**-22 514**
Repayment of loans and advances	-22 168	0
Other financial outflows	-24 273	-22 514
Net cash flow from financing activities	**-23 728**	**-11 146**

Net increase/decrease in cash	**275 391**	**-807 530**
Cash at the beginning of the period	**941 507**	**2 401 443**
Cash at the end of the period, including:	**1 216 898**	**1 593 913**
Restricted cash*	1 104 029	1 132 644

Interest paid**	245 394	190 125
Interest received**	325 157	302 539

** an amount from the declaration on the amount of the Bank's statutory provision, i.e. the minimum average balance of cash in the current account in the National Bank of Poland*
*** refers to the items recognized in 'Interest income' and 'Interest expense' lines*

6. Basis of preparation

Pursuant to Article 55 clause 5 of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2009, No. 152, item 1223 with further amendments) (‘the Act’), effectively from 01.01.2005, the consolidated financial statements of Kredyt Bank S.A. Capital Group (‘the Group’) have been prepared in compliance with the International Accounting Standards (‘IAS’) and the International Financial Reporting Standards (‘IFRS’) that were approved by the European Commission.

Pursuant to Article 45 clause 1c of the Act and according to the decision of the General Meeting of Shareholders of Kredyt Bank S.A. of 25.04.2005, effectively from 01.01.2005, also standalone financial statements of Kredyt Bank S.A. ('the Bank') have been prepared in accordance with the IAS/IFRS.

The interim consolidated financial report for the first quarter of 2012 has been prepared in line with the IAS/IFRS as in force at the date of this report. Specifically, this report has been prepared in accordance with IAS 34 Interim Financial Reporting, and matters not governed by the IAS/IFRS must comply with the Act and the Ordinance of the Minister of Finance dated 19 February 2009 on current and interim information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2009, No. 33, item 259 with further amendments).

7. The Group’s financial standing at the end of the first quarter of 2012

7.1. Income Statement

The Group’s net profit/loss

In the first quarter of 2012, the Group generated net profit amounting to PLN 56,142 thousand, while net profit in the first quarter of 2011 amounted to PLN 134,024 thousand. The significant difference in the net profit between the analyzed periods results from:

- the decrease in net impairment losses on financial assets, other assets and provisions by PLN 69,413 thousand;
- the decrease in net interest income by PLN 67,623 thousand;

partially set off with:

- the increase in net gains from trading and investment activities, net result on derivatives used as hedging instruments and hedged items, and dividend income by PLN 37,189 thousand;
- the decrease in the income tax burden by PLN 23,165 thousand;

The main reason for the lower net profit in the first quarter of 2012 (primarily the lower net impairment losses on financial assets, other assets and provisions), as compared to the corresponding period of the previous year, was the recognition of the estimated result related to the sale of retail loans in the consolidated income statement for the first quarter of 2011. Disregarding the estimation of the above-mentioned event, the Group’s net result for the first quarter of 2011 would amount to PLN 82,517 thousand.

The main categories of the Group's income statement are presented in the table below.

in PLN '000	1st quarter of 2012	1st quarter of 2011	Change (%)
Net interest income	217 743	285 366	-23.7%
Net fee and commission income	81 739	80 070	2.1%
Net gains from trading and investment activities*	57 546	20 357	182.7%
Net gains from other operating income/expenses	14 968	9 344	60.2%
Total	**371 996**	**395 137**	**-5.9%**
General and administrative expenses	-238 568	-230 065	3.7%
Net impairment losses on financial assets, other assets and provisions	-57 942	11 471	-
Total	**-296 510**	**-218 594**	**35.6%**
Share in profit (loss) of associates	831	821	1.2%
Profit (loss) before tax	**76 317**	**177 364**	**-57.0%**
Income tax expense	-20 175	-43 340	-53.4%
Net profit (loss)	**56 142**	**134 024**	**-58.1%**

** including net result on derivatives used as hedging instruments and hedged items as well as dividend income*

Net interest, fee and commission income

Net interest income generated by the Group in the first quarter of 2012 amounted to PLN 217,743 thousand and was lower by PLN 67,623 thousand (23.7%), than the net interest income generated in the first quarter of 2011 mainly due to the decrease in:

- the net interest income from loans and advances to/amounts due to customers (excluding leasing) by PLN 33,840 thousand, out of which PLN 5,928 thousand refers to the amortization to the net interest income, at the consolidated level, of the commission income from the sales of loans by Żagiel S.A. generated on a cash basis by December 2009 (i.e. by the time of the sale of the company outside Kredyt Bank S.A. Group); it is the main reason of the difference in the net interest income generated by the Group as compared to the net interest income generated by the Bank,
- the net interest income from securities by PLN 16,639 thousand, and
- the net interest income from loans and advances to/amounts due to banks by PLN 9,265 thousand.

The above mentioned changes result primarily from strengthened competitiveness of a Bank's deposit offer in the first quarter of 2012 in comparison with the first quarter of 2011, a lower average balance on securities and financing foreign currency assets to a higher extent with FX Swap which changes in fair value are presented in the net trading income,.

Net fee and commission income generated by the Group in the first quarter of 2012 amounted to PLN 81,739 thousand and was higher by PLN 1,669 thousand (2.1%), than the result generated in the first quarter of 2011, mainly due to the increase in the net income from the sales and management of unit linked products by PLN 2,425 thousand, set off with the decrease in the net income related to payment cards processing and ATMs maintenance by PLN 1,614 thousand.

Net gains from trading and investment activities

Net gains from trading and investment activities, including the net result on derivatives used as hedging instruments and hedged items and dividend income in the first quarter of 2012 amounted to PLN 57,546 thousand and were higher by PLN 37,189 thousand (182.7%) than the result generated in the first quarter of 2011 what was caused mainly by the increase in net gains on foreign exchange by PLN 32,218 thousand (including net gains on FX Swap transactions), and in net income from the trading debt and equity securities from the financial assets portfolio measured at fair value through profit or loss by PLN 6,465 thousand.

Net gains from other operating income/expenses

Net gains from other operating activities in the first quarter of 2012 amounted to PLN 14,968 thousand and were higher, by PLN 5,624 thousand (60.2%), than the net gains in the first quarter of 2011, which was mainly a result of the lower costs of debt recovery by PLN 5,486 thousand.

General and administrative expenses

According to the change of presentation of costs incurred by the Group from net to gross amounts (including VAT) in particular cost categories, the first quarter 2011 data have been adjusted to be comparable. Details are presented in the note I.10.

in PLN '000	**1st quarter of 2012**	**1st quarter of 2011**	**Change (%)**
Staff costs	**112 678**	**105 343**	**7.0%**
Administrative expenses	**107 445**	**100 735**	**6.7%**
- costs of buildings lease	27 418	25 246	8.6%
- IT and telecommunications fees	22 515	22 808	-1.3%
- costs of buildings maintenance and renovations	5 529	5 629	-1.8%
- energy costs	7 061	6 265	12.7%
- advisory and specialist services costs	5 661	8 022	-29.4%
- postal fees	5 467	6 598	-17.1%
- transportation services	4 607	4 126	11.7%
- property protection expenses	2 141	2 142	0.0%
- taxes and fees	11 181	10 719	4.3%
- promotion and advertising services	6 649	1 741	281.9%
- purchase of other materials	1 580	690	129.0%
- training expenses	1 700	828	105.3%
- business trips	425	616	-31.0%
- other	5 511	5 305	3.9%
Depreciation	**18 445**	**23 987**	**-23.1%**
Total	**238 568**	**230 065**	**3.7%**

Employment*	**31.03.2012**	**31.03.2011**	**Change**	**Change (%)**
KB	4 852	4 811	41	1%
Other companies	85	86	-1	-1%
Total	**4 937**	**4 897**	**40**	**1%**

** figures in FTEs*

In the first quarter of 2012 staff costs amounted to PLN 112,678 thousand and were higher, as compared to the first quarter of 2011, by PLN 7,335 thousand (7.0%), what was mainly an effect of greater costs of basic remunerations.

The Group's general expenses, excluding staff costs, in the first quarter of 2012 totalled PLN 107,445 thousand and, as compared to the first quarter of 2011, were higher by PLN 6,710 thousand (6.7%).

The change resulted mainly from the increase in:

- promotion and advertising services costs (by PLN 4,908 thousand), mainly due to a marketing campaign;
- costs of buildings lease (by PLN 2,172 thousand), mainly due to rents' change, including inflation and exchange rates changes;

set off with the decrease in:

- advisory and specialist services costs (by PLN 2,361 thousand);
- costs of postal fees (by PLN 1,131 thousand).

Cost/income ratio (CIR)

The cost/income ratio (CIR) in the first quarter of 2012 was equal to 64.1%, and rose from 58.2% recorded in the first quarter of 2011. The growth of the ratio results from the decrease in income accompanied by the increase in the general and administrative expenses described above.

Net impairment losses on financial assets, other assets and provisions

in PLN '000	**1st quarter of 2012**	**1st quarter of 2011**
Retail Segment*	-53 023	7 477
Corporate Segment*	-5 173	4 802
Other provisions*	254	-808
Result on provisions	**-57 942**	**11 471**

** due to the differences in the segmentation and the recognition of net impairment losses on financial assets, other assets and provisions between the financial reporting and the management information, the above note does not reconcile directly with the note concerning operating segments. The explanation concerning the differences has been presented in note I.7.8 of this report*

In the first quarter of 2012, the Group recorded a negative balance of net impairment losses on financial assets, other assets and provisions of PLN 57,942 thousand, as compared to the positive balance in the first quarter of 2011 amounting to PLN 11,471 thousand.

A decrease in net impairment losses on financial assets, other assets and provisions in the Retail Segment in the first quarter of 2012, as compared to the first quarter of 2011 results primarily from comprised in the corresponding period the reversal of impairment losses amounting to PLN 80,445 thousand related to the sale of retail loans.

The level of impairment losses for assets in the Corporate Segment in the first quarter of 2012 is mainly an effect of the deteriorated financial condition of a few corporate customers set off with effective debt rescheduling and debt recovery measures taken by the Bank.

Corporate income tax

The income tax burden in the first quarter of 2012 amounted to PLN 20,175 thousand, as compared to the income tax burden in the first quarter of 2011 of PLN 43,340 thousand. The effective tax rate in the first quarter of 2012 equals to 26.4% and was distorted in general due to 'thin capitalization'. The effective tax rate in the first quarter of 2011 equals to 24.4% and was distorted in general due to the writing-off of a deferred tax asset related to the sale of retail loans, and to lower extent due to 'thin capitalization'.

7.2. Assets and liabilities

Gross loans and advances to customers

The value of gross loans and advances to customers as at 31.03.2012 decreased by PLN 323 million (1.1%), as compared to the balance as at 31.12.2011, and increased by PLN 1,132 million (3.9%) as compared to the amount as at 31.03.2011.

Details concerning the portfolio of loans and advances have been presented in sections I.7.2.1., I.7.2.2. and I.7.6. below.

Investment securities portfolio

The increase in the carrying amount of investment debt securities as at 31.03.2012, as compared to 31.12.2011, results mainly from the growth in the volume of the money bills of the National Bank of Poland portfolio.

Amounts due to banks and subordinated liabilities

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Loans and advances from KBC Group	3 121 377	3 234 826	5 558 178
Term deposits, including:	4 603 008	5 160 973	2 851 154
- from KBC Group	4 428 265	5 117 701	2 833 711
Current accounts, including:	942 044	83 795	4 070 425
- from KBC Group	700 964	69 746	3 306 065
Other liabilities	10 714	6 897	5 378
Total amounts due to banks	**8 677 143**	**8 486 491**	**12 485 135**
Subordinated liabilities (from KBC Group)	989 238	1 036 510	889 708
Total, including:	**9 666 381**	**9 523 001**	**13 374 843**
- from KBC Group, including:	9 239 844	9 458 783	12 587 662
- in foreign currency	8 596 832	8 869 558	11 990 484

The Bank finances the lending activities not only with deposits, but also with financing made available by KBC Group, the Bank's main shareholder. The loans in foreign currencies granted by Kredyt Bank S.A. Capital Group are, to a large extent, financed with the loans in foreign currencies received from KBC Group, deposits in foreign currencies made by entities from KBC Group and customer deposits in foreign currencies.

At the same time, the diversification of the deposit base results in the fact that the Group is not clearly dependent on any specific market segment, customer group or a specific deposit type.

Customers' deposits portfolio

Customers' deposits portfolio as at 31.03.2012 increased by PLN 461 million (1.6%), as compared to the balance as at 31.12.2011, and by PLN 1,809 million (6.8%), as compared to the balance as at 31.03.2011.

Details concerning the deposits portfolio have been presented in sections I.7.2.1. and I.7.2.2. below.

7.2.1. Corporate and SME banking

This section presents aggregate figures for corporate customers and SMEs, excluding non-commercial institutions providing services to households (data for non-commercial institutions providing services to households have been presented in section I.7.2.2. in ‘Retail banking’).

The table below presents the structure of gross loans granted to corporate customers and SMEs at the ends of particular quarters.

in PLN ‘000	31.03.2012	31.12.2011	31.03.2011
Corporate and SME customers			
- overdraft facilities	2 250 366	2 019 966	2 016 275
- term loans*	4 074 649	4 207 920	4 386 481
- purchased debt	197 769	217 702	168 250
- realised guarantees	8 061	36 120	1 329
- other receivables (including leasing fees)	660 144	651 848	544 976
- debt securities classified as loans and receivables	47 446	52 112	46 331
Total	**7 238 435**	**7 185 668**	**7 163 642**

** mainly investment loans and working capital loans*

in PLN ‘000	31.03.2012	31.12.2011	31.03.2011
Budgetary Sector			
- overdraft facilities	6 485	4 787	3 819
- term loans*	94 620	106 956	141 443
- purchased debt	0	19 963	0
- debt securities classified as loans and receivables	68 816	68 453	20 239
Total	**169 921**	**200 159**	**165 501**

** mainly investment loans and working capital loans*

The balance of loans of corporate customers and SMEs as at 31.03.2012 remained at the similar level, as compared to the amount as at 31.12.2011 and as at 31.03.2011 (an increase by 0.7% and 1.0% respectively).

The table below presents the structure of deposits of corporate customers and SMEs at the ends of particular quarters.

in PLN ‘000	31.03.2012	31.12.2011	31.03.2011
Corporate and SME customers			
- current accounts	4 061 124	3 952 357	3 770 302
- term deposits, including:	3 658 259	3 874 166	4 022 249
- ‘Warta Gwarancja’ product	*387 725*	*424 011*	*749 363*
- loans and advances	840 231	879 406	197 159
- other	1 967	2 018	1 306
Total	**8 561 581**	**8 707 947**	**7 991 016**

in PLN ‘000	31.03.2012	31.12.2011	31.03.2011
Budgetary Sector			
- current accounts	1 064 977	1 055 948	1 262 793
- term deposits	700 694	401 051	912 544
- other	2	1 771	0
Total	**1 765 673**	**1 458 770**	**2 175 337**

The value of the portfolio of amounts due to corporate customers and SMEs as at 31.03.2012 decreased by PLN 146 million (1.7%) as compared to 31.12.2011, and increased by PLN 571 million (7.1%) as compared to 31.03.2011, due to the received loan from the European Investment Bank, which, according to the segmentation of the National Bank of Poland, is presented in the corporate customers segment.

7.2.2. Retail banking

This section contains aggregate figures for private persons, individual entrepreneurs, individual farmers and non-commercial institutions providing services to households.

The table below presents the structure of gross loans granted to retail customers at the ends of particular quarters.

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
- overdraft facilities	1 060 854	1 004 576	945 918
- term loans*	768 474	810 165	773 996
- installment loans, cash loans, and cards	2 744 787	2 833 496	3 631 847
- mortgage housing loans	17 684 895	17 984 863	15 863 601
- other mortgage loans**	418 862	421 838	444 791
- purchased debt	25 645	14 421	16 465
- realised guarantees	1 469	1 472	1 340
- other receivables	57 300	37 257	31 816
Total	**22 762 286**	**23 108 088**	**21 709 774**

** mainly investment loans and working capital loans for individual entrepreneurs*
*** the item comprises mortgage loans other than for housing purposes and refinancing loans secured with mortgages*

The balance of retail customers' loans as at 31.03.2012, as compared to the balance as at 31.12.2011, decreased by PLN 346 million (1.5%), and as compared to the balance as at 31.03.2011, increased by PLN 1,053 million (4.8%). The changes are in general due to movements of the balance of mortgage housing loans, which as at 31.03.2012 decreased by PLN 300 million (1.7%) as compared to the end of 2011, and increased by PLN 1,821 million (11.5%) as compared to the amount as at 31.03.2011, resulting mostly from fluctuations in CHF/PLN exchange rates. The increase in the balance of mortgage housing loans as compared to the balance as at 31.03.2011 was partially set off with a change in the balance of installment loans, cash loans and cards, which, as at 31.03.2012, decreased by PLN 887 million (24.4%), mainly as a result of the sale of retail loans carried out in 2011.

The table below presents the structure of deposits of retail customers at the ends of particular quarters.

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
- current accounts (including savings account)	11 066 977	11 677 122	12 959 166
- term deposits	7 068 751	6 026 092	3 485 685
- other	41 234	173 226	84 498
Total	**18 176 962**	**17 876 440**	**16 529 349**

The value of the portfolio of retail customers' deposits as at 31.03.2012, as compared to 31.12.2011, increased by PLN 301 million (1.7%) and, as compared to 31.03.2011, grew by PLN 1,648 million (10.0%). It was an effect of the Bank's offer of new products and competitive interest rates on term deposits.

The funds collected by the Bank from TUnŻ Warta S.A. from the sales of 'Warta Gwarancja' product offered by the insurer to retail customers is recognized in these financial statements in the corporate and SMEs segment.

Installment and cash loans, and credit cards

Cash loans are offered in the network of the Bank's outlets as well as via Żagiel. At present, credit cards are offered only via the network of the Bank's outlets, and installment loans for the purchase of goods and services only via Żagiel.

in PLN '000	**1st quarter of 2012**	**4th quarter of 2011**	**1st quarter of 2011**
Installment loans, cash loans, and cards			
Gross value of the portfolio at the end of the quarter, including:	2 744 787	2 833 496	3 631 847
Cash loans granted via Bank's network			
Gross value of the portfolio at the end of the quarter	953 188	980 435	1 076 504
Number of loans granted in the quarter (in '000)	13	16	7
Value of loans granted in the quarter	142 223	175 692	78 798
Loans granted via Żagiel			
Gross value of the portfolio at the end of the quarter*	1 567 646	1 625 642	2 331 863
Number of loans granted in the quarter (in '000):**	135	180	125
- installment loans	129	173	121
- cash loans	6	7	4
Value of loans granted in the quarter:**	321 201	415 997	280 032
- installment loans	291 289	381 132	260 352
- cash loans	29 912	34 865	19 680

** including the consolidation adjustment due to EIR*
*** related to cash loans and installment loans*

The increase in the sales of cash loans granted via the Bank's network in the first quarter of 2012 as compared to in the first quarter of 2011 by PLN 63 million (80.5%) is the effect of marketing sales campaigns led by the Bank.

The decline in the gross value of the portfolio of loans granted via the Bank's network and via Żagiel in the first quarter of 2012 as compared to the fourth quarter of 2011 is the consequence of the decrease in the value of new activations in the first quarter of 2012 as compared to the fourth quarter of 2011. The lower level of activations of loans in the first months of the year has been noted for many years.

The decrease in the described portfolio of loans in the first quarter of 2012 as compared to the first quarter of 2011 by PLN 764 million (32.8%) is mainly an effect of derecognition, in the balance sheet, of assets subject to the sale of retail loans portfolio in the second quarter of 2011.

in thousands	**31.03.2012**	**31.12.2011**	**31.03.2011**
Credit cards (aggregate for Kredyt Bank and Żagiel S.A.)	180	189	199

Mortgage housing loans

in PLN '000	**1st quarter of 2012**	**4th quarter of 2011**	**1st quarter of 2011**
Mortgage housing loans**			
Gross value of the portfolio at the end of the quarter	17 684 895	17 984 863	15 863 601
Number of loans granted in the quarter (in '000)	2.2	2.5	0.7
Value of loans granted in the quarter*	598 159	622 839	129 148

** the value of agreements signed in the period*

*** since the first quarter of 2012, mortgage housing loans has been presented with 'Rodzina na swoim' loans with withdrawals (data for previous periods was adjusted respectively)*

The first quarter of 2012 in Kredyt Bank was a continuation of very good results on mortgage banking in the fourth quarter of 2011. Total value of granted mortgage housing loans (e.i. value of signed credit agreements) was comparable to the result of the last three months of the last year.

The significant impact on the high volume of sale reached by the Bank in the last quarter had a successful advertising campaign in the autumn and an expected restriction of access to mortgages since 01.01.2012 due to the implementation of the recommendation of the Polish Financial Supervision Authority and the announcement of the withdrawal of eurocurrency loans by several banks (including Kredyt Bank). The number of credit applications in the fourth quarter of 2011 amounted to 12.8 thousand. A significant part of the transactions was finalized as a credit agreement signed in the first quarter of 2012.

Comparing the results on a year to year basis, a high growth rate is an effect of the low base. The value of credits sold in the first quarter of 2011 (PLN 129.1 million) was exceptionally low due to Bank concentration on a thorough reconstruction of a granting mortgage housing loans process and building The Mortgage Factory Department at the beginning of the previous year.

As expected, taking into account number of credit applications, a significant decline in demand in mortgage loans was recorded in the first quarter of 2012 To a great extent it was caused by the fact that many clients hastened their decision to buy a property and finalise a transaction in 2011, as they were afraid of adverse changes on the mortgage market in 2012. As a result of demand reduction factors (S Recommendation, high supply of housing), it is expected that sales of mortgage housing loans will remain in the downward trend in the coming months.

Current accounts for individual clients

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Current accounts			
Carrying amount at the end of the quarter	11 066 977	11 677 122	12 959 166
including ROR accounts*			
Number (in '000)	698	689	635
Carrying amount	1 417 869	1 403 577	1 146 943
including Savings Account*			
Number (in '000)	769	775	654
Carrying amount	8 167 029	8 721 838	10 431 109

** ROR and Savings Account – figures for private persons*

As at 31.03.2012, the number of current-savings accounts (ROR) amounted to 698 thousand and rose, as compared to 31.12.2011, by 9 thousand (1.3%) and by 63 thousand (9.9%) as compared to 31.03.2011. Also, the carrying amount of the cash deposited in ROR accounts of individual customers as at 31.03.2012 increased by PLN 14 million (1.0%) as compared to 31.12.2011 and by PLN 271 million (23.6%) as compared to 31.03.2011.

As at 31.03.2012, the number of savings accounts totalled 769 thousand and declined by 6 thousand (0.8%) as compared to 31.12.2011, and grew by 115 thousand (17.6%) as compared to 31.03.2011. The value of deposited cash as at 31.03.2012 decreased by PLN 555 million (6.4%) as compared to 31.12.2011, and fell by PLN 2,264 million (21.7%) as compared to 31.03.2011. The reductions were offset by an increase in term deposits.

The growth in the number of ROR accounts is related to the implementation in 2011 of a nationwide promotional campaign and more intensive customer acquisition activities.

Number of outlets

The Bank is adapting the sales network to market conditions on an ongoing basis.

in units	**31.03.2012**	**31.12.2011**	**31.03.2011**
Bank's outlets	375	373	375

7.3. Consolidated Off-balance Sheet Items

The table below presents the value of contingent liabilities.

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Liabilities granted and received			
Liabilities granted:	**6 357 568**	**6 548 048**	**6 467 040**
- financial	4 137 422	4 346 382	4 300 655
- guarantees	2 220 146	2 201 666	2 166 385
Liabilities received:	**887 576**	**882 927**	**1 539 576**
- financial	70 339	41 421	513 037
- guarantees	817 237	841 506	1 026 539
Liabilities related to the sale/purchase transactions	**179 619 620**	**199 278 505**	**187 835 292**
Collateral received	**9 427 622**	**9 119 201**	**8 620 293**

7.4. Investment funds and unit funds in unit-linked insurance plans

Total net assets of KBC TFI funds (excluding non-registered funds) sold as at 31.03.2012 via the Bank's distribution network amounted to PLN 4,760 million. It denotes an increase by 8.3% as compared to amount as at 31.12.2011, and by 8.9% as compared to amount as at 31.03.2011.

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Net assets of KBC TFI funds (excluding non-registered funds) sold via the Bank's distribution network	4 760 255	4 396 763	4 370 278

7.5. Issue, redemption and repayment of debt and equity securities

In the first quarter of 2012 and in the first quarter of 2011, the Group's companies did not issue, redeem or repay any equity securities issued by the Group's companies.

7.6. The quality of loans and advances portfolio

The quality ratios for loans and advances as at 31.03.2012 and as at 31.12.2011 changed significantly as compared to 31.03.2011 due to derecognition, in the balance sheet, retail loans portfolio sold in the second quarter of 2011. The transaction was described in detail in the Consolidated Financial Statements of Kredyt Bank S.A. Capital Group for 2011 in the note 30.

The quality ratio for the portfolio of the Group's gross loans and advances understood as 'The share of loans and advances with evidence for impairment in total gross loans and advances' as at 31.03.2012 amounted to 8.3% and as compared to the balance as at 31.12.2011 increased by 0.1 p.p., and as compared to the balance as at 31.03.2011 deteriorated by 1.6 p.p.

As at 31.03.2012, the coverage of loans and advances with evidence for impairment with corresponding impairment losses was at the level of 53.2% and increased by 1.5 p.p. as compared to 31.12.2011 and decreased by 8.6 p.p. as compared to 31.03.2011.

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Loans and advances with no evidence for impairment, including interest	27 673 757	27 981 461	26 167 231
Loans and advances with evidence for impairment, including interest	2 496 885	2 512 454	2 871 686
including: loans and advances for which no impairment losses were established	1 955	37 103	23 290
Total gross loan and advances to customers	**30 170 642**	**30 493 915**	**29 038 917**
Impairment losses on loans and advances to customers	1 442 258	1 408 161	1 900 852
including: impairment losses on loans and advances with evidence for impairment	1 328 670	1 299 559	1 774 078
Total net loans and advances to customers	**28 728 384**	**29 085 754**	**27 138 065**
The share of loans and advances with evidence for impairment in total gross loans and advances	8.3%	8.2%	9.9%
Coverage of loans and advances with evidence for impairment with corresponding impairment losses	53.2%	51.7%	61.8%
Coverage of gross loans and advances to customers with corresponding impairment losses	4.8%	4.6%	6.5%

7.7. Capital adequacy ratio

The Group's capital adequacy ratio was calculated in compliance with the regulations of the Polish Financial Supervision Authority in force and, as at 31.03.2012, amounted to 13.82% as compared to 12.51% recorded as at 31.12.2011, and 12.19% as at 31.03.2011. The Group applies the standardized approach to credit risk calculation.

The ratio calculated only with the use of own basic capitals (Tier 1) amounted as at 31.03.2012 to 9.99%, as at 31.12.2011 to 8.66%, and as at 31.03.2011 to 8.91%.

7.8. Reporting by operating segments

The criterion for separating a segment entails the method of carrying business and the type and scope of information used by the management in a given entity. An operating segment is a type of activities reviewed regularly by the authorities responsible for making operating decisions, including decisions concerning the method of allocating resources within the reviewed segment. The figures originate from internal reports used by the Bank's management to review the results of the activities of a given segment. The presentation of particular items follows the approach applied in management reporting. It needs to be mentioned, that the management segmentation differs from the financial reporting segmentation applied in other parts of the financial statements.

The Group's operating activities were divided into three basic categories: retail segment, corporate segment and treasury segment.

The Group's operations are not diversified in geographical terms. Operations are focused on the Polish market; the main customer base is composed of Polish natural and legal persons and foreign customers operating on the Polish market.

Retail Segment

The Retail Segment, in management terms, incorporates products targeted at individual customers, private banking, as well as micro and small enterprises (micro and small SME), whose annual sales revenue does not exceed PLN 1 million.

The offer entails a wide choice of deposit, credit and insurance (bancassurance) products offered in cooperation with TUnŻ WARTA S.A. and TUiR WARTA S.A., and investment products offered by KBC TFI S.A. This offer is addressed to customers through traditional channels of distribution via the Bank's nationwide network of branches and affiliates, KB24 online services as well as intermediaries operating on the market.

Corporate Segment

The Corporate Segment, in management terms, entails transactions with medium-sized companies (SME with annual sales revenue exceeding PLN 1 million, but not exceeding PLN 25 million), large companies (corporate customers with total sales revenue exceeding PLN 25 million) as well as municipalities.

Beside the traditional products, such as loans, deposits, settlement services, derivatives, the customers from this segment are offered specialist services. They are tailored to customers' individual needs, e.g. organizing syndicates supporting investment projects, financing real estate transactions, financing foreign trade and bulk payments. The Bank's offer in this segment is expanded by the products of Kredyt Lease S.A., which offers a complete range of services for companies in respect of leasing of property, plant and equipment.

Treasury Segment

The Treasury Segment, in management terms, comprises the result of the transactions performed by the Bank on its own account as an active participant of: the money market (Treasury and NBP bills), bonds market (Treasury and commercial bonds), currency market and interbank market. The result of the segment also includes net income on derivative instruments transactions: forward, FX swap, IRS, CIRS, FRA, interest rate and currency options, except for write-downs for credit risk. Besides the trading activities carried by the Bank on its own account, the segment includes the activities aiming to hedge the Banking Book position.

Other

Income and expenses not assigned to above segments have been presented as 'Other' segment. This category also includes the results of the operations of Reliz Sp. z o.o. and Kredyt Trade Sp. z o.o.

Respective consolidation eliminations were made for the presentation of the results of particular segments.

Additional clarifications

The results presented in all segments include the costs of the financing of lending activities and interest income from the sales of deposit funds in internal transactions and come from the application of an internal price (transfer rate) established on the basis of reference rates (money market rates) for particular deposit and credit products.

The reconciliation of particular balance sheet items and income statement items for reporting segments with the items of the consolidated balance sheet and the items of the consolidated income statement must encompass the adjustments presented further in this note.

Net interest income includes mainly net interest income from deposit and lending activities and the total net income from loan commissions treated, in management terms, as an element of an interest margin. The Bank's Management Board, when making operating decisions, bases them mainly on the net interest margin. In addition, particular segments entail the costs of financing the cash maintained in the Bank's branches.

Net commission income and other net income entail:

- commissions for keeping accounts and transactions;
- commissions related to credit, debit and other cards;

- commissions related to the distribution of the shares of investment funds and other services provided to investment funds;
- commissions related to insurance products;
- commissions related to foreign transactions, i.e. export and import payment orders, transfers and guarantees, letters of credit, bill guarantees and cash collections;
- other net income including net income from other commissions and net income from other operating income and expenses.

Net income from treasury transactions in the Retail Segment and in the Corporate Segment is the net income from exchange operations and net income from financial transactions which are a margin on such products as repurchase transactions, bonds, IRS and FX options.

Net income from treasury transactions is composed of the following items of the interim consolidated financial statements:

- net trading income (except for, e.g. net increase/decrease in the provisions for potential losses related to open/active derivatives and the valuation of embedded instruments related to the enterprises function) and
- net result on derivatives used as hedging instruments and hedged items.

Net gains from investment activities – the presented item is the sum of the items from the financial statements: Net gains from investment activities and Dividend income.

In management reporting, the item *'Net impairment losses on financial assets, other assets and provisions'* includes additionally a provision for potential losses related to open/active derivatives (presented in these interim consolidated financial statements in net trading income).

Group's general and administrative expenses – since the beginning of 2012 the Group allocates the costs of headquarters and general expenses pursuant to Activity Based Costing (ABC). The comparable data has been transformed accordingly.

The assets of the segment were divided into four basic categories:

Loans and advances to banks – net loans and advances to banks, excluding interest receivables, as well as debt securities issued by other banks and classified in the portfolio of loans and receivables. The category is presented in the treasury segment,

Loans and advances to customers – net loans and advances to customers (including leasing), excluding interest receivables, as well as debt securities classified in the portfolio of loans and receivables,

Securities – this category is presented in the treasury segment, entails debt securities, securities with the right to equity and shares in investment funds, excluding debt securities classified in the portfolio of loans and receivables,

Other – this category entails all other assets not presented above.

Group's net profit for the first quarter of 2012 by operating segments (breakdown according to management reporting)

in PLN '000	Retail Segment	Corporate Segment	Treasury Segment	Other	Total
Net interest income, including:	**153 515**	**69 790**	**7 618**	**-3 805**	**227 118**
- lending activities	116 548	43 631	0	-3 882	156 297
- depositing activities	39 566	28 252	0	83	67 901
- the cost of financing cash kept in the Bank's branches	-2 599	-2 093	4 698	-6	0
Net commission income and other net income	**47 467**	**30 243**	**0**	**11 987**	**89 697**
- commissions related to the keeping of accounts and transactions	20 686	12 919	0	135	33 740
- commissions related to cards	14 654	1 174	0	1 193	17 021
- commissions related to shares in investment funds	11 961	669	0	7	12 637
- commissions related to insurance products	-690	15	0	44	-631
- commissions related to foreign transactions	13	5 052	0	120	5 185
- other	843	10 414	0	10 488	21 745
Net income from treasury transactions	**21 178**	**13 310**	**19 661**	**-461**	**53 688**
- exchange transactions	21 155	11 729	21 484	-531	53 837
- derivatives and securities	23	1 581	-1 823	70	-149
Net gains from investment activities	**0**	**0**	**0**	**9**	**9**
Gross operating income	**222 160**	**113 343**	**27 279**	**7 730**	**370 512**
Net impairment losses on financial assets, other assets and provisions	**-53 284**	**-4 336**	**0**	**373**	**-57 247**
Group's general and administrative expenses	**-155 874**	**-72 740**	**-4 059**	**-5 106**	**-237 779**
- the costs of the operation of business functions (direct costs)	-87 823	-28 295	-3 407	-3 123	-122 648
- allocated expenses	-56 222	-40 051	-412	0	-96 685
- depreciation (direct costs)	-7 864	-983	-208	-1 983	-11 038
- depreciation (allocated costs)	-3 965	-3 411	-32	0	-7 408
Net operating income	**13 002**	**36 267**	**23 220**	**2 997**	**75 486**
Share in profit (loss) of associates					831
Income tax expense					-20 175
Net profit (loss)					**56 142**

Group's net profit for the first quarter of 2011 by operating segments (breakdown according to management reporting)

in PLN '000	Retail Segment	Corporate Segment	Treasury Segment	Other	Total
Net interest income, including:	**159 244**	**70 697**	**70 150**	**-4 473**	**295 618**
- lending activities	125 391	45 604	0	-4 489	166 506
- depositing activities	36 386	26 947	0	16	63 349
- the cost of financing cash kept in the Bank's branches	-2 533	-1 854	4 387	0	0
Net commission income and other net income	**40 215**	**27 364**	**0**	**17 106**	**84 685**
- commissions related to keeping accounts and transactions	21 622	12 634	0	139	34 395
- commissions related to cards	17 650	1 171	0	924	19 745
- commissions related to shares in investment funds	12 660	731	0	0	13 391
- commissions related to insurance products	-5 226	-58	0	40	-5 244
- commissions related to foreign transactions	9	5 032	0	90	5 131
- other	-6 500	7 854	0	15 913	17 267
Net income from treasury transactions	**9 027**	**10 893**	**-5 596**	**633**	**14 957**
- exchange transactions	9 020	10 282	1 411	684	21 397
- derivatives and securities	7	611	-7 007	-51	-6 440
Net gains from investment activities	**0**	**0**	**110**	**5**	**115**
Gross operating income	**208 486**	**108 954**	**64 664**	**13 271**	**395 375**
Net impairment losses on financial assets, other assets and provisions	**8 676**	**4 503**	**0**	**-1 946**	**11 233**
Group's general and administrative expenses	**-158 052**	**-62 539**	**-4 058**	**-5 416**	**-230 065**
- the costs of the operation of business functions (direct costs)	-84 322	-25 031	-3 622	-3 070	-116 045
- allocated expenses	-55 121	-34 563	-349	0	-90 033
- depreciation (direct costs)	-18 097	-818	-24	-2 346	-21 285
- depreciation (allocated costs)	-512	-2 127	-63	0	-2 702
Net operating income	**59 110**	**50 918**	**60 606**	**5 909**	**176 543**
Share in profit (loss) of associates					821
Income tax expense					-43 340
Net profit (loss)					**134 024**

The allocation of assets by operating segments as at 31.03.2012

in PLN '000	Retail Segment	Corporate Segment	Treasury Segment	Other	Total
Loans and advances to banks	0	0	1 100 081	0	1 100 081
Loans and advances to customers	20 492 773	8 128 707	0	0	28 621 480
Securities	0	0	10 272 048	0	10 272 048
Other	0	0	659 911	2 492 284	3 152 195
Total	**20 492 773**	**8 128 707**	**12 032 040**	**2 492 284**	**43 145 804**

The allocation of assets by operating segments as at 31.12.2011

in PLN '000	Retail Segment	Corporate Segment	Treasury Segment	Other	Total
Loans and advances to banks	0	0	1 187 219	0	1 187 219
Loans and advances to customers	20 934 417	8 032 717	0	0	28 967 134
Securities	0	0	8 839 889	0	8 839 889
Other	0	0	1 071 089	1 937 753	3 008 842
Total	**20 934 417**	**8 032 717**	**11 098 197**	**1 937 753**	**42 003 084**

The allocation of assets by operating segments as at 31.03.2011

in PLN '000	Retail Segment	Corporate Segment	Treasury Segment	Other	Total
Loans and advances to banks	0	0	1 549 374	0	1 549 374
Loans and advances to customers	19 113 032	7 929 836	0	0	27 042 868
Securities	0	0	14 421 155	0	14 421 155
Other	0	0	355 772	2 997 181	3 352 953
Total	**19 113 032**	**7 929 836**	**16 326 301**	**2 997 181**	**46 366 350**

Below, we present the reconciliation of particular items with the consolidated income statement and the consolidated assets published in this report.

in PLN '000	**01.01.2012-31.03.2012**
Net interest income – management information	**227 118**
- commissions on loans	11 275
+ operating expenses (interest on finance lease)	-94
+ operating income (the collection of statutory interest)	1 945
+ commissions related to foreign transactions	66
+ other	-17
Net interest income – financial statements	**217 743**
Net commission income and other net income – management information	**89 697**
+ commissions on loans	11 275
- operating expenses (interest on finance lease)	-94
- operating income (the collection of statutory interest)	1 945
- commissions related to foreign transactions	66
- the valuation of shares and of an embedded instrument related to the operations of the enterprises function	3 138
+ reversal of provisions related to incentive programmes in subsidiary	789
- other	-1
Net commission income and other income – financial statements – presented as:	**96 707**
Net fee and commission income	81 739
Other operating income	24 287
Other operating expenses	-9 319
Net income from treasury transactions – management information	**53 688**
+ net increase/decrease in provisions for potential losses related to active derivatives	711
+ the valuation of shares and of an embedded instrument related to the operations of the enterprises function	3 138
Net trading income and net result on derivatives used as hedging instruments – financial statements – presented as:	**57 537**
Net trading income	58 616
Net result on derivatives used as hedging instruments and hedged items	-1 079
Net gains from investment activities – management information	**9**
Net gains from investment activities and dividend income – financial statements – presented as:	**9**
Dividend income	9
Gross operating income – management information	**370 512**
+ net increase/decrease in provisions for potential losses related to active derivatives	711
- reversal of provisions related to incentive programmes in subsidiary	789
+ other	-16
Gross operating income – financial statements – presented as:	**371 996**
Total operating income	381 315
Other operating expenses	-9 319
Net impairment losses on financial assets, other assets and provisions – management information	**-57 247**
- net increase/decrease in provisions for potential losses related to active derivatives	711
- other	-16
Net impairment losses on financial assets, other assets and provisions – financial statements	**-57 942**

Group's general and administrative expenses – management information	**-237 779**
- reversal of provisions related to incentive programmes in subsidiary	789
General and administrative expenses – financial statements	**-238 568**

in PLN '000	**01.01.2011-31.03.2011**
Net interest income – management information	**295 618**
- commissions on loans	11 039
+ operating expenses (interest on finance lease)	-226
+ operating income (the collection of statutory interest)	5 212
+ commissions related to foreign transactions	156
- structured deposit – interest adjustment	4 354
+ other	-1
Net interest income – financial statements	**285 366**
Net commission income and other net income – management information	**84 685**
+ commissions on loans	11 039
- operating expenses (interest on finance lease)	-226
- operating income (the collection of statutory interest)	5 212
- commissions related to foreign transactions	156
- the valuation of shares and of an embedded instrument related to the operations of the enterprises function	1 169
- other	-1
Net commission income and other income – financial statements – presented as:	**89 414**
Net fee and commission income	80 070
Other operating income	26 623
Other operating expenses	-17 279
Net income from treasury transactions – management information	**14 957**
+ net increase/decrease in provisions for potential losses related to active derivatives	-238
+ the valuation of shares and of an embedded instrument related to the operations of the enterprises function	1 169
+ structured deposit – interest adjustment	4 354
Net trading income and net result on derivatives used as hedging instruments – financial statements – presented as:	**20 242**
Net trading income	20 400
Net result on derivatives used as hedging instruments and hedged items	-158
Net gains from investment activities – management information	**115**
Net gains from investment activities and dividend income – financial statements – presented as:	**115**
Net gains from investment activities	110
Dividend income	5
Gross operating income – management information	**395 375**
+ net increase/decrease in provisions for potential losses related to active derivatives	-238
Gross operating income – financial statements – presented as:	**395 137**
Total operating income	412 416
Other operating expenses	-17 279
Net impairment losses on financial assets, other assets and provisions – management information	**11 233**
- net increase/decrease in provisions for potential losses related to active derivatives	-238
Net impairment losses on financial assets, other assets and provisions – financial statements	**11 471**

in PLN '000	**Management information**	**Interest**	**Financial statements (net value)**
31.03.2012			
Loans and advances to banks	1 100 081	899	1 100 980
Loans and advances to customers	28 621 480	106 904	28 728 384
31.12.2011			
Loans and advances to banks	1 187 219	793	1 188 012
Loans and advances to customers	28 967 134	118 620	29 085 754
31.03.2011			
Loans and advances to banks	1 549 374	785	1 550 159
Loans and advances to customers	27 042 868	95 197	27 138 065

in PLN '000	**31.03.2012**
Securities – management information	**10 272 048**
Securities – financial statements – presented as:	**10 272 048**
Financial assets designated upon initial recognition as at fair value through profit or loss	101 787
Financial assets held for trading (excluding derivatives)	759 354
Investment securities	9 410 907

in PLN '000	**31.12.2011**
Securities – management information	**8 839 889**
Securities – financial statements – presented as:	**8 839 889**
Financial assets designated upon initial recognition as at fair value through profit or loss	100 684
Financial assets held for trading (excluding derivatives)	60 493
Investment securities	8 678 712

in PLN '000	**31.03.2011**
Securities – management information	**14 421 155**
Securities – financial statements – presented as:	**14 421 155**
Financial assets designated upon initial recognition as at fair value through profit or loss	118 716
Financial assets held for trading (excluding derivatives)	2 409 845
Investment securities	11 892 594

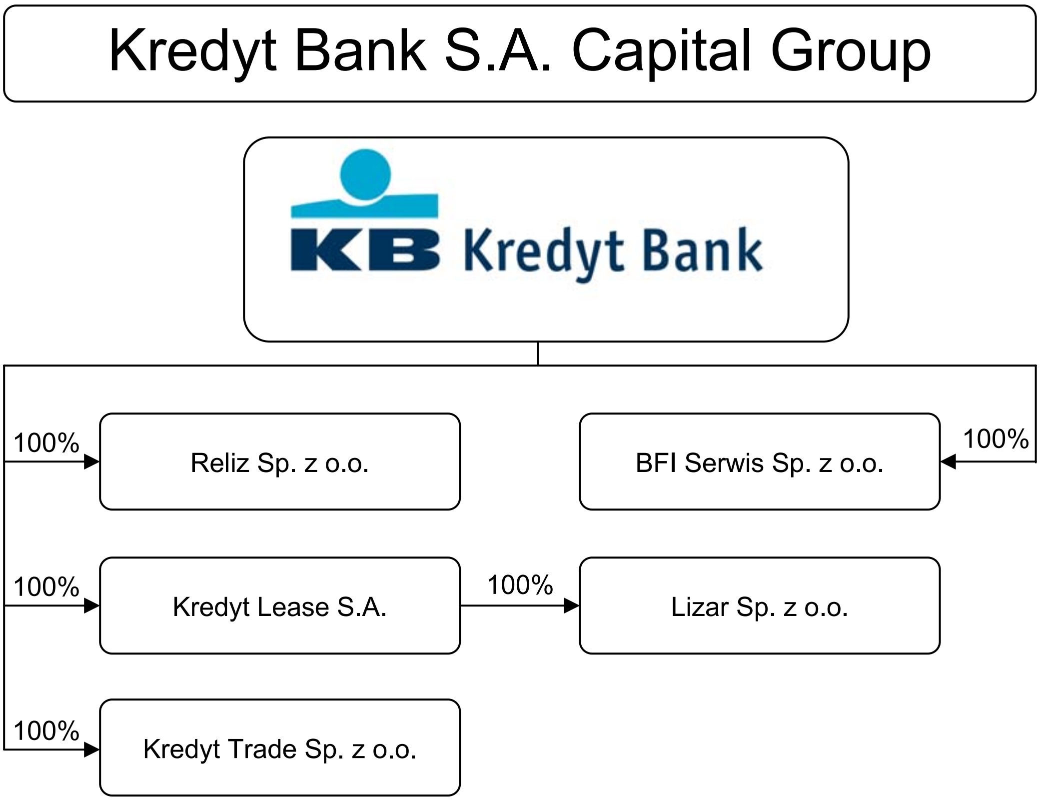
8. Information on dividend

The Bank’s Supervisory Board at the meeting on 05.04.2012 approved draft resolution for the Ordinary General Meeting of Shareholders of Kredyt Bank S.A. on the distribution of the net profit for 2011. The said draft of the Resolution provides transfer of the net profit for the financial year 2011 to the Bank's equity.

9. The Group’s structure

Kredyt Bank S.A. Capital Group encompasses legally separated business entities, whose activities are coordinated to a great extent. The capital relations linking the Group, defining the nature of the relationship, are strengthened by business relations, contracts, a joint product offer, controlling functions performed by the Bank over the companies’ operating and financial policies as well as a transfer of management staff and also know-how.

Below, we present the composition and ownership structure of the Group as at 31.03.2012.



As at 31.03.2012, the following companies were consolidated with the full method: Kredyt Lease S.A., Kredyt Trade Sp. z o.o. and Reliz Sp. z o.o.

As at 31.03.2012, as compared to 31.03.2011, the composition of the Capital Group did not change.

Due to the immateriality of their operations and financial figures, the Group does not consolidate financial statements of the following entities: Lizar Sp. z o.o. and BFI Serwis Sp. z o.o.

10. Comparable data

Comparable data for previous reporting periods included in these financial statements comprises the presentation changes introduced in the financial statements prepared as at 31.03.2012.

According to the change of presentation of costs incurred by the Group from net to gross amounts (including VAT), value of items presented in particular cost categories in the consolidated income statement for the first quarter of 2011 has changed.

in PLN '000	**Published data**	**Changes**	**Comparable data**
	1st quarter of 2011		**1st quarter of 2011**
General and administrative expenses	-232 323	+2 258	-230 065
Other operating expenses	-15 021	-2 258	-17 279

The note introducing changes of particular items of general and administrative expenses for the first quarter of 2011 is presented below.

	Published data	**Changes**	**Comparable data**
in PLN '000	**1st quarter of 2011**		**1st quarter of 2011**
Staff costs	**105 086**	**257**	**105 343**
Administrative expenses	**103 250**	**-2 515**	**100 735**
- costs of buildings lease	21 020	4 226	25 246
- IT and telecommunications fees	19 215	3 593	22 808
- costs of buildings maintenance and renovations	4 867	762	5 629
- energy costs	5 450	815	6 265
- advisory and specialist services costs	7 047	975	8 022
- postal fees	6 376	222	6 598
- transportation services	3 476	650	4 126
- property protection expenses	1 852	290	2 142
- taxes and fees	25 695	-14 976	10 719
- promotion and advertising services	1 500	241	1 741
- purchase of other materials	571	119	690
- training expenses	703	125	828
- business trips	527	89	616
- other	4 951	354	5 305
Depreciation	**23 987**	**0**	**23 987**
Total	**232 323**	**-2 258**	**230 065**

11. Description of the significant accounting principles applied and material accounting estimates

The Group did not introduce any material changes in the applied accounting principles and methods of performing accounting estimates as compared to the principles and methods described in the Group's published consolidated financial statements as at 31.12.2011.

11.1. Significant accounting estimates

The preparation of financial statements in line with the IFRS requires a professional judgment of the Bank's Management Board and Management Boards of the Group's companies on the adopted accounting principles and accounting estimates applied with respect to balance sheet items and income statement items. Estimates are made basing on historical data and a number of assumptions based on the facts available as at the balance sheet date, resulting from internal and external conditions. The actual results of future business operations may differ from the present accounting estimates as at the balance sheet date. Therefore, accounting estimates are verified on a regular basis. Changes in estimates are recognized in the financial statements in the period they were introduced. If such changes are also related to future periods, the assumptions being the basis for the estimates for future periods are also adjusted.

The most important accounting estimates prepared for the purpose of these interim consolidated financial statements refer to:

- identification and measurement of impairment losses for financial assets measured at amortized cost and historical cost;
- measurement of financial assets and liabilities at fair value, including derivatives for which no active market exists;
- value of deferred tax assets;
- provisions.

11.2. Classification and measurement of financial assets and liabilities

The complete description of accounting principles and accounting estimates applied in the Group is presented in the consolidated financial statements of the Group as at 31.12.2011. Below, we only present the details concerning the most important items in the Group's financial statements.

Financial assets and liabilities at fair value through profit or loss

This category includes:

- held for trading assets or liabilities, i.e. those acquired or contracted with the intention to sell or repurchase them in the nearest future. This category comprises financial assets and liabilities portfolios managed jointly in order to generate profits in a short time horizon. This category also includes derivatives;
- financial assets or liabilities designated by the Group's subsidiaries upon initial recognition as measured at fair value through profit or loss, as the items are managed on the basis of the valuation at fair value, pursuant to the recorded risk management principles or the Group's investment strategy.

Interest and acquired discount or premium on debt securities is settled over time in net interest income based on the effective interest rate method. Securities are carried at fair value, and its change is recognized in the profit/loss on financial operations.

The profit/loss from assets disposal is calculated with the FIFO method.

Financial derivatives are recognized at fair value, without deductions of transaction expenses that can be incurred at the disposal. The valuation of derivatives also includes credit risk; the respective charges are recognized in the income statement.

Derivatives with positive fair value as at the date of measurement are recognized in the balance sheet as assets, and derivatives with negative value from measurement – as liabilities.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments or fixed maturity that the Group's entities intend and are able to hold to maturity or by the date very close to maturity, other than:

a) designated by an entity upon initial recognition as at fair value through profit or loss;

b) designated by an entity as available-for-sale; and

c) meeting the definition of loans and receivables.

Held-to-maturity investments are measured at amortized cost using the effective interest method, taking account of impairment losses. Accrued interest and the settled discount or premium is recognized in net interest income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

a) financial assets that the company intends to sell immediately or in the near term, which are classified as held for trading, and those that the company upon initial recognition designates as at fair value through profit or loss;

b) financial assets that the company upon initial recognition designates as available-for-sale; or

c) financial assets for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Loans are measured in the balance sheet at amortized cost based on the effective interest rate method, taking account of impairment losses.

Accrued interest with net commissions (commissions received less commissions paid) are settled over time with the use of the effective interest rate method and are recognized in interest income. Impairment losses are recognized in the income statement in correspondence with accounts of provisions which adjust assets value.

In the case of the customers for whom the possibilities of servicing loans within the time limits specified in agreements deteriorated, and whose conditions of the debt service are renegotiated, as a principle, the Bank, having regard for the new conditions, re-estimates the discounted cash flows. If the present value of estimated future cash flows discounted using the effective interest rate method is not significantly lower than before the renegotiation, a given loan will remain in the portfolio of exposures with no evidence for impairment. Otherwise, a loan is classified in the portfolio of loans with evidence for impairment.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets designated as available for sale or not classified as financial assets valued at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value on the balance sheet. Changes in fair value are recognized in revaluation reserve until the financial asset is derecognized or impairment is recognized; then accumulated gains/losses included in equity are recognized in the income statement. In the case of debt securities, interest income and discount or premium is settled over time in net interest income with the use of the effective interest rate method.

Dividends from available-for-sale equity instruments are recognized in the income statement at the time when the right to obtain them arises.

The profit/loss from assets disposal are calculated with the FIFO method.

If fair value of equity instruments cannot be determined, then assets are recognized at cost less impairment loss.

A significant or prolonged decrease in the fair value of an investment in the equity instrument in the portfolio of available-for-sale financial assets below cost constitutes objective evidence for impairment. Impairment losses are recognized in the income statement in correspondence with accounts of provisions which adjust assets value.

Financial liabilities not held for trading

This category includes amounts due to banks and customers, loans borrowed by the Group, own debt securities issued, liabilities arising from repurchase transactions and subordinated liabilities, following the deduction of transaction expenses.

Financial liabilities not held for trading are recognized in the balance sheet at amortized cost with the application of the effective interest rate method.

Hedge accounting

Hedge accounting recognizes the effects of compensating for changes in fair value of the hedging instrument and the hedged item, which exert an impact on the income statement. According to adopted hedge accounting principles, the Group designates certain derivatives to hedge fair value and future cash flow of specific assets, on condition that the criteria provided for in IAS 39 are met. Hedge accounting is applied in the Group to hedging relationships, when all the following criteria are met:

- upon the inception of hedge, the Group formally determines and documents hedging relationship as well as the purpose of risk management and the strategy of hedge. The documentation identifies the hedging instrument, the hedged item or transaction, the nature of the hedged risk and the method of the Group's assessment of hedging instrument effectiveness in offsetting the exposure to changes in fair value of the hedged item or cash flows related to the hedged risk;
- the hedge is expected to be highly effective in achieving offsetting changes in fair value (or cash flows) attributable to the hedged risk, according to the initially documented risk management strategy related to a specific hedging relationship;
- in the case of the cash flow hedge, the planned hedged transaction must be highly probable and must be subject to the threat of changes in the cash flow which, as a result, may affect the income statement;
- the hedge effectiveness may be assessed reliably, i.e. fair value or cash flows attributable to the hedged item resulting from the hedged risk and the fair value of the hedging instrument may be measured reliably;
- the hedge is assessed on an ongoing basis and is found highly effective in all reporting periods in which the hedge was established.

Fair value hedge, which meets hedge accounting conditions, is recognized by the Group as follows:

- gains or losses resulting from the revaluation of fair value of a hedging derivative are disclosed in the income statement;
- gains or losses related to the hedged item, resulting from the hedged risk, adjust the carrying amount of the hedged item and are recognized in the income statement.

Future cash flow hedge, which meets hedge accounting conditions, is recognized by the Group as follows:

- a portion of gains or losses associated with the hedging instrument, which constitutes an effective hedge, is recognized directly in equity;
- a non-effective portion of gains or losses associated with the hedging instrument is recognized in the income statement.

Interest received and paid on derivatives used as hedging instruments is recognized in the income statement in interest income/expense respectively.

Valuation of financial assets and liabilities at fair value

Fair value is an amount for which an asset may be sold or exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The transaction price is the best indicator of fair value at the initial recognition of a financial instrument.

Fair value of financial assets and liabilities is determined on the basis of quotations on active markets, including prices of the latest transactions.

In the case of financial assets and liabilities recognized in the balance sheet at fair value (except for equity instruments from the portfolio of available-for-sale assets), for which no active market is identified and there is no possibility of determining the fair value using market prices, they are measured on the basis of generally adopted measurement models based on variables that can be observed in the market environment.

The fair value of such financial assets and liabilities is determined on the basis of the net present value, i.e. the sum of all cash flows discounted using the yield curve applicable to a given currency and adjusted with the issuer's credit risk.

Certain variables, e.g. future interest rates, volatility parameters, correlations, must be assessed professionally. The models and variables are verified on a regular basis. The change in adopted models or variables in these models might affect accounting estimates related to measurement.

Financial instruments measured at fair value are classified according to a three-level hierarchy of fair value:

- Level 1 comprises financial instruments quoted in an active market, whose measurement at fair value is determined on the basis of present and readily available market prices;
- Financial assets presented at Level 2 are not quoted in an active market, but the inputs used to measure the fair value are based on observable market inputs;
- Level 3 comprises financial instruments that are not quoted in an active market, and their measurement at fair value is not based on observable market inputs.

Effective interest rate method

The Group has been amortizing, into income statement, fee and commission income and expenses as well as certain external expenses connected with the measured financial assets and liabilities in accordance with the stipulations provided in IAS 39.

The following financial assets and liabilities are measured by the Group at amortized cost with the application of the effective interest rate:

- loans and receivables;
- held-to-maturity investments;
- non-derivative financial liabilities not held for trading;
- repurchase transactions.

In addition, in the case of debt securities carried at fair value through profit or loss and available for sale assets, the coupon rates and acquired discounts or premiums are settled using the effective interest rate method in the income statement.

The effective interest rate is the rate that discounts the expected flow of future net cash payments to present carrying amount during the period until maturity or by the time of the next market valuation of a particular financial asset and liability, and its determination entails any due or cash payments as well as cash flows paid or received by the Group under the agreement on a given instrument, excluding future possible credit losses.

The method of settling interest coupons, commissions/fees and certain external costs connected with the financial instruments (with the effective interest rate method or straight-line method) depends on the nature of a given instrument. In the case of financial instruments with fixed cash flows schedules, the method of the effective interest rate is applied. In the case of instruments with undefined cash flows schedules, it is impossible to calculate the effective interest rate and commissions/fees are settled on the straight-line basis over time.

The method of recognizing particular types of commissions/fees in the income statement depends on the economic nature of a commission/fee.

The items included in the commissions/fees settled over time include, e.g. fees for a positive appraisal of a loan application, commissions for granting a loan, commissions for releasing a loan, fees for establishing additional collateral, fees paid to loans intermediaries. The collection of the above commissions and fees constitutes an integral part of the return generated by a specific financial instrument. This category also includes fees and costs of changes in contractual terms, what modifies the value of the initial effective interest rate. Any significant amendment to the conditions of a given financial instrument in economic terms is connected with the expiry of the financial instrument of the previous type and creation of a new instrument with different characteristics. The fees that are collected in this category include, among others, fees for preparing an annex changing a future cash flows schedule, fees for restructuring loan agreements, fees for postponement of payment dates, etc. The above-mentioned types of fees are deferred and settled over time in the income statement applying the effective interest rate method or on a straight-line basis, depending on the type of a product.

In the case of assets for which evidence for the impairment was identified, interest income is calculated on the basis of net investment defined as the difference between the gross exposure value (having regard for unsettled commissions) and impairment charge. It is recognized in the net interest income.

11.3. Value of deferred tax assets

The Group's subsidiaries recognize a deferred tax liability for all temporary differences, whereas the deferred tax asset is recognized to the amount, which is justified by financial projections approved by the Management Boards of the Group's companies concerning the possibility of realizing this asset.

11.4. Investment properties

Pursuant to IAS 40 the Group values investment properties at cost.

11.5. Non-current assets held for sale

The Group classifies a non-current asset (or a disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Pursuant to IFRS 5, assets held for sale are measured at the lower of: present carrying amount or fair value less costs to sell. Non-current assets, when they are classified as held for sale, are not depreciated.

12. Events after the reporting period

From the balance sheet date to the publication date of these financial statements, there were no significant events, which are not, but should be, disclosed in these financial statements.

13. Information on shareholders holding over 5% stake in the share capital and votes at General Meeting of Shareholders

The table below presents a list of major shareholders of Kredyt Bank S.A. as at 31.03.2012.

Shareholder	Line of business	Number of shares and votes at GMS	Share in votes and in share capital (in %)
KBC Bank NV* – a subsidiary of KBC Group*	Banking	217 327 103	80.00

** by the Resolution of the Commission for Banking Supervision No. 81/KNB/01 of 17 September 2001, KBC Bank NV is entitled to exercise no more than 75% of votes at the General Meeting of Shareholders of Kredyt Bank S.A.*

On 26.01.2012, the Bank received a notice from Pioneer Pekao Investment Management S.A. (‘PPIM’) about the decline in its total commitment to 4.29% of the total votes at the General Meeting of Shareholders concerning the financial instruments included in the portfolios managed by PPIM. Pursuant to the said notice, the commitment of Pioneer Fundusz Inwestycyjny Otwarty decreased to 4.16% of the total votes at the General Meeting of Shareholders.

Further information about the issue is available in the current report dated 26.01.2012.

14. The Bank's shares and the shares in the Group's subsidiaries held by the Management Board and the Supervisory Board Members

Both as at 31.03.2012 and 31.03.2011, the Members of the Bank's Management Board and of the Bank's Supervisory Board did not hold any Bank's shares or shares in the Bank's subsidiaries and associates.

15. Information on proceedings before a court, an authority competent for arbitration proceedings or a public administration authority

In the first quarter of 2012, the companies of the Group were not a party to any proceedings before a court, an authority competent for arbitration proceedings or a public administration authority, where the amount(s) claimed would amount to at least 10% of the Bank's (issuer's) equity.

Below are presented those proceedings, in which the company of the Group is the defendant and in which the amounts claimed are the highest.

- Two court proceedings regarding a loan granted to Laboratorium Frakcjonowania Osocza Sp. z o.o. in Mielec ('LFO'). The Bank is the leader of the syndicate of five banks, which, under the agreement of 04.03.1997, granted a syndicated loan to LFO. The loan was secured by, among others, a registered pledge on the company's non-current assets and the surety of the State Treasury up to 60% of the drawn amount of the loan and accrued interest. As the investment project for which the loan was granted had not been completed and the dates of the payment of commitments had not been met, the Bank, representing the syndicate, terminated the agreement under its terms and conditions and called LFO to pay claims.

- The State Treasury requested for determination whether the syndicated loan agreement concluded between LFO and the syndicate of five banks had expired on 28.02.1998 as a result of the occurrence of a contractual condition, and, as a result, the commitment of the State Treasury as the guarantor of the loan under the guarantor's agreement had expired as well. The State Treasury is represented by the General Public Prosecutor's Office of the State Treasury. Experts' opinions and auxiliary opinions were prepared and additional witnesses were questioned. In the first quarter of 2007, the State Treasury changed the lawsuit and claimed PLN 8,207 thousand including interest. Pleadings were exchanged by parties. In the fourth quarter of 2008, the court requested the Bank to submit documents concerning the debt collection process carried out against the State Treasury on the basis of a banking executory title with the enforceability clause. The Bank delivered the required documents to the court. In September 2010, the court ordered the Bank to hand over the documents confirming the launch of the loan (the launches dates and amounts) to an accounting expert. In June 2011, the court obliged the parties to submit pleadings containing all the statements and evidence material for the proceedings. In the first quarter of 2012, the parties rose comments to an auxiliary opinion of expert. No date of any hearing was determined.
- Claims of LFO for damages due to the termination of the loan agreement amounting to PLN 119,477 thousand. At present, after being heard by courts of all instances, the case was referred to the circuit court in Warsaw, which, as a result of LFO bankruptcy, stayed legal proceedings. Upon the request of LFO, the court called upon the trustee in bankruptcy of LFO to participate in the case. In the meantime, the parties submitted pleadings. In the third quarter of 2011, the trustee in bankruptcy of LFO filed, to the court conducting the bankruptcy proceedings, a request to terminate the bankruptcy (liquidation) proceedings. On 27.10.2011, the court decided to terminate the bankruptcy proceedings. On 12.01.2012 the plaintiff was removed from Company Register of National Court Register. On 27.03.2012 the Banks attorney filed a request of discontinuance of legal proceedings. On 10.04.2012 the circuit court in Warsaw decided to discontinue the legal proceedings due to termination of plaintiff's legal existence.

- On 17.01.2001, the President of the Office for Competition and Customer Protection, upon the request of the Polish Organization of Commerce and Distribution (POHiD), initiated proceedings concerning competition-restricting practices on the payment cards market by VISA and MasterCard as well as 20 banks, including Kredyt Bank S.A.

On 29.12.2006, the President of the Office for Competition and Customer Protection issued the decision in which:

- they imposed a fine on Kredyt Bank S.A. of PLN 12,158.4 thousand;
- HSBC Bank Polska S.A. ('HSBC') was fined with PLN 193.0 thousand and the proceedings against this company were discontinued (under a binding agreement between HSBC and Kredyt Bank S.A., the fine for HSBC should be paid by Kredyt Bank S.A. as well).

The decision was to be enforced immediately as regards the order to discontinue the practice of joint determination of the intercharge fee rate. On 17.01.2006 and 19.01.2007, appeals against Decision No. DAR 15/2006 of the President of the Office for Competition and Customer Protection were made on behalf of HSBC Bank Polska and Kredyt Bank. In this decision, the President of the Office for Competition and Customer Protection resolved that joint determination by the Banks, Visa and MasterCard of the interchange fee restricted competition. On 18.01.2007, the President of the Office for Competition and Customer Protection issued a decision in which they obliged the banks to jointly and severally pay PLN 157.6 thousand to the Polish Organization of Commerce and Distribution (POHiD) as reimbursement of the proceedings costs. Kredyt Bank S.A. complained against this decision on 31.01.2007 and deemed it unjustified. The case was referred to the Economic Court in Warsaw which split the case into separate proceedings against each of the banks involved in the case. On 25.08.2008, the court decided to withhold the execution of the decision issued in the case of interchange fees. On 12.11.2008, the circuit court in Warsaw, the Competition and Customer Protection Court, issued a judgment amending the contested decision, in which the court stated that the Banks had not applied monopolistic practices in this respect. On 03.02.2009, the Bank received the appeal against the judgment made by the President of the Office for Competition and Customer Protection. At the hearing held on 22.04.2010, the court issued a judgment by which it overruled the judgment of the circuit court, advantageous for the Bank, and referred the case to the circuit court to be re-examined. The hearing were held on 09.02.2012 and 24.04.2012, but no solutions were reached.

- In relation to a loan transaction to finance the construction of 'Altus' building in Katowice, the Bank and Reliz Sp. z o.o. (the building owner) are involved in certain disputes of legal nature. The Bank owns 100% shares of Reliz. The said disputes are related to claims of Mostostal Zabrze Holding S.A., the guarantor of the loan to finance the building, against the Bank and the building owner. The present dispute concerns fraudulent conveyance charge by Mostostal Zabrze Holding S.A. (MZH) against Reliz Sp. z o.o. regarding the failure to recognize the agreement on the transfer of ownership title to 'Altus' building by Business Center 2000 Sp. z o.o. ('BC 2000') to Reliz Sp. z o.o. as effective.

  On 31.07.2009, the circuit court announced the judgment in the fraudulent conveyance proceedings, which ascertained the ineffectiveness, towards MZH, of the sale agreement concerning 'Altus' building concluded between the building owner and Reliz Sp. z o.o. Reliz filed the request to prepare and deliver the judgment with the justification, submitting means of appeal. On 12.03.2010, the appeal court overruled the judgment of the circuit court of 31.07.2009, and referred the case to the circuit court to be re-examined. On 16.06.2010, as a result of the re-examination of the case, the circuit court in Katowice issued a judgment which ascertained the ineffectiveness, towards MZH, of the sale agreement concerning the real estate with 'Altus' building in relation to MZH's claims up to the amount of PLN 45,980,560. Following the delivery of the judgment with the justification to the Bank, an appeal to the judgment was made on 16.06.2010. The appeal hearing took place on 13.04.2011, during which the court closed the hearing and announced its judgment dismissing the full appeal of Reliz Sp. z o.o. The judgment of 13.04.2011 means upholding the judgment of the circuit court in Katowice of 16.06.2010, which recognized the agreement concerning the sale of 'Altus' building concluded between Business Center 2000 Sp. z o.o. and Reliz Sp. z o.o. as ineffective. On 01.07.2011, the attorney ad litem from Reliz Sp. z o.o. filed the last resort appeal against the said decision. In the first quarter of 2012, there were no changes as regards the status of the said proceedings.

  According to the Bank's knowledge as of the date of this information, MZH holds valid judgments against BC 2000 for the total amount, including interest, of PLN 35,797,629. On 05.05.2011, the court enforcement officer at the district court for Katowice-Wschód in Katowice initiated, upon the request of MZH, the enforcement process against BC 2000 based on the judgments in the case under the fraudulent conveyance charge. The enforcement process refers to the right of the perpetual usufruct of a real estate, and ‘Altus’ building. Both the Bank and Reliz Sp. z o.o. took respective adverse claim measures, which resulted in the legal discontinuation of the enforcement proceedings regarding a part of the real estate. As regards further charges, the initiated adverse claim proceedings have not been validly terminated. On 25.01.2012 the appeal court in Katowice repealed the judgment of suspended enforcement proceedings.

- The plaintiff claims damages from Kredyt Bank S.A. and HSBC Bank Polska S.A. of PLN 20 million and PLN 10 million as the satisfaction of the claim. In the justification of the lawsuit, the plaintiff claims that Prosper Bank S.A. (now HSBC Bank Polska S.A.), acting under the cooperation agreement concluded with a leasing company, wrote a bill of exchange which secured the agreement, and further lodged a lawsuit against this company and the plaintiff in the proceedings by writ of payment for this bill of exchange and obtained the order for payment. In the plaintiff’s opinion, Prosper Bank violated the agreement, wrote the bill of exchange incorrectly and lodged a completely unjustified lawsuit. The plaintiff claims that the order for payment issued by the district court on 11.01.1999 resulted in the loss of his property and his detriment amounting to PLN 30 million. Kredyt Bank S.A. submitted a reply to the lawsuit on its own and HSBC’s behalf. On 28.09.2010, the circuit court in Warsaw issued a judgment on the dismissal of the plaintiff’s lawsuit against Kredyt Bank S.A. and HSBC Bank Polska S.A. The plaintiff made an appeal to this decision. On 06.07.2011, the court dismissed the plaintiff’s appeal, issuing the decision upholding the judgment of the court of first instance. On 21.02.2012 the Bank received the plaintiff’s last resort appeal. The Bank’s attorneys responded on the last resort appeal according to the schedule. The date of hearing was not determined.
- The plaintiff (a company engaged in leasing activities) claims damages from Kredyt Bank S.A. and HSBC Bank Polska S.A. of PLN 89 million. In the justification of the lawsuit, the plaintiff claims that Prosper Bank S.A. (now HSBC Bank Polska S.A.), acting under the cooperation agreement concluded with a leasing company, wrote a bill of exchange which secured the agreement, and further lodged a lawsuit against this company in the proceedings by writ of payment for this bill of exchange and obtained the order for payment. In the plaintiff’s opinion, Prosper Bank violated the bill agreement, wrote the bill of exchange incorrectly and lodged a completely unjustified lawsuit. The plaintiff claims that the order for payment of 11.01.1999 issued by the District Court resulted in the collapse of the company’s financial situation; as a result, the plaintiff recorded damage to his assets of PLN 73.7 million increased with interest. On 09.04.2010, the court dismissed the plaintiff’s lawsuit. On 15.07.2010, the Bank received the plaintiff’s appeal to which the Bank replied. Having examined the appeal, the court issued the judgment dismissing the plaintiff’s claim, hence upholding the decision of the court of first instance. On 28.07.2011, the Bank received the plaintiff’s last resort appeal to which the Bank’s attorneys responded on 10.08.2011. On 27.03.2012 the Bank received the judgment roll with information that the last resort appeal was dismissed. The lawsuit was legally terminated.
- On 23.12.2010, a plaintiff (a production company) filed a lawsuit against Kredyt Bank S.A. questioning the validity of the settlements of option transactions made between July 2008 and August 2009. The plaintiff claims and accuses the Bank of, inter alia, unauthorized financial advisory and persuading him to make the transactions, the failure to exercise due diligence, the contradiction between the option transaction structure and the hedging function of such transactions. On 30.12.2010, the circuit court in Gliwice issued an order for the Bank, delivered to the Bank on 13.01.2011, to pay the claimed amount to the plaintiff. The Bank’s representatives filed an objection to the payment order. The filing of the objection resulted in the re-examination of the case, within the normal procedure of fact-finding proceedings. On 22.09.2011, the court announced its decision in favor of the Bank and dismissed the entire lawsuit. On 08.11.2011, the Bank received the plaintiff’s appeal. On 22.11.2011, the Bank’s attorneys responded to the appeal. The appeal hearing was held on 29.12.2011. The appeal court dismissed the plaintiff’s appeal and, as a result, upheld the judgment of the court of first instance. The plaintiff is entitled to make the last resort appeal. In the first quarter of 2012, there were no changes as regards the status of the said proceedings.
- The plaintiff – a meat processing company – filed a lawsuit against Kredyt Bank S.A. questioning the validity of concluded option transactions amounting to PLN 9,468,362, particularly the put options concluded by the Bank. The plaintiff claims and accuses the Bank of, inter alia, misleading the customer, abusing its stronger contractual position, and violating the norms of social coexistence.

The Bank's representatives replied to the lawsuit. One hearing was held in August 2011, but no solution was reached. The next hearing is scheduled on 15.05.2012. In the first quarter of 2012, there were no changes as regards the status of the said proceedings.

The Bank's Management Board is of the opinion that any risks related to the proceedings before courts or public administration authorities are properly secured by the provisions established by the Bank.

16. Related party transactions

In the first quarter of 2012 and in the first quarter of 2011, there were no related party transactions concluded by the Bank or its subsidiaries, which had not been concluded on market terms.

Transaction volumes as well as related income and expenses are presented below.

Balance sheet as at 31.03.2012

Assets	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total as at 31.03.2012
Loans and advances to banks	0	12 515	19 853	32 368
Derivatives	0	141 304	5 694	146 998
Loans and advances to customers	0	0	4 854	4 854
Other assets	1 751	34	9 055	10 840
Total assets	**1 751**	**153 853**	**39 456**	**195 060**

** including WARTA Group*

Liabilities	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total as at 31.03.2012
Amounts due to banks	0	8 068 374	182 232	8 250 606
Derivatives	0	122 722	7 809	130 531
Amounts due to customers	42 423	3 179	795 730	841 332
Other liabilities	0	1 842	4 135	5 977
Subordinated liabilities	0	989 238	0	989 238
Total liabilities	**42 423**	**9 185 355**	**989 906**	**10 217 684**

** including WARTA Group*

Income	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total for the first quarter of 2012
Interest income	0	9 135	282	9 417
Fee and commission income	4 396	65	17 791	22 252
Net trading income	8	64 897	-46 046	18 859
Other operating income	11	0	1 208	1 219
Total income	**4 415**	**74 097**	**-26 765**	**51 747**

** including WARTA Group*

Expenses	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total for the first quarter of 2012
Interest expense	498	50 565	6 736	57 799
Commission expense**	0	94	6 906	7 000
General and administrative expenses, as well as other operating expenses	0	88	9 224	9 312
Total expenses	**498**	**50 747**	**22 866**	**74 111**

** including WARTA Group*
***since the third quarter of 2011, this item has been presented on a contractual basis, and in previous periods, it was presented according to the policy of the major shareholder*

Balance sheet as at 31.12.2011

Assets	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total as at 31.12.2011
Loans and advances to banks	0	75 221	2 462	77 683
Derivatives	0	201 285	10 671	211 956
Loans and advances to customers	0	0	0	0
Other assets	1 716	58	13 798	15 572
Total assets	**1 716**	**276 564**	**26 931**	**305 211**

** including WARTA Group*

Liabilities	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total as at 31.12.2011
Amounts due to banks	0	8 211 846	210 427	8 422 273
Derivatives	0	133 392	8 697	142 089
Amounts due to customers	40 385	2 385	839 267	882 037
Other liabilities	0	3 338	12 503	15 841
Subordinated liabilities	0	1 036 510	0	1 036 510
Total liabilities	**40 385**	**9 387 471**	**1 070 894**	**10 498 750**

** including WARTA Group*

Balance sheet as at 31.03.2011

Assets	Associates	Parent company KBC Bank NV	KBC Group (without KBC Bank NV)*	Total as at 31.03.2011
Loans and advances to banks	0	17 656	1 349	19 005
Derivatives	0	49 068	10 842	59 910
Loans and advances to customers	206	0	146	352
Other assets	2 545	6	9 374	11 925
Total assets	**2 751**	**66 730**	**21 711**	**91 192**

** including WARTA Group*

Liabilities	**Associates**	**Parent company KBC Bank NV**	**KBC Group (without KBC Bank NV)***	**Total as at 31.03.2011**
Amounts due to banks	0	8 834 600	2 863 354	11 697 954
Derivatives	0	84 340	20 791	105 131
Amounts due to customers	27 572	2 918	1 395 814	1 426 304
Other liabilities	0	1 566	6 261	7 827
Subordinated liabilities	0	889 708	0	889 708
Total liabilities	**27 572**	**9 813 132**	**4 286 220**	**14 126 924**

** including WARTA Group*

Income	**Associates**	**Parent company KBC Bank NV**	**KBC Group (without KBC Bank NV)***	**Total for the first quarter of 2011**
Interest income	0	2 037	442	2 479
Fee and commission income	4 510	62	9 969	14 541
Other operating income	3	5	2 692	2 700
Total income	**4 513**	**2 104**	**13 103**	**19 720**

** including WARTA Group*

Expenses	**Associates**	**Parent company KBC Bank NV**	**KBC Group (without KBC Bank NV)***	**Total for the first quarter of 2011**
Interest expense	245	19 571	16 280	36 096
Commission expense**	0	101	7 188	7 289
Net trading income	-28	16 110	-2 540	13 542
General and administrative expenses, as well as other operating expenses***	0	926	11 285	12 211
Total expenses	**217**	**36 708**	**32 213**	**69 138**

** including WARTA Group*
*** since the third quarter of 2011, this item has been presented on a contractual basis, and in previous periods, it was presented according to the policy of the major shareholder*
**** change of presentation of the VAT costs described in the note I.10*

17. Information on loan guarantees or sureties issued by the Issuer or its subsidiary

As at 31.03.2012, the Bank issued guarantees with the total value of at least 10% of the Bank's equity, to one company. The guarantees were issued for the total amount of PLN 396,177 thousand.

As at 31.03.2011, the Bank issued guarantees with the total value of at least 10% of the Bank's equity, to one company. The guarantees were issued for the total amount of PLN 459,053 thousand.

The above guarantees were granted on market terms. The Bank's remuneration for the issuance of guarantees was also determined on market terms.

18. Interim seasonality or cyclical nature of operations

The operations of the Group's companies are not of seasonal nature.

19. Non-typical factors and events

In the first quarter of 2012 and in the first quarter of 2011, no untypical events occurred (not related to operating activities) that would affect the structure of balance sheet items and the financial result to a large extent, and which were not presented in this report.

20. Other information, which, in the Issuer's opinion, is material for the assessment of its staff, assets, financial situation, financial results and their changes and information material for the assessment of the potential satisfaction of the Issuer's commitments

Kredyt Trade Sp. z o.o., Bank's subsidiary, signed the agreement on the sale of 30% of KBC TFI S.A. shares to KBC Asset Management NV on 17.01.2012. The sale price of 30% shares of KBC TFI S.A. owned by Kredyt Trade Sp. z o.o. amounts to PLN 37.5 mln. Completion of this transaction is subject to no objection from the Polish Financial Supervision Authority.

Further information about the above transaction is available in the current report dated 17.01.2012.

On 03.02.2012 Fitch Ratings has downgraded Bank's Long-term Issuer Default rating (IDR) to 'BBB' from 'A-'. Fitch has also maintained Bank's Long-term IDR on Rating Watch Evolving (RWE). Moreover, on 01.03.2012 Fitch Ratings has revised the Rating Watch on Kredyt Bank's Long-term Issuer Default Rating (IDR) to Positive (RWP) from Evolving (RWE).

Further information about the issue is available in the current reports dated 03.02.2012 and 02.03.2012.

The Bank has learned that an investment agreement was signed on 27.02.2012 by the shareholders of the Bank and Bank Zachodni WBK S.A. ('BZ WBK S.A.'), i.e. KBC Bank NV and Banco Santander S.A. (collectively the 'Banks' Shareholders'), in which the parties expressed their intent to merge Kredyt Bank S.A. and BZ WBK S.A.

The share exchange ratio given in the press release was set by the Banks' Shareholders for the purpose of the said investment agreement. The final exchange ratio will be set once the merging banks have been formally valued in accordance with the provisions of the Code of Commercial Companies.

On 27.02.2012 the Bank, BZ WBK S.A., KBC Bank NV and Banco Santander S.A. signed an agreement on starting work to merge the Bank and BZ WBK S.A.

According to the agreement signed, the merger of two banks is to be carried out pursuant to article 492 § 1.1 of the Code of Commercial Companies by transferring all the Bank's assets to BZ WBK S.A. (merger through take-over) in exchange for new shares in BZ WBK S.A., that will be issued to all the Bank's current shareholders. As a result of the merger these shareholders will become shareholders in BZ WBK S.A. on the merger date, i.e. on the date the merger is entered in the register covering the registered office of BZ WBK S.A.

The ratio for exchanging the Bank's shares for shares in BZ WBK S.A. will be set on the basis of commissioned valuations.

Carrying out the merger depends on:

- permission from the Polish Financial Supervision Authority for the merger pursuant to article 124 § 1 of the Banking Law;
- permission from the Polish Financial Supervision Authority pursuant to article 34 § 2 in connection with article 31 § 3 of the Banking Law to amend BZ WBK S.A.'s articles of association;
- a decision being issued by the European Commission stating that the concentration of Kredyt Bank S.A. and BZ WBK S.A. is compliant with the common market;
- the Polish Financial Supervision Authority finding the information contained in BZ WBK S.A.'s information memorandum equivalent in terms of form and content to the information required in a prospectus in accordance with the Act on Public Offerings and Conditions for Admitting Financial Instruments to an Organised Trading System and on Public Companies of 29 July 2005;

- clearance from the Polish Financial Supervision Authority for KBC Asset Management NV to acquire shares in KBC TFI S.A.;
- the General Meeting of Shareholders of Kredyt Bank S.A. adopting a resolution on the merger with BZ WBK S.A.;
- the General Meeting of Shareholders of BZ WBK S.A. adopting a resolution on the merger with the Kredyt Bank S.A.

Further information about the issue is available in the current report dated 28.02.2012.

There is no other information concerning the first quarter of 2012, which would materially affect the assessment of the Issuer's staff, assets, financial situation, financial results and their changes and the information material for the assessment of the potential satisfaction of the Issuer's obligations.

21. The Management Board's position on the possible realization of previously published forecasts of financial results

The Bank's Management Board does not publish any financial forecasts.

22. Factors that may affect the Group's future financial results

The most significant factors that may affect the Group's future financial results and the fair value of the Group's assets and liabilities are as follows:

- potential deterioration of the business conditions in the world, and the resulting decline in the growth rate of the Polish economy, which may cause the deterioration of the quality of the loans portfolio;
- persisting relatively high prices of raw materials, what may have an adverse impact upon the economic and financial situation of certain entrepreneurs;
- decreasing expenditure of the public sector resulting in the decline in the portfolio of orders of certain entrepreneurs;
- a decrease in real estate prices, resulting in more limited coverage of the loans portfolio with collateral, and which may adversely affect the process of the commercialization of financed real estates designated for rental and sale;
- an impact of the implementation of new recommendations/regulations of the Polish Financial Supervision Authority upon the growth rate of the portfolio of mortgage loans and its profitability;
- introduction, under the draft amendment to the Bank Guarantee Fund Act, of a mandatory 'prudence fee', and the elimination of the possibility of recognizing the annual fee for the Bank Guarantee Fund as deductible expenditure;
- currency risk - significant depreciation of the Polish zloty due to the greater aversion to risk on financial markets, which may result in the deterioration of the quality of mortgage loans;
- changes in market interest rates and margins for banking products;
- persisting high costs of long-term liquidity both in PLN and in foreign currencies;
- increased aversion to risk caused by the concerns about the insolvency of certain European countries, resulting in an increase in financing costs and a decrease in the prices of the bonds of the Polish government.

II. INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS OF KREDYT BANK S.A.

1. Income Statement

in PLN '000	1st quarter of 2012 01.01.2012 -31.03.2012	1st quarter of 2011 01.01.2011 -31.03.2011
Interest income	571 412	547 201
Interest expense	-358 070	-270 620
Net interest income	**213 342**	**276 581**
Fee and commission income	99 812	101 216
Fee and commission expense	-19 201	-21 238
Net fee and commission income	**80 611**	**79 978**
Dividend income	9	5
Net trading income	58 079	20 022
Net result on derivatives used as hedging instruments and hedged items	-1 079	-158
Net gains from investment activities	0	110
Other operating income	13 691	14 707
Total operating income	**364 653**	**391 245**
General and administrative expenses	-228 651	-221 307
Other operating expenses	-8 259	-14 628
Total operating expenses	**-236 910**	**-235 935**
Net impairment losses on financial assets, other assets and provisions	-56 380	13 017
Profit before tax	**71 363**	**168 327**
Income tax expense	-19 313	-41 553
Net profit	**52 050**	**126 774**

2. Statement of Comprehensive Income

in PLN '000	**1st quarter of 2012** **01.01.2012 -31.03.2012**	**1st quarter of 2011** **01.01.2011 -31.03.2011**
Net profit for the period	**52 050**	**126 774**
Other comprehensive income		
Valuation of financial assets available-for-sale	40 996	-40 889
- including deferred tax	-9 616	9 591
Effects of valuation of derivatives designated for cash flow hedge	-7 147	-10 066
- including deferred tax	1 676	2 361
Other comprehensive income (loss) recognized directly in equity	**33 849**	**-50 955**
Total comprehensive income (loss)	**85 899**	**75 819**

3. Balance Sheet

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Assets			
Cash and balances with Central Bank	1 109 489	784 626	1 041 601
Gross loans and advances to banks	1 100 979	1 188 012	1 550 168
Impairment losses on loans and advances to banks	0	0	-9
Receivables arising from repurchase transactions	264 468	0	815 350
Financial assets designated upon initial recognition as at fair value through profit or loss	80 622	79 944	98 801
Financial assets held for trading (excluding derivatives)	759 354	60 493	2 409 845
Derivatives, including:	659 911	1 071 089	355 772
- derivatives used as hedging instruments	89 138	95 592	51 508
Gross loans and advances to customers	29 864 793	30 209 994	28 819 992
Impairment losses on loans and advances to customers	-1 412 730	-1 369 625	-1 862 586
Investment securities:	9 408 215	8 676 019	11 889 902
- available-for-sale	6 032 263	5 259 345	8 108 485
- held-to-maturity	3 375 952	3 416 674	3 781 417
Investments in subsidiaries and jointly controlled entities	64 626	64 626	64 626
Property, plant and equipment	246 776	261 609	273 147
Intangible assets	71 970	60 472	54 620
Deferred tax asset	218 696	242 881	313 946
Current tax receivable	125 157	116 870	18 435
Investment properties	16 715	17 536	18 163
Non-current assets held for sale	2 819	2 047	2 080
Other assets	93 804	84 787	121 101
Total assets	**42 675 664**	**41 551 380**	**45 984 954**

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Liabilities			
Amounts due to Central Bank	32	32	2
Amounts due to banks	8 228 085	8 060 178	12 094 464
Liabilities arising from repurchase transactions	620 784	0	1 876 486
Financial liabilities held for trading (excluding derivatives)	86 702	0	9 999
Derivatives, including:	690 538	982 916	1 111 222
- derivatives used as hedging instruments	2 433	1 669	1 077
Amounts due to customers	28 558 026	28 094 775	26 755 067
Provisions	87 074	91 126	66 669
Other liabilities	291 568	248 125	288 275
Subordinated liabilities	989 238	1 036 510	889 708
Total liabilities	**39 552 047**	**38 513 662**	**43 091 892**

in PLN '000	**31.03.2012**	**31.12.2011**	**31.03.2011**
Equity			
Share capital	1 358 294	1 358 294	1 358 294
Supplementary capital	898 072	898 072	887 347
Revaluation reserve	103 941	70 092	8 466
Other reserves	400 942	400 942	400 942
Retained earnings (loss)	310 318	0	111 239
Current net profit (loss) for the period	52 050	310 318	126 774
Total equity	**3 123 617**	**3 037 718**	**2 893 062**
Total equity and liabilities	**42 675 664**	**41 551 380**	**45 984 954**

Capital adequacy ratio (%)	14.02	12.72	12.40
Number of shares	271 658 880	271 658 880	271 658 880
Book value per share (in PLN)	11.50	11.18	10.65

4. Statement of Changes in Equity

Changes in the period 01.01.2012 – 31.03.2012

in PLN '000	Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings (loss)	Net profit (loss) for the period	Total equity
Equity at the opening balance – as at 01.01.2012	**1 358 294**	**898 072**	**70 092**	**400 942**	**310 318**	**0**	**3 037 718**
Valuation of financial assets available-for-sale			50 612				50 612
Effects of valuation of derivatives designated for cash flow hedge			-8 823				-8 823
Deferred tax on items recognized in other comprehensive income			-7 940				-7 940
Other comprehensive income (loss) recognized directly in equity			**33 849**				**33 849**
Net profit (loss) for the period						52 050	52 050
Total comprehensive income (loss)			**33 849**			**52 050**	**85 899**
Equity at the end of the period – as at 31.03.2012	**1 358 294**	**898 072**	**103 941**	**400 942**	**310 318**	**52 050**	**3 123 617**

Changes in the period 01.01.2011 – 31.12.2011

in PLN '000	Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings (loss)	Net profit (loss) for the period	Total equity
Equity at the opening balance – as at 01.01.2011	**1 358 294**	**887 347**	**59 421**	**400 942**	**111 239**	**0**	**2 817 243**
Valuation of financial assets available-for-sale			2 576				2 576
Effects of valuation of derivatives designated for cash flow hedge			10 598				10 598
Deferred tax on items recognized in other comprehensive income			-2 503				-2 503
Other comprehensive income (loss) recognized directly in equity			**10 671**				**10 671**
Net profit (loss) for the period						310 318	310 318
Total comprehensive income (loss)			**10 671**			**310 318**	**320 989**
Profit distribution		10 725			-10 725		0
Dividend payment					-100 514		-100 514
Equity at the end of the period – as at 31.12.2011	**1 358 294**	**898 072**	**70 092**	**400 942**	**0**	**310 318**	**3 037 718**

Changes in the period 01.01.2011 – 31.03.2011

in PLN '000	**Share capital**	**Supplementary capital**	**Revaluation reserve**	**Other reserves**	**Retained earnings (loss)**	**Net profit (loss) for the period**	**Total equity**
Equity at the opening balance – as at 01.01.2011	**1 358 294**	**887 347**	**59 421**	**400 942**	**111 239**	**0**	**2 817 243**
Valuation of financial assets available-for-sale			-50 480				-50 480
Effects of valuation of derivatives designated for cash flow hedge			-12 427				-12 427
Deferred tax on items recognized in other comprehensive income			11 952				11 952
Other comprehensive income (loss) recognized directly in equity			**-50 955**				**-50 955**
Net profit (loss) for the period						126 774	126 774
Total comprehensive income (loss)			**-50 955**			**126 774**	**75 819**
Equity at the end of the period – as at 31.03.2011	**1 358 294**	**887 347**	**8 466**	**400 942**	**111 239**	**126 774**	**2 893 062**

5. Cash Flow Statement

in PLN '000	1st quarter of 2012 01.01.2012 -31.03.2012	1st quarter of 2011 01.01.2011 -31.03.2011
Cash flow from operating activities		
Net profit (loss)	**52 050**	**126 774**
Adjustments to net profit (loss) and net cash from operating activities, and net increase/decrease in assets and liabilities	**887 349**	**1 454 732**
Current and deferred tax recognized in financial result	19 313	41 553
Non-realised profit (loss) from currency translation differences	-107 964	-19 145
Depreciation	16 261	21 456
Net increase/decrease in impairment	42 034	-15 699
Dividends	-9	-5
Interest	-65 203	-87 499
Net increase/decrease in provisions	-4 052	-4 209
Profit (loss) on disposal of investments	-3 834	-2 393
Net increase/decrease in assets (excluding cash)	**-95 187**	**-1 392 193**
Net increase/decrease in loans and advances to banks	37 555	10 521
Net increase/decrease in receivables arising from repurchase transactions	-264 468	-728 132
Net increase/decrease in financial assets designated upon initial recognition as at fair value through profit or loss	-678	48
Net increase/decrease in financial assets held for trading (excluding derivatives)	-619 614	-814 975
Net increase/decrease in derivatives (except for derivatives used as hedging instruments)	404 724	84 555
Net increase/decrease in gross loans and advances to customers	345 201	81 544
Net increase/decrease in current tax receivable	-8 287	-18 435
Net increase/decrease in other assets	10 380	-7 319
Net increase/decrease in liabilities	**1 085 990**	**2 912 866**
Net increase/decrease in amounts due to Central Bank	0	-4
Net increase/decrease in amounts due to banks	144 399	315 946
Net increase/decrease in liabilities arising from repurchase transactions	620 784	1 647 793
Net increase/decrease in financial liabilities held for trading (excluding derivatives)	86 702	9 999
Net increase/decrease in derivatives (except for derivatives used as hedging instruments)	-293 142	-19 659
Net increase/decrease in amounts due to customers	485 382	1 045 049
Net increase/decrease in other liabilities	53 282	82 525
Paid/received income tax	-11 417	-168 783
Net cash flow from operating activities	**939 399**	**1 581 506**

in PLN '000	**1st quarter of 2012 01.01.2012 -31.03.2012**	**1st quarter of 2011 01.01.2011 -31.03.2011**
Cash flow from investing activities		
Inflows	**16 800 928**	**14 524 233**
Disposal of property, plant and equipment, intangible assets and investment properties	-2	472
Disposal of investment securities	16 798 539	14 517 640
Dividends	9	5
Interest received	2 382	6 116
Outflows	**-17 420 709**	**-16 889 148**
Acquisition of property, plant and equipment, intangible assets and investment properties	-29 978	-11 180
Acquisition of investment securities	-17 390 731	-16 877 968
Net cash flow from investing activities	**-619 781**	**-2 364 915**
Cash flow from financing activities		
Inflows	**0**	**0**
Outflows	**-44 232**	**-24 121**
Repayment of loans and advances	-22 168	0
Other financial outflows	-22 064	-24 121
Net cash flow from financing activities	**-44 232**	**-24 121**

Net increase/decrease in cash	**275 386**	**-807 530**
Cash at the beginning of the period	**941 465**	**2 401 378**
Cash at the end of the period, including:	**1 216 851**	**1 593 848**
Restricted cash*	1 104 029	1 132 644

Interest paid**	235 878	182 756
Interest received**	311 772	286 381

** an amount from the declaration on the amount of the Bank's statutory provision, i.e. the minimum average balance of cash in the current account in the National Bank of Poland*
*** refers to the items presented in 'Interest income' and 'Interest expense' lines*

6. Additional information to the interim condensed standalone financial statements

The accounting principles and methods of carrying out accounting estimates adopted for the preparation of the interim condensed standalone financial statements of the Bank comply with the accounting principles adopted for the interim condensed consolidated financial statements of Kredyt Bank S.A. Capital Group, which were described in section I.11., except for the valuation of associates, which, in the Group's consolidated financial statements, are measured with the equity method.

According to the change of presentation of costs incurred by the Bank from net to gross amounts (including VAT), value of items presented in particular cost categories in the income statement for the first quarter of 2011 has changed.

in PLN '000	**Published data**	**Changes**	**Comparable data**
	1st quarter of 2011		**1st quarter of 2011**
General and administrative expenses	-223 565	+2 258	-221 307
Other operating expenses	-12 370	-2 258	-14 628

Other additional information, material for the proper assessment of the assets, the financial situation and the financial result of the Bank, has been stated in section I. concerning the interim consolidated financial statements.

Signatures of the Members of the Management Board

date	10.05.2012	Maciej Bardan	President of the Management Board	....
date	10.05.2012	Piotr Sztrauch	Vice President of the Management Board	....

Signature of a person responsible for keeping the accounting books

date	10.05.2012	Grzegorz Kędzior	Director of the Accounting and External Reporting Department	....