POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated quarterly report QSr 1/2007

(In accordance with & 86, item 2 and & 87, item 1 of the Regulation of the Finance Minister of October 19, 2005 – Journal of Laws No. 209, item 1744)

For the first quarter of financial year 2007 comprising the period from 2007-01-01 to 2007-03-31 containing the abbreviated consolidated financial statement prepared in accordance with the International Accounting Standards and International Standards of Financial Reporting
currency: PLN
as well as the abbreviated financial statement prepared in accordance with the International Accounting Standards and International Standards of Financial Reporting
currency: PLN

date of submission: 2007-04-26

KREDYT BANK S.A.
(issuer's full name)

KREDYTB
(issuer's abbreviated name)

Banks (banking)
(sector according to the classification of the Warsaw Stock Exchange)

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(postal code)

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SELECTED FINANCIAL DATA	in PLN thousand		in EUR thousand	
	1 quarter increasingly/ 2007 a period from 2007-01-01 to 2007-03-31	1 quarter increasingly/ 2006 a period from 2006-01-01 to 2006-03-31	1 quarter increasingly/ 2007 a period from 2007-01-01 to 2007-03-31	1 quarter increasingly/ 2006 a period from 2006-01-01 to 2006-03-31
Data from the abbreviated, consolidated financial statement				
I. Net interest	198 720	207 615	50 871	53 988
II. Net commissions and fees	63 536	59 803	16 265	15 551
III. Result on operating activity	102 080	80 908	26 132	21 039
IV. Gross profit (loss)	103 251	81 346	26 432	21 153
V. Net profit for the Bank's shareholders	81 752	88 158	20 928	22 924
VI. Minority shares in net profit	0	0	0	0
VII. Total net cash flows	-499 775	-1 169 406	-127 940	-304 089
VIII. Total assets	21 707 811	20 077 424	5 609 978	5 101 360
IX. Liabilities due to banks	2 024 464	2 265 981	523 185	575 750
X. Liabilities due to customers	16 260 930	14 386 427	4 202 334	3 655 367
XI. Equity	2 171 063	1 775 298	561 071	451 076
XII. Share capital	1 358 294	1 358 294	351 026	345 121
XIII. Number of shares	271 658 880	271 658 880		
XIV. Book value per 1 share (in PLN / EURO)	7,99	6,54	2,07	1,66
XV. Capital adequacy ratio	13,56	17,41		
XVI. Profit (loss) per 1 ordinary share (in PLN / EURO)	0,30	0,32	0,08	0,08
Data from abbreviated financial statement				
XVII. Net interest	173 094	176 811	44 311	45 977
XVIII. Net commissions and fees	63 646	59 358	16 293	15 435
XIX. Result on operating activity	96 747	77 098	24 767	20 048
XX. Gross profit (loss)	96 747	77 098	24 767	20 048
XXI. Net profit for the Bank's shareholders	74 694	86 496	19 121	22 492
XXII. Minority shares in net profit	0	0	0	0
XXIII. Total net cash flows	-498 756	-1 169 372	-127 679	-304 081
XXIV. Total assets	21 652 375	20 144 179	5 595 652	5 118 322
XXV. Liabilities due to banks	2 024 464	2 265 981	523 185	575 750
XXVI. Liabilities due to customers	16 327 229	14 441 791	4 219 467	3 669 434
XXVII. Equity	2 111 474	1 751 711	545 671	445 082
XXVIII. Share capital	1 358 294	1 358 294	351 026	345 121
XXIX. Number of shares	271 658 880	271 658 880		
XXX. Book value per 1 share (in PLN / EURO)	7,77	6,45	2,01	1,64
XXXI. Capital adequacy ratio	13,38	17,18		
XXXII. Profit (loss) per 1 ordinary share (in PLN/EURO)	0,27	0,32	0,07	0,08

CONSOLIDATED FINANCIAL STATEMENTS OF KREDYT BANK CAPITAL GROUP

1. Consolidated Income Statement

in PLN '000	1st quarter of 2007 01.01.2007 – 31.03.2007	1st quarter of 2006 01.01.2006 – 31.03.2006
Interest income	347 943	337 356
Interest expense	-149 223	-129 741
Net interest income	**198 720**	**207 615**
Fee and commission income	75 821	66 040
Fee and commission expense	-12 285	-6 237
Net fee and commission income	**63 536**	**59 803**
Net trading income	37 307	29 188
Net result on derivatives used as hedging instruments and hedged items	-595	-109
Profit (loss) from investment activity	2 843	340
Net income from sale of receivables portfolio	7 956	0
Other operating income	19 874	12 455
Total operating income	**329 641**	**309 292**
General and administrative expenses	-215 824	-219 067
Net impairment losses on financial assets, other assets and provisions	-375	-4 248
Other operating expenses	-11 362	-5 069
Total operating expenses	**-227 561**	**-228 384**
Net operating income	**102 080**	**80 908**
Share of profit of associates	1 171	438
Profit before tax	**103 251**	**81 346**
Income tax expense	-21 499	6 812
Net profit from business activities	**81 752**	**88 158**
Net profit from discontinued operations	0	0
Net profit	**81 752**	**88 158**
Including:		
attributable to the Shareholders of the Bank	**81 752**	**88 158**
Weighted average number of shares	271 658 880	271 658 880
Earnings per share for profit attributable to the Shareholders of the Bank (in PLN)	0,30	0,32

2. Consolidated Balance Sheet

in PLN '000	31.03.2007	31.12.2006	31.03.2006
Assets			
Cash and balances with Central Bank	654 661	640 743	425 879
Gross loans and advances to banks	1 617 057	2 183 505	1 653 085
Impairment losses on loans and advances to banks	-2 753	-2 753	-2 894
Financial assets at fair value through profit or loss, excluding derivatives	291 267	628 748	672 430
Derivatives including:	325 743	297 427	246 615
- derivatives used as hedging instruments	7 798	3 403	470
Gross loans and advances to customers	13 249 109	12 637 506	12 528 699
Impairment losses on loans and advances to customers	-1 058 014	-1 087 462	-2 603 057
Investments securities:	5 629 479	5 902 723	6 285 529
- available-for-sale	3 239 875	3 453 950	3 896 339
- held-to-maturity	2 389 604	2 448 773	2 389 190
Equity investments classified as available-for-sale	3 957	3 957	35 690
Investments in associates valued using the equity method	11 832	10 661	9 368
Property, plant and equipment	382 004	385 657	384 112
Intangible assets	82 064	85 608	105 460
Goodwill	36 052	36 052	36 052
Deferred tax asset	143 685	153 729	118 872
Current tax receivable	15 085	15 582	13 412
Non-current assets classified as held for sale	185 470	194 771	14 916
Other assets	141 113	145 574	153 256
Total assets	**21 707 811**	**22 232 028**	**20 077 424**

in PLN '000	31.03.2007	31.12.2006	31.03.2006
Liabilities			
Amounts due to Central Bank	2 007	1 990	0
Amounts due to banks	2 024 464	2 160 538	2 265 981
Derivatives including:	308 978	296 474	231 796
- derivatives used as hedging instruments	1 475	554	158
Amounts due to customers	16 260 930	15 550 811	14 386 427
Debt securities issued	0	0	407 227
Securities sold under repurchase agreements	5 509	1 033 925	234 410
Current tax liability	3 749	961	16
Provisions	155 218	169 226	75 506
Deferred tax liability	449	1 146	928
Other liabilities	349 686	503 080	266 860
Subordinated liabilities	425 758	421 619	432 975
Total liabilities	**19 536 748**	**20 139 770**	**18 302 126**

Equity	31.03.2007	31.12.2006	31.03.2006
Share capital	1 358 294	1 358 294	1 358 294
Share premium	104 789	104 789	0
Revaluation reserve	15 312	18 275	21 425
Reserves	120 942	120 942	120 942
Currency translation differences from the translation of subordinated companies and foreign branches	-630	-646	-589
Retained earnings/loss	490 604	22 514	187 068
Current net profit attributable to the shareholders of the Bank	81 752	468 090	88 158
Equity attributable to the shareholders of the Bank	**2 171 063**	**2 092 258**	**1 775 298**
Minority interest	**0**	**0**	**0**
Total equity	**2 171 063**	**2 092 258**	**1 775 298**
Total equity and liabilities	**21 707 811**	**22 232 028**	**20 077 424**

Capital adequacy ratio (%)	13,56	13,69	17,41
Number of shares	271 658 880	271 658 880	271 658 880
Book value per share (in PLN)	7,99	7,70	6,54

3. Off-Balance Sheet Items

in PLN '000	31.03.2007	31.12.2006	31.03.2006
Contingent liabilities, granted and received	**6 384 989**	**5 063 100**	**4 298 008**
Liabilities granted, including:	5 065 969	4 561 293	3 936 479
- financial	3 751 661	3 354 667	2 799 243
- guarantees	1 314 308	1 206 626	1 137 236
Liabilities received, including:	1 319 020	501 807	361 529
- financial	1 013 107	205 139	55 894
- guarantees	305 913	296 668	305 635
Liabilities related to the sale/purchase transactions	**163 556 986**	**138 370 817**	**93 759 916**
Other	**3 057 520**	**3 096 732**	**3 084 563**
- guarantees received	3 056 129	3 094 683	3 084 467
- other	1 391	2 049	96

4. Statement of Changes in Consolidated Equity

Changes in the period from 1 January to 31 March 2007

in PLN '000	Share capital	Share premium	Revaluation reserve	Reserves	Currency translation differences from the translation of subordinated companies and foreign branches	Retained earnings (losses)	Current net profit	Equity attributable to shareholders of the Bank	Total equity
Equity at opening balance – as of 01.01.2007	**1 358 294**	**104 789**	**18 275**	**120 942**	**-646**	**490 604**	**0**	**2 092 258**	**2 092 258**
Valuation of financial assets available-for-sale			-3 387					-3 387	-3 387
Effects of valuation of derivatives designated for cash flow hedge			-271					-271	-271
Deferred tax			695					695	695
Net profit recognised directly in the equity			**-2 963**					**-2 963**	**-2 963**
Current net profit							81 752	81 752	81 752
Total of recognised income and expenses			**-2 963**				**81 752**	**78 789**	**78 789**
Currency translation differences			0		16			16	16
Equity at end of period – as of 31.03.2007	**1 358 294**	**104 789**	**15 312**	**120 942**	**-630**	**490 604**	**81 752**	**2 171 063**	**2 171 063**

Changes in the period from 1 January to 31 March 2006

in PLN '000	Share capital	Share premium	Revaluation reserve	Reserves	Currency translation differences from the translation of subordinated companies and foreign branches	Retained earnings (losses)	Current net profit	Equity attributable to shareholders of the Bank	Total equity
Equity at opening balance – as of 01.01.2006	**1 358 294**	**0**	**15 928**	**120 942**	**-637**	**187 068**	**0**	**1 681 595**	**1 681 595**
Valuation of financial assets available-for-sale			6 986					6 986	6 986
Effects of valuation of derivatives designated for cash flow hedge			0					0	0
Deferred tax			-1 489					-1 489	-1 489
Net profit recognised directly in the equity			**5 497**					**5 497**	**5 497**
Current net profit							88 158	88 158	88 158
Total of recognised income and expenses			**5 497**				**88 158**	**93 655**	**93 655**
Currency translation differences					48			48	48
Equity at end of period – as of 31.03.2006	**1 358 294**	**0**	**21 425**	**120 942**	**-589**	**187 068**	**88 158**	**1 775 298**	**1 775 298**

Changes in the period from 1 January to 31 December 2006

in PLN '000	Share capital	Share premium	Revaluation reserve	Reserves	Currency translation differences from the translation of subordinated companies and foreign branches	Retained earnings (losses)	Current net profit	Equity attributable to shareholders of the Bank	Total equity
Equity at opening balance – as of 01.01.2006	**1 358 294**	**0**	**15 928**	**120 942**	**-637**	**187 068**	**0**	**1 681 595**	**1 681 595**
Valuation of financial assets available-for-sale			1 972					1 972	1 972
Effects of valuation of derivatives designated for cash flow hedge			1 195					1 195	1 195
Deferred tax			-820					-820	-820
Net profit recognised directly in the equity			**2 347**					**2 347**	**2 347**
Current net profit							468 090	468 090	468 090
Total of recognised income and expenses			**2 347**				**468 090**	**470 437**	**470 437**
Profit distribution		104 789				-104 789			
Dividends paid						-59 765		-59 765	-59 765
Currency translation differences					-9			-9	-9
Equity at end of period – as of 31.12.2006	**1 358 294**	**104 789**	**18 275**	**120 942**	**-646**	**22 514**	**468 090**	**2 092 258**	**2 092 258**

5. Consolidated Cash Flow Statement

in PLN '000	1st quarter of 2007 01.01.2007 – 31.03.2007	1st quarter of 2006 01.01.2006 – 31.03.2006
Net cash flow from operating activities	**-807 342**	**-1 498 723**
Net profit	**81 752**	**88 158**
Adjustments to net profit and net cash from operating activities:	**-889 094**	**-1 586 881**
Current and deferred tax recognised in financial result	21 499	-6 812
Non-realised profit (loss) from currency translation differences	7 242	7 909
Investing and financing activities	**-81 731**	**-26 201**
Depreciation	24 378	30 531
Share of profit (loss) of subordinated companies	-1 171	-439
Impairment	-30 869	6 675
Interest	-57 466	-59 686
Net increase/decrease in provisions	-14 008	-2 341
Profit (loss) from investments	-2 595	-941
Net increase/decrease in operating assets (excluding cash)	**-236 332**	**-845 068**
Net increase/decrease in gross loans and advances to banks	52 755	-411 665
Net increase/decrease in financial assets at fair value trough profit or loss, including derivatives	309 361	-212 786
Net increase/decrease in gross loans and advances to customers	-611 603	-222 413
Paid income tax	-8 854	-338
Net increase/decrease in other assets	22 009	2 134
Net increase/decrease in operating liabilities (excluding cash)	**-599 772**	**-716 709**
Net increase/decrease in amounts due to Central Bank	17	0
Net increase/decrease in amounts due to banks	-141 740	-309 761
Net increase/decrease in derivatives	12 504	11 641
Net increase/decrease in amounts due to customers	710 119	-147 197
Net increase/decrease in securities sold under repurchase agreements	-1 028 416	-134 291
Net increase/decrease in other liabilities	-152 256	-137 101
Net cash flow from operating activities	**-807 342**	**-1 498 723**

	1st quarter of 2007 01.01.2007 – 31.03.2007	1st quarter of 2006 01.01.2006 – 31.03.2006
Net cash flow from investing activities	**321 201**	**500 744**
Inflows	**1 299 458**	**15 691 697**
Disposal of property, plant and equipment and intangible assets	679	1 896
Disposal of investments securities classified as available-for-sale	1 239 922	15 645 684
Interest received	58 857	44 117
Outflows	**-978 257**	**-15 190 953**
Acquisition of property, plant and equipment and intangible assets	-23 075	-14 824
Acquisition of investment securities	-955 182	-15 176 129
Net cash flows from investing activities	**321 201**	**500 744**
Cash flow from financing activities	**-13 634**	**-171 427**
Outflows	**-13 634**	**-171 427**
Repayment of subordinated liabilities	0	-157 605
Other financial outflows	-13 634	-13 822
Net cash flow from financing activities	**-13 634**	**-171 427**

Balance sheet change in cash	**-499 775**	**-1 169 406**
Cash at the beginning of the period	**2 269 870**	**2 248 889**
Cash at the end of the period including:	**1 770 095**	**1 079 483**
restricted cash	556 194	501 880

STANDALONE CONDENSED FINANCIAL STATEMENTS OF KREDYT BANK S.A.

1. Income Statement

in PLN '000	**1st quarter of 2007** **01.01.2007 – 31.03.2007**	**1st quarter of 2006** **01.01.2006 – 31.03.2006**
Interest income	324 009	310 754
Interest expense	-150 915	-133 943
Net interest income	**173 094**	**176 811**
Fee and commission income	75 930	66 021
Fee and commission expense	-12 284	-6 663
Net fee and commission income	**63 646**	**59 358**
Net trading income	37 477	28 609
Net result on derivatives used as hedging instruments and hedged items	-595	-109
Profit (loss) from investment activity	2 843	340
Net income from sale of receivables portfolio	8 117	0
Other operating income	10 092	9 111
Total operating income	**294 674**	**274 120**
General and administrative expenses	-190 512	-190 740
Net impairment losses on financial assets, other assets and provisions	-59	4 455
Other operating expenses	-7 356	-10 737
Total operating expenses	**-197 927**	**-197 022**
Net operating income	**96 747**	**77 098**
Profit before tax	**96 747**	**77 098**
Income tax expense	-22 053	9 398
Net profit from business activities	**74 694**	**86 496**
Net profit from discontinued operations	0	0
Net profit	**74 694**	**86 496**
Including:		
attributable to the Shareholders of the Bank	**74 694**	**86 496**
Weighted average number of shares	271 658 880	271 658 880
Earnings per share for profit attributable to the Shareholders of the Bank (in PLN)	0,27	0,32

2. Balance Sheet

in PLN '000	31.03.2007	31.12.2006	31.03.2006
Assets			
Cash and balances with Central Bank	654 641	640 722	425 848
Gross loans and advances to banks	1 616 963	2 182 393	1 653 062
Impairment losses on loans and advances to banks	-2 753	-2 753	-2 894
Financial assets at fair value through profit or loss, excluding derivatives	275 271	612 912	672 430
Derivatives including:	325 743	297 427	246 615
- derivatives used as hedging instruments	7 798	3 403	470
Gross loans and advances to customers	13 491 620	12 907 835	12 408 115
Impairment losses on loans and advances to customers	-1 061 934	-1 100 617	-2 319 637
Investments securities:	5 629 419	5 902 663	6 285 469
- available-for-sale	3 239 815	3 453 890	3 896 279
- held-to-maturity	2 389 604	2 448 773	2 389 190
Equity investments classified as available-for-sale	73 832	73 831	96 001
Property, plant and equipment (PPE)	320 070	325 050	309 735
Intangible assets	81 037	84 394	104 318
Deferred tax asset	126 134	137 123	106 657
Current tax receivable	15 075	15 393	13 412
Non-current assets classified as held for sale	1 270	10 571	14 916
Other assets	105 987	116 851	130 132
Total assets	**21 652 375**	**22 203 795**	**20 144 179**

in PLN '000	**31.03.2007**	**31.12.2006**	**31.03.2006**
Liabilities			
Amounts due to Central Bank	2 007	1 990	0
Amounts due to banks	2 024 464	2 160 538	2 265 981
Derivatives including:	308 978	296 474	231 796
- derivatives used as hedging instruments	1 475	554	158
Amounts due to customers	16 327 229	15 618 881	14 441 791
Debt securities issued	0	0	407 227
Securities sold under repurchase agreements	5 509	1 053 928	234 410
Provisions	90 504	98 775	74 765
Current tax liability	2 738	0	0
Other liabilities	353 714	511 847	303 523
Subordinated liabilities	425 758	421 619	432 975
Total liabilities	**19 540 901**	**20 164 052**	**18 392 468**

Equity	**31.03.2007**	**31.12.2006**	**31.03.2006**
Share capital	1 358 294	1 358 294	1 358 294
Share premium	104 789	104 789	0
Revaluation reserve	15 312	18 275	21 425
Reserves	120 942	120 942	120 942
Retained earnings/loss	437 443	0	164 554
Current net profit attributable to the shareholders of the Bank	74 694	437 443	86 496
Total equity	**2 111 474**	**2 039 743**	**1 751 711**
Total equity and liabilities	**21 652 375**	**22 203 795**	**20 144 179**

Capital adequacy ratio (%)	13,38	13,45	17,18
Number of shares	271 658 880	271 658 880	271 658 880
Book value per share (in PLN)	7,77	7,51	6,45

3. Off-Balance Sheet Items

in PLN '000	31.03.2007	31.12.2006	31.03.2006
Contingent liabilities, granted and received	**6 513 624**	**5 207 977**	**4 487 208**
Liabilities granted, including	5 194 604	4 706 170	4 125 096
- financial	3 878 617	3 497 903	2 999 003
- guarantees	1 315 987	1 208 267	1 126 093
Liabilities received, including:	1 319 020	501 807	362 112
- financial	1 013 107	205 139	56 477
- guarantees	305 913	296 668	305 635
Liabilities related to the sale/purchase transactions	**163 556 986**	**138 370 817**	**93 759 916**
Other	**3 114 744**	**3 153 678**	**3 084 559**
- guarantees received	3 114 744	3 153 178	3 084 467
- other	0	500	92

4. Statement of Changes in Shareholders' Equity

Changes in the period from 1 January to 31 March 2007

in PLN '000	Share capital	Share premium	Revaluation reserve	Reserves	Retained earnings (losses)	Current net profit	Total equity
Equity at opening balance – as of 01.01.2007	**1 358 294**	**104 789**	**18 275**	**120 942**	**437 443**	**0**	**2 039 743**
Valuation of financial assets available-for-sale			-3 387				-3 387
Effects of valuation of derivatives designated for cash flow hedge			-271				-271
Deferred tax			695				695
Net profit recognised directly in the equity			**-2 963**				**-2 963**
Current net profit						74 694	74 694
Total of recognised income and expenses			**-2 963**			**74 694**	**71 731**
Equity at end of period – as of 31.03.2007	**1 358 294**	**104 789**	**15 312**	**120 942**	**437 443**	**74 694**	**2 111 474**

Changes in the period from 1 January to 31 March 2006

in PLN '000	Share capital	Share premium	Revaluation reserve	Reserves	Retained earnings (losses)	Current net profit	Total equity
Equity at opening balance – as of 01.01.2006	**1 358 294**	**0**	**15 928**	**120 942**	**164 554**	**0**	**1 659 718**
Valuation of financial assets available-for-sale			6 986				6 986
Effects of valuation of derivatives designated for cash flow hedge			0				0
Deferred tax			-1 489				-1 489
Net profit recognised directly in the equity			**5 497**				**5 497**
Current net profit						86 496	86 496
Total of recognised income and expenses			**5 497**			**86 496**	**91 993**
Equity at end of period – as of 31.03.2006	**1 358 294**	**0**	**21 425**	**120 942**	**164 554**	**86 496**	**1 751 711**

Changes in the period from 1 January to 31 December 2006

in PLN '000	Share capital	Share premium	Revaluation reserve	Reserves	Retained earnings (losses)	Current net profit	Total equity
Equity at opening balance – as of 01.01.2006	**1 358 294**	**0**	**15 928**	**120 942**	**164 554**	**0**	**1 659 718**
Valuation of financial assets available-for-sale			1 972				1 972
Effects of valuation of derivatives designated for cash flow hedge			1 195				1 195
Deferred tax			-820				-820
Net profit recognised directly in the equity			**2 347**				**2 347**
Current net profit						437 443	437 443
Total of recognised income and expenses			**2 347**			**437 443**	**439 790**
Profit distribution		104 789			-104 789		0
Dividends paid					-59 765		-59 765
Equity at end of period – as of 31.12.2006	**1 358 294**	**104 789**	**18 275**	**120 942**	**0**	**437 443**	**2 039 743**

5. Cash Flow Statement

in PLN '000	1st quarter of 2007 01.01.2007 – 31.03.2007	1st quarter of 2006 01.01.2006 – 31.03.2006
Net cash flow from operating activities	**-801 967**	**-1 493 304**
Net profit	**74 694**	**86 496**
Adjustments to net profit and net cash from operating activities:	**-876 661**	**-1 579 800**
Current and deferred tax recognised in financial result	22 053	-9 398
Non-realised profit (loss) from currency translation differences	7 225	7 861
Investing and financing activities	**-85 258**	**-39 807**
Depreciation	22 153	28 205
Impairment	-40 045	-5 298
Interest	-57 466	-59 686
Net increase/decrease in provisions	-8 271	-2 307
Profit (loss) from investments	-1 629	-721
Net increase/decrease in operating assets (excluding cash)	**-200 306**	**-826 331**
Net increase/decrease in gross loans and advances to banks :	52 755	-411 665
Net increase/decrease in financial assets at fair value trough profit or loss, including derivatives	309 521	-212 786
Net increase/decrease in gross loans and advances to customers	-583 785	-215 534
Net increase/decrease in other assets	28 605	13 654
Paid income tax	-7 402	0
Net increase/decrease in operating liabilities (excluding cash)	**-620 375**	**-712 125**
Net increase/decrease in amounts due to Central Bank	17	0
Net increase/decrease in amounts due to banks	-141 740	-309 761
Net increase/decrease in derivatives	12 504	11 641
Net increase/decrease in amounts due to customers	708 348	-150 908
Net increase/decrease in securities sold under repurchase agreements	-1 048 419	-134 291
Net increase/decrease in other liabilities	-151 085	-128 806
Net cash flow from operating activities	**-801 967**	**-1 493 304**

	1st quarter of 2007 01.01.2007 – 31.03.2007	1st quarter of 2006 01.01.2006 – 31.03.2006
Net cash flow from investing activities	**323 169**	**501 821**
Inflows	**1 298 779**	**15 689 849**
Disposal of property, plant and equipment and intangible assets	0	48
Disposal of investments securities classified as available-for-sale	1 239 922	15 645 684
Interest received	58 857	44 117
Outflows	**-975 610**	**-15 188 028**
Acquisition of property, plant and equipment and intangible assets	-20 428	-11 899
Acquisition of investment securities	-955 182	-15 176 129
Net cash flows from investing activities	**323 169**	**501 821**
Cash flow from financing activities	**-19 958**	**-177 889**
Outflows	**-19 958**	**-177 889**
Repayment of subordinated liabilities	0	-157 605
Other financial outflows	-19 958	-20 284
Net cash flow from financing activities	**-19 958**	**-177 889**

Balance sheet change in cash	**-498 756**	**-1 169 372**
Cash at the beginning of the period	**2 268 737**	**2 248 801**
Cash at the end of the period including:	**1 769 981**	**1 079 429**
restricted cash	**556 194**	**501 880**

Interim Consolidated Financial Statements

of Kredyt Bank Capital Group

for the First Quarter of 2007

prepared in accordance with

International Financial Reporting Standards

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Notes to the Interim Consolidated Financial Statements of Kredyt Bank Capital Group for the first quarter of 2007

1. Basis of preparing this financial report

Pursuant to Article 55 Clause 6a of the Accounting Act of 29 September 1994 (consolidated text: Journal of Laws of 2002, No. 76, item 694 with further amendments) 'the Act', effectively from 01.01.2005 consolidated financial statements of Kredyt Bank S.A. Capital Group ('the Group') have been prepared in compliance with International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS).

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. dated 25 April 2005, effectively from 01.01.2005, separate financial statements of Kredyt Bank S.A. ('the Bank') have been prepared in accordance with IAS/IFRS.

The interim consolidated financial report for the first quarter of 2007 has been prepared in line with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) in the version being in force as at the date of their preparation. Specifically, this report has been prepared according to IAS 34 *Interim Financial Reporting* and, with respect to the matters not governed by IFRS, in compliance with the Act and the provisions of the Decree of Ministry of Finance dated 19 October 2005 on current and interim information provided by issuers of securities (Journal of Laws of 2005, No. 209, item 1744).

2. Group's financial standing at the end of the first quarter of 2007

Net profit of PLN 81.8 million generated by the Group in first quarter of 2007 is the evidence that the strategy adopted by the Management Board focused on development of selected business areas as well as continuous restructuring of the operating activities and the assets is bringing to the shareholders measurable results in a form of a steady increase in the value.

2.1. Financial result

Group's net profit and profit before tax

The Group's net profit in the first quarter of 2007 amounted to PLN 81,752 thousand, while net profit generated in the first quarter of 2006 amounted to PLN 88,158 thousand. The profit before tax amounted to PLN 103,251 thousand, as compared to PLN 81,346 thousand in the first quarter of 2006.

The increase in the profit before tax generated in the first quarter of 2007 as compared to the first quarter of 2006 was impacted by a few factors:

- Sale of a part of the non-performing loans portfolio – an impact of the transaction on consolidated profit before tax amounted to PLN 7,956 thousand,
- Profit from trading and investment activities,
- Growing business activeness mostly in the range of sales of products offered to retail clients in cooperation with WARTA S.A., Żagiel S.A. and KBC TFI S.A.;

- Effective restructuring and debt recovery activities of non-performing receivables,
- Effective operating costs management in companies belonging to the Group.

The main elements of the consolidated income statement of the Group are presented in the table below.

in 000' PLN	**1st quarter of 2007**	**1st quarter of 2006**
Net interest, fee and commission income	262 256	267 418
Net income from trading and investment activities*	39 555	29 419
Net income from sale of receivables portfolio	7 956	0
Profit from other operating income/expenses	8 512	7 386
Total income	**318 279**	**304 223**
General and administrative expenses	-215 824	-219 067
Net impairment charges for financial assets and other assets and provisions	-375	-4 248
Profit (loss) before tax**	**103 251**	**81 346**
Income tax expense	-21 499	6 812
Net profit	**81 752**	**88 158**

** Including income from hedged and hedging transactions*
*** The table does not include income from dividend and share in profits of associates*

Net interest, fee and commission income

Net interest, fee and commission income generated by the Group in the first quarter of 2007 amounted to PLN 262,256 thousand, i.e. was by 1.9% lower than the figure recorded in the first quarter of 2006. It is mainly a result of a volatile product and currency structure of the loans portfolio as well as a slightly lower margin on specific loan facilities.

At the same time, the Bank recorded an increase in the commission income from deposit transactions with clients, ATMs and cards processing as well as fees from guarantees.

Net trading income and and profit/(loss) from investment activity

Net income from trading and profit/(loss) from investment activity including income from hedged and hedging transactions in the first quarter of 2007 amounted to PLN 39,555 thousand as compared to PLN 29,419 thousand recorded in the analogous period of 2006.

The result includes income from trading and investment activities achieved from the sale of shares of Stalexport from the portfolio of available-for-sale assets.

As at 31.03.2007, the Group applied:

- hedge accounting of the fair value of bonds portfolio with the nominal value of PLN 25,389 thousand;
- hedge accounting of cash flows of:
    - bonds portfolio with the nominal value of PLN 186 000 thousand;
    - loans portfolio with the nominal value of PLN 700 000 thousand.

As at 31.03.2007, the valuation of hedged and hedging items and the amounts of their revaluation at fair value are not material for the financial statement.

Net income from sale of receivables portfolio

In the first quarter of 2007, the Bank sold a part of its non-performing loans portfolio – the value of PLN 43,985 thousand. Profit from the transaction, having influence upon the consolidated gross profit, amounted to PLN 7,956 thousand.

General and administrative expenses

Following the first quarter of 2007, the Group's operating expenses amounted to PLN 215,824 thousand and, as compared to the corresponding period of 2006, they decreased by 1.5%.

Salary-related expenses and employee benefits, after the first quarter of 2007, increased by 11.1% against the figures recorded in the first quarter of 2006, which is related to the implementation of an active HR policy concerning, first and foremost, supporting selling activities through bonus systems and awards for accomplishment of sales targets and opening new outlets in the first quarter of 2007 under the sales network expansion program.

The increase was neutralized by a drop in depreciation costs and other administrative expenses.

Cost/income ratio (CIR)

Cost/income ratio, calculated as a quotient of operating income less other operating costs and total general and administrative expenses, for the first quarter of 2007 added up to 67.8%, i.e. improved as compared to the corresponding period of 2006 by 4.0 p.p.

in %	**1st quarter of 2007**	**1st quarter of 2006**
Cost/income ratio (CIR)	67.8%	71.8%

Net impairment charges for loan receivables and other assets and provisions

In the first quarter of 2007, the Group created impairment charges for loan receivables and other assets and provisions for the total net amount of PLN 375 thousand as compared to PLN 4,248 thousand in the first quarter of 2006. The above-mentioned change is, among others, the result of effective restructuring and debt recovery activities concerning non-performing receivables.

Income tax

At the end of the first quarter of 2007, income tax from legal persons in the Bank equaled PLN 22,053 thousand. The Bank reached a positive tax base, what resulted in the current tax paid in the amount of PLN 10,369 thousand. At the same time, a deferred tax impacted the Bank's financial result in the amount of PLN 11,684 thousand.

Deferred tax asset

The continuing positive trend in the operating income generated by the Bank is a proof of increasing probability of future realization of negative temporary differences which, at present, are identified in income tax. Therefore, the deferred tax calculated as at 31.03.2007 comprises all positive and negative temporary differences which will impact the Bank's tax liabilities in future.

2.2. Standalone financial result of the Bank

The difference between the standalone and consolidated net profit amounting to PLN 7,058 thousand results from the adopted accounting policy concerning the valuation of shares of subsidiaries and associates in the standalone financial statement. Shares are recognised in the standalone financial statement as available-for-sale assets at cost, including impairment charges, but excluding the surplus of net assets value over their cost. Under IAS 39, impairment charges for equity investments recognised at historical cost are not reversed. As a result, an increase in net assets value of subsidiaries is not reflected in the valuation of their shares in the standalone financial statements.

2.3. Assets and liabilities

Gross loans and advances to customers

Over the last months, the Group recorded an increase in the portfolio of gross loans and advances to customers. The growth was the effect of, among others, good results in the sales of mortgage loans.

Investment securities portfolio

In the first quarter of 2007, the value of investment securities portfolio remained high, which resulted from the increasing volume of amounts due to customers which, according to the adopted policy, are invested in debt securities.

Non-current assets classified as held for sale

A commercial building, being the property of Reliz, was classified to the category of non-current assets held for sale. The classification was made at the end of the fourth quarter of 2006.

Customers' deposits portfolio

In the first quarter of 2007, the customers' deposits portfolio increased by 4.5% (PLN 710,119 thousand) as compared to the fourth quarter of 2006 and by 13.0% (PLN 1,874,503 thousand) as against the figures recorded in the first quarter of 2006. As regards certain specific products targeted primarily at private customers, the growth is more dynamic. This issue is discussed in more detail in the section relating to retail banking.

2.4. Improvement in the quality of receivables portfolio

In the first quarter of 2007, as in previous reporting periods, the Group continued the process of decreasing the volume of impaired loans through efficient restructuring and debt collection activities.

Over the first quarter of 2007, the value of impaired loans, i.e. for which individual evidence of impairment was identified, decreased by 4.4%, and by 52.6% over the previous 12 months. As a result, in the first quarter of 2007, the quality ratio for the Group’s gross receivables portfolio improved by 1.2 p.p. and by 15.2 p.p. over the year. The decrease in the value of the portfolio of loans for which individual evidence for impairment was identified during the last 12 months was significantly impacted by the transaction of sale of the receivables portfolio carried out in the second quarter of 2006 and the write-off of non-recoverable receivables from the balance sheet in the fourth quarter of 2006.

According to the method of presenting the quality of the receivables portfolio applied in KBC Group, non-performing loans (NPL) were separated from the portfolio of loans for which individual evidence of impairment was identified. NPLs are defined as loans for which the repayment of interest or principal is delayed for more than 90 days.

In the first quarter of 2007, the quality ratio for the Group’s NPL portfolio improved by 1.0 p.p. and by 11.9 p.p. over the previous 12 months.

The Group, when estimating credit risk for individual credit exposures and loan portfolios, follows the prudence concept. As at 31.03.2007, the coverage ratio for loans which individual evidence for impairment remains high – 61.2%, and the coverage ratio for NPL is at the level of 76.6%.

in 000' PLN	**31.03.2007**	**31.12.2006**	**31.03.2006**
Receivables with no individual evidence of impairment	11 613 148	10 925 755	9 077 692
Receivables with individual evidence of impairment	1 635 961	1 711 751	3 451 007
including: NPL	1 077 649	1 149 714	2 500 369
Total gross loan and advances to customers	**13 249 109**	**12 637 506**	**12 528 699**
Impairment for loans and advances to customers	1 058 014	1 087 462	2 603 057
including: impairment for receivables with individual evidence of impairment	1 000 720	1 030 165	2 552 475
including: Impairment for NPL	825 491	850 551	2 093 317
Total net loans and advances to customers	**12 191 095**	**11 550 044**	**9 925 642**
The share of receivables with individual evidence of impairment in total gross receivables	12.3%	13.5%	27.5%
Share of NPL in total gross receivables	8.1%	9.1%	20.0%
Coverage of receivables with individual evidence of impairment with impairment charges	61.2%	60.2%	74.0%
Coverage of NPL with impairment charges	76.6%	74.0%	83.7%
Coverage of gross loans and advances to customers with impairment charges	8.0%	8.6%	20.8%

2.5. Capital adequacy ratio

The capital adequacy ratio, calculated in compliance with regulations of the National Bank of Poland in force, as at 31.03.2007 amounted to 13.56% as compared to 17.41% recorded as at 31.03.2006 and 13.69% as at 31.12.2006.

2.6. Income and results by segments

The KB Group's operations, similarly to previous reporting periods, have been split into four primary business segments: Corporate Banking, Retail Banking, Treasury and Investments.

Corporate Segment

Corporate Segment performs transactions with large companies (with annual income from sales exceeding PLN 16 million) as well as state budgetary units at the central and local levels. Beside the traditional deposit, credit and settlement services, other specific services are offered. They are tailored to the 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, which offers a complete range of services for companies in respect of leasing of fixed assets and real estates, and also of real estate trade.

Retail Segment

Retail Segment offers products addressed at individual customers as well as Small and Medium-sized Enterprises (SME), whose annual income from sales does not exceed PLN 16 million. The offer contains a wide range of deposit and loan products, insurance products (bancassurance and assurebanking) offered in co-operation with WARTA S.A. as well as clearing services. This offer is directed at customers through traditional channels of distribution via the Bank's countrywide network of branches as well as the Internet network - KB24. The results of this segment also comprise the result of Żagiel S.A. (Consumer Finance) specializing in the sale of instalment loans as well as in intermediation in the distribution of the selected services included in the Bank's and WARTA's offers. Moreover, the Bank's offer for this segment includes also products offered by KBC TFI in the area of sale of units in investment funds.

Treasury Segment

Treasury Segment 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, and interest rate and currency options.

Investment Segment

Investment Segment focuses on capital investments of the Group in shares of companies whose core business involves generating added value for the Group by specializing in non-banking areas of business, and also on investments in the shares of companies with the expected high long-term rate of return. In addition, the segment focuses on custodian services.

Segment income and expenses had been determined before inter-segmental eliminations were made. Selling prices between the segments are calculated on the basis of the transfer pricing methodology. The expenses and income that may not be reasonably assigned to any of the segments are disclosed in items: 'unallocated expenses' and 'unallocated income'.

On 01.01.2006 the Bank implemented a cost allocation methodology based on activity based costing. The methodology enables a precise analysis of profitability of particular types of products and clients as well as measurement of effectiveness of the segments.

2.7.1 Consolidated net profit for the first quarter of 2007 – by business segments

in PLN '000

	Corporate Segment	Retail Segment	Treasury Segment	Investment Segment	Other	Eliminations	Total
1. Segment income (external)	113 808	229 034	129 945	22 983	11 670	-15 696	**491 744**
2. Segment income (internal)	46 355	126 392	121 741	0	3	-294 491	**0**
3. Total segment income	**160 163**	**355 426**	**251 686**	**22 983**	**11 673**	**-310 187**	**491 744**
4. Segment expenses (external)	-38 086	-106 271	-48 868	-15 436	-5 812	15 696	**-198 777**
4a. Allocated expenses	-24 926	-154 941	-2 622	-157	-7 866		**-190 512**
5. Segment expenses (internal)	-59 434	-61 103	-172 750	-1 208	4	294 491	**0**
6. Total segment expenses	**-122 446**	**-322 315**	**-224 240**	**-16 801**	**-13 674**	**310 187**	**-389 289**
7. Segment operating profit	**37 717**	**33 111**	**27 446**	**6 182**	**-2 001**	**0**	**102 455**
8. Net impairment changes for financial assets, other assets and provisions	**7 594**	**-7 242**	**0**	**3**	**-730**		**-375**
9. Share of profit of associates measured with the equity method				**1 171**			**1 171**
10. Segment result	**45 311**	**25 869**	**27 446**	**7 356**	**-2 731**	**0**	**103 251**
11. Income tax expense							**-21 499**
12. Net profit/loss	**45 311**	**25 869**	**27 446**	**7 356**	**-2 731**	**0**	**81 752**

2.7.2 Consolidated net profit for the first quarter of 2006 – by business segments

in PLN '000

	Corporate Segment	Retail Segment	Treasury Segment	Investment Segment	Other	Eliminations	Total
1. Segment income (external)	107 636	212 616	115 414	13 039	14 263	-17 698	**445 270**
2. Segment income (internal)	40 136	108 176	103 005	0	2	-251 319	**0**
3. Total segment income	**147 772**	**320 792**	**218 419**	**13 039**	**14 265**	**-269 017**	**445 270**
4. Segment expenses (external)	-33 773	-86 363	-44 559	-10 373	-12 005	17 698	**-169 375**
4a. Allocated expenses	-28 608	-150 130	-2 585	-163	-9 254	0	**-190 740**
5. Segment expenses (internal)	-52 149	-49 178	-148 314	-1 678	0	251 319	**0**
6. Total segment expenses	**-114 530**	**-285 670**	**-195 458**	**-12 214**	**-21 259**	**269 017**	**-360 114**
7. Segment profit	**33 242**	**35 122**	**22 961**	**825**	**-6 994**	**0**	**85 156**
8. Net impairment changes for financial assets, other assets and provisions	**17 400**	**-19 993**	**0**	**3**	**-1 658**	**0**	**-4 248**
9. Segment share in profit of associates				**438**			**438**
10. Segment result	**50 642**	**15 129**	**22 961**	**1 266**	**-8 652**	**0**	**81 346**
11. Income tax expense							**6 812**
12. Net profit/loss	**50 642**	**15 129**	**22 961**	**1 266**	**-8 652**	**0**	**88 158**

2.8. Corporate banking

In the first quarter of 2007, activities promoting the Bank's services were continued. The aim of the campaign was to increase KB's shares in the corporate clients segment and to strengthen the Bank's image as a bank easily accessible, offering the highest quality of services which provides complex customer service for big companies. As a consequence of new trade finance products being launched, the Bank is perceived as one of the most active participants in the area of Polish export financing.

As a result of the campaigns carried out, the credit portfolio of corporate clients was steadily growing in 2006 and in the first quarter of 2007.

in PLN 000'	**1st quarter of 2007**	**4th quarter of 2006**	**3 rd quarter of 2006**	**2nd quarter of 2006**	**1st quarter of 2006**
Average gross value of the portfolio of performing loans at the end of the quarter (*)	5 075 270	4 829 965	4 727 777	4 322 769	4 165 119

(*) Corporate clients according to the split into business segments based on income from sales.

For the last quarters of 2006 and the first quarter of 2007 an increase in corporate customer deposits has been observed.

in PLN 000'	**31.03.2007**	**31.12.2006**	**30.09.2006**	**31.06.2006**	**31.03.2006**
- current accounts	2 050 775	2 030 284	2 230 946	1 864 383	1 462 254
- term deposits	2 097 642	1 926 611	1 687 171	1 578 251	1 981 443
Total (*)	**4 148 417**	**3 956 895**	**3 918 117**	**3 442 634**	**3 443 697**

(*) The item does not include: amounts due to individual entrepreneurs, individual farmers, non-commercial institutions providing services for households, governmental entities and interest.

In response to increasing customers' needs concerning financial risk hedging, the Bank continues to expand its offer with new derivative products, particularly option-based strategies of currency risk hedging. Furthermore, the scale of currency translations performed by the Bank steadily increases.

Due to the cooperation with KBC Securities, the Bank included Corporate Finance products in its offer. They entail advisory services, services related to public offerings, business combinations and acquisitions services and investors canvassing.

2.9. Retail and SME banking

Retail and cash loans

The sales of retail loans through Żagiel's distribution network in the first quarter of 2007 amounted to PLN 403 million, i.e. decreased by 23.5% as compared to the fourth quarter of 2006 and increased by 15.4% as against the first quarter of 2006. In comparison with the fourth quarter of 2006 the volume of loans granted dropped from 290 thousand to 220 thousand in the first quarter of 2007, whereas it went up by 14 thousand loans as against the first quarter of 2006. The gross value of the portfolio increased by 0.1% as compared to the fourth quarter of 2006 and by 3.7% against the figures recorded in the first quarter of 2006.

in PLN 000'	1st quarter of 2007	4th quarter of 2006	3rd quarter of 2006	2nd quarter of 2006	1st quarter of 2006
Żagiel – instalment and cash loans					
Number of loans granted in the quarter (in '000')	220	290	237	231	206
Value of loans granted in the quarter	402 980	526 670	416 249	392 305	349 189
Gross value of the portfolio at the end of the quarter	1 323 960	1 322 222	1 176 830	1 155 833	1 276 737

Mortgage loans

In the first quarter of 2007 the Bank granted 3.9 thousand mortgage loans for the total amount of PLN 532 million. Against the fourth quarter of 2006, the sales of loans decreased in terms of their value by 19.3%; as compared to the first quarter of 2006 the sales of loans increased by 82.7% in terms of their value and by 30.0% in terms of their quantity. The gross value of the mortgage loans portfolio grew by 13.0% as compared to the fourth quarter of 2006 and by 63.1% as against the first quarter of 2006.

in PLN 000'	1st quarter of 2007	4th quarter of 2006	3rd quarter of 2006	2nd quarter of 2006	1st quarter of 2006
Mortgage loans					
Number of loans granted in the quarter (in '000')	3.9	5.0	4.3	4.3	3.0
Value of loans granted in the quarter	532 176	659 395	526 971	535 224	291 207
Gross value of the portfolio at the end of the quarter *	3 573 239	3 163 274	2 855 240	2 536 025	2 191 147

** The item includes: loans to private persons, individual entrepreneurs, individual farmers*

Current accounts for individual clients

On 31.03.2007, a number of current accounts decreased by 0.2% in relation to 31.12.2006 and increased by 5.6% as compared to the figures recorded on 31.03.2006. The book value of current accounts for individual clients grew by 6.7% as compared to the fourth quarter of 2006 and by 31.6% as against the first quarter of 2006.

in PLN 000'	31.03.2007	31.12.2006	30.09.2006	31.06.2006	31.03.2006
ROR accounts					
Number (in 000')	551	552	543	534	522
Book value	1 088 775	1 020 146	938 845	914 055	827 591

Savings accounts for individual customers

The volumes on the savings accounts, which is one of the Bank's basic depositary products, are growing steadily: as at the end of the first quarter of 2007, the value of deposited cash amounted to nearly PLN 4.4 billion, which represents an increase of 13.1% as compared to the end of the fourth quarter of 2006 and of 89.6% as against the end of the first quarter of 2006.

in PLN 000'	**31.03.2007**	**31.12.2006**	**30.09.2006**	**31.06.2006**	**31.03.2006**
Savings Accounts					
Number (in 000')	261	237	214	191	176
Book value	4 370 142	3 864 597	3 239 578	2 651 620	2 305 452

Credit cards

At the end of the first quarter of 2007, the number of credit cards issued increased by 13.8% against figures at the end of the fourth quarter of 2007, whereas growth of 72.8% was recorded as compared to the end of the first quarter of 2006.

in 000'	**31.03.2007**	**31.12.2006**	**30.09.2006**	**31.06.2006**	**31.03.2006**
Credit cards (KB and Żagiel)	140	123	104	90	81

Electronic distribution channels

The number of users of electronic distribution channels has been growing systematically. As at 31.03.2007 the number of KB24 users was equal to 240 thousand. The number of users grew by 27.0% as compared to the figures as at 31.03.2006 and by 5.3% as against the end of 2006. The number of money transfers made via KB24 went up by 6.1% in comparison with the fourth quarter of 2006 and by 36.4% when compared to the first quarter of 2006.

in 000'	**31.03.2007**	**31.12.2006**	**30.09.2006**	**31.06.2006**	**31.03.2006**
Number of KB24 users	240	228	213	200	189
Number of transfers via KB24 in the quarter	2 774	2 614	2 223	2 152	2 034

Offer for SME segment

At the end of the first quarter of 2007, the value of credits granted to small and medium-sized enterprises increased by 9.4% in comparison with the end of the fourth quarter of 2006 and by 22.4% as compared to the first quarter of 2006. After the first quarter of 2007, the value of funds on current accounts of SME clients was higher by 24.9% than in the analogous period of 2006 and lower by 4.7% as compared to the fourth quarter of 2006.

in PLN 000'	31.03.2007	31.12.2006	30.09.2006	31.06.2006	31.03.2006
Loans for SME	706 287	645 543	631 641	598 372	577 032
Current accounts for SME	1 183 643	1 241 458	1 110 699	1 024 600	947 812

Number of Bank's customers

A number of the Bank's clients in the retail and SME segments is growing systematically. There was an increase of 5.3% in comparison with the figures as at 31.03.2006.

in 000'	31.03.2007	31.12.2006	30.09.2006	31.06.2006	31.03.2006
Individual customers	856	849	839	824	810
SME	85	87	87	85	84
Total number of customers	941	936	926	909	894

Number of Bank's outlets

in 000'	31.03.2007	31.12.2006	30.09.2006	31.06.2006	31.03.2006
Outlets	352	336	333	332	333

2.10. Investment funds and insurance capital funds

As at 31.03.2007, the total value of net assets in investment funds sold via the Bank's distribution network amounted to PLN 3,214,130 thousand, which represents an increase by 50.4% in comparison with figures as at 31.03.2006 and by 6.9% as against the fourth quarter of 2006.

in PLN 000'	31.03.2007	31.12.2006	30.09.2006	31.06.2006	31.03.2006
Net assets in funds sold via the Bank's distribution network	3 214 130	3 007 849	2 677 790	2 263 576	2 136 475

As of the end of the first quarter of 2007, KBC TFI managed the total assets amounting to PLN 7.3 billion.

The value of assets in investment funds managed by KBC TFI amounted to PLN 4.3 billion, which, as at the end of the first quarter of 2007, accounted for the market share of 3.6%. The Society was ranked seventh among all Investment Fund Societies in Poland.

The first quarter of 2007 was yet another period for KBC TFI of intensive works on development of its product offer. The Society performed the subscription for KBC Atlantycki FIZ, investment certificates, where investor's profit depends on an increase in the value of the portfolio of thirty most dynamically developing companies in Europe and the United States as well as KBC Dalekowschodni FIZ where investor's profit depends on a basket of five Asian indexes.

As of the end of the first quarter of 2007, KBC TFI S.A. managed 26 investment funds.

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

In the first quarter of 2007, the Bank did not issue or redeem any equity securities.

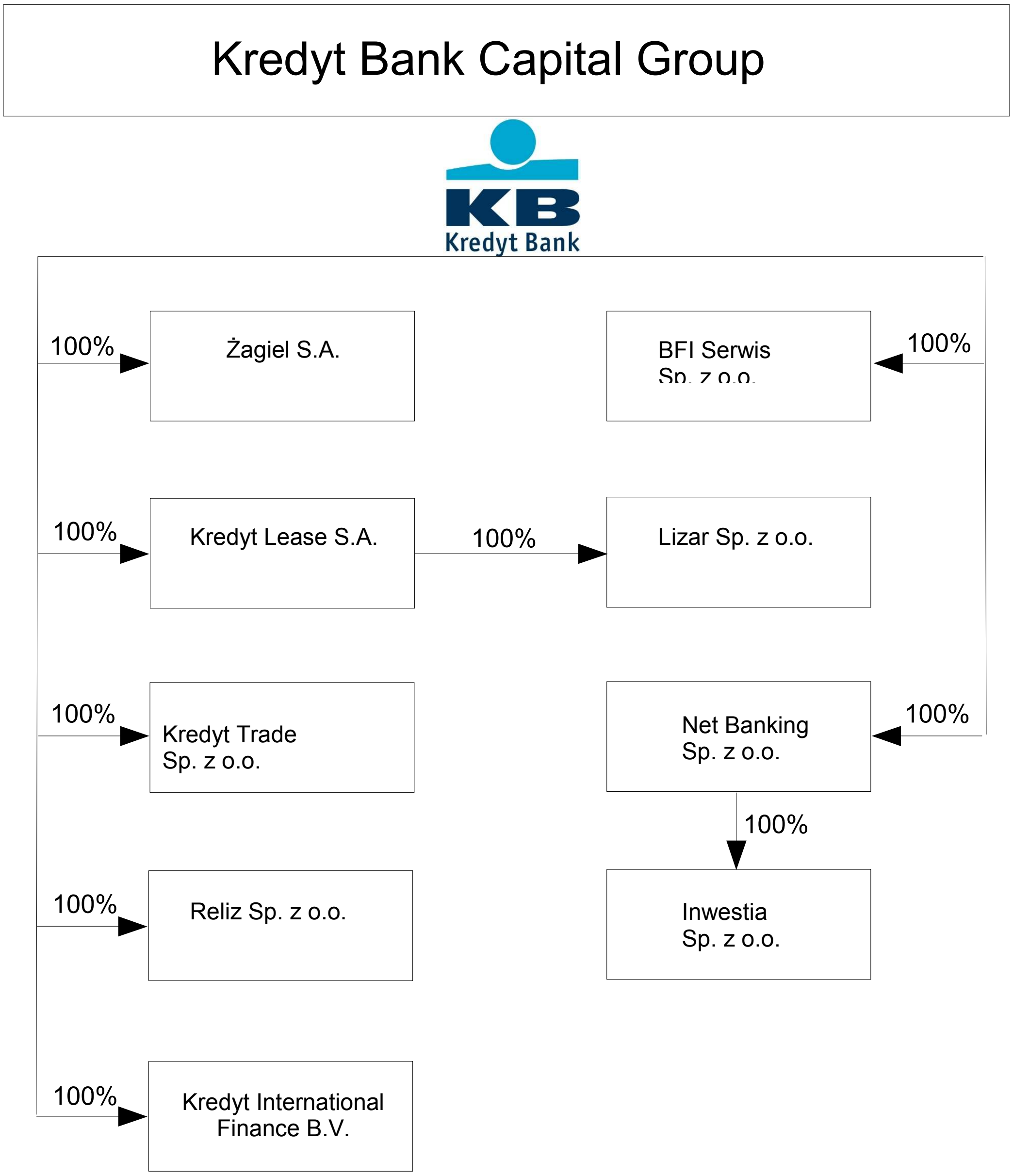
3. Information on dividend

On 17.04.2006, the Management Board of Kredyt Bank passed a resolution to submit to the Supervisory Board a motion on recommending to the Bank's General Meeting of Shareholders a draft of a resolution concerning profit distribution which assumed payment of the dividend for shareholders from the profit for 2006 in the gross amount of PLN 0.37 per share. The draft assumes the total amount of the dividend equal to PLN 100,513,785.60 and 71 658 880 A to W shares of the Bank will be participating shares.

4. Group's structure

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

Below, we present the composition and ownership structure of the Group as at 31.03.2007.


Kredyt Bank Capital Group
Kredyt Bank
100%
Żagiel S.A.
BFI Serwis Sp. z o.o.
100%
100%
Kredyt Lease S.A.
100%
Lizar Sp. z o.o.
100%
Kredyt Trade Sp. z o.o.
Net Banking Sp. z o.o.
100%
100%
100%
Reliz Sp. z o.o.
Inwestia Sp. z o.o.
100%
Kredyt International Finance B.V.

As at 31.03.2007 the following companies were consolidated with the full method: Kredyt Lease S.A., Kredyt International Finance B.V, Kredyt Trade Sp. z o. o., Żagiel S.A. and Reliz Sp. z o.o.

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., KB Net Banking Sp. z o.o., BFI Serwis Sp. z o.o. and Inwestia Sp. z o.o.

5. Description of significant accounting principles and accounting estimates and comparable data

In the first quarter of 2007, 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 of 31.12.2006.

Preparation of financial statements under IAS/IFRS requires a professional judgment of the Bank's Management Board on the adopted accounting principles and accounting estimates applied with respect to balance sheet items and income statement items. Estimates refer to uncertain future events and are performed basing on historical data and a number of assumptions based on the facts available at the time, resulting from internal and external conditions. The actual results of future business operations may differ from the current accounting estimates. Therefore, accounting estimates are verified on a regular basis. Changes in estimates are recognised in the financial statement in the period they were introduced.

The most important accounting estimates prepared for the purpose of this financial statement refer to:

- measurement of financial assets and liabilities at amortized cost, with the application of the effective interest rate method;
- identification and measurement of impairment of 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;
- deferred tax asset;
- provisions.

5.1. Measurement of financial assets and liabilities at amortized cost, with the application of the effective interest rate method

Since 01.01.2005, as a result of adopting the method of measuring financial assets and liabilities at amortized cost with the use of the effective interest rate, the Group has been amortising into income statement fee and commission income and expenses, as well as certain external expenses, relating to financial assets and liabilities measured in accordance with IAS 39.

Effective interest rate method

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

The Group measures the following financial assets and liabilities at amortized cost taking into account the effective interest rate method:

- credits and loans granted as well as other own receivables – not held for trading;
- held-to-maturity investments;
- non-derivative financial liabilities not held for trading;
- financial assets for which fair value may not be determined reliably.

The above method is not applied to measure receivables, when the dates and amounts of cash flows are not specified, what excludes a possibility of calculating the effective interest rate.

Recognition of the measurement in the income statement

The purpose of the measurement at amortized cost with the use of the effective interest rate is to ensure that income and expenses related to the measured financial assets and liabilities are matched over the entire period when they are held in the portfolio, and, at the same time, to accomplish the constant rate of return on assets portfolio financed with the defined deposits portfolio.

Pursuant to IAS 39, the settlement of commissions/fees and certain external expenses connected with financial instruments (with the use of the effective interest rate method or on a straight-line basis) depends on a type 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.

However, the way of recognizing particular types of commissions/fees settled over time in the income statement as interest income or commission income, and the general necessity for their settlement over time, and not the possibility of their one-off recognition in the income statement, depends on the economic nature of a given commission/fee.

The commissions/fees settled over time include, for instance, fees for approval of a loan application, commissions for granting a credit, commissions for releasing cash under loans, fees for establishing additional collateral, etc. Such commissions and fees constitute an integral part of the return generated by a specific financial instrument. This category also includes fees and expenses connected with changes of contractual terms, what modifies the value of the originally calculated 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 establishment 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 amortised over time in the income statement by applying the effective interest rate method or on a straight-line basis, depending on a type of a product.

Furthermore, if the conclusion of the defined loan agreements is probable, fees related to the Bank's commitment to conclude them are deemed as remuneration for permanent commitment in the acquisition of the financial instrument; they are deferred and recognised as an adjustment to the effective return at the time of concluding a given agreement (with the method of the effective interest rate or on a straight-line basis, depending on a type of a product).

Interest income/expense

Interest income and expense are recognised in the income statement at amortized cost, using the effective interest rate.

5.2. Impairment of assets measured at amortized cost

Loan receivables constitute the most important portion of financial assets recognised in the Group's balance sheet at amortized cost. On 01.01.2005 the Group implemented the principles of measuring impairment of loan receivables in accordance with IAS 39.

According to IAS 39, all loans are subject to an impairment testing, not only receivables that bear increased credit risk. If the Group identifies premises that indicate the impairment, the impairment is calculated as difference between the book value of loan receivable and its economic value measured as the present value of the expected future cash flows.

The methodology of evaluating the circumstances indicating the impairment of loans has been elaborated in cooperation with the Bank's Main Shareholder on the basis of the Group's experience acquired in the banking services sector, analysing historical data over on a long-term basis and taking into account the current specific character of the local market and the features of the financial assets portfolios managed by the Group.

Impairment triggers

Analysis of impairment triggers is performed for individual loans as well as portfolios (groups) of loans.

The catalogue of objective triggers includes quantitative and qualitative data in static and dynamic terms, in relation to both elements of exposure servicing by the borrower as well as the borrower's financial and economic situation, the management and control processes, market and macro-economic environment, what is reflected in the possibility of generating financial resources necessary to cover the indebtedness.

The list of triggers determines the level of their materiality: impairment may be evidenced by one circumstance or a combination of circumstances.

In case of receivables portfolios, the events concerning the whole population of homogenous assets that may be identified, assessed and quantified in relation to the entire portfolios, but not the individual receivables, are the triggers indicating the impairment.

Measurement of individual impairment

Measurement of individual impairment is performed for all loan receivables for which some individual triggers indicating the impairment were identified.

A process of estimating future, expected cash flows is carried out in a specially dedicated IT tool. An economic value of the receivables secured with collateral is estimated taking into account the recoverable amount of such collateral. In the case of those receivables for which the debt recovery value of collateral is the only expected future cash flow, a group estimation of a possibility of recovering the collateral is prepared. The Bank gathers knowledge about the quality of collateral portfolio in a form of statistical data updated on a regular basis, referring to the historical effectiveness of debt recovery as well as the present market value of particular types of collateral, adjusted with the costs of their collection.

The quality of the measurement process for individual impairment of loan receivables is verified by a multi-stage independent control.

Measurement of portfolio impairment

In the situation where no objective triggers indicating the loss in a loan value assessed on individual basis has occurred, regardless of whether it constitutes a material reporting item or not, such exposure is included in the loans portfolio of similar features, and the portfolio impairment analysis is conducted.

Homogenous loans portfolios are grouped basing upon similar characteristics of credit risks that are specific for the defined groups of customers and products.

The portfolio impairment is measured basing on historical parameters of losses generated by the similar assets portfolios. Historical trends for losses are cleared of single events and are updated with a current risk profile of homogenous groups of assets. Thus, the systematic risk of portfolios is identified, which will be transformed into individual losses with specific probability.

The process of estimating portfolio provision is performed on a quarterly basis and is directly monitored by the Bank's Credit Committee and the Bank's Management Board. The following triggers, apart from historical trends, exert a significant impact on the level of the portfolio provision:

a) fluctuations in the loan portfolios;
b) the Group's operating effectiveness of the credit risk management processes, particularly taking into account the restructuring and debt recovery activities;
c) Poland's macroeconomic situation and its direct impact on the key ratios applied in the banking sector;
d) the Group's credit policy in relation to selected sectors of economy as well as receivables portfolios against models adopted by other banks.

5.3. Financial assets at fair value through profit or loss

From 01.01.2005, the Group introduced, in accordance with IAS 39, and instead of the 'assets held for trading' category, a broader term, i.e.: 'financial assets at fair value through profit or loss'.

The following items are included in the category of 'financial assets at fair value through profit or loss':

a) financial assets and liabilities which, at the time of their initial recognition, were designated by the Bank to be measured at fair value through profit or loss for the following reason: these items are managed within a portfolio on the basis of the valuation at fair value and the management results are internally reported to respective decision makers, including mainly Members of the Bank's Management Board;

b) financial assets classified as held for trading, if they meet the following conditions:

- are acquired or contracted for the purpose of selling or repurchasing them in the near term;
- constitute a portion of the portfolio of specific financial instruments managed jointly, for which there exists the confirmation of actual formula of generating short-term profits, or
- are derivative instruments (except for derivatives that are designated and effective hedging instruments).

Financial assets and liabilities at fair value through profit or loss are recognised at fair value in the balance sheet beginning from the date of the transaction. The fair value is determined on the basis of quotations on active markets, including the prices of recent transactions and generally accepted valuation models based on variables that can be observed in the market environment.

In the case of financial assets and liabilities recognised in the balance sheet at fair value, for which no active market is identified, the measurement is performed on the basis of generally accepted valuation models based on variables that can be observed in the market environment. Certain variables, e.g. future interest rates, volatility parameters, correlations, obviously must be professionally assessed. The models and variables are verified independently on a regular basis. A change in adopted models or variables in these models might affect accounting estimates related to measurement.

5.4. Hedge accounting

Hedge accounting recognises effects of compensation of changes in fair value of the hedging instrument and the hedged item influencing the income statement. According to adopted hedge accounting principles, the Group designates certain derivatives to hedge fair value of particular assets, on condition that the criteria provided for in IAS 39 are met. The Group applies hedge accounting to hedging relationship, when all the following criteria are met:

- at the inception of the hedge, hedging relationship and the Group's risk management objective and strategy have been formally designated and documented. The documentation identifies the hedging instrument, the hedged item or transaction and the nature of the risk being hedged and how the Group will asses the hedging instrument's effectiveness in offsetting the exposure to changes in fair value of a hedged item or cash flows attributable to the hedged risk,
- hedging is expected to be highly effective in achieving offsetting changes in fair value (or cash flows) attributable to the hedged risk, in accordance with initially documented risk management strategy related to a specific hedging relationship,
- hedge effectiveness can be assessed reliably, i.e. fair value or cash flows related to a hedged item, resulting from the risk hedged, and fair value of a hedging instrument can be reliably measured,
- hedge is assessed on an ongoing basis and is found highly effective in all reporting periods for which the hedge was designated.

If a fair value hedge meets the conditions of hedge accounting, it is recognised by the Group in accordance with IAS 39.

The Group discontinues applying the hedge accounting rules if a hedging instrument expires or is sold, terminated or exercised, hedging no longer meets the criteria for hedge accounting or the Group revokes the hedging designation.

In the case of a hedging instrument which in other circumstances would be recognised at amortized cost, an adjustment of the carrying amount resulting from application of the hedge accounting is amortized to income statement. The depreciation starts when the hedging relations stop to be identified, i.e. when a hedged item stops to be adjusted with changes in the fair value resulting from the hedged risk. An adjustment is settled with an effective interest rate calculated as on the date of starting the depreciation.

In the case of a hedged instrument being an available-for-sale asset measured at fair value, the whole change of the fair value from the time of ceasing to identify the heading relationship is recognised in the revaluation reserve according to the generally adopted rule.

5.5. Deferred tax asset

The Bank, as of 30.06.2005, due to its improving financial result, decided to begin prudently recognising a surplus of the deferred tax asset over deferred tax liability in the value that is probable to be tax-deductible in the future. Continuing this policy as at 31.03.2007 the Bank recognised deferred tax asset on all temporary differences. The probability of realising net deferred tax asset is determined on the basis of financial plans and tax forecasts prepared by the Bank’s Management Board, updated on an ongoing basis as at the end of each 6 months’ period.

5.6. Goodwill

As of 01.01.2004, the Group ceased to amortize goodwill. Once a year the Group performs a net goodwill impairment test based on the models developed in cooperation with the Bank’s Major Shareholder. The models comply with IAS/IFRS requirements and are based on generally applied rules of equity investments measurement, among others, they take into consideration discounted future cash flows.

5.7. Comparable data

As far as comparable data included in this financial statements are concerned, presentation changes occurred against the data presented in the consolidated financial statements of the Capital Group of Kredyt Bank S.A. prepared for the first quarter of 2006. The changes were aimed at adjusting a format of the balance sheet and the income statement presented in interim consolidated financial statements of the Group to a format applied as at 31.03.2007.

	Published data	Changes	Comparable data	Clarifications
	31.03.2006		**31.03.2006**	
ASSETS				
Financial assets at fair value through profit or loss, including held-for-trading financial assets	919 045	-246 615	672 430	a)
Derivatives valuation, including:	0	246 615	246 615	a)
- Derivatives used as hedging instruments	0	470	470	a)
Other assets	168 172	-14 916	153 256	b)
Non-current assets classified as held for sale	0	14 916	14 916	b)
TOTAL ASSETS	**20 077 424**	**0**	**20 077 424**	

	Published data	Changes	Comparable data	Clarifications
	31.03.2006		**31.03.2006**	
LIABILITIES				
Held-for-trading financial liabilities	231 796	-231 796	0	a)
Derivatives valuation, including:	0	231 796	231 796	a)
- derivatives used as hedging instruments	0	158	158	a)
Total liabilities	18 302 126	0	**18 302 126**	
Total equity	**1 775 298**	**0**	**1 775 298**	
TOTAL EQUITY AND LIABILITIES	**20 077 424**	**0**	**20 077 424**	

	Published data	Changes	Comparable data	Clarifications
	31.03.2006		**31.03.2006**	
Net interest income	337 370	-14	337 356	a)
Net trading income	29 065	123	29 188	a)
Income from hedging and hedged transactions	0	-109	-109	a)
NET PROFIT	**88 158**	**0**	**88 158**	

Clarification of major reclassifications:

a) separation of derivatives, including hedging derivatives;

b) separation of non-current assets classified as held for sale.

6. Information on major post-balance sheet events

On 06.04.2007, Mr. Konrad Kozik, Vice President of the Management Board of Kredyt Bank S.A., placed his resignation from the position of Vice President of the Management Board of Kredyt Bank S.A. and his membership in the Management Board of Kredyt Bank S.A. as of 27.04.2007.

On 18.04.2007, at a session of the Bank's Supervisory Board, Mr. Bohdan Mierzwiński, Vice President of the Bank's Management Board, was called off from the position of Vice President of the Management Board of Kredyt Bank S.A and membership in the Management Board of Kredyt Bank S.A. as of 18.04.2007.

On 18.04.2007, the Bank's Supervisory Board appointed Mr. Krzysztof Trębaczkiewicz to its composition.

7. Information on shareholders holding over 5% stake in the share capital and votes at GMS

In comparison with the information presented as of 31.12.2006 in the annual consolidated financial report of the Group, the Bank's share capital has not changed.

A list of Shareholders of Kredyt Bank S.A. having more than 5% of the total number of votes at the General Meeting of Shareholders of Kredyt Bank S.A. as at 31.03.2007 and as at the publication date of this financial statement is presented in the table below.

Shareholder	Scope of activity	Number of shares and votes at GSM	Participation in votes and in share capital (in %)
KBC Bank N.V.*	banking	217 327 103	80.00
Sofina S.A.	investment company	15 014 772	5.53

*/ by the Resolution of the Commission for Banking Supervision No. 81/KNB/01 dated 17.09.2001 KBC Bank NV has the right to exercise no more than 75% of votes at the General Meeting of Shareholders of Kredyt Bank S.A.

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

As of the date of publication of this report, i.e. 26.04.2007, in comparison with the information as of the date of publication of the annual consolidated financial report for the fiscal year 2006, no changes occurred in the ownership of the Bank's shares as well as shares in the subsidiaries held by members of the Bank's Management Board and the members of the Bank's Supervisory Board.

	Shares of Kredyt Bank S.A.		Shares of subsidiaries and affiliates	
	Number of shares	Nominal value (PLN '000)	Number of shares	Nominal value (PLN '000)
Management Board members				
Ronald Richardson	5 000	25	0	0
Supervisory Board members				

Marek Michałowski	1 000	5	0	0

9. Information on proceedings before courts or public administration authority

In the first quarter of 2007 the Bank was not a party to any proceedings before court or public administration authority, where the amount claimed would be equal to at least 10% of the Bank's shareholders' equity.

Those proceedings before courts, where the individual amounts claimed are the highest, are presented below.

9.1. The proceedings, in which the Bank is a plaintiff

Since the outcome of a litigation against Inspektoria Towarzystwa Salezjańskiego in Wrocław (Salesian Society Inspectorate) was disadvantageous for the Bank, where Inspektoria Towarzystwa Salezjańskiego was the guarantor of repayment of loans granted to four entities by the Bank over the period February – August 2001: St. Jan Bosko's Roman-Catholic Parish in Lublin, St. Jack's Roman Catholic Parish and two Monastic Houses of the Salesian Society in Lublin, the Bank is suing currently the church institutions by the reason of groundless enrichment for a total amount of PLN 14 567.2 thousand with a possibility of extending a complaint. The initial hearings have already been held. The defendant institutions filed their responses to the suits, where they appealed to entirely dismiss the complaints. Upon the Bank's request, accounting experts' reports were prepared to determine whether the resources under lombard loans had been transferred to the accounts of the parishes and the monastic houses and how the resources placed on such accounts had been used.

9.2. The proceedings in which the Bank is a defendant

- Three court proceedings related to loan granted to Laboratorium Frakcjonowania Osocza Sp. z o.o. in Mielec (LFO). The Bank is a leading bank in the syndicate of five banks, which on the basis of an agreement dated 04.03.1997 granted a syndicate credit to Laboratorium Frakcjonowania Osocza Sp. z o.o. in Mielec. The credit was secured by, among others, a registered pledge on the company's fixed assets and by a guarantee of State Treasury up to 60% of the used credit amount and interest on the used credit amount. As the assumptions of the investment project, being the basis for the loan granted, are not carried out and the due dates of payments have not been met, the Bank acting in the name of the banks' syndicate terminated the agreement in accordance with its terms and demanded payment of the receivables from LFO Sp. z o.o. The proceeding concerning execution by the Bank of the collateral defined by provisions of the credit agreement turned to be ineffective. Therefore, on 28.03.2003 the Bank, on behalf of the banks' syndicate, addressed a demand for payment of the amount of USD 12.7 million constituting 60% of the credit amount used and USD 1.6 million of interest to the Finance Minister representing the State Treasury: The Finance Minister refused to meet the guarantee commitments. On the basis of the executory title received by the Bank, the court debt collector enforced the whole claim for the Bank, i.e. PLN 8 120.1 thousand on account of the repayment of loan principle and interest, and PLN 30.0 thousand on account of expenses.

- The State Treasury, ordered to determine that the syndicate credit agreement concluded between LFO and the syndicate of five banks had expired on 28.02.1998 by the reason of fulfilment of a condition specified in the agreement and thus the obligation of the State Treasury being the guarantor of this credit on the basis of surety agreement had expired. The State Treasury is represented by Prokuratoria Generalna Skarbu Państwa (the Office of the General Prosecutor of the State Treasury). Experts' reports were prepared as well as complementary opinions and additional witnesses were questioned. In the nearest future the decisions of the courts are expected to be presented. In the first quarter 2007, the State Treasury changed the complaint and petitioned the court for adjudication of PLN 8 207.4 thousand plus interest.
- Plaintiff: Laboratorium Frakcjonowania Osocza Sp. z o.o. (LFO) is claiming for a compensation equal to PLN 119 477 thousand due to the termination of a loan agreement. The complaint was filed on 18.06.2003. The Bank is of the opinion that LFO's claims are lacking any actual and legal grounds. On 16.03.2005 LFO's suit was rejected by the court's ruling. Currently, after having been considered through all instances, the case has been referred to the Circuit Court in Warsaw again which has suspended the proceedings due to the declaration of bankruptcy of Laboratorium Frakcjonowania Osocza Sp. z o.o.
- Plaintiff: Laboratorium Frakcjonowania Osocza Sp. z o.o. LFO claimed to deprive the executory title of the enforceability clause. The suit was filed on 06.01.2005. The disputed amount amounts to PLN 102 154 thousand (totally for all syndicate members, while the Bank's portion amounts to PLN 6 787 thousand). The banking executory title was partially deprived of the enforceability clause, amounting to PLN 252.4 thousand. Simultaneously, the court maintained the banking executory title in the amount of PLN 101 901.9 thousand. The Plaintiff lodged an appeal from the judgement. On 25.05.2006 the Court of Appeal dismissed the plaintiff's appeal on deprival of the BET of the enforceability clause. On 06.09.2006, the trustee in bankruptcy of Laboratorium Frakcjonowania Osocza Sp. z o.o. lodged a cassation claim to the Supreme Court. The cassation claim was rejected from consideration.

- Plaintiff: the receiver in bankruptcy of a company active in developer's sector (as applied for, the name of this company has not been revealed to the public following a relevant motion put forth) claiming to award the amount of PLN 32 256 thousand by the reason of executing by the Bank financial transfers from the company's account on the basis of bank transfer orders and cheques bearing a forged signature of one of the persons authorised to represent the company towards the Bank. At the hearing on 21.11.2006, the plaintiff limited its claim for interest. The total amount claimed by the plaintiff amounts to PLN 20 665.6 thousand. On 20.03.2007 the court delivered the judgement awarding from the Bank the whole amount claimed together with interest. The Bank filed a petition to the court for justification of the judgement. Having received it, the Bank lodged an appeal.
- A lawsuit by MSG Investment Sp. z o.o. w likwidacji (in liquidation). The debtor claims that, as a result of debt recovery activities, they suffered a loss of PLN 25 million (no calculations are presented in the suit). A new date of the hearing will be determined by the Court after a report is prepared by a court expert.

- A lawsuit filed by the Receiver of Mars S.A. in bankruptcy proceedings, with the possibility of entering into a composition agreement with creditors. The receiver demands from Żagiel S.A. the return of amounts due amounting to PLN 5 543.8 thousand deducted by Żagiel S.A. after 04.11.2005, i.e. the date of declaring the bankruptcy of Mars S.A. On 21.11.2006, the first instance court entered its judgment. The court adjudicated, from Żagiel S.A., the claimed amount of PLN 5 543.8 thousand with statutory interest and proceedings costs. On 15.12.2006, Żagiel S.A. appealed against the judgment of the first instance court. On 04.04.2007 the appeal was dismissed by the Court.

- The court proceedings concerning a loan totaling PLN 2 900.0 thousand extended by the Bank to its client in September 1999 to purchase securities. The client claims damages for the loss of profit due to the decline in the value of assets on the account in the period of its freeze and failure to generate profit that he might have generated if he had had free access to the account, including loss of profit due to unused collection laws he was offered and inability to purchase new share issued. The plaintiff also demands amounts collected by the Bank after the termination of the agreement. The total value of the subject matter of the litigation amounts to 10 048.6 thousand. On 30.10.2006, the Bank responded to the suit. The date of the court hearing will be held on 26.04.2007.

- On 17.01.2001, the President of the Office for Competition and Customer Protection, upon the request of Polska Organizacja Handlu i Dystrybucji, initiated proceedings concerning competition-restricting practices of 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:

  - he imposed a fine on Kredyt Bank of PLN 12 158.4 thousand,
  - HSBC Bank Polska S.A. 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 interchange fee rate.

- On 17.01.2007 and 19.01.2007 appeals against the decision No. DAR15/2006 of the President of the Office of Competition and Consumer Protection were lodged on behalf of HSBC Bank Polska and Kredyt Bank under which practices of joint establishment of interchange fee by banks and Visa and MasterCard had been considered competition-limiting. On 18.01.2007 the President of Office of Competition and Consumer Protection passed a decision in which he obliged the banks to pay solidarily PLN 157.6 thousand to the benefit of Polska Organizacja Handlu i Dystrybucji as the reimbursement of costs of the proceedings. On 31.01.2007 Kredyt Bank S.A. filed a complaint against the above decision as being groundless.

- In relation to a loan transaction to finance the construction of Altus building in Katowice, the Bank and Reliz Sp. z o.o. are involved in certain disputes of legal nature. 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 Bank's Management Board is of the opinion that any risks connected with the proceedings before courts or public administration bodies are properly secured by the provisions created.

10. Significant transactions with related parties

In the first quarter of 2007 no significant transactions were concluded with the related parties, total value of which from the beginning of the financial year equalled or exceeded the PLN equivalent of EURO 500 thousand, and the nature and terms of which did not stem from the current operating activity.

11. Information on issued guarantees or sureties by the Bank or its subsidiary

As of 31.03.2007 the Bank granted guarantees in favour of one company and its subsidiaries of total value accounting for at least 10% of the Bank's equity. The total amounts of these guarantees were equal to PLN 226 267 thousand. As of 31.03.2007 their average maturities were two years and nine months.

As of 31.03.2006 the Bank granted guarantees in favour of one company and its subsidiaries of total value accounting for at least 10% of the Bank's equity. The total amounts of these guarantees were equal to PLN 236 000 thousand. As of 31.03.2006 their average maturities were one year and seven months.

The above guarantees were granted on market conditions. The Bank's fee for issuing the guarantees was also fixed on market terms.

12. Other information, which, in the issuer's opinion, is material for the assessment of its personnel or financial situation, its assets, financial results and their changes and information material for the assessment of the potential fulfilment of the issuer's commitments

There is no additional information which, in the issuer's opinion, is material to assess its personnel or financial situation, its assets, financial results and their changes, and information that is material to assess the potential fulfilment of the issuer's commitments.

13. Position of the Management Board with regard to a possible earlier realization of a published forecast of financial results.

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

14. Factors which will exert an impact on the result within the next quarter

The Bank's Management Board is of the view that any events other than those resulting from the current activities of the Bank and the Group's subsidiaries will not exert an impact on the result in the next quarters of 2007.

Signatures of all Management Board Members

date 26.04.2007	Ronald Richardson	President of the Management Board	....
date 26.04.2007	Umberto Arts	Vice President of the Management Board	....
date 26.04.2007	Krzysztof Kokot	Vice President of the Management Board	....
date 26.04.2007	Konrad Kozik	Vice President of the Management Board	....
date 26.04.2007	Michał Oziembło	Vice President of the Management Board	