

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 financial statements of BRE Bank SA (hereinafter called "the Bank"), Senatorska 18 Street, Warsaw, which comprise the statement of financial position as at 31 December 2011, showing total assets and total equity and liabilities of PLN 93,895,432 thousand, the income statement for the financial year from 1 January to 31 December 2011, showing a net profit of PLN 1,066,012 thousand, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the financial year, additional information on adopted accounting policies and other explanatory notes.

The Bank's Management Board is responsible for preparing the financial statements and a Directors' Report in accordance with the applicable regulations, and for the correctness of the accounting records. The Management Board and Members of the Supervisory Board are required to ensure that the 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 financial statements and to express an opinion on whether the financial statements comply in all material respects with the applicable accounting policies and whether they present fairly, in all material respects, the Bank's financial position and results, and whether the accounting records constituting the basis for their preparation are properly maintained.

We conducted our audit in accordance with the following:

- a. the provisions of Chapter 7 of the Act;
- b. national standards of auditing issued by the National Chamber of Registered Auditors.

Our audit was planned and performed to obtain reasonable assurance that the 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 financial statements. The audit also included an assessment of the accounting policies applied by the Bank and significant estimates made in the preparation of the financial statements as well as an evaluation of the overall presentation thereof. We believe that our audit provides a reasonable basis for our opinion.

Independent Registered Auditor's Opinion

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

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

- a. present fairly the Bank'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 applicable laws and the Bank's Memorandum of Association;
- c. have been prepared in accordance with the applicable accounting principles (policies) on the basis of properly maintained accounting records.

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 financial statements.

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

Agnieszka Accordi-Krawiec

Key Registered Auditor
No. 11665

Warsaw, 2 March 2012

BRE Bank SA

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



TRANSLATION ONLY

**Report on the 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 28 consecutively numbered pages and consists of:

	Page
I. General information about the Bank	3
II. Information about the audit.....	6
III. The Bank's results and financial position	7
IV. Discussion of financial statement components.....	9
V. Statements of the independent registered auditor	26
VI. Final information and comments.....	28

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

I. General information about the Bank

- a. BRE Bank SA has its seat in Warsaw, ul. Senatorska 18.
- b. The 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 Bank was assigned a tax identification number (NIP) 526-021-50-88 for making tax settlements. For statistical purposes, the Bank was assigned a REGON number 001254524 on 2 June 1998.
- d. As at 31 December 2011, the Bank's registered share capital amounted to PLN 168,410,984 and consisted of 42,102,746 shares with a nominal value of PLN 4.00 each. Equity as at that date amounted to PLN 7,610,906 thousand.
- 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 (%)
<i>Commerzbank Auslandsbanken Holding AG</i>	29,352,897	117,411,588	ordinary	69.72
<i>Other shareholders</i>	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 Bank'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;

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

I. General information about the Bank (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.

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

h. The Company has the following related entities:

Commerzbank AG	-	the ultimate parent company
Commerzbank Auslandsbanken Holding AG	-	the parent company
Aspiro SA	-	a subsidiary
BRE Bank Hipoteczny SA	-	a subsidiary
Centrum Rozliczeń i Informacji CERI Sp. z o.o. (from 2 February 2012 BRE Centrum Operacji Sp. z o.o.)	-	a subsidiary
BRE Faktoring SA (formerly Polfactor SA)	-	a subsidiary
BRE Finance France SA	-	a subsidiary
BRE GOLD FIZ Aktywów Niepublicznych	-	a subsidiary
BRE Holding Sp. z o.o.	-	a subsidiary
BRE Leasing Sp. z o.o.	-	a subsidiary
BRE.locum SA	-	a subsidiary
BRE Ubezpieczenia TUiR SA	-	a subsidiary
BRE Ubezpieczenia Sp. z o.o.	-	a subsidiary
BRE Wealth Management SA	-	a subsidiary
Dom Inwestycyjny BRE Banku SA	-	a subsidiary
Garbary Sp. z o.o.	-	a subsidiary
Transfinance a.s.	-	a subsidiary

and the companies which belong to the Group of the Bank's ultimate parent company.

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

I. General information about the Bank (cont.)

- i. The Bank is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Bank has decided to prepare, starting from 2005, its financial statements in accordance with 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.
- j. As the parent company of the BRE Bank Group, the Bank has also prepared consolidated financial statements according to IFRS as adopted by the European Union dated 2 March 2012. To better understand the Bank's financial position and its results of operations as the Parent Company, the financial statements should be read in conjunction with the consolidated financial statements.

II. Information about the audit

- 

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

III. The Bank's results and financial position

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

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

- In the financial year from 1 January to 31 December 2011, total assets increased by PLN 10,376,262 thousand to PLN 93,895,432 thousand. The main assets comprised "Loans and advances to customers" in the amount of PLN 61,663,992 thousand (representing 65% of total assets) and "Investment securities" in the amount of PLN 17,077,797 thousand (representing 18% of total assets); whereas the largest items on the liabilities side were "Amounts due to customers" in the amount of PLN 54,018,635 thousand (representing 58% of total liabilities and equity) and "Amounts due to other banks" in the amount of PLN 25,281,169 thousand (representing 27% of total liabilities and equity).
- In the audited period, there was an increase in the value of the balance of loans and advances to customers of PLN 9,997,970 thousand. The balance of impairment losses on loans and advances dropped by PLN 54,957 thousand to PLN 2,113,013 thousand as at the end of the year mainly as a result of the sale of the portfolio of loans to retail customers with recognized impairment in the course of 2011. Thus, the share of loans and advances to customers in total assets increased from 62% to 65%.
- The share of impaired loans and advances to customers in the gross portfolio amounted to 4.4% as at the balance sheet date compared with 5.2% as at 31 December 2010. As at the end of 2011, the balance of impairment losses on impaired loans and advances to customers amounted to PLN 1,930,957 thousand and dropped by PLN 50,208 thousand compared with the end of the previous year as a result of the sale of the portfolio of receivables with recognized impairment to a securitization fund. At the same time, in the audited period the ratio of impairment losses to impaired loan receivables dropped slightly by 2 percentage points to 69% as at the end of the audited period.
- Surplus cash was invested in investment securities, trading securities and pledged assets. As at the balance sheet date, the total balance of these assets amounted to PLN 22,607,464 thousand and dropped by PLN 147,864 thousand compared with the end of the previous year. This change contributed to a drop in the total share of the balance of securities in total assets from 27% as at the end of 2010 to 24% as at the end of the audited period.
- In the audited period, loans and advances to banks increased by PLN 1,459,990 thousand (i.e. by 39%) to PLN 5,222,678 thousand as at the end of the reporting period, mainly as a result of an increase in the balance of short-term deposits with other banks of PLN 1,204,889 thousand to PLN 2,430,344 thousand.
- In the audited period, the valuation of derivative financial instruments on the assets side increased by PLN 282,455 thousand to PLN 1,504,020 thousand as at the end of 2011, which was accompanied by an increase in derivative financial liabilities of PLN 495,464 thousand to PLN 1,857,371 thousand as at the end of the audited period.

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

III. The Bank's results and financial position (cont.)

- In 2011, net comprehensive income amounted to PLN 1,068,561 thousand and comprised the net profit of PLN 1,066,012 thousand, the valuation of available-for-sale financial assets in the amount of PLN 7,100 thousand and foreign exchange losses on the translation of foreign operations in the amount of PLN 4,551 thousand.
- The profit before tax amounted to PLN 1,342,200 thousand in 2011 and was PLN 660,239 thousand (i.e. 97%) higher than in 2010. This increase was mainly due to an increase in net interest income of PLN 341,498 thousand, a decrease in negative net impairment losses on loans and advances of PLN 243,258 thousand, an increase in net fee and commission income of PLN 98,637 thousand, and an increase in gains less loss on investment securities and investments in subsidiaries and associates of PLN 57,508 thousand. This increase was partly offset by an increase in the Bank's overheads of PLN 99,699 thousand.
- In 2011, net impairment losses on loans and advances amounted to PLN 318,684 thousand and were PLN 243,258 thousand (i.e. 43%) lower than in 2010. The change in the cost of net impairment losses was due to a decrease of PLN 236,193 thousand in net impairment losses on loans and advances to customers which dropped to PLN 336,018 thousand in 2011. Net impairment losses on loans and advances comprised also income due to release of provisions for losses on amounts due from other banks and income due to release of provisions for off-balance sheet items totalling PLN 17,334 thousand.
- In the audited year, the income tax expense amounted to PLN 276,188 thousand. The effective corporate income tax rate amounted to 20.6%. The difference between the effective tax rate and the one in force (19%) resulted mainly from non-capitalized tax losses of the foreign branches in the Czech Republic and Slovakia and non-deductible costs, including the portion of costs relating to the impairment of loans and advances for which the Bank had no legal basis to recognize them as tax-deductible costs.
- Return on equity calculated as the ratio of the net profit for the financial period to average net assets (including the net profit for the period) amounted to 15.1% and was 5.1 percentage points higher than in the previous year. In 2011, gross margin calculated as the ratio of profit before tax for the financial period to total income increased and amounted to 26.8% compared with 15.7% in 2010.

The financial statements have been prepared in accordance with the going concern principle.

BRE Bank SA
Report on the financial statements for the financial year from 1 January to 31 December 2011

IV. Discussion of financial statement components

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	1,032,081	2,340,672	(1,308,591)	(56)	1	3
Loans and advances to banks	2	5,222,678	3,762,688	1,459,990	39	6	5
Trading securities	3	1,191,335	1,731,030	(539,695)	(31)	1	2
Derivative financial instruments	4	1,504,020	1,221,565	282,455	23	2	1
Loans and advances to customers	5	61,663,992	51,666,022	9,997,970	19	65	62
Hedge accounting adjustments related to fair values of hedged items		1,924	-	1,924	-	-	-
Investment securities	6	17,077,797	19,195,574	(2,117,777)	(11)	18	23
Pledged assets	7	4,338,332	1,828,724	2,509,608	137	5	2
Investments in subsidiaries	8	546,430	491,761	54,669	11	1	1
Intangible assets	9	389,807	379,981	9,826	3	-	-
Tangible fixed assets	10	542,410	534,450	7,960	1	1	1
Deferred income tax assets	27	63,194	62,291	903	1	-	-
Other assets	11	321,432	304,412	17,020	6	-	-
TOTAL ASSETS		93,895,432	83,519,170	10,376,262	12	100	100

BRE Bank SA
Report on the financial statements for the financial year from 1 January to 31 December 2011

IV. Discussion of financial statement components (cont.)

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	12	25,281,169	24,880,962	400,207	2	27	30
Derivative financial instruments	4	1,857,371	1,361,907	495,464	36	2	2
Amounts due to customers	13	54,018,635	46,798,243	7,220,392	15	58	56
Subordinated liabilities	14	3,456,200	3,010,127	446,073	15	4	3
Other liabilities	15	1,371,511	841,070	530,441	63	1	1
Current income tax liabilities	27	227,251	19,689	207,562	1,054	-	-
Deferred income tax liabilities	27	85	77	8	10	-	-
Provisions	16	72,304	76,058	(3,754)	(5)	-	-
		86,284,526	76,988,212	9,296,314	12	92	92
Equity							
Share capital	17	3,493,812	3,491,812	2,000	-	4	4
Retained earnings		3,972,711	2,897,312	1,075,399	37	4	4
Other components of equity		144,383	141,834	2,549	2	-	-
		7,610,906	6,530,958	1,079,948	17	8	8
TOTAL EQUITY AND LIABILITIES		93,895,432	83,519,170	10,376,262	12	100	100

TRANSLATION ONLY

BRE Bank SA
Report on the financial statements for the financial year from 1 January to 31 December 2011

IV. Discussion of financial statement components (cont.)

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		3,419,176	2,973,672	445,504	15	68	68
Interest expense		(1,544,826)	(1,440,820)	(104,006)	7	(42)	(39)
Net interest income	18	1,874,350	1,532,852	341,498	22		
Fee and commission income		994,969	894,050	100,919	11	20	21
Fee and commission expense		(362,391)	(360,109)	(2,282)	1	(10)	(10)
Net fee and commission income	19	632,578	533,941	98,637	18		
Dividend income	20	45,806	19,277	26,529	138	1	-
Foreign exchange position		375,062	357,027	18,035	5	8	8
Net other trading income and net income on hedge accounting		27,352	35,491	(8,139)	(23)	1	1
Net trading income	21	402,414	392,518	9,896	3		
Gain less losses from investment securities, investments in subsidiaries and associates	22	68,870	11,362	57,508	506	1	-
Other operating income	23	69,597	66,617	2,980	4	1	2
Net impairment losses on loans and advances	24	(318,684)	(561,942)	243,258	(43)	(9)	(15)
Overhead costs	25	(1,180,098)	(1,080,399)	(99,699)	9	(32)	(29)
Amortization and depreciation	26	(185,077)	(178,692)	(6,385)	4	(5)	(5)
Other operating expenses	23	(67,556)	(53,573)	(13,983)	26	(2)	(2)
Profit before tax		1,342,200	681,961	660,239	97		
Income tax expense	27	(276,188)	(164,237)	(111,951)	68		
Net profit	28	1,066,012	517,724	548,288	106		
Total income		5,000,832	4,357,496	643,336	15	100	100
Total expenses		(3,658,632)	(3,675,535)	16,903	-	(100)	(100)
Profit before tax		1,342,200	681,961	660,239	97		

TRANSLATION ONLY

BRE Bank SA
Report on the financial statements for the financial year from 1 January to 31 December 2011

IV. Discussion of financial statement components (cont.)

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	1,066,012	517,724	548,288	106	100	69
Exchange differences on the translating foreign operations (net)	(4,551)	(1,173)	(3,378)	288	-	-
Available-for-sale financial assets (net)	7,100	228,303	(221,203)	(97)	-	31
Total income net of tax	1,068,561	744,854	323,707	43	100	100

TRANSLATION ONLY

BRE Bank SA
Report on the financial statements for the financial year from 1 January to 31 December 2011

IV. Discussion of financial statement components (cont.)

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

The following ratios characterize the Bank'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%	10.0%
Return on equity (net profit for the financial period / average net assets excluding the net profit/loss for the period) ⁽¹⁾	16.3%	10.5%
Return on assets (profit before tax for the financial period / average assets) ⁽¹⁾	1.5%	0.9%
Gross margin (profit before tax for the financial period / total income)	26.8%	15.7%
C/I ratio (Bank's overheads / profit/loss on banking activities) ⁽²⁾	45.1%	50.3%
Interest margin ⁽³⁾	2.0%	1.9%
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⁾	71.4%	68.0%
Impaired loans and advances to gross loans and advances to banks and customers	4.1%	5.0%
Working assets to total assets ⁽⁴⁾	96.4%	96.4%
Capital market ratios		
Earnings per share	PLN 25.32	PLN 14.11
Book value per share	PLN 180.77	PLN 155.18
Other ratios		
Equity in accordance with KNF (<i>Polish Financial Supervision Authority</i>) Resolution No. 325/2011	PLN 9,043,541 thousand	PLN 8,168,754 thousand
Total regulatory capital requirement in accordance with KNF Resolution No. 76/2010	PLN 4,735,731 thousand	PLN 3,864,756 thousand
Capital adequacy ratio in accordance with KNF Resolution No. 76/2010	15.3%	16.9%

(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 financial statements due to a different calculation method being used.

IV. Discussion of financial statement components (cont.)

Statement of financial position as at 31 December 201

1. Cash and balances with the Central Bank

As at 31 December 2011, the balance of “Cash and balances with the Central Bank” amounted to PLN 1,032,081 thousand, which represented a 56% drop compared with the balance of PLN 2,340,672 thousand as at the end of 2010.

The drop in the balance resulted mainly from a decrease in cash in the current account 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 5,222,678 thousand and increased by PLN 1,459,990 thousand (i.e. by 39%) compared with the end of 2010.

This increase resulted mainly from an increase in the balance of short-term deposits of PLN 1,204,889 thousand (i.e. of 98%).

As at the end of 2011, impairment losses on loans and advances to banks amounted to PLN 1,027 thousand and dropped by PLN 33,220 thousand compared with the end of 2010.

3. Trading securities

As at the end of 31 December 2011, the balance of trading securities amounted to PLN 1,191,335 thousand and dropped by PLN 539,695 thousand (i.e. by 31%) compared with 31 December 2010.

As at 31 December 2011, the balance of the said item comprised exclusively debt securities. The drop in the balance of the carrying value of trading securities resulted mainly from a decrease in the balance of Treasury bills of PLN 1,093,218 thousand to PLN 148 thousand.

4. Derivative financial instruments

The balance of “Derivative financial instruments” on the assets side amounted to PLN 1,504,020 thousand as at the end of the reporting period and increased by PLN 282,455 thousand (i.e. by 23%) compared with the end of the previous financial year. On the liabilities side, the said item amounted to PLN 1,857,371 thousand as at 31 December 2011 and increased by PLN 495,464 thousand (i.e. by 36%) compared with the end of December 2010.

On the assets side, the said item comprised mainly the valuation of interest rate derivatives which amounted to PLN 1,042,519 thousand as at the end of the audited period and was PLN 274,283 thousand higher than as at 31 December 2010, and the valuation of foreign exchange derivatives which amounted to PLN 444,106 thousand as at the end of the reporting period, which represented an increase of PLN 60,237 thousand compared with the balance as at the end of 2010.

IV. Discussion of financial statement components (cont.)

4. Derivative financial instruments (cont.)

As at 31 December 2011, the balance of liabilities in respect of derivative financial instruments comprised mainly the valuation of interest rate derivatives in the amount of PLN 1,315,605 thousand and the valuation of foreign exchange derivatives with a value of PLN 534,494 thousand. An increase in the item resulted mainly from an increase in the valuation of interest rate derivatives of PLN 499,192 thousand.

5. Loans and advances to customers

As at 31 December 2011, the balance of loans and advances to customers amounted to PLN 61,663,992 thousand and increased by PLN 9,997,970 thousand (i.e. by 19%) compared with 31 December 2010. At the same time, the share of this item in total assets increased by 3 percentage points to 65%. As at 31 December 2011, impairment losses on loans and advances amounted to PLN 2,113,013 thousand compared with PLN 2,167,970 thousand as at the end of 2010.

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 38,645,611 thousand and loans and advances to corporate customers with a value of PLN 21,839,609 thousand had the largest share in the gross loans portfolio. The increase in gross loans compared with the previous year resulted mainly from an increase in the portfolios of retail and corporate loans of PLN 5,047,707 thousand (i.e. of 15%) and of 3,672,843 thousand (i.e. of 20%) respectively compared with the end of the previous financial year.

Since the end of 2010 the proportions within the gross loan portfolio have changed slightly. As at 31 December 2011, loans and advances to retail customers represented 61% of the portfolio, whereas loans and advances to corporate customers represented 34% of the portfolio, while as at the end of the previous year they represented 62% and 34% thereof, respectively.

b) structure of the loan portfolio by quality

The ratio of impairment losses to the gross loans balance decreased by 0.7 percentage point and amounted to 3.3% as at the end of the financial year.

The value of gross impaired loans decreased by PLN 6,407 thousand and amounted to PLN 2,798,505 thousand as at the end of 31 December 2011. The decrease in gross impaired loans was accompanied by a drop in the value of impairment losses of PLN 50,208 thousand from PLN 1,981,165 thousand to PLN 1,930,957 thousand as at the end of the audited financial year as a result of the sale of the portfolio of retail receivables with recognized impairment to a securitization fund during the audited period. In consequence, the ratio of impairment provisions to the portfolio of impaired loans dropped by 2 percentage points as at the end of 2011 to 69%.

IV. Discussion of financial statement components (cont.)

5. Loans and advances to customers (cont.)

The carrying value of the gross non-impaired loans amounted to PLN 60,978,500 thousand as at 31 December 2011 and increased by PLN 9,949,420 thousand (i.e. by 19%) compared with the previous year. However, the increase in these loans was accompanied by a decrease in the impairment losses non-impaired loans of PLN 4,749 thousand (i.e. of 3%) to PLN 182,056 thousand as at 31 December 2011. As the result, the coverage of this portfolio by impairment provisions decreased to 0.3% in comparison to 0.4% as at the end of previous year.

6. Investment securities

As at 31 December 2011, the balance of "Investment securities" amounted to PLN 17,077,797 thousand, which, compared with the end of the previous year, represented a drop of PLN 2,117,777 thousand (i.e. of 11%). The balance of this item comprised debt securities in the amount of PLN 16,820,963 thousand (PLN 18,939,606 thousand as at the end of 2010) and equity instruments in the net amount of PLN 256,834 thousand (PLN 255,968 thousand as at the end of 2010).

The drop in the balance of debt securities compared with the previous year comprised mainly a drop in the balance of debt securities issued by the Central Bank of PLN 1,647,351 thousand and of debt securities issued by the government of PLN 559,217 thousand.

7. Pledged assets

As at 31 December 2011, the balance of pledged assets amounted to PLN 4,338,332 thousand, which represented an increase of PLN 2,509,608 thousand (i.e. of 137%) compared with the end of 2010.

This increase was mainly due to an increase in the balance of government bonds maintained as a security for transactions of PLN 2,536,926 thousand. This increase was partly offset by a drop in the balance of Treasury bills maintained as a security for transactions of PLN 27,318 thousand.

8. Investments in subsidiaries

As at 31 December 2011, the balance of "Investments in subsidiaries" amounted to PLN 546,430 thousand and increased by PLN 54,669 thousand (i.e. by 11%) compared with the end of the previous year.

The change in the balance during the year resulted mainly from an increase in interests in the controlled companies: BRE Leasing Sp. z o.o., BRE Faktoring SA and Transfinance a.s., partly offset by the sale of interests in Intermarket Bank AG and Magyar Factor zRt.

IV. Discussion of financial statement components (cont.)

9. Intangible assets

As at 31 December 2011, the balance of intangible assets amounted to PLN 389,807 thousand, which represented an increase of PLN 9,826 thousand (i.e. of 3%) compared with the end of the previous financial year.

In the audited period, there was an increase in gross intangible assets of PLN 59,720 thousand (i.e. of 7%). This increase resulted mainly from the expenditure incurred on intangible assets under development in the amount of PLN 79,593 thousand, and the purchases of intangible assets in the amount of PLN 35,543 thousand. This increase was partly offset by liquidation and other disposals totalling PLN 63,937 thousand.

10. Tangible fixed assets

As at the end of the reporting period, the value of "Tangible fixed assets" amounted to PLN 542,410 thousand and increased slightly by PLN 7,960 thousand (i.e. by 1%) compared with 31 December 2010.

The balance comprised mainly: buildings and structures with a net book value of PLN 186,473 thousand, other fixed assets classified as "Other tangible fixed assets" with a carrying value of PLN 145,246 thousand, and machinery and technical equipment with a carrying value of PLN 112,535 thousand.

The gross book value of tangible fixed assets increased by PLN 72,210 thousand to PLN 1,347,587 thousand as at 31 December 2011. This increase was mainly due to expenditure incurred on fixed assets under construction in the amount of PLN 66,321 thousand, and the purchases of equipment and other fixed assets totalling PLN 30,430 thousand. This increase was partly offset by scrapping and sale of fixed assets totalling PLN 25,575 thousand.

11. Other assets

The value of other assets amounted to PLN 321,432 thousand as at the end of the audited year compared with PLN 304,412 thousand as at the end of the previous year, which represented an increase of PLN 17,020 thousand (i.e. of 6%).

The change in the balance of "Other assets" was mainly due to an increase in the balance of "Accrued income" of PLN 38,264 thousand, accompanied by a decrease in the balance of "Debtors" of PLN 21,956 thousand.

IV. Discussion of financial statement components (cont.)

12. Amounts due to other banks

The balance of "Amounts due to other banks" amounted to PLN 25,281,169 thousand as at 31 December 2011, which represented an increase of PLN 400,207 thousand (i.e. of 2%) compared with the previous year.

The increase in amounts due to banks resulted mainly from an increase in the balance of cash in current accounts of PLN 746,846 thousand (i.e. of 66%), an increase in loans and advances received of PLN 358,465 thousand (i.e. of 2%), and an increase in term deposits of PLN 245,775 thousand (i.e. of 21%), accompanied by a drop in liabilities in respect of concluded repo and sell-buy-back transactions of PLN 874,767 thousand (i.e. of 43%), and a drop in liabilities in respect of cash collateral of PLN 93,917 thousand (i.e. of 56%).

13. Amounts due to customers

The value of amounts due to customers amounted to PLN 54,018,635 thousand as at 31 December 2011, which represented an increase of PLN 7,220,392 thousand (i.e. of 15%) compared with the end of the previous financial year.

The increase in the balance resulted mainly from an increase in amounts due to corporate customers of PLN 5,465,269 thousand to PLN 27,028,221 thousand. This increase mainly comprised an increase in the balance of term deposits of PLN 3,840,809 thousand (i.e. of 49%), an increase in the balance of loans and advances received of PLN 1,374,969 thousand (i.e. of 290%), which comprised exclusively financing obtained from the European Investment Bank, and an increase in the balance of cash in current accounts of PLN 1,023,275 thousand (i.e. of 10%), accompanied by a decrease in the value of sell-buy-back transactions of PLN 889,632 thousand (i.e. of 33%).

Compared with the previous year there was also an increase in amounts due to retail customers of PLN 2,154,018 thousand (i.e. of 9%) to PLN 26,462,410 thousand, mainly due to a higher balance of cash in current accounts, accompanied by a drop in amounts due to the public sector of PLN 398,895 thousand (i.e. of 43%).

14. Subordinated liabilities

The balance of subordinated liabilities amounted to PLN 3,456,200 thousand as at 31 December 2011 and was PLN 446,073 thousand (i.e. 15%) higher than at the end of the previous financial year.

Similarly to the end of the previous year, as at 31 December 2011 subordinated liabilities comprised subordinated bonds and loans received from Commerzbank AG with a total nominal value of CHF 950,000 thousand. In 2011, the change in the balance resulted mainly from a change in the CHF exchange rate.

IV. Discussion of financial statement components (cont.)

15. Other liabilities

As at 31 December 2011, other liabilities amounted to PLN 1,371,511 thousand, which, compared with the end of the previous year, represented an increase of PLN 530,441 thousand (i.e. of 63%).

The increase in the said balance compared with 31 December 2010 was mostly due to an increase in the balance of interbank settlements of PLN 416,090 thousand.

16. Provisions

As at the end of the reporting period, the value of provisions amounted to PLN 72,304 thousand, which, compared with the end of the previous year, represented a drop of PLN 3,754 thousand (i.e. of 5%).

As at 31 December 2011, the said balance comprised provisions for off-balance-sheet contingent liabilities granted in the amount of PLN 30,906 thousand, provisions for legal proceedings with a value of PLN 25,644 thousand, and other provisions for future liabilities with a value of PLN 15,754 thousand.

The drop in the provisions compared with 31 December 2010 resulted mainly from a decrease in the provisions for off-balance-sheet contingent liabilities granted of PLN 8,472 thousand. This drop was partly offset by an increase in the balance of the provisions for legal proceedings of PLN 6,586 thousand.

BRE Bank SA
Report on the financial statements for the financial year from 1 January to 31 December 2011

IV. Discussion of 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	31.12.2011
	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	2,897,312	-	-	-	9,387	1,066,012	3,972,711
Other components of equity	141,834	-	(4,551)	7,100	-	-	144,383
Total	6,530,958	64	(4,551)	7,100	11,323	1,066,012	7,610,906

In the audited year, the Bank'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 the registered share capital due to 16,072 shares being issued, with a par value of PLN 4 each, and from an increase in the supplementary capital of PLN 1,936 thousand due to the settlement of an incentive plan for the Management Board.

An increase in "Retained earnings" of PLN 1,075,399 thousand was due to a net profit being generated for 2011 in the amount of PLN 1,066,012 thousand and the valuation and settlement of share option schemes for the Management Board and the key employees of the Bank, totalling PLN 9,387 thousand. The said share option schemes comprised an incentive plan for the Bank's Management Board approved by the General Shareholders' Meeting on 14 March 2008 and an incentive plan for the Bank's key employees approved by the General Shareholders' Meeting on 27 October 2008. Details of the schemes are described in Note 39 to the Bank's financial statements.

In the audited period, other components of equity increased from PLN 141,834 thousand as at 31 December 2010 to PLN 144,383 thousand as at the end of the audited period. This increase resulted from an increase in the valuation of the portfolio of available-for-sale financial assets in the amount of PLN 7,100 thousand partly offset by the foreign exchange losses on the translation of foreign operations, totalling PLN 4,551 thousand.

IV. Discussion of financial statement components (cont.)

Income statement for the financial year to 31 December 2011

18. Net interest income

In the current financial period, net interest income amounted to PLN 1,874,350 thousand (PLN 1,532,852 thousand in the previous financial year), which represented an increase of PLN 341,498 thousand (i.e. of 22%). This increase resulted from an increase in interest income of PLN 445,504 thousand to PLN 3,419,176 thousand, accompanied by an increase in interest expense of PLN 104,006 thousand to PLN 1,544,826 thousand. In 2011, interest margin amounted to 2.0% and decreased by 0.1 percentage point compared to the previous year.

Among income items, the largest increase was recorded in interest income on loans and advances granted, including the reversal of discount relating to impairment losses (an increase of PLN 382,133 thousand, i.e. of 19%), in interest income on debt trading securities (an increase of PLN 37,309 thousand, i.e. of 68%) and in interest income on investment securities (an increase of PLN 34,128 thousand, i.e. of 4%).

Interest expense comprised mainly interest on settlements with banks and customers in the amount of PLN 1,483,106 thousand, whose balance increased by PLN 96,594 thousand (i.e. by 7%) compared with the previous year.

19. Net fee and commission income

In 2011, net fee and commission income amounted to PLN 632,578 thousand, which represented an increase of PLN 98,637 thousand (i.e. of 18%) compared with the previous year. The increase in the balance resulted from an increase in fee and commission income of PLN 100,919 thousand (i.e. of 11%) accompanied by a slight increase in related expense of PLN 2,282 thousand (i.e. of 1%).

The increase in fee and commission income was mainly due to an increase in fee and commission income on lending activities (of PLN 47,805 thousand, i.e. of 21%), commission income on handling payment cards (of PLN 30,193 thousand, i.e. of 9%) and fee and commission income presented as "Other" (of PLN 11,287 thousand, i.e. of 20%).

The level of fee and commission expense in the period under discussion was driven mainly by the costs of handling and insuring payment cards in the amount of PLN 176,594 thousand, commission expense paid to external entities for selling the Bank's products in the amount of PLN 84,809 thousand, and other fees paid in the amount of PLN 94,956 thousand. The increase in commission expense was mainly due to an increase in other fees paid in the amount of PLN 13,360 thousand, partly offset by a drop in commission expense for handling and insuring payment cards of PLN 10,992 thousand.

IV. Discussion of financial statement components (cont.)

20. Dividend income

In 2011, dividend income amounted to PLN 45,806 thousand, which represented an increase of PLN 26,529 thousand (i.e. of 138%) compared with 2010. The said item mainly comprised dividends received from subsidiaries.

21. Net trading income

In 2011, net trading income amounted to PLN 402,414 thousand, which, compared with 2010, represented an increase of PLN 9,896 thousand (i.e. of 3%). The net trading income comprised the foreign exchange position in the amount of PLN 375,062 thousand and net other trading income and net income on hedge accounting amounting to PLN 27,352 thousand.

The foreign exchange position increased by PLN 18,035 thousand compared with the previous year, whereas net other trading income and net income on hedge accounting decreased by PLN 8,139 thousand compared with the previous financial year mainly due to a drop in the result on market risk instruments of PLN 17,728 thousand partly offset by an increase in the result on interest rate instruments of PLN 11,941 thousand.

22. Gains less losses from investment securities and on investments in subsidiaries and associates

In 2011, the Bank earned a gain on investment securities in the amount of PLN 68,870 thousand, which represented an increase of PLN 57,508 thousand (i.e. of 506%) compared with the previous financial year.

In 2011, the net gain on investment securities was mainly earned on the sale of shares in subsidiaries and the liquidation of subsidiary.

23. Other operating income and other operating expenses

Other operating income amounted to PLN 69,597 thousand and increased by PLN 2,980 thousand (i.e. by 4%) compared with 2010. In 2011, this item comprised mainly income from the services provided in the amount of PLN 26,498 thousand, other operating income in the amount of PLN 21,496 thousand, and income from the release of provisions for future commitments in the amount of PLN 19,025 thousand.

Other operating expenses increased from PLN 53,573 thousand in 2010 to PLN 67,556 thousand in the audited period. In 2011, the balance comprised mainly the costs of provisions for future commitments in the amount of PLN 31,213 thousand and other operating expenses in the amount of PLN 20,405 thousand comprising mainly debt collection costs.

IV. Discussion of financial statement components (cont.)

24. Net impairment losses on loans and advances

The balance of net impairment losses on loans and advances amounted to PLN 318,684 thousand in the audited period compared with PLN 561,942 thousand in the previous year which indicated a drop by PLN 243,258 thousand comparing to previous year.

In the audited year, the net impairment losses on loans and advances comprised net impairment losses on loans and advances to customers in the amount of PLN 336,018 thousand, income from the release of provisions for off-balance sheet items in the amount of PLN 9,077 thousand, and the income from release of provisions for losses on amounts due from other banks in the amount of PLN 8,257 thousand.

The change in the balance of net impairment losses was mainly due to the drop in the level of net impairment losses on loans and advances to customers by PLN 236,193 thousand.

25. Overhead costs

In the audited period, the Bank's overheads amounted to PLN 1,180,098 thousand, which represented an increase of PLN 99,699 thousand (i.e. of 9%) compared with 2010.

The increase in the Bank's overheads was mainly due to an increase in employee expenses of PLN 65,493 thousand (i.e. of 12%) and an increase in the costs of contributions and transfers to the Bank Guarantee Fund of PLN 27,353 thousand (i.e. of 134%).

26. Amortization and depreciation

In the audited period, the depreciation and amortization expense amounted to PLN 185,077 thousand, which represented an increase of PLN 6,385 thousand (i.e. of 4%) compared with the previous financial year.

In the audited period, the balance of the said item comprised the amortization of intangible assets in the amount of PLN 95,441 thousand and the depreciation of fixed tangible assets in the amount of PLN 89,636 thousand.

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

IV. Discussion of financial statement components (cont.)

27. Income tax expense

	2011	2010	Change
	PLN'000	PLN'000	PLN'000
Current income tax	(279,736)	(156,383)	(123,353)
Deferred income tax	3,548	(7,854)	11,402
Income tax expense	(276,188)	(164,237)	(111,951)

In the current financial period, income tax was calculated at 19% of the profit before tax determined on the basis of the IFRS as adopted by the European Union, adjusted for non-taxable income and non-deductible costs. During 2011, the Bank paid advances towards corporate income tax in a simplified form. As at the end of the reporting period, an income tax liability arose in the amount of PLN 227,251 thousand.

The balance of deferred income tax comprised deferred income tax on deductible temporary differences, which amounted to PLN 375,900 thousand compared with PLN 298,218 thousand as at 31 December 2010. The deferred income tax on deductible temporary differences related to, among others, provisions for loans and advances in the amount of PLN 197,930 thousand, the valuation of derivative financial instruments in the amount of PLN 76,001 thousand, provisions for employee benefits in the amount of PLN 28,308 thousand, accrued interest in the amount of PLN 27,310 thousand, and accruals in the amount of PLN 26,004 thousand.

The deferred income tax on taxable temporary differences amounted to PLN 312,791 thousand as at the end of the audited period compared with PLN 236,004 thousand as at the end of 2010. The tax on taxable temporary differences related to, among others, the valuation of securities in the amount of PLN 140,374 thousand, interest and commissions collected in advance in the amount of PLN 57,312 thousand, interest accrued in the amount of PLN 42,854 thousand, and differences between tax depreciation and accounting depreciation in the amount of PLN 28,101 thousand.

Due to the fact that the deductible differences exceeded the taxable ones, as at the end of 2011 the Bank recognized deferred income tax assets in the amount of PLN 63,194 thousand (PLN 62,291 thousand as at the end of 2010). In addition, a deferred income tax liabilities was recognized in the amount of PLN 85 thousand (PLN 77 thousand as at the end of 2010) relating to the foreign operations in the Czech Republic and Slovakia.

The effective corporate income tax rate was 20.6% (in 2010, it amounted to 24.1%). The difference between the effective income tax rate and the statutory rate (19%) resulted mainly from the non-capitalized tax losses of the foreign branches in the Czech Republic and Slovakia and non-deductible costs, including the portion of the costs relating to the impairment of loans and advances for which the Bank had no legal basis to recognize them as tax-deductible costs.

Detailed information on deferred tax is presented in Notes 13 and 33 to the Bank's financial statements.

IV. Discussion of financial statement components (cont.)

28. Net profit for the year

The net profit for the audited year amounted to PLN 1,066,012 thousand.

Pursuant to Resolution No. 2 of the 24th Ordinary General Shareholders' Meeting dated 30 March 2011 the net profit earned in 2010 in the amount of PLN 517,724 thousand was appropriated as follows:

- PLN 457,724 thousand earmarked for transfer to the Bank's supplementary capital;
- PLN 60,000 thousand earmarked for transfer to the Bank's general risk reserve.

29. Off-balance-sheet liabilities

As at 31 December 2011, off-balance-sheet liabilities in the amount of PLN 508,501,609 thousand comprised: contingent liabilities granted and received, and derivative financial instruments.

Contingent liabilities granted and received amounted to PLN 17,640,794 thousand as at 31 December 2011. The balance comprised liabilities granted in the amount of PLN 16,627,040 thousand which increased by PLN 2,967,592 thousand compared with the end of the previous year and liabilities received in the amount of PLN 1,013,754 thousand which dropped by PLN 75,917 thousand compared with the end of the previous year.

As at the end of the audited period, the nominal value of derivative financial instruments amounted to PLN 490,860,815 thousand and increased by PLN 186,725,798 thousand compared with the end of 2010. The said balance consisted mainly of interest rate derivatives in the amount of PLN 442,533,044 thousand.

Detailed information on off-balance-sheet liabilities is presented in Note 35 to the Bank's financial statements.

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

V. Statements of the independent registered auditor

- a. The Management Board of the Bank 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 accounting records 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. The Bank has up-to-date documentation of its accounting policies, approved by the Management Board. The Bank's accounting policies were tailored to its needs and ensured the recognition of all events with a material effect on the assessment of its financial position and results, taking into consideration the prudence principle. Changes to accounting policies were properly disclosed in notes to the financial statements.
- d. The closing balances as at the end of the previous year were correctly brought forward as the opening balances of the current financial year in all material respects.
- e. The counts of assets and liabilities were carried out and reconciled in accordance with the Accounting Act, and the results were included in the accounting records for the audited year.
- f. The financial statements of the Company as at and for the year ended 31 December 2010 were approved by Resolution No. 1 passed by the 24th General Shareholders' Meeting 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.
- g. The financial statements for the previous financial year were audited by PricewaterhouseCoopers Sp. z o.o. The registered auditor issued an unqualified opinion.
- h. We have assessed the operation of the accounting system. Our assessment covered in particular:
 - the accuracy of the documentation relating to business transactions;
 - the fairness, accuracy and verifiability of the books of account, including computerized books of account;
 - the methods used for controlling access to data and the computerized data processing system;
 - the safeguarding of the accounting documentation, books of account, and financial statements.

This assessment, together with our verification of individual items of the financial statements, provides the basis for expressing a general and comprehensive opinion on these financial statements. The audit was not intended to provide a comprehensive opinion on the operations of the said system.
- i. The notes to the financial statements present all significant information required by IFRS as adopted by the European Union.

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

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

- j. 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 (Journal of Laws of 2009, No. 33, item 259, as amended) and consistent with that presented in the financial statements.
- k. The total regulatory requirement along with the requirement concerning the risk of excessive capital exposures amounted to PLN 4,735,731 thousand as at the end of the reporting period. The capital adequacy ratio amounted to 15.28% as at 31 December 2011. As at the end of the reporting period, the Bank complied with the applicable prudence standards in all material respects.

BRE Bank SA
Report on the financial statements
for the financial year from 1 January to 31 December 2011

VI. Final information and comments

This report has been prepared in connection with our audit of the financial statements of BRE Bank SA, Senatorska 18 Street, Warsaw. The financial statements were signed by the 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 financial statements. The opinion on the 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 financial statements as a whole.

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

Agnieszka Accordi-Krawiec

Key Registered Auditor
No. 11665

Warsaw, 2 March 2012