TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the registered auditor's report of the above-mentioned Polish Company. In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland.

The accompanying translated report has not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancy in interpreting the terminology, the Polish language version is binding.

Independent Registered Auditor's Opinion

To the General Shareholders' Meeting and the Supervisory Board of BRE Bank SA

We have audited the accompanying consolidated financial statements of BRE Bank SA Group (hereinafter called "the Group"), of which BRE Bank SA is the parent company (hereinafter called "the Parent Company"), with its registered office in Warsaw, ul. Senatorska 18, which comprise the consolidated statement of financial position as at 31 December 2011, showing total assets and total equity and liabilities of PLN 98,875,647 thousand, the consolidated income statement for the financial year from 1 January to 31 December 2011, showing a net profit of PLN 1,144,435 thousand, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year, additional information on adopted accounting policies and other explanatory notes.

The Management Board of the Parent Company is responsible for preparing the consolidated financial statements and a Directors' Report for the Group in accordance with the applicable regulations. The Management Board and Members of the Supervisory Board of the Parent Company are required to ensure that the consolidated financial statements and the Director's Report meet the requirements set out in the Accounting Act of 29 September 1994 (uniform text, Journal of Laws of 2009, No. 152, item 1223 with further amendments, hereinafter referred to as "the Act").

Our responsibility was to perform an audit of the accompanying consolidated financial statements and to express an opinion on whether the consolidated financial statements comply in all material respects with the applicable accounting policies and whether they present fairly, in all material respects, the Group's financial position and results.

We conducted our audit in accordance with the following acts:

a. the provisions of Chapter 7 of the Act;

b. national standards of auditing issued by the National Chamber of Registered Auditors.

Independent Registered Auditor's Opinion

To the General Shareholders' Meeting and the Supervisory Board of BRE Bank SA (cont.)

Our audit was planned and performed to obtain reasonable assurance that the consolidated financial statements were free of material misstatements and omissions. The audit included examining, on a test basis, accounting documents and entries supporting the amounts and disclosures in the consolidated financial statements. The audit also included an assessment of the accounting policies applied by the Group and significant estimates made in the preparation of the consolidated financial statements as well as an evaluation of the overall presentation thereof. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, and in all material respects, the accompanying consolidated financial statements:

(a) present fairly the Group's financial position as at 31 December 2011 and of the results of its operations for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union;

(b) comply in form and content with the relevant laws applicable to the Group;

(c) have been prepared on the basis of properly maintained consolidation documentation.

The information in the Directors' Report for the year ended 31 December 2011 has been prepared in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state ("*the Decree*" – Journal of Laws of 2009, No. 33, item 259, with further amendments) and is consistent with the information presented in the audited consolidated financial statements.

Conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Agnieszka Accordi-Krawiec

Registered Auditor for the Group,
Key Registered Auditor
No. 11665

Warsaw, 2 March 2012

TRANSLATION ONLY

BRE Bank SA Group

Report on the consolidated financial statements for the financial year from 1 January to 31 December 2011

TRANSLATION ONLY

Report on the consolidated financial statements for the financial year from 1 January to 31 December 2011

To the General Shareholders' Meeting and the Supervisory Board of BRE Bank SA

This report contains 31 consecutively numbered pages and consists of:

I. General information about the Group

a. The Parent Company of BRE Bank SA Group (hereinafter referred to as "the Group") is BRE Bank SA (hereinafter referred to as "the Bank", "the Parent Company") with its seat in Warsaw, ul. Senatorska 18.

b. The Parent Company was formed on the basis of Resolution No. 99 of the Council of Ministers dated 20 June 1986. The Bank began operating on 2 January 1987. The Memorandum of Association of the Bank was drawn up as a Notarial Deed at the State Notarial Office in Warsaw on 11 December 1986 and registered with Rep. No. A I 5919/86. On 11 July 2001, the Bank was entered in the Register of Businesses maintained by the District Court in Warsaw, 19th Business Department of the National Court Register, with the reference number KRS 0000025237.

c. On 24 June 1993, the Parent Company was assigned a tax identification number (NIP) 526-021-50-88 for making tax settlements. For statistical purposes, the Parent Company was assigned a REGON number 001254524 on 2 June 1998.

d. As at 31 December 2011, the Parent Company's share capital amounted to PLN 168,410,984 and consisted of 42,102,746 shares with a nominal value of PLN 4.00 each.

e. As at 31 December 2011, the Bank's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN)	Type of shares held	Votes (%)
Commerzbank Auslandsbanken Holding AG	29,352,897	117,411,588	ordinary	69.72
Other shareholders	12,749,849	50,999,396	ordinary	30.28
	42,102,746	**168,410,984**		**100.00**

In 2011, Commerzbank Auslandsbanken Holding AG, a subsidiary of Commerzbank AG, continued to be the main shareholder of BRE Bank SA.

As at 31 December 2011, the interest of the other shareholders in the Bank's share capital amounted to 30.28%, among which one shareholder ING Powszechne Towarzystwo Emerytalne SA held more than 5%.

f. In the audited year, the Group's operations comprised:

- accepting cash placements payable on demand or on maturity and maintaining accounts for these placements;
- maintaining other bank accounts;
- clearing cash transactions;
- granting loans and cash advances;
- granting and confirming bank guarantees and opening letters of credit;
- issuing bank and other securities;
- performing commissioned tasks related to issuing securities;
- conducting forward transactions;
- issuing payment cards and conducting transactions with the use of such cards;
- acting in the capacity of a depositary within the meaning of the provisions of the Act on the Organization and Operations of Pension Funds;

I. General information about the Group (cont.)

- taking up or purchasing shares and share-related rights, shares in other legal entities, and purchasing units and investment certificates in investment funds;
- soliciting customers for pensions funds;
- acting in the capacity of a depositary within the meaning of the provisions of the Act on Investments Funds, conducting activities which consist of accepting orders to purchase, repurchase and subscribe for units or investment certificates in investment funds;
- maintaining registers of pension fund members and registers of investment fund participants;
- performing tasks classified as insurance intermediation;
- trading in securities, providing custody services, including maintaining securities accounts, and performing tasks related to the provision of custody services;
- factoring services for domestic and export and import transactions;
- finance leasing;
- renting of transport vehicles, machinery, equipment and other tangible fixed assets;
- conducting insurance activity within the scope of second division of underwriting – property and casualty insurance;
- providing services of an insurance agent and services within the scope of settlements due to insurance agreements of insured persons.

g. During the audited year, the Management Board of the Company comprised:

• Cezary Stypułkowski	Chairman (from 1 October 2010)
• Karin Katerbau	Deputy Chairman
• Wiesław Thor	Deputy Chairman
• Przemysław Gdański	Board Member
• Hans Dieter Kemler	Board Member
• Jarosław Mastalerz	Board Member
• Christian Rhino	Board Member

I. General information about the Group (cont.)

h. As at 31 December 2010, the BRE Bank SA Group comprised the entities listed below. The consolidation packages of subsidiaries consolidated using acquisition method were audited for the purpose of the audit of the Group's consolidated financial statements.

Name	**Nature of equity relationship (interest in %)**	**Consolidation method**	**Auditor of the consolidation package**	**Type of opinion**	**End of the reporting period as at which the consolidation package was prepared**
BRE Bank SA	Parent Company	Not applicable	PricewaterhouseCoopers Sp. z o.o.	Unqualified	31 December 2011
Aspiro SA	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o	The opinion has not been issued until the date of signing this report	31 December 2011
BRE Bank Hipoteczny SA	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	Unqualified	31 December 2011
BRE Faktoring SA (formerly Polfactor SA)	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
BRE Gold FIZ Aktywów Niepublicznych	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	Unqualified	31 December 2011
BRE Holding Sp. z o.o.	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
BRE Leasing Sp. z o.o.	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011

I. General information about the Group (cont.)

Name	Nature of equity relationship (interest in %)	Consolidation method	Auditor of the consolidation package	Type of opinion	End of the reporting period as at which the consolidation package was prepared
BRE Ubezpieczenia Sp. z o.o.	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
BRE Ubezpieczenia TUiR SA	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
BRE Wealth Management SA	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
Centrum Rozliczeń i Informacji CERI Sp. z o.o. (from 2 February 2012 BRE Centrum Operacji Sp.z o.o.)	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
Dom Inwestycyjny BRE Banku SA	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	Unqualified	31 December 2011
Garbary Sp. z o.o.	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011
Transfinance a.s.	Subsidiary (100%)	Acquisition	PricewaterhouseCoopers Audit, s.r.o.	The opinion has not been issued until the date of signing this report	31 December 2011
BRE Finance France SA	Subsidiary (99.98%)	Acquisition	PricewaterhouseCoopers Audit	Unqualified	31 December 2011
BRE.locum SA	Subsidiary (79.99%)	Acquisition	PricewaterhouseCoopers Sp. z o.o.	The opinion has not been issued until the date of signing this report	31 December 2011

I. General information about the Group (cont.)

i. In the audited year the following changes were made in the scope of consolidated entities.

In 2011 the interests in the following subsidiaries were increased:
1. BRE Leasing Sp. z o.o. to 100%;
2. BRE Factoring SA to 100%;
3. Transfince a.s. to 100%.

The interests in the following subsidiaries were sold:
1. Intermarket Bank AG;
2. Magyar Factor zRt.

j. The Parent Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange and in accordance with the requirements of the Accounting Act, it prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The decision to prepare the Bank's financial statements in accordance with these standards was made by the General Shareholders' Meeting in their Resolution No. 1 passed on 27 January 2005.

II. Information about the audit

a. The audit of the consolidated financial statements as at and for the year ended 31 December 2011 was conducted by PricewaterhouseCoopers Sp. z o.o. having its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor Agnieszka Accordi-Krawiec (no. 11665).

b. PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Group by Resolution No. 27 of the Ordinary General Shareholders' Meeting of BRE Bank SA dated 30 March 2011 in accordance with paragraph 11 of the Bank's Memorandum of Association.

c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the audited entity within the meaning of art. 56, clauses 2-4 of the Act on registered auditors and their council, entities entitled to provide an audit of the financial statements and public supervision of 7 May 2009 (Journal of Laws of 2009, No. 77, item 649, with further amendments).

d. The audit was performed on the basis of an agreement dated 1 June 2010, and conducted in the following periods:

- interim audit from 28 November 2011 to 22 December 2011;
- final audit from 3 January 2012 to 2 March 2012.

III. Discussion of the Group's results and financial position

The observations below are based on knowledge obtained during the audit of the consolidated financial statements.

The consolidated financial statements do not take account of the effects of inflation. The consumer price index (on a December to December basis) amounted to 4.6% in the audited year (3.1% in 2010).

In the audited period, the factors described below had a significant impact on the Group's results of operations and on its financial position:

- In 2011 net profit amounted to PLN 1,144,435 thousand. Operating profit in 2011 comprised mainly: net interest income of PLN 2,148,602 thousand, net fee and commission income of PLN 839,972 thousand and net trading income of PLN 424,091 thousand offset by overhead costs and amortization and depreciation of PLN 1,722,913 thousand, and net impairment losses on loans and advances of PLN 373,470 thousand.

- Profit before tax was PLN 594,616 thousand higher than in 2010, mainly as a result of an increase in net interest income, and net fee and commission income totaling PLN 431,691 thousand and a drop in net impairment losses on loans and advances of PLN 261,309 thousand compared with the previous year.

- In 2011, net impairment losses on loans and advances amounted to PLN 373,470 thousand and were PLN 261,309 thousand (i.e. 41%) lower than in 2010. The change in net impairment losses was caused mainly by net impairment losses on loans and advances to customers which were PLN 243,833 thousand lower than in 2010 and dropped to PLN 390,804 thousand in 2011. Net impairment losses on loans and advances comprised also income due to release of losses on amounts due from other banks and income due to release of provisions for off-balance sheet items totaling PLN 17,334 thousand.

- In the audited year the income tax expense increased by PLN 111,046 thousand to PLN 322,692 thousand. The effective tax rate amounted to 22% in 2011 compared with 24% in the previous year.

- The return on equity ratio calculated as the ratio of net profit for the financial period to average net assets including the net profit for the period amounted to 15.1% and was 3.4 percentage points higher than in 2010. In 2011 the gross margin also increased and amounted to 24.9% compared with 16.2% in 2010.

- As at the end of the financial year the Group's assets amounted to PLN 98,875,647 thousand. During the year, the total assets increased by PLN 8,836,816 thousand, i.e. by 10%. Assets comprised mainly "Loans and advances to customers" of PLN 67,851,516 thousand (constituting 69% of total assets) and "Investment securities" of PLN 16,697,212 thousand (constituting 17% of total assets). The largest items on the liabilities side comprised "Amounts due to customers" of PLN 54,244,388 thousand (representing 55% of total equity and liabilities) and "Amounts due to other banks" which amounted to PLN 27,390,809 thousand as at 31 December 2011 (representing 28% of total liabilities and equity).

III. Discussion of the Group's results and financial position (cont.)

- In 2011, consolidated net comprehensive income amounted to PLN 1,146,683 thousand and comprised net profit of PLN 1,144,435 thousand, net foreign exchange income on translation of foreign operations of PLN 3,451 thousand and the negative change in valuation of available-for-sale financial assets of PLN 1,203 thousand. The Group's net comprehensive income increased by PLN 313,030 thousand compared with the prior year, mainly as a result of an increase in net profit of PLN 483,570 thousand, which was partly offset by a drop in the valuation of available-for-sale financial assets of PLN 179,222 thousand compared with the prior year.

IV. Discussion of consolidated financial statement components

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2011

	Note	31.12.2011 PLN'000	31.12.2010 PLN'000	Change PLN'000	Change (%)	31.12.2011 Structure (%)	31.12.2010 Structure (%)
ASSETS							
Cash and balances with the Central Bank	1	1,038,356	2,359,912	(1,321,556)	(56)	1	3
Loans and advances to banks	2	4,008,874	2,507,282	1,501,592	60	4	3
Trading securities	3	991,559	1,565,656	(574,097)	(37)	1	2
Derivative financial instruments	4	1,506,595	1,226,653	279,942	23	2	1
Loans and advances to customers	5	67,851,516	59,374,051	8,477,465	14	69	66
Hedge accounting adjustments related to fair values of hedged items		1,924	-	1,924	-	-	-
Investment securities	6	16,697,212	18,762,688	(2,065,476)	(11)	17	21
Pledged assets	7	4,339,523	1,830,803	2,508,720	137	4	2
Investments in associates		-	317	(317)	(100)	-	-
Intangible assets	8	436,769	427,837	8,932	2	-	-
Tangible fixed assets	9	832,455	777,620	54,835	7	1	1
Current income tax assets	31	4,728	5,922	(1,194)	(20)	-	-
Deferred income tax assets	31	307,052	316,372	(9,320)	(3)	-	-
Other assets	10	859,084	883,718	(24,634)	(3)	1	1
TOTAL ASSETS		**98,875,647**	**90,038,831**	**8,836,816**	**10**	**100**	**100**

IV. Discussion of consolidated financial statement components (cont.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2011 (cont.)

	Note	31.12.2011 PLN'000	31.12.2010 PLN'000	Change PLN'000	Change (%)	31.12.2011 Structure (%)	31.12.2010 Structure (%)
LIABILITIES AND EQUITY							
Liabilities							
Amounts due to the Central Bank		-	79	(79)	(100)	-	-
Amounts due to other banks	11	27,390,809	28,727,008	(1,336,199)	(5)	28	32
Derivative financial instruments	4	1,862,747	1,363,508	499,239	37	2	2
Amounts due to customers	12	54,244,388	47,150,953	7,093,435	15	55	52
Debt securities in issue	13	1,735,988	1,371,824	364,164	27	2	2
Subordinated liabilities	14	3,456,200	3,010,127	446,073	15	3	3
Other liabilities	15	1,723,856	1,136,624	587,232	52	2	1
Current income tax liabilities	31	235,568	25,469	210,099	825	-	-
Deferred income tax liabilities	31	258	629	(371)	(59)	-	-
Provisions	16	153,168	175,325	(22,157)	(13)	-	-
		90,802,982	**82,961,546**	**7,841,436**	**9**	**92**	**92**
Equity	17						
Share capital		3,493,812	3,491,812	2,000	-	3	4
Retained earnings		4,493,157	3,356,345	1,136,812	34	5	4
Other components of equity		61,786	61,146	640	1	-	-
Non-controlling interest	18	23,910	167,982	(144,072)	(86)	-	-
		8,072,665	**7,077,285**	**995,380**	**14**	**8**	**8**
TOTAL EQUITY AND LIABILITIES		**98,875,647**	**90,038,831**	**8,836,816**	**10**	**100**	**100**

IV. Discussion of consolidated financial statement components (cont.)

CONSOLIDATED INCOME STATEMENT
For the financial year from 1 January to 31 December 2011

	Note	2011 PLN'000	2010 PLN'000	Change PLN'000	Change (%)	2011 Structure (%)	2010 Structure (%)
Interest income		3,871,231	3,421,704	449,527	13	66	64
Interest expense		(1,722,629)	(1,610,740)	(111,889)	7	(39)	(36)
Net interest income	**21**	**2,148,602**	**1,810,964**	**337,638**	**19**		
Fee and commission income		1,279,172	1,178,745	100,427	9	22	22
Fee and commission expense		(439,200)	(432,826)	(6,374)	1	(10)	(9)
Net fee and commission income	**22**	**839,972**	**745,919**	**94,053**	**13**		
Dividend income	23	15,113	8,173	6,940	85	-	-
Net trading income	24	424,091	410,672	13,419	3	7	7
Gain less losses from investment securities, investments in subsidiaries and associates	25	11,985	45,148	(33,163)	(73)	-	1
Other operating income	26	301,930	311,271	(9,341)	(3)	5	6
Net impairment losses on loans and advances	27	(373,470)	(634,779)	261,309	(41)	(8)	(14)
Overhead costs	28	(1,471,501)	(1,380,351)	(91,150)	7	(33)	(31)
Amortization and depreciation	29	(251,412)	(236,918)	(14,494)	6	(6)	(5)
Other operating expenses	30	(178,183)	(207,588)	29,405	(14)	(4)	(5)
Profit before tax		**1,467,127**	**872,511**	**594,616**	**68**		
Income tax expense	31	(322,692)	(211,646)	(111,046)	52		
Net profit		**1,144,435**	**660,865**	**483,570**	**73**		
Net profit attributable to Owners of BRE Bank SA		1,134,972	641,602	493,370	77		
Net profit attributable to non-controlling interests		9,463	19,263	(9,800)	(51)		
Total income and profits		5,903,522	5,375,713	527,809	10	100	100
Total costs and losses		(4,436,395)	(4,503,202)	66,807	(1)	(100)	(100)
Profit before tax		**1,467,127**	**872,511**	**594,616**	**68**		

IV. Discussion of consolidated financial statement components (cont.)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year from 1 January to 31 December 2011

	2011 PLN'000	2010 PLN'000	Change PLN'000	Change (%)	2011 Structure (%)	2010 Structure (%)
Net profit	**1,144,435**	**660,865**	**483,570**	**73**	**100**	**80**
Exchange differences on the translating foreign operations (net)	3,451	(5,231)	8,682	(166)	-	(1)
Available-for-sale financial assets (net)	(1,203)	178,019	(179,222)	(101)	-	21
Total income net of tax	**1,146,683**	**833,653**	**313,030**	**38**	**100**	**100**
Comprehensive income attributable to Owners of BRE Bank SA	1,135,612	816,638	318,974	39		
Comprehensive income attributable to non-controlling interests	11,071	17,015	(5,944)	(35)		

IV. Discussion of consolidated financial statement components (cont.)

Presentation of financial ratios summarizing the Bank's financial position and results

The following ratios characterize the Group's business activities, its results of operations for the financial year and its financial position as at the balance sheet date compared with the previous period:

	31.12.2011/ 2011	31.12.2010 / 2010
Profitability ratios		
Return on equity (net profit for the financial period / average net assets) (1)	15.1%	11.7%
Return on equity (net profit for the financial period / average net assets excluding the net profit/loss for the period) (1)	16.3%	12.4%
Return on assets (profit before tax for the financial period / average assets) (1)	1.6%	1.0%
Gross margin (profit before tax for the financial period / total income)	24.9%	16.2%
C/I ratio (Bank's overheads / profit/loss on banking activities) (2)	48.4%	51.8%
Interest margin (3)	2.2%	2.1%
Liability ratios		
Equity to liabilities & equity (average equity / average total liabilities & equity) ((1)	8.0%	6.6%
Activity ratios		
Loans to assets (average gross loans and advances to banks and customers / average total assets) (1)	73.4%	71.0%
Impaired loans and advances to gross loans and advances to banks and customers	4.4%	5.2%
Working assets to total assets(4)	96.0%	96.0%
Capital market ratios		
Earnings per share	26.96 PLN	17.49 PLN
Book value per share	191.77 PLN	164.17 PLN
Other ratios		
Equity in accordance with KNF (*Polish Financial Supervision Authority*) Resolution No. 325/2011	9,876,839 thousand	8,970,930 thousand
Total regulatory capital requirement in accordance with KNF Resolution No. 76/2010	5,282,127 thousand	4,513,324 thousand
Capital adequacy ratio in accordance with KNF Resolution No. 76/2010	15.0%	15.9%

(*) The ratios were calculated on the basis of the profit, including the profit of minority shareholders.
(1) The average balances of balance sheet items were calculated on the basis of the balances of the individual items as at the beginning and the end of the current financial period and the previous financial period
(2) The profit/loss on banking activities understood as the profit/loss before tax less the Bank's overheads, amortization and depreciation and net impairment losses on loans and advances.
(3) (Interest income/ average working assets (1)) - (interest costs/ average interest-bearing liabilities (1))
(4) The balance of working assets was not adjusted for accrued interests.
(5) The values of the individual ratios may differ from the ratios presented in the consolidated financial statements due to a different calculation method being used.

IV. Discussion of consolidated financial statement components (cont.)

Consolidated statement of financial position as at 31 December 2011

1. Cash and balances with the Central Bank

As at 31 December 2011, the balance of "Cash and balances with the Central Bank" in the Group amounted to PLN 1,038,356 thousand and dropped by PLN 1,321,556 thousand compared with the prior year.

The Bank in which the said amount was PLN 1,032,081 thousand as at the end of the financial year (and dropped by 56% from PLN 2,340,672 thousand as at the end of the prior year) represented the largest portion of the balance. The drop in the balance in the Bank resulted mainly from a drop in cash in current accounts of PLN 1,493,592 thousand to PLN 680,239 thousand as at 31 December 2011.

2. Loans and advances to banks

As at 31 December 2011, the balance of loans and advances to banks amounted to PLN 4,008,874 thousand. Compared with the end of 2010 the balance of this item increased by PLN 1,501,592 thousand, i.e. 60%.

As at 31 December 2011 the Bank had the largest share in the balance of loans and advances to banks. After eliminating intra-group transactions, the respective balance amounted to PLN 3,781,037 thousand and was PLN 1,439,436 thousand (i.e. 61%) higher than as at the end of 2010.

As at the end of the reporting period, part from the Bank, a material balance of PLN 206,166 thousand was also reported by Dom Inwestycyjny BRE Banku SA.

3. Trading securities

As at 31 December 2011, the balance of trading securities amounted to PLN 991,559 thousand. Compared with the end of the prior year, the balance dropped by PLN 574,097 thousand, i.e. by 37%.

The drop in the carrying value was caused mainly by a drop in the balance of Treasury bills of PLN 1,093,219 thousand, which was partly offset by an increase in government bonds of PLN 338,054 thousand and an increase in other debt securities of PLN 178,417 thousand.

The Bank held the largest portion of the balance which as at the end of the period showed trading securities (after elimination of intra-group balances) of PLN 886,891 thousand. The Bank's balance of trading securities dropped by PLN 578,684 thousand in the audited year.

As at the end of 2011, BRE Ubezpieczenia TuiR SA also had a material balance of trading securities (PLN 101,189 thousand).

IV. Discussion of consolidated financial statement components (cont.)

4. Derivative financial instruments

As at 31 December 2011, "Derivative financial instruments" on the assets side amounted to PLN 1,506,595 thousand, which constituted an increase of PLN 279,942 thousand, i.e. 23% compared with the prior year, whereas on the liabilities side the balance amounted to PLN 1,862,747 thousand, which constituted an increase of PLN 499,239 thousand, i.e. 37% compared with the prior year.

The increase in the balance on the assets side resulted mainly from an increase of PLN 274,107 thousand in interest rate derivative instruments to PLN 1,042,343 thousand.

The increase in the balance on the liabilities side resulted mainly from an increase of PLN 498,568 thousand in interest rate derivatives to a level of PLN 1,316,402 thousand.

As at the end of the audited year, derivative financial instruments were mainly held by the Bank in which the balance, after eliminating intra-group balances, amounted to PLN 1,501,560 thousand and PLN 1,855,373 thousand on the assets and liabilities side respectively.

5. Loans and advances to customers

As at 31 December 2011 "Loans and advances to customers" amounted to PLN 67,851,516 thousand and increased by PLN 8,477,465 thousand, i.e. 14% compared with the previous financial year.

a) structure of the loan portfolio by type of loans
As at 31 December 2011, loans and advances to retail customers with a value of PLN 38,688,979 thousand and loans and advances to corporate customers with a value of PLN 27,890,298 thousand had the largest share in the gross loans portfolio. Those increased by PLN 5,030,319 thousand, i.e. 15% and PLN 2,316,270 thousand, i.e. 9% respectively compared with the prior year.

b) structure of the loan portfolio by quality
The ratio of impairment losses to the gross vaulue of impaired loans balance decreased by 2 percentage points during the audited period and amounted to 66% as at the end of the financial year. This was due both to an increase in the portfolio of gross impaired loans of PLN 1,602 thousand to the level of PLN 3,286,760 thousand as at 31 December 2011 and to the drop in impairment losses of PLN 57,984 thousand, i.e. 3% to PLN 2,175,894 thousand as at the end of the audited year mainly as the result of the sale of the portfolio of retail impaired receivables to the securitization fund during the audited period.

At the same time, the carrying value of gross non-impaired loans amounted to PLN 66,953,040 thousand as at 31 December 2011 and increased by PLN 8,414,376 thousand compared with the previous year. However, the increase in these receivables was accompanied by a drop in the impairment losses on the non-impaired loan portfolio of PLN 3,503 thousand to the level of PLN 212,390 thousand as at 31 December 2011, as a result of which the coverage of the portfolio with impairment losses dropped to 0.3% compared with 0.4% as at the end of the prior year.

IV. Discussion of consolidated financial statement components (cont.)

6. Investment securities

As at 31 December 2011, the balance of “Investment securities” amounted to PLN 16,697,212 thousand and dropped by PLN 2,065,476 thousand, i.e. 11% compared with the balance of PLN 18,762,688 thousand as at the end of 2010. The drop in the balance of investment securities resulted mainly from a drop in the balance of debt securities maintained mainly in the Bank’s portfolio of PLN 2,048,328 thousand.

7. Pledged assets

As at the end of the reporting period “Pledged assets” amounted to PLN 4,339,523 thousand and increased by PLN 2,508,720 thousand, i.e. 137% compared with the prior year.

The Bank’s share in the whole Group’s pledged assets both as at 31 December 2011 and as at 31 December 2010 amounted to nearly 100%. The increase in pledged asset was caused mainly by an increase in the balance of Treasury bills maintained as collateral for sell-buy-back transactions and as pledged assets which increased by PLN 2,536,926 thousand in total.

8. Intangible assets

As at the end of the reporting period the Group’s “Intangible assets” amounted to PLN 436,769 thousand and increased by PLN 8,932 thousand compared with the previous year.

The balance comprised mainly intangible assets held by the Bank in the amount of PLN 389,807 thousand which increased by PLN 9,826 thousand compared with the prior year.

9. Tangible fixed assets

As at 31 December 2011 the balance of “Tangible fixed assets” amounted to PLN 832,455 thousand and increased by PLN 54,835 thousand, i.e. 7% compared with the balance as at 31 December 2010.

The balance comprised mainly the Bank’s tangible fixed asset with a net value of PLN 542,410 thousand, which increased slightly, i.e. by PLN 7,960 thousand compared with the balance as at the end of the prior year. BRE Leasing Sp. z o.o. also had its significant share in the balance with a net value of tangible fixed assets of PLN 218,608 thousand as at 31 December 2011, which increased by PLN 55,029 thousand compared with the end of the prior year.

IV. Discussion of consolidated financial statement components (cont.)

10. Other assets

In the audited period the value of "Other assets" dropped by PLN 24,634 thousand to PLN 859,084 thousand. The Group's "Other assets" comprised mainly inventories of PLN 316,666 thousand and "Debtors" comprising mainly the receivables from the services provided by the Group of PLN 247,075 thousand.

The Bank with the balance after intra-group eliminations of PLN 269,610 thousand constituted the largest portion of the other assets as at the end of the period. The other subsidiaries with significant share in the balance of the other assets were BRE.locum SA with the balance of PLN 223,370 thousand which comprised mainly assets related to the company's operations, i.e. finished apartments, investment projects in progress and land, Dom Inwestycyjny BRE Banku SA with the balance of PLN 130,964 thousand and BRE Leasing Sp. z o.o. with the balance of PLN 95,397 thousand.

11. Amounts due to other banks

As at 31 December 2011 "Amounts due to other banks" dropped by PLN 1,336,199 thousand compared with the balance as at 31 December 2010 to PLN 27,390,809 thousand. As at the end of the reporting period the balance comprised mainly loans and advances received of PLN 22,816,765 thousand, cash in current accounts of PLN 1,891,265 thousand, term deposits of PLN 1,395,273 thousand and liabilities in respect of sell-buy-back transactions of PLN 1,173,097 thousand.

12. Amounts due to customers

The balance of "Amounts due to customers" amounted to PLN 54,244,388 thousand as at the end of the reporting period, and increased by PLN 7,093,435 thousand, i.e. 15% compared with the balance as at 31 December 2010. This increase was caused mainly by an increase in the balance of amounts due to corporate customers of PLN 5,861,350 thousand, i.e. 28%, and in amounts due to retail customers of PLN 1,632,584 thousand, i.e. 7%.

The Bank's liabilities constituted the vast majority of the Group's balance of amounts due to customers. After elimination of intra-group balances they amounted to PLN 53,364,328 thousand and represented 98% of the total balance. The remaining portion of amounts due to customers constituted mainly liabilities of Dom Inwestycyjny BRE Banku SA of PLN 594,909 thousand and of BRE Bank Hipoteczny SA in the amount of PLN 178,230 thousand.

13. Debt securities in issue

As at 31 December 2011, the balance amounted to PLN 1,735,988 thousand and it increased during the audited year by PLN 364,164 thousand, i.e. by 27%. The balance comprised mainly mortgage bonds and bonds issued by BRE Bank Hipoteczny SA of PLN 1,699,476 thousand, and bonds issued by BRE Factoring SA of PLN 36,512 thousand.

IV. Discussion of consolidated financial statement components (cont.)

14. Subordinated liabilities

As at 31 December 2011 the Group's subordinated liabilities amounted to PLN 3,456,200 thousand, which constituted an increase of PLN 446,073 thousand, i.e. 15% compared with the balance as at 31 December 2010. Subordinated liabilities comprised the Bank's subordinated bonds and loans received in the total nominal value of CHF 950,000 thousand.

15. Other liabilities

As at 31 December 2011 "Other liabilities" amounted to PLN 1,723,856 thousand and increased by PLN 587,232 thousand, i.e. 52% compared with the balance as at 31 December 2010. The balance comprised mainly interbank settlements of PLN 765,326 thousand, amounts due to creditors of PLN 405,264 thousand, accruals of other employee benefits of PLN 176,060 thousand, accrued expenses of PLN 154,880 thousand and deferred income of PLN 101,137 thousand. The increase in the balance of "Other liabilities" compared with 31 December 2010 was mainly due to an increase in interbank settlements of PLN 416,090 thousand, an increase in the balance of creditors of PLN 123,448 thousand and an increase in accruals of other employee benefits of PLN 33,648 thousand.

16. Provisions

As at the end of the reporting period "Provisions" amounted to PLN 153,168 thousand and dropped by PLN 22,157 thousand compared with the previous year. As at 31 December 2011 the balance of provisions comprised technical-insurance provisions created by BRE Ubezpieczenia TUiR SA in the amount of PLN 80,864 thousand and the Bank's provisions which comprised provisions for off-balance sheet granted contingent liabilities of PLN 30,906 thousand, provisions for legal proceedings of PLN 25,644 thousand and other provisions for liabilities of PLN 15,754 thousand.

The decrease in the balance of provisions resulted from a drop in provisions for off-balance sheet liabilities of PLN 18,768 thousand, a drop in technical-insurance provisions of PLN 6,443 thousand and in other provisions of PLN 3,397 thousand, partly offset by an increase in provisions for legal proceedings of PLN 6,451 thousand.

IV. Discussion of consolidated financial statement components (cont.)

17. Equity

	31.12.2010	Issue of shares	Exchange differences on translation of foreign operations	Valuation of available-for-sale financial assets	Change in equity due to the valuation and settlement of share option schemes	Net profit/ (loss) for the year	The change in the scope of consolidation/ increase of shares in the consolidated company	31.12.2011
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Share capital	3,491,812	64	-	-	1,936	-	-	3,493,812
Retained earnings	3,356,345	-	-	-	9,387	1,134,972	(7,547)	3,972,711
Other component of equity	61,146	-	1,871	(1,231)	-	-	-	144,383
Non-controlling interests	167,982	-	1,608	-	-	9,463	(155,143)	
Total equity	**7,007,285**	**64**	**(3,479)**	**(1,231)**	**11,323**	**1,066,012**	**(162,690)**	**7,610,906**

In the audited year, the Group's share capital increased by PLN 2,000 thousand to PLN 3,493,812 thousand as at 31 December 2011. The increase resulted from an increase in registered share capital from the issue of 16,072 shares with a nominal value of PLN 4 each, and from the increase in supplementary capital of PLN 1,936 thousand in connection with the execution of the incentive plan for the Bank's Management Board.

IV. Discussion of consolidated financial statement components (cont.)

17. Equity (cont.)

The increase in "Retained earnings" of PLN 1,136,812 thousand was mainly due to the net profit generated for 2011 of PLN 1,134,972 thousand and the valuation and settlement of the share option schemes for the Management Board and the Bank's key employees in the total amount of PLN 9,387 thousand. The share option schemes comprised the Bank Management Board's incentive plan approved by the General Shareholders' Meeting on 14 March 2008 and the incentive plan for the Bank's key employees approved by the General Shareholders' Meeting on 27 October 2008. The schemes are described in detail in Note 40 to BRE Bank SA Group's consolidated financial statements.

In the audited period other components of equity increased by PLN 640 thousand. This increase resulted from recognizing foreign exchange gains on translation of foreign operations of PLN 1,871 thousand related mainly to the Bank having foreign branches, partly offset by a decrease in the valuation of the financial assets portfolio of PLN 1,231 thousand.

18. Non-controlling interests

Non-controlling interests comprised interests in the equity of the following companies:

	31.12.2011 PLN'000	**31.12.2010 PLN'000**
BRE.locum SA	23,910	21,848
Intermarket Bank AG	-	57,172
BRE Leasing Sp. z o.o.	-	64,129
Transfinance a.s.	-	8,730
BRE Factoring SA	-	10,158
Magyar Factor zRt.	-	5,945
TOTAL	**23,910**	**167,982**

The drop in non-controlling interests of PLN 144,072 thousand in the audited year was related to the sale of interests in Intermarket Bank AG and Magyar Factor zRt. and an increase in the Bank's interests in the consolidated companies to 100% (BRE Leasing Sp. z o.o., BRE Factoring SA and Transfinance a.s.) The net profit attributable to non-controlling interests amounted to PLN 9,463 thousand in 2011.

IV. Discussion of consolidated financial statement components (cont.)

19. Reconciliation of the net profit of the consolidated companies with the Group's consolidated net profit

		31.12.2011 PLN'000
(a)	Net profit of BRE Bank SA	1,066,012
	Net profit of consolidated entities	235,954
	Total net profit per the financial statements (consolidation packages) of the consolidated entities	**1,301,966**
(b)	Dividends	(57,970)
(c)	Difference on the result on the sale and the settlement of the acquisition of interests in subsidiaries realized by the Bank and the Group	(84,460)
(d)	Elimination of unrealized gains/losses on intra-group transactions related to the intermediary services in sales of the Bank's products	(12,916)
(e)	Elimination of other unrealized gain/losses on intra-group transactions	(4,030)
(f)	Adjustment of deferred tax related to intra-group transactions	1,845
	Net profit of the Group	**1,144,435**

20. Reconciliation of net assets of the consolidated companies with the Group's consolidated net assets

		31.12.2011 PLN'000
(a)	Net assets of BRE Bank SA	7,610,906
	Net assets of consolidated companies	1,805,674
	Total net assets	**9,416,580**
(b)	Adjustments (b-f; as above)	(157,531)
(c)	Elimination of the share capital of subsidiaries	(958,281)
(d)	Adjustment of valuation of available-for-sale financial assets through other equity items	(185,923)
(e)	Elimination of other equity positions	(42,180)
	Consolidated net assets	**8,072,665**

IV. Discussion of consolidated financial statement components (cont.)

Consolidated income statement for the year ended 31 December 2011

21. Net interest income

Net interest income increased by PLN 337,638 thousand (i.e. 19%) during the period. The increase resulted mainly from the quicker pace of increase in interest income (13%) than in interest expense (7%) compared with the prior year.

The increase in interest income of PLN 449,527 thousand comprised, among others, an increase in interest income on loans and advances, including the reversal of discount relating to impairment losses of PLN 392,494 thousand to the level of PLN 2,842,310 thousand, an increase in interest income on debt trading securities of PLN 43,337 thousand to the level of PLN 85,011 thousand, an increase in income on investment securities of PLN 30,509 thousand to the level of PLN 799,132 thousand. This increase was partly offset by a drop in income on cash and term deposits of PLN 18,817 thousand to the level of PLN 130,681 thousand.

Interest expense comprised mainly interest expenses due to banks and clients of PLN 1,575,552 thousand (an increase of PLN 87,565 thousand compared with 2010), the costs arising from issue of debt securities of PLN 84,886 thousand (an increase of PLN 16,680 thousand) and interest expense related to other loans of PLN 56,387 thousand (an increase of PLN 6,035 thousand).

Net interest income was generated primarily by the Bank where it amounted to PLN 1,772,811 thousand (after eliminating intra-group transactions), which represented 83% of the Group's net interest income. BRE Leasing Sp. z o.o. also noted a high share in the Group's net interest income achieving a result of PLN 219,974 thousand which represented 10% of the Group's net interest income. Another large share was achieved by BRE Bank Hipoteczny SA with net interest income of PLN 101,838 thousand representing 5% of the Group's net interest income.

22. Net fee and commission income

In the audited year, the net fee and commission income increased by PLN 94,053 thousand, i.e. 13% to the level of PLN 839,972 thousand, which was the result of the faster increase in fee and commission income (an increase of PLN 100,427 thousand, i.e. 9%) than in fee and commission expense (an increase of PLN 6,374 thousand, i.e. 1%).

The Bank's net fee and commission income of PLN 666,526 thousand (after eliminating intra-group transactions) contributed most significantly to the overall Group result and represented 79% of Group's net fee and commission income. The Bank's net fee and commission income increased by PLN 136,573 thousand compared with the prior year, mainly as a result of an increase in income from credit activity, income related to commissions from payment cards-related fees and income from commissions paid to external entities for sale of the Bank's products.

IV. Discussion of consolidated financial statement components (cont.)

22. Net fee and commission income (cont.)

Of the other consolidated companies, the largest impact on the Group's commission income was due to Dom Inwestycyjny BRE Banku SA with net commission income of PLN 86,612 thousand, constituting 10% of Group's commission result, and BRE Ubezpieczenia Sp. z o.o. altogether with BRE Ubezpieczenia TUiR SA with net commission income of PLN 80,609 thousand, constituting 10% of Group's commission result.

At the same time, the net commission expense of Aspiro SA of PLN 83,185 thousand also had an impact on the Group's net fee and commission income.

23. Dividend income

In 2011, the dividend income amounted to PLN 15,113 thousand which was an increase of PLN 6,940 thousand, i.e. 85%, compared with the prior year. The dividend income comprised mainly dividends received from PZU SA.

24. Net trading income

The income and expenses which made up the net trading income is shown in the table below:

	2011 PLN'000	2010 PLN'000	Change PLN'000	Change (%)
Net foreign exchange gains/(losses)	393,943	369,982	23,961	6
Other net trading income and result on hedge accounting	30,148	40,690	(10,542)	(26)
Net trading income	**424,091**	**410,672**	**13,419**	**3**

In the audited year, net trading income increased by PLN 13,419 thousand to PLN 424,091 thousand. The change resulted from an increase in net foreign exchange gains of PLN 23,961 thousand, which was partly offset by a drop in other net trading income and result on hedge accounting of PLN 10,542 thousand.

The Group's net trading income was achieved mainly by the Bank which, after eliminating intra-group transactions, earned PLN 407,087 thousand.

25. Gain less losses from investment securities, investments in subsidiaries and associates

In the audited year, gain less losses from investment securities, investments in subsidiaries and associates dropped by PLN 33,163 thousand to PLN 11,985 thousand.

The position comprised mainly the result on liquidation of BRELINVEST Sp. z o.o. Fly 2 Sp. komandytowa and the result on an agreement according to which the Group sold its interests in Intermarket Bank AG and Magyar Faktor zRt and purchased to 100% interests in consolidated companies BRE Faktoring SA and Transfinance a.s.

IV. Discussion of consolidated financial statement components (cont.)

26. Other operating income

Other operating income amounted to PLN 301,930 thousand and decreased by PLN 9,341 thousand, i.e. by 3% compared with 2010. Other operating income comprised mainly income from sale or liquidation of fixed assets, intangible assets, assets held for sale and inventories of PLN 119,314 thousand, income from insurance activity net of PLN 82,577 thousand and other income of PLN 48,561 thousand.

The following companies had the largest share in the Group’s other operating income: BRE.locum SA with income after eliminating intra-group transactions of PLN 104,867 thousand (35% of the Group's other operating income), BRE Ubezpieczenia TUiR SA with income from insurance activity net of PLN 82,577 thousand (27% of the Group's other operating income), BRE Bank SA with income of PLN 55,885 thousand (19% of the Group's other operating income) and BRE Leasing Sp. z o.o. with income of PLN 31,529 thousand (10% of the Group's other operating income).

27. Net impairment losses on loans and advances

In the audited year net impairment losses on loans and advances amounted to PLN 373,470 thousand and dropped by PLN 261,309 thousand compared with the prior year.

This drop resulted mainly from a decrease in net impairment losses on loans and advances of PLN 243,258 thousand in the Bank to a level of PLN 318,684 thousand, which represented 85% of the Group’s balance for the year.

28. Overhead costs

During the year the overhead costs amounted to PLN 1,471,501 thousand and increased by PLN 91,150 thousand, i.e. 7% compared with the costs incurred in the prior year.

This increase was mainly due to the increase in staff-related expenses of PLN 65,853 thousand, to the level of PLN 810,253 thousand and the increase in costs of contributions and transfers to the Bank Guarantee Fund of PLN 28,088 thousand to the level of PLN 49,305 thousand.

The Bank had the largest share in the overhead costs with costs of PLN 1,171,614 thousand after eliminating intra-group transactions.

29. Amortization and depreciation

Amortization and depreciation amounted to PLN 251,412 thousand and was PLN 14,494 thousand (i.e. 6%) higher than in the prior year. Amortization and depreciation covered depreciation of tangible fixed assets of PLN 147,173 thousand and amortization of intangible assets of PLN 104,239 thousand.

IV. Discussion of consolidated financial statement components (cont.)

30. Other operating expenses

Other operating expenses amounted to PLN 178,183 thousand in the audited year and were PLN 29,405 thousand lower than in the prior year.

The drop in other operating expenses resulted from a drop in the costs arising from sale and liquidation of fixed assets, intangible assets, assets held for resale and inventories of PLN 34,333 thousand, and in other operating expenses of PLN 13,911 thousand. This was partly offset by an increase in the costs arising from provisions created for other receivables (excluding loans and advances) set up of PLN 9,216 thousand and in provisions for future liabilities of PLN 8,387 thousand.

BRE.locum SA with costs of PLN 80,027 thousand (45% of the Group's other operating expenses), BRE Bank SA with costs of PLN 67,556 thousand (38% of the Group's other operating expenses) and BRE Leasing Sp. z o.o. with costs of PLN 22,886 thousand (13% of the Group's other operating expenses) represented the largest portion of the balance.

31. Income tax expense

	12 months ended 31.12.2011 PLN'000	12 months ended 31.12.2010 PLN'000	Change PLN'000
Current corporate income tax	(315,214)	(223,415)	(91,799)
Deferred income tax	(7,478)	11,769	(19,247)
Income tax expense	**(322,692)**	**(211,646)**	**(111,046)**

The following companies had the largest impact on the Group's income tax charge:

Consolidated company	Current corporate income tax PLN'000	Company's share in current income tax (%)	Deferred corporate income tax PLN'000	Company's share in deferred income tax (%)
BRE Bank SA	(279,736)	89	3,548	(47)
BRE Ubezpieczenia TUiR SA and BRE Ubezpieczenia Sp. z o.o.	(10,298)	3	-237	3
BRE Bank Hipoteczny SA	(6,831)	2	120	(2)
Dom Inwestycyjny BRE Banku SA	(5,489)	2	-888	12
BRE Leasing Sp. z o.o.	0	0	-11,299	151
Other companies	(12,860)	4	1,278	(17)
Total	**(315,214)**	**100**	**(7,478)**	**100**

IV. Discussion of consolidated financial statement components (cont.)

32. Contingent liabilities granted and received

The balance of the item "Contingent liabilities granted and received" comprised liabilities granted which increased by PLN 3,014,083 thousand to PLN 17,346,021 thousand compared with the end of the previous year and liabilities received of PLN 1,014,526 thousand which dropped by PLN 116,755 thousand compared with the prior year.

As at 31 December 2011 the balance of liabilities granted comprised mainly financial liabilities of PLN 14,375,193 thousand and guarantees and other financial products of PLN 2,967,250 thousand. The balance of liabilities received comprised mainly guarantee liabilities received of PLN 1,014,096 thousand.

V. Statements of the independent registered auditor

a. The Management Board of the Parent Company provided all the information, explanations, and representations required by us in the course of the audit and provided us with a representation letter confirming the completeness of the information included in the consolidation documentation and the disclosure of all contingent liabilities and post-balance-sheet events which occurred up to the date on which that letter was signed.

b. The scope of the audit was not limited.

c. In all material respects, the accounting policies of the Group and disclosures specified by the manager of the Parent Company were in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Changes in the accounting policies used and their implications are correctly presented in the notes to the consolidated financial statements.

d. The consolidation of equity items and the determination of non-controlling interests were carried out properly in all material respects.

e. The elimination of intra-group balances (receivables and payables) and intra-Group transactions (revenue and costs) of the consolidated entities was carried out in accordance with the IFRS as adopted by the European Union in all material respects.

f. The eliminations of gains/losses not realized by the consolidated entities, included in the value of assets and in respect of dividends, were conducted in accordance with the IFRS as adopted by the European Union in all material respects.

g. The effects of the sale of all or some of the shares in subordinated entities were accounted in accordance with the IFRS as adopted by the European Union in all material respects.

h. The notes to the consolidated financial statements present all significant information required specified by the IFRS as adopted by the European Union.

i. The consolidated financial statements of the Group for the financial year from 1 January to 31 December 2010 were approved by Resolution No. 23 passed by the 24th Ordinary General Shareholders' Meeting of the Parent Company on 30 March 2011, filed with the National Court Register in Warsaw on 5 April 2011 and published in Monitor Polski B No. 1043, item 5869 on 10 June 2011.

j. The consolidated financial statements for the previous financial year were audited by PricewaterhouseCoopers Sp. z o.o. The registered auditor issued an unqualified opinion.

k. The notes to the financial statements present all significant information required by IFRS as adopted by the European Union.

V. Statements of the independent registered auditor (cont.)

l. The information in the Directors' Report for the financial year from 1 January to 31 December 2011 has been prepared in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws of 2009, No. 33, item 259, with further amendments) and consistent with that presented in the financial statements.

m. The total regulatory requirement along with the requirement concerning the risk of excessive capital exposures amounted to PLN 5,282,127 thousand as at the end of the reporting period. The capital adequacy ratio amounted to 15.0% as at 31 December 2011. As at the end of the reporting period, the Group complied with the applicable prudence standards in all material respects.

VI. Final information and comments

This report has been prepared in connection with our audit of the consolidated financial statements of BRE Bank SA Group, of which BRE Bank SA is the parent company, with its registered office in Warsaw, ul. Senatorska 18. The consolidated financial statements were signed by the Parent Company's Management Board on 2 March 2012.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting of BRE Bank SA dated 2 March 2012, concerning the said consolidated financial statements. The opinion on the consolidated financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the consolidated financial statements as a whole.

Conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Agnieszka Accordi-Krawiec

Registered Auditor for the Group,
Key Registered Auditor
No. 11665

Warsaw, 2 March 2012