



Interim Consolidated Financial Statements
of Kredyt Bank S.A. Capital Group
for the Second Quarter of 2009 prepared in accordance with
the International Financial Reporting Standards

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1. Consolidated Income Statement

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Interest income	568 513	1 185 492	543 352	1 041 717
Interest expense	-299 538	-669 355	-293 253	-548 409
Net interest income	268 975	516 137	250 099	493 308
Fee and commission income	105 448	204 870	94 712	184 280
Fee and commission expense	-31 895	-58 942	-21 940	-40 688
Net fee and commission income	73 553	145 928	72 772	143 592
Dividend income	1 597	1 597	648	648
Net trading income	17 954	85 615	55 773	101 767
Net result on derivatives used as hedging instruments and hedged items	-1 059	87	-2 077	-2 874
Net gains from investment activities	-233	3 917	226	234
Other operating income	31 153	59 660	17 563	40 809
Total operating income	391 940	812 941	395 004	777 484
General and administrative expenses	-247 887	-518 046	-287 685	-535 829
Net impairment losses on financial assets, other assets and provisions	-89 014	-273 331	-8 950	-33 050
Other operating expenses	-6 640	-20 285	-10 374	-20 120
Total operating expenses	-343 541	-811 662	-307 009	-588 999
Net operating income	48 399	1 279	87 995	188 485
Share in profit (loss) of associates	362	697	-30	-912
Gross profit	48 761	1 976	87 965	187 573
Income tax expense	-8 202	2 077	-18 129	-42 765
Net profit from business activities	40 559	4 053	69 836	144 808
Net profit (loss) from discontinued operations	0	0	0	0
Net profit	40 559	4 053	69 836	144 808
Including:				
attributable to the Shareholders of the Bank	40 559	4 053	69 836	144 808
Weighted average number of ordinary shares	271 658 880	271 658 880	271 658 880	271 658 880
Earnings per ordinary share (in PLN)	0.15	0.01	0.26	0.53

2. Consolidated Statement of Comprehensive Income

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Net profit/loss for the period	40 559	4 053	69 836	144 808
Valuation of financial assets available-for-sale (including deferred tax)	27 555	-34 607	-51 938	-50 826
Effects of the valuation of derivatives designated for future cash flow hedge (including deferred tax)	-14 272	-73 067	-46 904	-43 307
Other comprehensive income recognized directly in equity	13 283	-107 674	-98 842	-94 133
Total comprehensive income for the period	53 842	-103 621	-29 006	50 675
Including:				
attributable to the Shareholders of the Bank	53 842	-103 621	-29 006	50 675

3. Consolidated Balance Sheet

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Assets				
Cash and balances with Central Bank	1 757 667	1 387 243	827 972	1 365 384
Gross loans and advances to banks	499 400	337 425	340 865	985 910
Impairment losses on loans and advances to banks	-2 260	-2 260	-2 261	-2 260
Receivables arising from repurchase transactions	7 001	336 247	0	12 523
Financial assets at fair value through profit or loss, including financial assets held for trading (excluding derivatives)	2 526 425	1 866 584	1 317 764	982 493
Derivatives including:	1 125 105	2 072 779	2 302 799	838 843
- Derivatives used as hedging instruments	66 014	73 066	166 954	5 658
Gross loans and advances to customers	28 979 908	29 826 986	27 660 647	20 123 292
Impairment losses on loans and advances to customers	-1 094 673	-1 059 041	-927 331	-835 722
Investment securities:	6 243 829	6 294 148	6 238 011	5 685 402
- available-for-sale	4 338 473	4 303 608	4 365 127	3 930 594
- held-to-maturity	1 905 356	1 990 540	1 872 884	1 754 808
Investments in associates valued using the equity method	10 827	10 466	10 131	11 262
Property, plant and equipment	395 145	409 348	421 866	404 218
Intangible assets	58 778	61 479	60 924	62 415
Goodwill on subordinated companies	36 052	36 052	36 052	36 052
Deferred tax asset	209 289	171 437	98 000	164 809
Current tax receivable	0	0	0	0
Investment properties	204 864	207 354	209 867	215 320
Other assets	144 583	158 671	135 370	139 029
Total assets	41 101 940	42 114 918	38 730 676	30 188 970

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Liabilities				
Amounts due to Central Bank	2 660 640	374 945	1 113 275	1 590
Amounts due to banks	11 340 518	13 316 388	12 125 013	7 157 731
Derivatives including:	1 036 593	1 700 869	1 890 221	787 484
- Derivatives used as hedging instruments	2 368	1 816	1 708	57 832
Amounts due to customers	22 370 493	22 199 231	20 275 366	19 338 765
Liabilities arising from repurchase transactions	0	1 317 003	8 991	0
Current tax liability	49 600	22 076	52 303	20 478
Provisions	69 978	84 331	59 474	122 672
Deferred tax liability	1 290	612	855	1 317
Other liabilities	180 251	227 193	280 022	364 417
Subordinated liabilities	849 952	384 220	279 643	208 800
Total liabilities	38 559 315	39 626 868	36 085 163	28 003 254

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Equity				
Share capital	1 358 294	1 358 294	1 358 294	1 358 294
Supplementary capital	806 038	604 966	604 966	604 966
Revaluation reserve	-9 736	-23 019	97 938	-181 750
Reserves	340 942	240 942	240 942	240 942
Currency translation differences from the translation of subordinated companies	0	0	-733	-733
Retained earnings/loss	43 034	343 373	19 189	19 189
Current net profit (loss) attributable to the Shareholders of the Bank	4 053	-36 506	324 917	144 808
Total equity attributable to shareholders of the Bank	2 542 625	2 488 050	2 645 513	2 185 716
Minority interest	0	0	0	0
Total equity	2 542 625	2 488 050	2 645 513	2 185 716
Total equity and liabilities	41 101 940	42 114 918	38 730 676	30 188 970

Capital adequacy ratio (%)	10.78	8.46	8.81	9.77
Number of shares	271 658 880	271 658 880	271 658 880	271 658 880
Book value per share (in PLN)	9.36	9.16	9.74	8.05

4. Off-balance Sheet Items

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Liabilities granted and received				
Liabilities granted, including:	5 912 250	6 885 375	7 219 430	6 577 740
- financial	4 028 037	5 025 958	5 389 649	5 248 116
- guarantees	1 884 213	1 859 417	1 829 781	1 329 624
Liabilities received, including:	1 404 798	1 622 367	1 829 299	1 589 571
- financial	7 512	206 934	521 748	479 175
- guarantees	1 397 286	1 415 433	1 307 551	1 110 396
Liabilities related to the sale/purchase transactions	146 723 571	210 609 229	279 092 521	295 127 547
Other	6 617 422	6 086 791	5 289 553	4 361 792
- collateral received	6 615 878	6 085 247	5 288 009	4 360 248
- other	1 544	1 544	1 544	1 544

5. Statement of Changes in Consolidated Equity

Changes in the period 01.01.2009 – 30.06.2009

	Share capital	Supplementary capital	Revaluation reserve	Reserves	Currency translation differences from the translation of subordinated companies	Retained earnings/loss	Net profit/loss for the period	Total equity attributable to shareholders of the Bank	Minority interest	Total equity
<i>in PLN '000'</i>										
Equity at opening balance – as of 01.01.2009	1 358 294	604 966	97 938	240 942	-733	344 106	0	2 645 513	0	2 645 513
Valuation of financial assets available-for-sale			-42 725					-42 725		-42 725
Effects of valuation of derivatives designated for future cash flow hedge			-90 206					-90 206		-90 206
Deferred tax on items recognized in equity			25 257					25 257		25 257
Net profit/loss recognized directly in the equity			-107 674					-107 674		-107 674
Net profit/loss for the period							4 053	4 053		4 053
Total of recognized income and expenses			-107 674				4 053	-103 621		-103 621
Other changes					733			733		733
Profit allowance		201 072		100 000		-301 072		0		0
Equity at end of period – as of 30.06.2009	1 358 294	806 038	-9 736	340 942	0	43 034	4 053	2 542 625	0	2 542 625

Changes in the period 01.01.2008 – 31.12.2008

	Share capital	Supplementary capital	Revaluation reserve	Reserves	Currency translation differences from the translation of subordinated companies	Retained earnings/loss	Net profit/loss for the period	Total equity attributable to shareholders of the Bank	Minority interest	Total equity
<i>in PLN '000'</i>										
Equity at opening balance – as of 01.01.2008	1 358 294	383 711	-87 617	180 942	-733	441 707	0	2 276 304	0	2 276 304
Valuation of financial assets available-for-sale			80 069					80 069		80 069
Effects of valuation of derivatives designated for cash flow hedge			149 012					149 012		149 012
Deferred tax on items recognized in equity			-43 526					-43 526		-43 526
Net profit/loss recognized directly in the equity			185 555					185 555		185 555
Net profit/loss for the period							324 917	324 917		324 917
Total of recognized income and expenses			185 555				324 917	510 472		510 472
Profit allowance		221 255		60 000		-281 255		0		0
Dividends						-141 263		-141 263		-141 263
Equity at end of period – as of 31.12.2008	1 358 294	604 966	97 938	240 942	-733	19 189	324 917	2 645 513	0	2 645 513

Changes in the period 01.01.2008 – 30.06.2008

	Share capital	Supplementary capital	Revaluation reserve	Reserves	Currency translation differences from the translation of subordinated companies	Retained earnings/loss	Net profit/loss for the period	Total equity attributable to shareholders of the Bank	Minority interest	Total equity
<i>in PLN '000'</i>										
Equity at opening balance – as of 01.01.2008	1 358 294	383 711	-87 617	180 942	-733	441 707	0	2 276 304	0	2 276 304
Valuation of financial assets available-for-sale			-62 749					-62 749		-62 749
Effects of valuation of derivatives designated for cash flow hedge			-53 465					-53 465		-53 465
Deferred tax on items recognized in equity			22 081					22 081		22 081
Net profit/loss recognized directly in the equity			-94 133					-94 133		-94 133
Net profit/loss for the period							144 808	144 808		144 808
Total of recognized income and expenses			-94 133				144 808	50 675		50 675
Profit allowance		221 255		60 000		-281 255		0		0
Cash designated for the payment of dividend						-141 263		-141 263		-141 263
Equity at end of period – as of 30.06.2008	1 358 294	604 966	-181 750	240 942	-733	19 189	144 808	2 185 716	0	2 185 716

6. Consolidated Cash Flow Statement

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Net cash flow from operating activities				
Net profit (loss)	40 559	4 053	69 836	144 808
Adjustments to net profit (loss) and net cash from operating activities:	-127 512	337 121	-745 072	-1 301 877
Current and deferred tax recognized in financial result	8 202	-2 077	18 129	42 765
Non-realised profit (loss) from currency translation differences	263	-33 842	3 025	5 199
Investing and financing activities	14 885	171 426	-19 475	-2 578
Depreciation	29 102	57 811	25 767	49 674
Share in profit (loss) of associates	-362	-697	30	912
Net increase/decrease in impairment	31 044	164 430	-17 403	971
Dividends	-1 597	-1 597	-648	-648
Interest	-26 391	-54 050	8 841	-12 746
Net increase/decrease in provisions	-14 352	10 506	-35 156	-38 362
Profit (loss) on disposal of investments	-2 559	-4 977	-906	-2 379
Net increase/decrease in operating assets (excluding cash)	1 441 243	-1 543 503	-1 787 765	-3 649 393
Net increase/decrease in loans and advances to banks	22 107	11 390	-57 185	-22 336
Net increase/decrease in financial assets at fair value through profit or loss, including financial assets held for trading and derivatives	275 924	-129 072	-594 106	-906 413
Net increase/decrease in receivables arising from repurchase transactions	329 246	-7 001	0	0
Net increase/decrease in gross loans and advances to customers	847 078	-1 319 261	-1 093 596	-2 667 108
Paid income tax	-38 931	-104 090	-6 036	-21 194
Net increase/decrease in other assets	5 819	4 531	-36 842	-32 342
Net increase/decrease in operating liabilities	-1 592 105	1 745 117	1 041 014	2 302 130
Net increase/decrease in amounts due to Central Bank	2 285 695	1 547 365	-1	-1 100 071
Net increase/decrease in amounts due to banks	-2 041 086	-955 887	707 697	935 498
Net increase/decrease in derivatives	-664 829	-854 288	68 863	299 459
Net increase/decrease in amounts due to customers	171 262	2 095 126	752 577	2 250 127
Net increase/decrease in liabilities arising from repurchase transactions	-1 317 003	-8 991	-502 009	-50 126
Net increase/decrease in other liabilities	-26 144	-78 208	13 887	-32 757
Net cash flow from operating activities	-86 953	341 174	-675 236	-1 157 069

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Net cash flow from investing activities				
Inflows	2 422 766	3 024 966	418 658	532 342
Disposal of property, plant and equipment, intangible assets and investment properties	971	2 012	-6	1 282
Disposal of investment securities	2 340 809	2 874 658	364 841	416 771
Dividends	1 597	1 597	648	648
Interest received	79 389	146 699	53 175	113 641
Outflows	-2 314 837	-2 925 925	-703 015	-783 531
Acquisition of property, plant and equipment, intangible assets and investment properties	-6 820	-24 711	-45 825	-64 126
Acquisition of interests in subordinated companies	0	0	0	0
Acquisition of investment securities	-2 308 017	-2 901 214	-657 190	-719 405
Net cash flow from investing activities	107 929	99 041	-284 357	-251 189
Cash flow from financing activities				
Inflows	1 173 251	1 970 652	415 020	1 125 278
Proceeds from a subordinated loan	496 681	571 681	209 580	209 580
Proceeds from loans and advances	676 570	1 398 971	205 440	915 698
Outflows	-639 723	-1 311 248	-418 357	-456 104
Dividends	0	0	0	0
Repayment of subordinated liabilities	0	0	-375 045	-375 045
Repayment of loans and advances	-600 000	-1 200 000	0	0
Other financial outflows	-39 723	-111 248	-43 312	-81 059
Net cash flow from financing activities	533 528	659 404	-3 337	669 174
Net increase/decrease in cash	554 504	1 099 619	-962 930	-739 084
Cash at the beginning of the period	1 506 368	961 253	2 913 760	2 689 914
Cash at the end of the period, including:	2 060 872	2 060 872	1 950 830	1 950 830
Restricted cash	948 377	948 377	688 368	688 368

7. Basis of preparation

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

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

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

8. The Group's financial standing at the end of the second quarter of 2009

8.1. Income Statement

Group's net result and result before tax

In the first half of 2009, the Group generated net profit amounting to PLN 4,053 thousand, while net profit generated in the first half of 2008 amounted to PLN 144,808 thousand. The significant difference between the net profit generated in the first half of 2009 as compared to the corresponding period of 2008 results mainly from high 'Net impairment losses on financial assets, other assets and provisions', whose balance in the first half of 2009 amounted to PLN 273,331 thousand, whereas, in the first half of 2008, the balance amounted to PLN 33,050 thousand. The high balance of impairment losses in the first half of 2009 was set-off mainly by higher net interest income (PLN 22,829 thousand) and lower general and administrative expenses (PLN 17,783 thousand). Despite the persisting disadvantageous macroeconomic situation in the majority of categories of net operating income in the first half of 2009 as compared to the first half of 2008, an increase was recorded. The Group's net operating income in the first half of 2009, as compared to the first half of 2008, increased by 4.7%, while general and administrative expenses dropped by 3.3%.

The Group's net profit in the second quarter of 2009 amounted to PLN 40,559 thousand, while net profit generated in the second quarter of 2008 amounted to PLN 69,836 thousand. As in the first half of 2009, lower profit before tax and, as a result, the net profit in the second quarter of 2009 as compared to the second quarter of 2008, results chiefly from high 'Net impairment losses on financial assets, other assets and provisions', whose balance in the second quarter of 2009 amounted to PLN 89,014 thousand, whereas, in the second quarter of 2008, the balance amounted to PLN 8,950 thousand. The high balance of impairment losses in the second quarter of 2009 was set-off mainly by higher interest income (PLN 18,876 thousand) and lower general and administrative expenses (PLN 39,798 thousand). The Group's total net operating income in the second quarter of 2009, as compared to the second quarter of 2008, increased by 0.2%, while general and administrative expenses decreased by 13.8%.

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

<i>in PLN '000'</i>	2 nd quarter of 2009	2 nd quarter of 2008	Change (%)	Two quarters of 2009	Two quarters of 2008	Change (%)
Net interest income	268 975	250 099	7.5%	516 137	493 308	4.6%
Net fee and commission income	73 553	72 772	1.1%	145 928	143 592	1.6%
Net gains from trading and investment activities*	18 259	54 570	-66.5%	91 216	99 775	-8.6%
Net gains from other operating income/expenses	24 513	7 189	241.0%	39 375	20 689	90.3%
Total	385 300	384 630	0.2%	792 656	757 364	4.7%
General and administrative expenses	-247 887	-287 685	-13,8%	-518 046	-535 829	-3,3%
Net impairment losses on financial assets, other assets and provisions	-89 014	-8 950	894,6%	-273 331	-33 050	727,0%
Total	-336 901	-296 635	13,6%	-791 377	-568 879	39,1%
Share in profit (loss) of associates	362	-30		697	-912	-
Profit (loss) before tax	48 761	87 965	-44,6%	1 976	187 573	-98,9%
Income tax expense	-8 202	-18 129	-54,8%	2 077	-42 765	-
Net profit (loss)	40 559	69 836	-41.9%	4 053	144 808	-97.2%

* Including net result on derivatives used as hedging instruments and hedged items.

Net interest, fee and commission income

Net interest income generated by the Group in the first half of 2009 amounted to PLN 516,137 thousand, i.e. it was higher by 4.6% than the corresponding figure in the first half of 2008. Higher volumes of the portfolio of customers' loans and of debt securities was the main reason for interest income in the first half of 2009 higher by 13.8% as compared to the first half of 2008. The increase in interest income was largely set-off by interest expense higher by 22.1%, especially higher interest expense on amounts due to customers.

Net interest income generated by the Group in the second quarter of 2009 amounted to PLN 268,975 thousand and was higher by 7.5% than net interest income generated in the second quarter of 2008, mainly due to income from debt securities higher by 24.6%. Higher net interest income in the second quarter of 2009 resulted also from the presentation in this item of interest income on derivatives used as hedging instruments amounting to PLN 6.5 million, accrued by the time of the loss of the hedging effectiveness. At the end of the first quarter of 2009, the amount was presented in net trading income.

Net fee and commission income in the first half of 2009 amounted to PLN 145,928 thousand and was higher by PLN 2,336 thousand (by 1.6%) than the net income generated in the first half of 2008, mainly due to the higher, by PLN 6,484 thousand, net income related to credit cards and payment cards processing and ATMs maintenance, with the simultaneous decrease, by PLN 3,398 thousand, in the income from the distribution and management of combined investment and insurance products.

Net fee and commission income in the second quarter of 2009 amounted to PLN 73,553 thousand and was higher by PLN 781 thousand (by 1.1%) than net income generated in the second quarter of 2008.

Net gains from trading and investment activities

In the first half of 2009, net gains from trading and investment activities, including net result on derivatives used as hedging instruments and hedged items, amounted to PLN 91,216 thousand as compared to PLN 99,775 thousand recorded in the first half of 2008. The net income for the first half of 2009 includes valuation write-downs of active derivatives amounting to PLN 26,054 thousand. In addition, the change in the parameterization of curves applied in the valuation of FX swaps, which resulted in the deterioration of the result in the first half of 2009 by ca. PLN 8 million in gross terms affected the result in the above-described area of activity.

In the second quarter of 2009, net gains from trading and investment activities, including net result on derivatives used as hedging instruments and hedged items, amounted to PLN 18,259 thousand as compared to PLN 54,570 thousand recorded in the second quarter of 2008. In the second quarter of 2009, net gains from trading and investment activities included write-downs of active derivative transactions amounting to the total of PLN 19,423 thousand. In addition, a lower result in the second quarter of 2009 results from the change in the presentation of interest income on derivatives used as hedging instruments described in 'Net interest, fee and commission income', accrued by the time of the loss of the hedging effectiveness.

Net gains from other operating income/expenses

Net gains from other operating activities in the first half of 2009 amounted to PLN 39,375 thousand and were higher by PLN 18,686 thousand than the figure in the first half of 2008. Rental income in Reliz is the main item which affects other operating income on a continuous basis. In the first half of 2009, the income of Reliz (after consolidation exclusions) amounted to PLN 17,430 thousand and was higher by PLN 3,232 thousand as compared to the first half of 2008 (the growth results to a large extent from currency translation differences). In the first half of 2009, as compared to the corresponding period in the last year, the Group recorded also higher inflows related to the receivables previously written off the balance sheet (by PLN 7,785 thousand). In addition, the reversal of provisions for various debtors of PLN 4,609 thousand had a positive impact upon the result.

Net gains from other operating activities in the second quarter of 2009 amounted to PLN 24,513 thousand and were higher by PLN 17,324 thousand than the figure in the second quarter of 2008. Main reasons for the increase in this category in the second quarter of 2009 have been described above.

General and administrative expenses

	2 nd quarter of 2009	2 nd quarter of 2008	Change (%)	Two quarters of 2009	Two quarters of 2008	Change (%)
Staff costs	105 889	140 126	-24.4%	230 851	270 586	-14.7%
General expenses, including:	112 896	121 792	-7.3%	229 384	215 569	6.4%
- costs of buildings maintenance and lease	38 546	31 337	23.0%	77 021	60 710	26.9%
- postal and telecommunications fees	14 714	16 303	-9.7%	31 628	29 537	7.1%
- IT costs	13 634	8 548	59.5%	24 333	16 833	44.6%
- promotion and advertising services	4 373	13 356	-67.3%	8 024	17 455	-54.0%
- advisory costs	3 824	5 501	-30.5%	9 018	7 931	13.7%
- transportation services	4 895	4 845	1.0%	9 342	9 627	-3.0%
- purchase of other materials	1 667	3 926	-57.5%	3 922	7 457	-47.4%
- taxes and fees	24 710	24 895	-0.7%	50 514	44 295	14.0%
- other	6 533	13 081	-50.1%	15 582	21 724	-28.3%
Depreciation	29 102	25 767	12.9%	57 811	49 674	16.4%
Total	247 887	287 685	-13.8%	518 046	535 829	-3.3%

Employment *	30.06.2009	30.06.2008	Change	Change (%)
KB	5 209	5 482	- 273	-5.0%
Żagiel	1 224	1 408	- 184	-13.1%
Other	104	106	- 2	-1.9%
Total	6 537	6 996	- 459	-6.6%

* Figures in FTEs.

General and administrative expenses of the Group in the first half of 2009 amounted to PLN 518,046 thousand and, as compared to the first half of 2008, they were lower by 3.3%. The Group's general and administrative expenses in the second quarter of 2009 amounted to PLN 247,887 thousand and, as compared to the second quarter of 2008, decreased by 13.8%.

Staff costs decreased in the first half of 2009 by PLN 39.7 million (14.7%) as compared to the first half of 2008. In the second quarter of 2009, staff costs amounted to PLN 105,889 thousand, what means a decrease as compared to the second quarter of 2008 by PLN 34.2 million (24.4%). The decrease in staff costs in the first half of 2009 as compared to the corresponding period in 2008 results mainly from lower provisions for bonuses and the decrease in the employment in the Group. At the end of the first half of 2009, the employment in the Group decreased by 459 FTEs, as compared to the end of the first half of 2008.

In the first half of 2009, general expenses increased by PLN 13.8 million as compared to the first half of 2008. The increase in general expenses resulted chiefly from the increase in:

- costs of buildings maintenance and lease (PLN 16.3 million), which resulted from the depreciation of Polish zloty (the majority of rents are in EUR or USD);
- IT costs (PLN 7.5 million), which resulted from the increase in costs of the maintenance of IT infrastructure (PLN 2.7 million) and software (PLN 2.6 million), and also purchases charged directly to the costs of IT materials (PLN 2.0 million);
- costs of taxes and fees (PLN 6.2 million), which resulted from the increase in fees for the Bank Guarantee Fund (PLN 4.6 million), for the Polish Financial Supervision Authority (PLN 1.3 million) and VAT costs (what results indirectly from the increase in net general expenses).

The increase in costs in the above categories in the first half of 2009, as compared to the corresponding period in 2008, was partially set-off by the decrease in:

- costs of promotion and advertising services (PLN 9.4 million);
- costs of the purchase of other materials (PLN 3.5 million);
- other costs (PLN 6.1 million).

In the second quarter of 2009, general expenses decreased by PLN 8.9 million as compared to the second quarter of 2008. The decrease in general expenses resulted mainly from the decrease in:

- costs of promotion and advertising services (PLN 9.0 million);
- the costs of the purchase of other materials (PLN 2.3 million);
- the costs of advisory (PLN 1.7 million);
- costs of postal and telecommunications fees (PLN 1.6 million);
- other costs (PLN 6.5 million);

set-off by an increase in:

- costs of buildings maintenance and lease (PLN 7.2 million);
- IT costs (PLN 5.1 million).

Cost/income ratio (CIR)

The cost/income ratio for the first half of 2009 amounted to 65.4% and was lower as compared to the corresponding period in 2008 by 5.3 percentage points. In the second quarter of 2009, the ratio amounted to 64.3% as compared to 74.8% in the second quarter of 2008.

Net impairment losses on financial assets, other assets and provisions

Net impairment losses on financial assets, other assets and provisions	2nd quarter of 2009	2nd quarter of 2008	Two quarters of 2009	Two quarters of 2008
Retail Segment	-14 573	18 448	-20 301	10 221
Consumer Finance Segment	-79 835	-35 897	-150 586	-67 163
Corporate Segment	1 094	-24 524	-102 910	-18 037
Other provisions	4 300	33 023	466	41 929
Result on provisions	-89 014	-8 950	-273 331	-33 050

In the first half of 2009, the Group recorded a negative balance of net impairment losses on financial assets, other assets and provisions of PLN 273,331 thousand, as compared to the negative balance in the first half of PLN 33,050 thousand.

The balance of impairment losses for the Corporate Segment in the first half of 2009 includes impairment losses on receivables related to mature currency derivatives not paid by customers in the total amount of PLN 70 million.

The balance of other provisions in the first half of 2009 includes mainly the reversal of the impairment on property, plant and equipment in the Group's companies amounting to PLN 4.5 million and the establishment in the first quarter of 2009 of a restructuring provision of PLN 5.7 million.

The balance of other provisions in the first half of 2008 includes the reversal of the provision for a litigation related to the court judgment advantageous for the Bank amounting to PLN 36 million.

In the second quarter of 2009, the Group recorded a negative balance of net impairment losses on financial assets, other assets and provisions of PLN 89,014 thousand, as compared to the negative balance in the second quarter of 2008 amounting to PLN 8,950 thousand. The result was mainly generated in the Consumer Finance Segment.

Corporate income tax

The credit due to the income tax in the Group in the first half of 2009 amounted to PLN 2,077 thousand, as compared to the deduction from the Group's net profit in the first half of 2008 of PLN 42,765 thousand. The effective tax rate in the first half of 2009 was distorted by the reversal of provisions in the Group's companies amounting to PLN 11 million, which were permanent tax differences.

8.2. Assets and liabilities

Gross loans and advances to customers

The value of gross loans and advances to customers at the end of the second quarter of 2009 increased by 44.0% as compared to the corresponding period in the previous year. The increase in the portfolio of loans and advances to customers during the last year was related mainly to mortgages; however, to a large extent, it resulted from the depreciation of Polish zloty.

Details concerning the portfolio of loans and advances have been presented in sections 8.5, 8.2.1. and 8.2.2 below.

Investment securities portfolio

In the second quarter of 2009, the level of portfolios of investment securities still made it possible, as in previous quarters, to safely manage short-term liquidity.

Derivatives

At the end of the second quarter of 2009, the Group's net item resulting from the valuation of derivatives was open and amounted to PLN 88.5 million as compared to PLN 51.4 million at the end of the second quarter of 2008. The increase was possible mainly due to the valuation of IRS's used in the interest rate risk management process. The Group's net item due to the valuation of options is closed – options concluded with customers are hedged by option transactions concluded on the inter-bank market. However, due to the depreciation of Polish zloty, the turmoil on financial markets and the deterioration of the financial situation of entities operating in the sector of enterprises, and the resulting growing credit risk, particularly in the case of option transactions, net revaluation write-downs on derivative transactions and on receivables due to mature and non-settled transactions amounted in the first half of 2009 to the total amount of PLN 96 million, including PLN 26 million reported in net trading income (including PLN 19 million in the second quarter), and PLN 70 million in 'Net impairment losses on financial assets, other assets and provisions' (including PLN 11 million in the second quarter). Credit risk for option transactions is monitored on an ongoing basis by the Bank's Credit Committee.

Amounts due to banks and subordinated liabilities

<i>in PLN '000'</i>	30.06.2009	31.12.2008	30.06.2008
Loans and advances from KBC Group	7 202 103	6 763 261	3 655 012
- including loans and advances in foreign currencies	6 630 156	4 991 104	1 993 416
Term deposits	3 124 725	4 087 081	521 375
- including term deposits from KBC Group	3 110 907	3 993 949	353 572
Current accounts	1 008 657	1 271 449	2 977 321
Other liabilities	5 033	3 222	4 023
Total amounts due to banks	11 340 518	12 125 013	7 157 731
Subordinated liabilities (from KBC Group)	849 952	279 643	208 800
Total	12 190 470	12 404 656	7 366 531

The Bank finances the lending activities not only with deposits but also, to a large extent, with financing made available by KBC Group, the Bank's main shareholder. The loans in foreign currencies granted by the Bank's Capital Group are fully financed with loans in foreign currencies received from KBC Group, deposits in foreign currencies made by entities from KBC Group and customer deposits in foreign currencies. Deposits from KBC Group will be renewed at their maturities, what enables the Bank to treat them as long-term financing.

Customers' deposits portfolio

Customers' deposits at the end of the second quarter of 2009 increased by 0.8% as compared to the end of the first quarter of 2009, and by 15.7% as compared to the end of the second quarter of 2008. In the last 12 months, the largest increase was recorded in the portfolio of term deposits of retail customers by ca. PLN 2.2 billion and in the portfolio of term deposits of corporate customers by ca. PLN 1.7 billion.

Details concerning the deposits portfolio have been presented in sections 8.2.1 and 8.2.2 below.

8.2.1. Corporate and SME banking

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

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

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Corporate and SME customers				
- overdraft facilities	1 874 388	2 085 997	1 881 957	1 843 602
- term loans*	6 376 249	6 773 856	6 564 247	5 441 908
- purchased debt	176 048	149 256	51 808	22 986
- realised guarantees	5 804	6 539	7 063	7 600
- other receivables (including leasing fees)	583 434	604 070	563 093	421 126
Total**	9 015 923	9 619 718	9 068 168	7 737 222
Budget				
- overdraft facilities	41 350	1 824	4 402	623
- term loans*	240 743	257 179	344 458	335 679
Total**	282 093	259 003	348 860	336 302

* mainly investment loans and working capital loans
 ** in gross terms

The increase in the portfolio of corporate and SME loans as at 30.06.2009 as compared to 30.06.2008 amounts to 16.5%.

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

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Corporate and SME customers				
- current accounts	2 450 913	2 226 901	2 345 672	2 428 190
- term deposits	4 464 447	5 507 519	5 093 304	2 794 376
- including 'Warta Gwarancja' product	1 150 467	1 911 628	1 816 873	800 735
- loans and advances	146	147	149	0
- other	3 104	2 632	37 680	6 961
Total	6 918 610	7 737 199	7 476 805	5 229 527
Budget				
- current accounts	1 407 311	1 378 373	2 037 335	2 027 463
- term deposits	608 319	565 161	386 057	720 735
- other	0	85	0	0
Total	2 015 630	1 943 619	2 423 392	2 748 198

The increase in the portfolio of term deposits of corporate customers at the end of the second quarter of 2009 as compared to the second quarter of 2008 amounting to ca. PLN 1.7 billion results mainly from the depositing of cash by the funds managed by the companies of KBC Group – ca. PLN 0.8 billion, and the increase in the value of the cash deposited in the Bank and sourced by TUnŻ Warta S.A. from the sale of 'Warta Gwarancja' product (an increase by PLN 0.4 billion) offered by the insuring company to retail customers.

The decrease in the value of the portfolio of term deposits of corporate customers at the end of the second quarter of 2009 as compared to the first quarter of 2009 amounting to ca. PLN 0.8 billion results mainly from the decrease in cash deposited within 'Warta Gwarancja' product due to the maturing of term deposits. The majority of mature cash was deposited mainly by retail customers on the Bank's Savings Accounts, what was reflected by the increase in cash on accounts presented in section 8.2.2.

8.2.2. Retail banking

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

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

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
- overdraft facilities	796 760	773 785	695 814	651 684
- purchased debt	14 168	10 676	10 676	11 006
- term loans*	995 364	1 024 440	979 667	863 748
- instalment and cash loans	3 891 845	3 812 277	3 685 259	2 860 238
- mortgages	13 957 375	14 305 102	12 854 847	7 643 442
- realised guarantees	1 523	1 519	1 583	1 548
- other receivables	24 857	20 466	15 773	18 102
Total**	19 681 892	19 948 265	18 243 619	12 049 768

* mainly investment and working capital loans for individual entrepreneurs, and mortgage loans

** in gross terms

The increase in the balance of retail customers' loans at the end of the first half of 2009 as compared to the end of the first half of 2008 amounted to 63.3% (ca. 31% of the increase results from currency translation differences); and, as compared to the first quarter of 2009, a decrease by 1.3% was recorded (mainly due to currency translation differences).

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

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
- current accounts	8 217 254	6 836 705	6 797 580	8 290 887
- term deposits	5 099 576	5 523 197	3 403 116	2 870 830
- other	119 423	158 511	174 473	199 323
Total	13 436 253	12 518 413	10 375 169	11 361 040

The Bank's long-term strategy assumes holding of a permanent deposits base sourced from customers, hence, in the second quarter of 2009, Kredyt Bank offered very competitive interest rates for the Savings Accounts (presented in current accounts), what resulted in an increase in cash deposited in these accounts by PLN 1.4 billion.

As mentioned above, the cash acquired by the Bank from TunŻ Warta S.A. from the sale of 'Warta Gwarancja' product offered by the insurer to retail customers is recognized in these financial statements in the corporate segment.

Instalment and cash loans

Instalment and cash loans are sold via the network of the Bank's outlets, but mainly via Żagiel.

In the fourth quarter of 2008, in view of the symptoms of slower economic growth, the Bank made decisions to tighten the credit policy for instalment loans and cash loans, and, in particular, to decrease Dtl (Debt to Income) ratio for the calculation of creditworthiness. The restrictive credit policy affected mainly the loans granted via Żagiel.

The sale of retail loans and advances through Żagiel's distribution network in the second quarter of 2009 amounted to PLN 449 million, i.e. decreased by 20.9% as compared to the first quarter of 2009 and by 44.8% against the level in the second quarter of 2008. As compared to the first quarter of 2009, in the second quarter of 2009, the number of granted loans decreased from 206 thousand to 200 thousand, and, as compared to the second quarter of 2008, the number of loans decreased by 107 thousand.

<i>in PLN '000'</i>	2 nd quarter of 2009	1 st quarter of 2009	4 th quarter of 2008	2 nd quarter of 2008
Instalment and cash loans				
Gross value of the portfolio at the end of the quarter, including:	3 891 845	3 812 277	3 685 259	2 860 238
Loans granted via Żagiel				
Gross value of the portfolio at the end of the quarter*	2 766 933	2 819 443	2 811 786	2 107 953
Number of loans granted in the quarter (in '000')	200	206	328	307
Value of loans granted in the quarter	448 748	567 282	910 229	812 695

* including the consolidation adjustment due to EIR

Mortgages

In the first quarter of 2009, due to the observed fluctuations of the rates of exchange and in view of the symptoms of the slower economic growth, the Bank decided to withdraw loans denominated in foreign currencies from its offer.

The gross value of the portfolio of mortgages in the second quarter of 2009 as compared to the first quarter of 2009 decreased by 2.4% and, as compared to the corresponding period in the previous year, by 82.6%. In total, in the second quarter of 2009, the portfolio of loans decreased by PLN 348 million, what, to a large extent, resulted from the appreciation of Polish zloty in this period (over 71% of the portfolio is in CHF).

<i>in PLN '000'</i>	2 nd quarter of 2009	1 st quarter of 2009	4 th quarter of 2008	2 nd quarter of 2008
Mortgages				
Gross value of the portfolio at the end of the quarter	13 957 375	14 305 102	12 854 847	7 643 442
Number of loans granted in the quarter (in '000')	1.5	2.1	8.5	11.7
Value of loans granted in the quarter*	270 122	414 940	1 541 815	1 691 247

* new loans

Current accounts for individual clients

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Current accounts				
Carrying amount at quarter end	8 217 254	6 836 705	6 797 580	8 290 887
Including ROR accounts *				
Number (in '000')	596	593	588	578
Carrying amount	1 267 090	1 259 110	1 216 932	1 325 280
Including Savings Account *				
Number (in '000')	423	400	370	351
Carrying amount	5 737 141	4 400 995	4 245 387	5 671 738

* ROR and Savings Account – figures for private persons

As at 30.06.2009, the number of current-savings accounts (ROR) increased by 0.5% as compared to figures at 31.03.2009 and was higher by 3.1% as compared to figures at 30.06.2008. The carrying amount of cash on ROR accounts for individual customers at the end of the second quarter of 2009 increased as compared to the end of the first quarter of 2009 by 0.6% and decreased by 4.4% as compared to the end of the second quarter of 2008.

At the end of the second quarter of 2009, the number of savings accounts increased by 5.7% as compared to the end of the first quarter of 2009, and by 20.5% as compared to the end of the second quarter of 2008. At the end of the second quarter of 2009, the value of deposited cash was PLN 5.7 billion, i.e. increased by 30.4% as compared to figures at the end of the first quarter of 2009, and by 1.2% as compared to the end of the second quarter of 2008. The high increase in the value of cash in the savings accounts in the second quarter of 2009 is an effect of Kredyt Bank's offer of competitive interest terms for the Savings Account.

Credit cards

At the end of the second quarter of 2009, as compared to the end of the first quarter of 2009, the number of credit cards increased by 5.1%, and by 64.8% as compared to the end of the second quarter of 2008. It resulted in the increase in net fee and commission income related to credit cards from PLN 3,737 thousand in the first half of 2008 to PLN 7,557 thousand in the first half of 2009.

<i>in thousands</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Credit cards (aggregate for KB and Żagiel S.A.)	534	508	477	324

Electronic distribution channels

The number of users of electronic distribution channels has been growing systematically. As of 30.06.2009, the number of KB24 users was equal to 352 thousand. As compared to figures at 31.03.2009, their number increased by 1.4%, and by 15.0% as compared to figures at 30.06.2008. As compared to the first quarter of 2009, the number of bank transfers made via KB24 in the second quarter of 2009, increased by 3.7% and by 15.4% as compared to the second quarter of 2008.

<i>in '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Number of KB 24 users	352	347	334	306
Number of transfers via KB24 in the quarter	4 240	4 089	4 066	3 674

Number of outlets

In the fourth quarter of 2008, in view of the symptoms of the coming economic growth, the Bank made decisions to tighten the credit policy for instalment loans and cash loans. The restrictive credit policy affected mainly the loans granted via Żagiel. As a result, the number of outlets of Żagiel ('Kredyt Punkt') dropped in the second quarter of 2009 by 88.

In October 2005, the Bank's Management Board approved the project: 'The Development of the Retail Network', under which the Bank intended to open 120 model outlets and which terminated in the second quarter of 2009. Within this project, the Bank eventually opened 104 outlets. The Bank's Management Board monitors the effectiveness of the operation of new and existing outlets on an ongoing basis.

<i>in units</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Bank's outlets	402	401	401	392
Outlets of Żagiel S.A. ('Kredyt Punkt' outlets)	261	349	351	312

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

Total net assets of KBC TFI funds (excluding non-registered funds) sold as at 30.06.2009 via the Bank's distribution network amounted to PLN 2,858,172 thousand. As compared to figures at 31.03.2009, they increased by 6.8%, and by 8.7% as compared to figures at 30.06.2008.

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Net assets of KBC TFI funds (excluding non-registered funds) sold via the Bank's distribution network	2 858 172	2 677 067	2 789 563	3 130 515
The share of net assets of funds sold via the Bank's distribution network in net assets of investment funds managed by KBC TFI S.A.	73.8%	74.2%	74.6%	74.6%

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

In the second quarter of 2009, the Bank did not issue, redeem or repay any equity securities issued by the Bank.

8.5. The quality of loans and advances portfolio

In the second quarter of 2009, the quality ratio for the Group's gross loans and advances amounted to 5.7% and deteriorated only slightly in this period, i.e. by 0.4 p.p.

The Group, when estimating credit risk for individual credit exposures and loan portfolios, follows the overriding prudence concept. As at 30.06.2009, the coverage of loans and advances with evidence for impairment with impairment losses was at the level of 59.2%. The decrease in this ratio in the second quarter of 2009 as compared to the end of the first quarter of 2009 results mainly from the transfer, in the second quarter of 2009, of a part of receivables subject to the full impairment loss to the off-balance-sheet records.

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Loans and advances with no evidence for impairment	27 321 024	28 238 502	26 310 999	19 013 300
Loans and advances with evidence for impairment	1 658 884	1 588 484	1 349 648	1 109 992
Total gross loan and advances to customers	28 979 908	29 826 986	27 660 647	20 123 292
Impairment losses on loans and advances to customers	1 094 673	1 059 041	927 331	835 722
including: impairment on loans and advances with evidence for impairment	982 265	970 555	839 644	785 219
Total net loans and advances to customers	27 885 235	28 767 945	26 733 316	19 287 570
The share of loans and advances with evidence for impairment in total gross loans and advances	5.7%	5.3%	4.9%	5.5%
Coverage of loans and advances with evidence for impairment with corresponding impairment	59.2%	61.1%	62.2%	70.7%
Coverage of gross loans and advances to customers with corresponding impairment	3.8%	3.6%	3.4%	4.2%

8.6. Capital adequacy ratio

The Group's capital adequacy ratio was calculated in compliance with the regulations of the National Bank of Poland in force and, as of 30.06.2009, amounted to 10.78% as compared to 9.77% recorded as of 30.06.2008. The increase in the adequacy ratio as compared to the state as at 30.06.2008, despite the dynamic increase in the loan portfolio and the strong depreciation of Polish zloty, was possible due to the accounting of subordinated loans of PLN 75 million and CHF 165 million in the supplementary funds. The Group applies the standardized approach to credit risk calculation.

8.7. Income and results by operating segments

Since 1.01.2009, in accordance with the assumptions of IFRS 8, the approach to disclosures concerning operating segments has changed. The criterion for separating a segment now includes the method of carrying business and the type and scope of information used by the management in a given entity.

An operating segment is a type of activities reviewed regularly by the authorities responsible for making operating decisions, including decisions concerning the method of allocating resources within the reviewed segment. The figures originate from internal reports used by the Bank's management to review the results of the activities of a given segment. The presentation of particular items follows the approach applied in management reporting.

As a result, the Group's operating activities were divided into four basic segments: Retail Segment, Corporate Segment, Consumer Finance Segment and Treasury Segment. The Bank's operations are not diversified in geographical terms. Operations are focused on the Polish market; the main customer base is composed of Polish natural and legal persons and foreign customers operating on the Polish market.

Retail Segment

Retail Segment, in management terms, incorporates products targeted at individual customers (except for customers qualified as Consumer Finance Segment) as well as Small and Medium-sized Enterprises (SME), whose annual sales revenue does not exceed PLN 16 million. The offer consists of a wide choice of deposit, credit and insurance (bancassurance) products offered in cooperation with TUNŻ WARTA S.A.

and TUIR WARTA S.A., and investment products offered by KBC TFI S.A. This offer is addressed to customers through traditional channels of distribution via the Bank's nationwide network of branches and affiliates as well as KB24 – an Internet network.

Corporate Segment

Corporate Segment, in management terms, comprises transactions with large companies (with annual sales revenue exceeding PLN 16 million) as well as state budgetary units at central and local levels. Beside such traditional products as loans, deposits, settlement and treasury services, the customers from this segment are offered specialist services. They are tailored to customers' individual needs, e.g. organizing syndicates supporting investment projects, financing real estate transactions, financing foreign trade and bulk payments. The Bank's offer in this segment is expanded by the products of Kredyt Lease, which offers a complete range of services for companies in respect of the leasing of property, plant and equipment.

Consumer Finance Segment

Consumer Finance Segment, in management terms, includes the sale of consumer loans (instalment and cash loans, credit cards) via the distribution network of Żagiel.

Treasury Segment

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

Other

Income and expenses not assigned to above segments have been presented as Other 'segment'. This category also includes the results of the operations of Reliz and Kredyt Trade (also of KIF for 2008). Respective eliminations were made for the presentation of the results of particular segments.

Additional clarifications

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

Net interest income includes net interest income from deposit and lending activities and the total net income from loan commissions treated, in management terms, as an element of an interest margin. In addition, particular segments includes the costs of financing the cash maintained in the Bank's branches.

Net commission income and other net income entails:

- commissions for keeping accounts and transactions;
- commissions related to credit, debit and other cards;
- commissions related to the distribution of the shares of investment funds and other services provided to investment funds;
- commissions related to insurance products;

- commissions related to foreign transactions, i.e. export and import payment orders, transfers and guarantees, letters of credit, bill guarantees and cash collections;
- other net income including net income from other commissions and net income from other operating income and expenses (including the reversal of provisions due to the sale of debt).

Net income from treasury transactions in the Retail Segment and in the Corporate Segment is the net income from exchange operations and net income from financial transactions which are a margin on such products as repurchase transactions, bonds, IRS and FX options. The result for the Treasury Segment is the aggregate of the following items from the financial statements: net trading income increased with the provision for potential losses related to open/active derivatives and net result on derivatives used as hedging instruments and hedged items.

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

Net impairment losses on financial assets, other assets and provisions in 2008 are the same as the item presented in the financial statements. In 2009, in management reporting, a provision for potential losses related to open/active derivatives and the adjustment of the accrual of interest based on net investments (presented in the financial statements for the first half of 2009 in net trading income and in net interest income, respectively) were additionally recognized in this item. In addition, in the financial statements, this item also contains income resulting from the reversal of provisions related to the sale of debt, which, in the reporting management, are presented in 'Commission income and other income'.

Group's general expenses – the Group allocates the costs on the basis of direct costs accounting and statistical key figures applied in own management system. The costs of the Head Office and general and administrative expenses are allocated according to the structure of direct costs. The Bank has been implementing the Activity-based Costing (ABC), which will affect the method of allocating costs to particular segments.

Group's net profit for the second quarter of 2009 by business segments (breakdown according to management reporting)

<i>in PLN '000'</i>	Retail Segment	Consumer Finance Segment	Corporate Segment	Treasury Segment	Other	Total
Net interest income, including:	119 229	114 226	52 373	8 697	-5 627	288 898
- lending activities	82 226	114 226	36 640		-5 671	227 421
- depositing activities	39 979		16 864		44	56 887
- the cost of financing cash kept in the Bank's branches	-2 976		-1 131			-4 107
Net commission income and other net income	45 804	2 090	36 541	0	12 725	97 160
- commissions related to the keeping of accounts and transactions	27 025		5 721		247	32 993
- commissions related to cards	15 248	7 573	386			23 207
- commissions related to shares in investment funds societies	5 479		145		1	5 625
- commissions related to insurance products	7 009		1		6	7 016
- commissions related to foreign transactions	2 133		2 668		481	5 282
- other	-11 090	-5 483	27 620		11 990	23 037
Net income from treasury transactions	6 963	2	7 810	15 391	6 152	36 318
- exchange transactions	6 943	2	7 135	17 687	7 886	39 653
- derivatives and securities	20		675	-2 296	-1 734	-3 335
Net gains from investment activities				515	849	1 364
Operating income before tax	171 996	116 318	96 724	24 603	14 099	423 740
Net impairment losses on financial assets, other assets and provisions	-19 558	-80 900	-31 296	0	4 300	-127 454
Group's general and administrative expenses, including:	-173 130	-36 645	-22 481	-9 544	-6 087	-247 887
- the costs of the operation of business functions (direct costs)	-112 357	-37 036	-15 316	-6 196	-6 087	-176 992
- allocated expenses	-60 773	391	-7 165	-3 348		-70 895
Net operating income	-20 692	-1 227	42 947	15 059	12 312	48 399
Share in profit (loss) of associates						362
Income tax expense						-8 202
Net profit/loss						40 559

Group's net profit for the first half of 2009 by business segments (breakdown according to management reporting)

<i>in PLN '000'</i>	Retail Segment	Consumer Finance Segment	Corporate Segment	Treasury Segment	Other	Total
Net interest income, including:	227 649	236 363	106 536	-12 479	-6 445	551 624
- lending activities	162 063	236 363	73 736		-6 497	465 665
- depositing activities	72 264		35 220		52	107 536
- the cost of financing cash kept in the Bank's branches	-6 678		-2 420	4 991		-4 107
Net commission income and other net income	89 668	11 526	50 463	0	25 370	177 027
- commissions related to the keeping of accounts and transactions	53 076		11 292		550	64 918
- commissions related to cards	31 080	11 670	729			43 479
- commissions related to shares in investment funds societies	10 005		193		1	10 199
- commissions related to insurance products	13 681		1		13	13 695
- commissions related to foreign transactions	4 100		5 144		777	10 021
- other	-22 274	-144	33 104		24 029	34 715
Net income from treasury transactions	30 276	67	17 563	64 964	-1 114	111 756
- exchange transactions	30 181	67	14 782	46 180	834	92 044
- derivatives and securities	95		2 781	18 784	-1 948	19 712
Net gains from investment activities				515	4 999	5 514
Operating income before tax	347 593	247 956	174 562	53 000	22 810	845 921
Net impairment losses on financial assets, other assets and provisions	-27 459	-153 991	-145 612	0	466	-326 596
Group's general and administrative expenses, including:	-350 918	-81 649	-55 003	-18 817	-11 659	-518 046
- the costs of the operation of business functions (direct costs)	-229 356	-79 585	-38 060	-12 299	-11 659	-370 959
- allocated expenses	-121 562	-2 064	-16 943	-6 518		-147 087
Net operating income	-30 784	12 316	-26 053	34 183	11 617	1 279
Share in profit (loss) of associates						697
Income tax expense						2 077
Net profit/loss						4 053

Group's net profit for the second quarter of 2008 by business segments (breakdown according to management reporting)

<i>in PLN '000'</i>	Retail Segment	Consumer Finance Segment	Corporate Segment	Treasury Segment	Other	Total
Net interest income, including:	109 617	88 104	42 991	21 785	-5 647	256 850
- lending activities	56 726	88 104	26 501		-5 612	165 719
- depositing activities	57 787		18 130		-25	75 892
- the cost of financing cash kept in the Bank's branches	-4 896		-1 640	6 546	-10	0
Net commission income and other net income	52 838	6 314	19 123	0	-5 065	73 210
- commissions related to the keeping of accounts and transactions	25 452		6 043		229	31 724
- commissions related to cards	17 123	3 003	483			20 609
- commissions related to shares in investment funds societies	7 498		77			7 575
- commissions related to insurance products	4 731		1			4 732
- commissions related to foreign transactions	2 332		2 741		329	5 402
- other	-4 298	3 311	9 778		-5 623	3 168
Net income from treasury transactions	31 721	4	10 736	16 549	-5 314	53 696
- exchange transactions	31 537	4	5 668	17 295	-873	53 631
- derivatives and securities	184		5 068	-746	-4 441	65
Net gains from investment activities			4		870	874
Operating income before tax	194 176	94 422	72 854	38 334	-15 156	384 630
Net impairment losses on financial assets, other assets and provisions	18 448	-35 897	-24 524	0	33 023	-8 950
Group's general and administrative expenses	-188 564	-62 689	-26 228	-6 742	-3 462	-287 685
- the costs of the operation of business functions (direct costs)	-153 881	-55 500	-21 924	-5 950	-3 462	-240 717
- allocated expenses	-34 683	-7 189	-4 304	-792		-46 968
Net operating income	24 060	-4 164	22 102	31 592	14 405	87 995
Share in profit (loss) of associates						-30
Income tax expense						-18 129
Net profit/loss						69 836

Group's net profit for the first half of 2008 by business segments (breakdown according to management reporting)

<i>in PLN '000'</i>	Retail Segment	Consumer Finance Segment	Corporate Segment	Treasury Segment	Other	Total
Net interest income, including:	214 441	164 759	87 786	46 501	-6 444	507 043
- lending activities	110 783	164 759	56 253		-6 324	325 471
- depositing activities	112 584		34 532		-104	147 012
- the cost of financing cash kept in the Bank's branches	-8 926		-2 999	11 941	-16	0
Net commission income and other net income	100 465	12 690	33 977	0	3 414	150 546
- commissions related to the keeping of accounts and transactions	50 737		12 156		403	63 296
- commissions related to cards	31 873	5 131	862			37 866
- commissions related to shares in investment funds societies	13 147		120			13 267
- commissions related to insurance products	8 901		1			8 902
- commissions related to foreign transactions	4 447		5 296		656	10 399
- other	-8 640	7 559	15 542		2 355	16 816
Net income from treasury transactions	53 665	-38	21 812	28 959	-5 505	98 893
- exchange transactions	53 097	-38	10 664	23 335	-1 060	85 998
- derivatives and securities	568		11 148	5 624	-4 445	12 895
Net gains from investment activities			4		878	882
Operating income before tax	368 571	177 411	143 579	75 460	-7 657	757 364
Net impairment losses on financial assets, other assets and provisions	10 221	-67 163	-18 037	0	41 929	-33 050
Group's general and administrative expenses, including:	-357 534	-103 712	-49 074	-18 243	-7 266	-535 829
- the costs of the operation of business functions (direct costs)	-265 431	-94 307	-38 246	-13 543	-7 266	-418 793
- allocated expenses	-92 103	-9 405	-10 828	-4 700		-117 036
Net operating income	21 258	6 536	76 468	57 217	27 006	188 485
Share in profit (loss) of associates						-912
Income tax expense						-42 765
Net profit/loss						144 808

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

<i>in PLN '000'</i>	01.04.2009- 30.06.2009
Net interest income – management information	288 898
- commissions on loans	10 227
+ operating expenses (interest on finance lease)	-580
+ operating income (the collection of statutory interest)	4 167
+ commissions related to foreign transactions	293
+ adjustment of the accrual of interest based on net investments	-8 831
+ other	-4 745
Net interest income – financial statements	268 975
Net commission income and other net income – management information	97 160
+ commissions on loans	10 227
- reversal of provisions related to the sale of debt	10 186
- operating expenses (interest on finance lease)	-580
- operating income (the collection of statutory interest)	4 167
- commissions related to foreign transactions	293
- other	-4 745
Net commission income and other income – financial statements – presented as:	98 066
Net fee and commission income	73 553
Other operating income	31 153
Other operating expenses	-6 640
Net income from treasury transactions – management information	36 318
+ provision for potential losses related to active derivatives	-19 423
Net trading income and net result on derivatives used as hedging instruments – financial statements – presented as:	16 895
Net trading income	17 954
Net result on derivatives used as hedging instruments and hedged items	-1 059
Operating income before tax – management information	423 740
+ provision for potential losses related to active derivatives	-19 423
+ adjustment of the accrual of interest based on net investments	-8 831
- reversal of provisions related to the sale of debt	10 186
Operating income before tax – financial statements – presented as:	385 300
Total operating income	391 940
Other operating expenses	-6 640
Net impairment losses on financial assets, other assets and provisions – management information	-127 454
- provision for potential losses related to active derivatives	-19 423
- adjustment of the accrual of interest based on net investments	-8 831
+ reversal of provisions related to the sale of debt	10 186
Net impairment losses on financial assets, other assets and provisions – financial statements	-89 014

<i>in PLN '000'</i>	01.01.2009- 30.06.2009
Net interest income – management information	551 624
- commissions on loans	24 733
+ operating expenses (interest on finance lease)	-1 221
+ operating income (the collection of statutory interest)	6 175
+ commissions related to foreign transactions	377
+ adjustment of the accrual of interest based on net investments	-17 025
+ other	940
Net interest income – financial statements	516 137
Net commission income and other net income – management information	177 027
+ commissions on loans	24 733
- reversal of provisions related to the sale of debt	10 186
- operating expenses (interest on finance lease)	-1 221
- operating income (the collection of statutory interest)	6 175
- commissions related to foreign transactions	377
- other	940
Net commission income and other income – financial statements – presented as:	185 303
Net fee and commission income	145 928
Other operating income	59 660
Other operating expenses	-20 285
Net income from treasury transactions – management information	111 756
+ provision for potential losses related to active derivatives	-26 054
Net trading income and net result on derivatives used as hedging instruments – financial statements – presented as:	85 702
Net trading income	85 615
Net result on derivatives used as hedging instruments and hedged items	87
Operating income before tax – management information	845 921
+ provision for potential losses related to active derivatives	-26 054
+ adjustment of the accrual of interest based on net investments	-17 025
- reversal of provisions related to the sale of debt	10 186
Operating income before tax – financial statements – presented as:	792 656
Total operating income	812 941
Other operating expenses	-20 285
Net impairment losses on financial assets, other assets and provisions – management information	-326 596
- provision for potential losses related to active derivatives	-26 054
- adjustment of the accrual of interest based on net investments	-17 025
+ reversal of provisions related to the sale of debt	10 186
Net impairment losses on financial assets, other assets and provisions – financial statements	-273 331

in PLN '000'

01.04.2008-
30.06.2008

Net interest income – management information	256 850
- commissions on loans	9 055
+ operating expenses (interest on finance lease)	-780
+ operating income (the collection of statutory interest)	3 462
+ commissions related to foreign transactions	323
+ other	-701
Net interest income – financial statements – financial statements	250 099
Net commission income and other net income – management information	73 210
+ commissions on loans	9 055
- operating expenses (interest on finance lease)	-780
- operating income (the collection of statutory interest)	3 462
- commissions related to foreign transactions	323
- other	-701
Net commission income and other income – financial statements – presented as:	79 961
Net fee and commission income	72 772
Other operating income	17 563
Other operating expenses	-10 374
Net income from treasury transactions – management information	53 696
Net trading income and net result on derivatives used as hedging instruments – financial statements – presented as:	53 696
Net trading income	55 773
Net result on derivatives used as hedging instruments and hedged items	-2 077
Operating income before tax – management information	384 630
Operating income before tax – financial statements – presented as:	384 630
Total operating income	395 004
Other operating expenses	-10 374

in PLN '000'

01.01.2008-
30.06.2008

Net interest income – management information	507 043
- commissions on loans	19 322
+ operating expenses (interest on finance lease)	-1 732
+ operating income (the collection of statutory interest)	7 707
+ commissions related to foreign transactions	542
+ other	-930
Net interest income – financial statements – financial statements	493 308

<i>in PLN '000'</i>	01.01.2008- 30.06.2008
Net commission income and other net income – management information	150 546
+ commissions on loans	19 322
- operating expenses (interest on finance lease)	-1 732
- operating income (the collection of statutory interest)	7 707
- commissions related to foreign transactions	542
- other	-930
Net commission income and other income – financial statements – presented as:	164 281
Net fee and commission income	143 592
Other operating income	40 809
Other operating expenses	-20 120
Net income from treasury transactions – management information	98 893
Net trading income and net result on derivatives used as hedging instruments – financial statements – presented as:	98 893
Net trading income	101 767
Net result on derivatives used as hedging instruments and hedged items	-2 874
Operating income before tax – management information	757 364
Operating income before tax – financial statements – presented as:	757 364
Total operating income	777 484
Other operating expenses	-20 120

9. Information on dividend

Pursuant to the Resolution of the General Meeting of Shareholders of Kredyt Bank S.A. concerning the distribution of profit for 2008 adopted on 27.05.2009, the dividend for 2008 will not be paid.

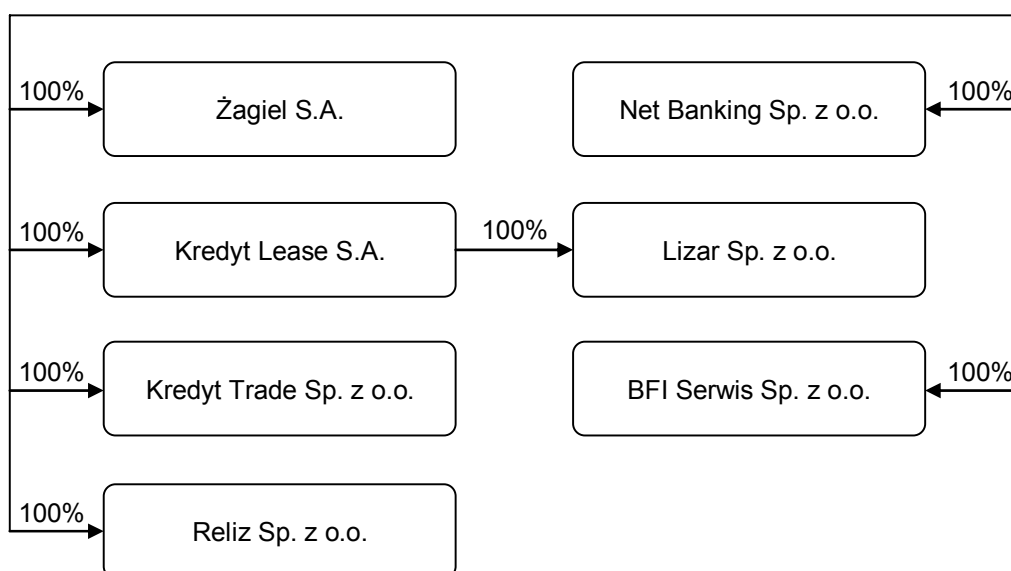
On 28.05.2008, the Ordinary General Meeting of Shareholders of Kredyt Bank S.A. adopted a resolution on the allocation of PLN 141,262,617.60 from the distribution of profit for 2007 to the payment of dividend (which would account for ca. 35% of the Bank's net profit). Gross dividend per share amounted to PLN 0.52. The right to dividend was established on 03.07.2008. The payment of dividend was effected on 18.07.2008.

10. Group's structure

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

Below, we present the composition and ownership structure of the Group as of 30.06.2009.

Grupa Kapitałowa Kredyt Banku S.A.



As of 30.06.2009, the following companies were consolidated with the full method: Kredyt Lease S.A., Kredyt Trade Sp. z o.o., Żagiel S.A. and Reliz Sp. z o.o.

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

11. Description of applied accounting principles and material accounting estimates

The Group did not introduce any material changes in the applied accounting principles and methods of performing accounting estimates as compared to the principles and methods described in the Group's published consolidated financial statements as of 31.12.2008, except for the change in the parameterization of the curves applied in the valuation of FX swaps. The quotations for the curve were adjusted to the current market reality. The impact of the change on the income statement was described in section 8.1 of these statements.

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

were introduced. If such changes are also related to future periods, the assumptions being the basis for the estimates for future periods are also adjusted.

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

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

11.1. Classification and measurement of financial assets and liabilities

Financial assets and liabilities at fair value through profit or loss

This category includes:

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

Fair value is determined on the basis of quotations on active markets, including prices of the latest transactions and generally adopted measurement models based on variables that can be observed in the market environment.

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

Outflows from assets disposal are calculated with the FIFO method.

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

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

Held-to-maturity investments

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets, with fixed or determinable cash flow that are not quoted on an active market. Loans and receivables arise when the Bank disburses cash to customers for purposes other than generating short-term trading gains. This category includes loans and advances to banks and customers, including purchased debts.

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

Accrued interest with net commission (commissions received less commissions paid) settled over time using the effective interest rate method are recognized in interest income; the commission settled on a straight-line basis is recognized in fee and commission income. Impairment charge is recognized in the income statement in correspondence with accounts of provisions which adjust assets value.

Available-for-sale financial assets

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

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

If fair value cannot be determined, assets are recognized at cost less impairment charge. Impairment losses are recognized in the income statement in correspondence with accounts of provisions which adjust assets value.

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

Outflows from assets disposal are calculated with the FIFO method.

Financial liabilities not held for trading

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

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

Hedge accounting

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

- upon the inception of hedge, the Group officially determines and documents hedging relations as well as the purpose of risk management and the strategy of hedge; the documentation identifies the hedging instrument, the hedged item or transaction, the nature of the hedged risk and the method of the Group's assessment of hedging instrument effectiveness in offsetting the risk of changes in fair value of the hedged item or cash flow related to the hedged risk;
- the hedging is expected to be highly effective in achieving offsetting changes in fair value (or cash flow) attributable to the hedged risk, according to the initially documented risk management strategy related to a specific hedging relationship;

- the hedge effectiveness may be assessed reliably, i.e. fair value or cash flows attributable to the hedged item resulting from the hedged risk and the fair value of the hedging instrument may be measured reliably;
- the hedge is assessed on an ongoing basis and is found highly effective in all reporting periods in which the hedge was established.

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

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

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

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

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

Effective interest rate method

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

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

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

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

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

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

The items included in the commissions/fees settled over time include, e.g. fees for a positive appraisal of a loan application, commissions for granting a credit, commissions for releasing a credit, fees for establishing additional collateral, fees paid to loans extension intermediaries. The collection of the above commissions and fees constitutes an integral part of the return generated by a specific financial instrument. This category also includes fees and costs of changes in contractual terms, what modifies the

value of initial effective interest rate. Any significant amendment to the conditions of a given financial instrument in economic terms is connected with the expiry of the financial instrument of the previous type and creation of a new instrument with different characteristics. The fees that are collected in this category include, among others, fees for preparing an annex changing a future cash flows schedule, fees for restructuring loan agreements, fees for postponement of payment dates, etc. The above-mentioned types of fees are deferred and settled over time in the income statement applying the effective interest rate method or on a straight-line basis, depending on the type of a product.

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

11.2. Impairment of financial assets valued at amortised cost and historical cost

At each balance sheet date (at least once per quarter), the Group analyses whether there is an objective indication that a financial asset and/or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence for impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event or events have an impact on the future cash flow generated by the financial asset or the group of financial assets, assuming that reliable estimation is possible. Expected future losses are not taken into account in estimates of impairment.

If the Group identifies an evidence for impairment, an amount of the impairment loss is determined as the difference between the carrying amount of the loan and its economic value measured as the present value of estimated future cash flow discounted using the initial effective interest rate of contracts. Impairment loss is recognized in the income statement in correspondence with the provision account which adjusts assets value.

Loan receivables constitute the most significant class of financial assets recognized in the Group's balance sheet at amortised cost and subject to impairment.

Evidence for impairment

The analysis of the evidence indicating the risk of impairment is performed for individual loans as well as portfolios (groups) of loans. The list of objective evidence includes:

- significant financial problems of an issuer or a debtor;
- a breach of contract, e.g. failure to pay or delaying payment of interest or the principal amount;
- granting a facility by the lender to the borrower, for economic or legal reasons related to the borrower's financial problems, where such a facility would not have been granted otherwise;
- high probability of the borrower's bankruptcy or their another financial reorganisation.

If there is no evidence that the impairment occurred, the previously recognized impairment losses are reversed through income statement.

Measurement of individual impairment

Individual impairment is measured for loan receivables over a specific exposure level, for which certain individual evidence indicating impairment was identified. The process of estimating future, expected cash flow is carried out in a specially dedicated IT tool. Expected future cash flows from collateral are estimated on the basis of debt recovery value which is calculated with the application of periodically verified adjusting indicators determined for each type of hedging on the basis of historical data collected by the Bank concerning the time of debt collection process, recovered amounts from hedging and their value determined in the valuation. The quality of the measurement of individual impairment of loan receivables is verified during a multi-stage independent control process.

Measurement of collective impairment

A collective analysis is conducted in the following cases:

- In the event where no objective evidence for loan impairment assessed on individual basis occurred, regardless of whether or not it constitutes a significant reporting item, such exposure is included in the credit portfolio of similar nature and the collective analysis of the impairment is conducted.
- In the event of objective evidence for the impairment of an asset which is not individually significant (below the defined exposure level).

Homogenous loans portfolios are created basing upon similar characteristics of credit risks that are specific for the defined groups of customers and products. The collective impairment is measured basing on historical parameters of losses generated by similar assets portfolios. Historical trends of losses are cleared of one-off events. The following issues, apart from corrected historical trends, have a material impact on the level of the collective impairment:

- fluctuations in the receivables portfolios;
- the Group's operating effectiveness in credit risk management processes, particularly taking into account the restructuring and debt collecting activities;
- Poland's macroeconomic situation.

11.3. Value of deferred tax assets

In the Bank, the probability of realising net deferred tax asset is determined on the basis of financial plans and tax forecasts prepared by the Bank's Management Board, updated on an ongoing basis as at the end of each quarter, having regard for the prudence principle.

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

11.4. Investment properties

Under IAS 40 and pursuant to the policy of the Group's main shareholder, the Group values investment properties at cost.

11.5. Goodwill

As of 01.01.2004, the Group ceased to amortize goodwill. Once a year, the Group performs a recognized net goodwill impairment test based on the models which comply with the IAS/IFRS requirements based on generally applied rules of equity investments measurement, among others, they take into consideration discounted future cash flow.

12. After balance sheet events

On 24.07.2009, the Committee of Creditors (including Kredyt Bank) voted for the arrangement concerning the restructuring of the liabilities of one of the Bank's customers ('Company') within the rehabilitation proceedings. The arrangement provides for the restructuring of the Company's liabilities towards banks (including Kredyt Bank) that are its creditors. The coming into force of the signed arrangement calls for the satisfaction of multiple conditions precedent (for example, this arrangement must be approved by the court).

Apart from the above events, no significant events which should be disclosed in the financial statements had place from the balance sheet date to the publication date of these financial statements.

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

The table below presents Shareholders of Kredyt Bank S.A. holding over 5% of total votes at the General Meeting of Shareholders of Kredyt Bank S.A. as at 30.06.2009.

Shareholder	Line of business	Number of shares and votes at GMS	Share in votes and in share capital (in %)
KBC Bank NV*	Banking	217 327 103	80.00
KBC Securities – related party of KBC Bank NV *	Brokerage house	6 811 689**	2.51
Sofina SA	Investment company	15 014 772	5.53

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

** A memorandum from KBC Bank NV of 20 April 2009

On 18.12.2007, the Management Board of Kredyt Bank S.A. was informed by Pioneer Pekao Investment Management S.A. ('PPIM' based in Warsaw) that, on 17.12.2007, PPIM had held over 5% of total votes at the General Meeting of Shareholders of Kredyt Bank S.A. concerning the financial instruments included in the portfolios managed within the services of managing broker-traded financial instruments upon order provided by PPIM and in performance of the agreement on the management of broker-traded financial instruments upon order, concluded between Pioneer Pekao Towarzystwo Funduszy Inwestycyjnych S.A. and PPIM.

Under Resolution No. 82/09 of the Management Board of Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository for Securities) of 24.02.2009, on 2.03.2009, 579 series P registered ordinary shares of Kredyt Bank S.A. which were assigned the code: PLKRDTB00094 were converted into ordinary bearer shares which were assigned the code: PLKRDTB00151.

In addition, under Resolution No. 97/09 of the Management Board of Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository for Securities) of 11.03.2009, on 16.03.2009, 579 series P bearer shares of Kredyt Bank S.A. which were assigned the code: PLKRDTB00151 were assimilated with 271,592,437 shares which were assigned the code: PLKRDTB00011. The shares to be assimilated are assigned the code: PLKRDTB00011. At the same time, the shares were admitted, under the ordinary procedure, to public trading on the main market.

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

As at 30.06.2009, Mr. Marek Michałowski, a Member of the Bank's Supervisory Board, held 1,000 shares of Kredyt Bank S.A. with the nominal value of PLN 5 thousand. Other Members of the Bank's Management Board and of the Bank's Supervisory Board did not hold any Bank's shares or shares in the Bank's subsidiaries and associates.

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

In the second quarter of 2009, the companies of the Group were not a party to any proceedings before a court, an authority competent for arbitration proceedings or a public administration authority, where the amount(s) claimed would amount to at least 10% of the Bank's (issuer's) equity.

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

- Two court proceedings regarding a credit granted to Laboratorium Frakcjonowania Osocza Sp. z o.o. in Mielec ('LFO'). The Bank is the leader of the syndicate of five banks, which, under the agreement of 04.03.1997, granted a syndicated loan to LFO. The loan was secured by, among others, a registered pledge on the company's property, plant and equipment and the surety of the State Treasury up to 60% of the drawn amount of the loan and accrued interest. As the investment project for which the loan was extended had not been completed and the dates of the payment of commitments had not been met, the Bank, representing the syndicate, terminated the agreement under its terms and conditions and called LFO to pay claims.
 - The State Treasury requested for determination whether the syndicated loan agreement concluded between LFO and the syndicate of five banks had expired on 28.02.1998 as a result of the occurrence of a contractual condition, and, as a result, the commitment of the State Treasury as the guarantor of the loan under the guarantor's agreement had expired as well. The State Treasury is represented by the General Public Prosecutor's Office of the State Treasury. Experts' opinions and auxiliary opinions were prepared and additional witnesses were questioned. In the first quarter of 2007, the State Treasury changed the lawsuit and claimed PLN 8,207 thousand including interest. The parties exchanged pleadings. In the fourth quarter of 2008, the court requested the Bank to submit documents concerning the debt collection process carried out against the State Treasury on the basis of a banking executory title with the enforceability clause. The Bank delivered the required documents to the court.
 - Claims of LFO for damages due to the termination of the loan agreement amounting to PLN 119,477 thousand. At present, after being heard by courts of all instances, the case was referred to the circuit court in Warsaw, which, as a result of LFO bankruptcy, stayed legal proceedings. Upon the request of LFO, the court called upon the trustee in bankruptcy of LFO to participate in the case. In the meantime, the parties submitted pleadings.
- A trustee in bankruptcy of a company operating in the real estate developing sector (the name of the company is subject to confidentiality application) claims for payment of indemnity of PLN 32,256 thousand by the reason of effecting by the Bank of financial orders from the company's account on the basis of bank transfers orders and checks bearing a forged signature of one of the persons authorized to represent the company in dealings with the Bank. At the hearing on 21.11.2006, the plaintiff limited its claim for interest. The total amount claimed by the plaintiff equals PLN 20,665 thousand. On 20.03.2007, the court announced its decision and claimed the whole disputed amount with interest from the Bank. Having received the justification of the judgment, the Bank lodged the appeal and requested to summon the member of the company's management board who had forged signatures. By the judgment of 8.04.2008, the appeal court overruled the judgment of the court of first instance (in the judgment, the court stated that the limitation of claims for damages by lapse of time had not been examined) and referred the case to the circuit court to be re-examined. The first hearing at which the positions of the parties were established was held on 25.07.2008. At the hearing on 3.07.2009, the court continued the examination of the facts concerning the original bank transfer orders. Due to the fact that the criminal court had failed to send the requested factual proofs, the Circuit Court ordered to send another summons in this respect and adjourned the hearing by 25.09.2009. By this time, according to the court, all requested proofs should be made available so as to continue the substantive examination of the case. The Bank upholds the charge of the limitation of the trustee in bankruptcy's claims by lapse of time. Should the court fail to accept this charge, there is a substantial probability of recognizing that the Bank's liability will be limited to the amount

equal to the value of bank transfers for which it is impossible to prove that they were made to pay the company's liabilities, i.e. solely to the extent to which the actions of the member of the company's Management Board were detrimental to this company. This Bank's opinion is confirmed by the information obtained in the fourth quarter of 2008 about the judgment in a criminal case against the former member of the Management Board in which the court stated that, by forging bank transfer documents, he brought about damage to the company worth PLN 400,000.

- A suit filed by MSG Investment Sp. z o.o. in liquidation. The plaintiff claims that, as a result of debt recovery measures taken by the Bank, he lost PLN 25 million (no calculations are presented in the lawsuit). In the Bank's opinion, the basis for claims specified in the lawsuit is doubtful. On 14.03.2008, the court dismissed the lawsuit of MSG for the Bank to pay PLN 25 million. MSG Investment appealed against this decision, however, on 30.06.2008, the appeal court in Łódź dismissed the appeal. The plaintiff made the last resort appeal in this case. On 26.08.2008, the Bank requested to concede the enforceability clause to the court judgment of 14.03.2008 and received the executive title in September 2008. On 18.06.2009, the Supreme Court dismissed the last resort appeal of MSG Investment. The case was terminated with a valid judgment.
- On 17.01.2001, the President of the Office for Competition and Customer Protection, upon the request of the Polish Organization of Commerce and Distribution (POHiD), initiated proceedings concerning competition-restricting practices on the payment cards market by VISA and MasterCard as well as 20 banks, including Kredyt Bank S.A. On 29.12.2006, the President of the Office for Competition and Customer Protection issued the decision in which:
 - they imposed a fine on Kredyt Bank of PLN 12,158.4 thousand;
 - HSBC Bank Polska S.A. was fined with PLN 193.0 thousand and the proceedings against this company were discontinued (under a binding agreement between HSBC and Kredyt Bank S.A., the fine for HSBC should be paid by Kredyt Bank S.A. as well).

The decision was to be enforced immediately as regards the order to discontinue the practice of joint determination of the interchange fee rate. On 17.01.2006 and 19.01.2007, appeals against Decision No. DAR 15/2006 of the President of the Office for Competition and Customer Protection were made on behalf of HSBC Bank Polska and Kredyt Bank. In this decision, the President of the Office for Competition and Customer Protection resolved that joint determination by the Banks, Visa and MasterCard of the interchange fee restricted competition. On 18.01.2007, the President of the Office for Competition and Customer Protection issued a decision in which they obliged the banks to jointly and severally pay PLN 157.6 thousand to the Polish Organization of Commerce and Distribution (POHiD) as reimbursement of the proceedings costs. Kredyt Bank S.A. complained against this decision on 31.01.2007 and deemed it unjustified. The case was referred to the Economic Court in Warsaw which split the case into separate proceedings against each of the banks involved in the case. On 25.08.2008, the court decided to withhold the execution of the decision issued in the case of interchange fees. On 12.11.2008, the circuit court in Warsaw, the Competition and Customer Protection Court, issued a judgment amending the contested decision, in which the court stated that the Banks had not applied monopolistic practices in this respect. On 3.02.2009., the Bank received the appeal against the judgment made by the President of the Office for Competition and Customer Protection. The Bank submitted its reply to the appeal of the President of the Office for Competition and Customer Protection.

- In relation to a loan transaction to finance the construction of 'Altus' building in Katowice, the Bank and Reliz Sp. z o.o. (the building owner) are involved in certain disputes of legal nature. The Bank owns 100% shares of Reliz. The said disputes are related to claims of the guarantor of the loan to finance the building, i.e. Mostostal Zabrze Holding S.A., against the Bank and the building owner. The present dispute concerns fraudulent conveyance charge by Mostostal Zabrze Holding S.A. against Reliz Sp. z o.o. regarding the failure to recognize the agreement on the transfer of ownership title to 'Altus' building by Business Center 2000 Sp. z o.o. ('BC 2000') to Reliz Sp. z o.o. as effective. The value of the subject of litigation amounts to PLN 46 million. On 31.07.2009, the Court announced its judgment confirming the ineffectiveness,

towards MZH, of the agreement on the sale of Altus building concluded between BC 2000 and Reliz. The sentence is not legally valid. Reliz intends to appeal against the judgment.

- The claim to pay PLN 9 million is directly related to the effective debt recovery measures taken by the Bank against a beer producer and distributor. At the end of August and the beginning of September 2007, the court debt collector, acting upon the Bank's request, seized the company's account and collected PLN 8.7 million from the proceeds to the account. In the justification for the suit, the company challenges the legitimacy and legal grounds of the Bank's debt collection process. It based its claim on the institution of groundless enrichment by the Bank concerning the collected amount and on the Bank's liability in tort related to the company's loss due to the Bank's allegedly illegal debt collection process (concerning the remaining amount). The Bank replied to the lawsuit. At the hearing on 25.07.2008, the court closed the proceedings and, on 4.08.2008, rendered its judgment. The court awarded the whole claimed amount (including interest) and proceedings costs to the plaintiff. Both the plaintiff and the Bank appealed against this judgment. On 30.06.2009, the court dismissed the appeal of the plaintiff, taking the decision in the case in favour of the Bank. The plaintiff has the opportunity to file the last resort appeal.
- The plaintiff claims damages from Kredyt Bank S.A. and HSBC Bank Polska S.A. of PLN 20 million and PLN 10 million as the satisfaction of the claim. In the justification of the lawsuit, the plaintiff claims that Prosper Bank S.A. (now HSBC Bank Polska S.A.), acting under the cooperation agreement concluded with a leasing company, wrote a bill of exchange which secured the agreement, and further lodged a lawsuit against this company and the plaintiff in the proceedings by writ of payment for this bill of exchange and obtained the order for payment. In the plaintiff's opinion, Prosper Bank violated the agreement, wrote the bill of exchange incorrectly and lodged a completely unjustified lawsuit. The plaintiff claims that the order for payment issued by the district court on 11.01.1999 resulted in the loss of his property and his detriment amounting to PLN 30 million. Kredyt Bank submitted a reply to the lawsuit on its own and HSBC's behalf. The date of the hearing will be designated by the court *ex officio*.
- The plaintiff (a company engaged in leasing activities) claims damages from Kredyt Bank S.A. and HSBC Bank Polska S.A. of PLN 89 million. In the justification of the lawsuit, the plaintiff claims that Prosper Bank S.A. (now HSBC Bank Polska S.A.), acting under the cooperation agreement concluded with a leasing company, wrote a bill of exchange which secured the agreement, and further lodged a lawsuit against this company in the proceedings by writ of payment for this bill of exchange and obtained the order for payment. In the plaintiff's opinion, Prosper Bank violated the bill agreement, wrote the bill of exchange incorrectly and lodged a completely unjustified lawsuit. The plaintiff claims that the order for payment of 11.01.1999 issued by the District Court resulted in the collapse of the company's financial situation; as a result, the plaintiff recorded damage to his assets of PLN 73.7 million increased with interest. The Bank replied to the lawsuit.

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

16. Related party transactions

In the second quarter of 2009 and in the second quarter of 2008, there were no related party transactions concluded by the Bank or its subsidiaries, which were not concluded on market terms.

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

As of 30.06.2009 and 30.06.2008, neither the Bank nor its subsidiaries issued guarantees with the total value of at least 10% of the Bank's equity, to one company or entities of one capital group.

18. Seasonality or cyclical nature of operations

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

19. Non-typical factors and events

Both in the second quarter of 2009 and in the second quarter of 2008, no untypical events occurred in the Group (not related to operating activities) that would affect the structure of balance sheet items and the financial result to a large extent, and which were not presented in this report.

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

The Supervisory Board of Kredyt Bank S.A., under § 24 Clause 1 item 3 of the Bank's Statutes, upon the request of the Bank's Management Board, on 1.04.2009 appointed the certified auditor, Ernst & Young Audit Sp. z o.o., with its registered office in Warsaw, ul. Rondo ONZ 1, registry No. 130, to perform an independent review and audit of financial statements of Kredyt Bank S.A. and of consolidated financial statements of Kredyt Bank S.A. Capital Group as of 30.06.2009 and 31.12.2009. Kredyt Bank S.A. employed Ernst & Young Audit sp. z o.o. to review and audit financial statements in the years 2002-2008. The partner of Ernst & Young Audit sp. z o.o. supervising the reviews and audits of financial statements changed in 2005.

On 15.04.2009, the Chairman of the Bank's Supervisory Board was notified of the resignation by Mr. Luc Philips from the membership on the Supervisory Board, as from the day of the next Ordinary General Meeting of the Bank to be held on 27.05.2009.

On 16.04.2009, the Management Board of Kredyt Bank S.A. published 'The Announcement on the Convening of the Ordinary General Meeting of Kredyt Bank S.A. to take place on 27.05.2009'.

On 7.05.2009, Kredyt Bank S.A. executed, with KBC Bank NV Dublin Branch, a subordinated loan agreement up to the amount equivalent to CHF 165 million (i.e. PLN 472,708,500.00 according to the average rate of exchange of the National Bank of Poland as of 7.05.2009). The loan agreement was concluded on market terms with the repayment period of 10 years from the first payment of the funds. The interest rate is based on LIBOR rate + margin. The said agreement provides for the possibility of an earlier repayment of the loan, at any time, but not earlier than after 5 years from the date of the first payment of the funds. The earlier repayment will require a permit from the Polish Financial Supervision Authority. The agreement contains a condition precedent which involves the submission to the Lender, i.e. KBC Bank NV Dublin Branch, by the Borrower, i.e. Kredyt Bank, of the authorization of the Polish Financial Supervision Authority to include the amount of the said subordinated loan in the Bank's own funds. Cash obtained under the above-mentioned loan will be used to finance the Bank's current operations.

The Ordinary General Meeting of Kredyt Bank S.A. appointed, on 27.05.2009, Mr. Dirk Mampaey to become a member of the Supervisory Board of the Bank.

The Supervisory Board of Kredyt Bank S.A., at its meeting on 29.05.2009, decided that, since 29.05.2009, the Management Board of Kredyt Bank S.A. would be composed of six members.

At the same meeting, the Supervisory Board appointed, on 29.05.2009, Mr. Gert Rammeloo to be a member of the Management Board of Kredyt Bank S.A., as the Vice-President. He will be responsible for the Retail Sale Function.

The Management Board of Kredyt Bank S.A. received a decision of the Polish Financial Supervision Authority of 12.06.2009, on its consent to include cash of CHF 165,000,000 (i.e. PLN 487,278,000 at the average rate of exchange of the National Bank of Poland of 12.06.2009) in the Bank's supplementary funds, according to the terms and conditions of the subordinated loan agreement of 7.05.2009 between Kredyt Bank S.A. and KBC Bank N.V. Dublin Branch.

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

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

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

The most significant factors that may affect the Group's future financial results:

- slower growth of household income in real terms due to the substantial decrease in the demand for labour (an expected further drop in employment on a year-to-year basis, a higher unemployment rate and the continuing decline in the wages growth rate) and the resulting lower consumer demand (in particular, it may translate to a decrease in the demand and the deterioration of the quality of the portfolio of receivables in the area of instalment and cash loans);
- the persistence of low demand for export, only partially compensated for, at the financial result level, by the depreciation of Polish zloty;
- in the medium-term perspective – limited investment activities in the sector of enterprises in view of demand restrictions;
- persisting high cost of long-term liquidity both in PLN and in foreign currencies;
- high costs of deposits sourcing;
- further reduction of the demand for mortgage loans due to the lower purchasing power of households and a more restrictive lending policy of the Bank;
- a decrease in prices on the real properties market;
- potential new depreciation of Polish zloty and, as a result, e.g. an increase in the risk due to the commitment of the Bank's customers to currency derivative transactions and the deterioration of the quality of the loans portfolio in foreign currencies;
- despite the temporary calming of sentiments on financial markets, the reconstruction of the demand for investment products offered by the Group seems to be quite unlikely in view of the concerns related to the weakening condition of the labour market and the persisting high aversion of customers to risk.

23. Standalone condensed financial statements of Kredyt Bank S.A.

23.1. Income Statement

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Interest income	519 686	1 077 323	498 789	959 220
Interest expense	-300 198	-670 898	-293 603	-549 881
Net interest income	219 488	406 425	205 186	409 339
Fee and commission income	97 392	193 337	92 257	180 078
Fee and commission expense	-31 878	-58 926	-21 941	-40 688
Net fee and commission income	65 514	134 411	70 316	139 390
Dividend income	120 759	120 759	9 666	9 666
Net trading income	17 210	84 153	55 484	101 524
Net result on derivatives used as hedging instruments and hedged items	-1 059	87	-2 077	-2 874
Net gains from investment activities	363	4 513	226	230
Other operating income	24 042	33 758	10 360	22 039
Total operating income	446 317	784 106	349 161	679 314
General and administrative expenses	-212 123	-434 171	-230 522	-436 014
Net impairment losses on financial assets, other assets and provisions	-97 035	-278 293	-3 353	-33 427
Other operating expenses	-8 471	-16 919	-10 490	-18 228
Total operating expenses	-317 629	-729 383	-244 365	-487 669
Net operating income	128 688	54 723	104 796	191 645
Gross profit	128 688	54 723	104 796	191 645
Income tax expense	-1 968	13 025	-19 181	-38 535
Net profit from business activities	126 720	67 748	85 615	153 110
Net profit from discontinued operations				
Net profit	126 720	67 748	85 615	153 110
Including:				
attributable to the Shareholders of the Bank	126 720	67 748	85 615	153 110
Weighted average number of ordinary shares	271 658 880	271 658 880	271 658 880	271 658 880
Earnings per ordinary share (in PLN)	0.47	0.25	0.32	0.56

23.2. Statement of Comprehensive Income

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
in PLN '000'	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Net profit/loss for the period	126 720	67 748	85 615	153 110
Valuation of financial assets available-for-sale (including deferred tax)	27 555	-34 607	-51 938	-50 826
Effects of valuation of derivatives designated for future cash flow hedge (including deferred tax)	-14 272	-73 067	-46 904	-43 307
Other comprehensive income recognized directly in equity	13 283	-107 674	-98 842	-94 133
Total comprehensive income for the period	140 003	-39 926	-13 227	58 977
Including:				
attributable to the Shareholders of the Bank	140 003	-39 926	-13 227	58 977

23.3. Balance Sheet

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Assets				
Cash and balances with Central Bank	1 757 654	1 387 225	827 956	1 365 371
Gross loans and advances to banks	499 108	337 402	340 859	985 910
Impairment losses on loans and advances to banks	-2 260	-2 260	-2 261	-2 260
Receivables arising from repurchase transactions	7 001	336 247	0	12 523
Financial assets at fair value through profit or loss, including financial assets held for trading (excluding derivatives)	2 508 331	1 848 830	1 347 027	965 512
Derivatives including:	1 125 105	2 072 779	2 302 799	838 843
- Derivatives used as hedging instruments	66 014	73 065	166 954	5 658
Gross loans and advances to customers	29 101 959	29 973 684	27 853 155	20 360 302
Impairment losses on loans and advances to customers	-1 069 644	-1 034 607	-927 457	-837 417
Investment securities:	6 239 762	6 290 081	6 232 624	5 680 030
- available-for-sale	4 334 406	4 299 541	4 359 740	3 925 222
- held-to-maturity	1 905 356	1 990 540	1 872 884	1 754 808
Investments in subsidiaries, associates and jointly controlled entities	66 000	66 000	66 075	66 060
Property, plant and equipment	368 094	383 504	398 201	383 805
Intangible assets	53 930	56 897	57 854	60 002
Deferred tax asset	159 547	115 546	44 509	122 445
Other assets	123 863	110 565	79 781	92 555
Total assets	40 938 450	41 941 893	38 621 122	30 093 681

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Liabilities				
Amounts due to Central Bank	2 660 640	374 945	1 113 275	1 590
Amounts due to banks	11 120 518	13 096 388	11 915 013	7 057 731
Derivatives including:	1 036 593	1 700 869	1 890 221	787 484
- Derivatives used as hedging instruments	2 368	1 816	1 708	57 832
Amounts due to customers	22 469 455	22 412 086	20 555 309	19 498 603
Liabilities arising from repurchase transactions	0	1 317 003	8 991	0
Current tax liability	46 962	16 187	28 916	6 540
Provisions	49 759	53 140	30 379	66 918
Other liabilities	165 277	187 764	220 155	314 445
Subordinated liabilities	849 952	384 220	279 643	208 800
Total liabilities	38 399 156	39 542 602	36 041 902	27 942 111

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Equity				
Share capital	1 358 294	1 358 294	1 358 294	1 358 294
Supplementary capital	782 046	580 974	580 974	580 974
Revaluation reserve	-9 736	-23 019	97 938	-181 750
Reserves	340 942	240 942	240 942	240 942
Retained earnings/loss	0	301 072	0	0
Current net profit (loss) attributable to the Shareholders of the Bank	67 748	-58 972	301 072	153 110
Total equity	2 539 294	2 399 291	2 579 220	2 151 570
Total equity and liabilities	40 938 450	41 941 893	38 621 122	30 093 681

Capital adequacy ratio (%)	11.06	8.43	8.93	9.92
Number of shares	271 658 880	271 658 880	271 658 880	271 658 880
Book value per share (in PLN)	9.35	8.83	9.49	7.92

23.4. Off-balance Sheet Items

<i>in PLN '000'</i>	30.06.2009	31.03.2009	31.12.2008	30.06.2008
Liabilities granted and received				
Liabilities granted, including:	5 942 821	6 896 383	7 222 060	6 595 660
- financial	4 068 165	5 047 249	5 401 454	5 272 770
- guarantees	1 874 656	1 849 134	1 820 606	1 322 890
Liabilities received, including:	1 404 799	1 622 367	1 836 299	1 589 571
- financial	7 512	206 934	528 748	479 175
- guarantees	1 397 287	1 415 433	1 307 551	1 110 396
Liabilities related to the sale/purchase transactions	146 723 571	210 609 229	279 092 521	295 127 547
Other	6 056 165	5 516 830	4 742 296	3 945 378
- collateral received	6 056 165	5 516 830	4 742 296	3 945 378

23.5. Statement of Changes in Equity**Changes in the period 01.01.2009 – 30.06.2009**

<i>in PLN '000'</i>	Share capital	Supplementary capital	Revaluation reserve	Reserves	Retained earnings/loss	Net profit/loss for the period	Total equity
Equity at opening balance – as of 01.01.2009	1 358 294	580 974	97 938	240 942	301 072	0	2 579 220
Valuation of financial assets available-for-sale			-42 725				-42 725
Effects of valuation of derivatives designated for cash flow hedge			-90 206				-90 206
Deferred tax on items recognized in equity			25 257				25 257
Net profit/loss recognized directly in the equity			-107 674				-107 674
Net profit/loss for the period						67 748	67 748
Total of recognized income and expenses			-107 674			67 748	-39 926
Profit allowance		201 072		100 000	-301 072		0
Equity at end of period – as of 30.06.2009	1 358 294	782 046	-9 736	340 942	0	67 748	2 539 294

Changes in the period 01.01.2008 – 31.12.2008

<i>in PLN '000'</i>	Share capital	Supplementary capital	Revaluation reserve	Reserves	Retained earnings/loss	Net profit/loss for the period	Total equity
Equity at opening balance – as of 01.01.2008	1 358 294	381 718	-87 617	180 942	400 519	0	2 233 856
Valuation of financial assets available-for-sale			80 069				80 069
Effects of valuation of derivatives designated for cash flow hedge			149 012				149 012
Deferred tax on items recognized in equity			-43 526				-43 526
Net profit/loss recognized directly in the equity			185 555				185 555
Net profit/loss for the period						301 072	301 072
Total of recognized income and expenses			185 555			301 072	486 627
Profit allowance		199 256		60 000	-259 256		
Dividends					-141 263		-141 263
Equity at end of period – as of 31.12.2008	1 358 294	580 974	97 938	240 942	0	301 072	2 579 220

Changes in the period 01.01.2008 – 30.06.2008

<i>in PLN '000'</i>	Share capital	Supplementary capital	Revaluation reserve	Reserves	Retained earnings/loss	Net profit/loss for the period	Total equity
Equity at opening balance – as of 01.01.2008	1 358 294	381 718	-87 617	180 942	400 519	0	2 233 856
Valuation of financial assets available-for-sale			-62 749				-62 749
Effects of valuation of derivatives designated for cash flow hedge			-53 465				-53 465
Deferred tax on items recognized in equity			22 081				22 081
Net profit/loss recognized directly in the equity			-94 133				-94 133
Net profit/loss for the period						153 110	153 110
Total of recognized income and expenses			-94 133			153 110	58 977
Profit allowance		199 256		60 000	-259 256		
Cash designated for the payment of dividend					-141 263		-141 263
Equity at end of period – as of 30.06.2008	1 358 294	580 974	-181 750	240 942	0	153 110	2 151 570

23.6. Cash Flow Statement

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Net cash flow from operating activities				
Net profit (loss)	126 720	67 748	85 615	153 110
Adjustments to net profit (loss) and net cash from operating activities:	-319 378	167 432	-773 837	-1 275 520
Current and deferred tax recognized in financial result	1 968	-13 025	19 181	38 535
Non-realised profit (loss) from currency translation differences	264	-33 842	3 004	5 199
Investing and financing activities	-88 485	36 102	-37 665	-22 453
Depreciation	25 483	49 419	21 026	40 444
Net increase/decrease in impairment	36 038	143 999	-27 465	-2 697
Dividends	-120 759	-120 759	-9 666	-9 666
Interest	-25 573	-52 118	11 837	-9 750
Net increase/decrease in provisions	-3 382	19 380	-32 972	-38 806
Profit (loss) on disposal of investments	-292	-3 819	-425	-1 978
Net increase/decrease in operating assets (excluding cash)	1 438 354	-1 432 364	-1 764 262	-3 571 341
Net increase/decrease in loans and advances to banks	22 382	11 665	-57 185	-22 336
Net increase/decrease in financial assets at fair value through profit or loss, including financial assets held for trading and derivatives	276 265	-81 714	-531 487	-843 568
Net increase/decrease in receivables arising from repurchase transactions	329 246	-7 001	0	0
Net increase/decrease in gross loans and advances to customers	871 726	-1 248 803	-1 074 631	-2 622 250
Paid/received income tax	-37 072	-77 625	-4 108	-15 557
Net increase/decrease in other assets	-24 193	-28 886	-96 851	-67 630
Net increase/decrease in operating liabilities	-1 671 479	1 610 561	1 005 905	2 274 540
Net increase/decrease in amounts due to Central Bank	2 285 695	1 547 365	-1	-1 100 071
Net increase/decrease in amounts due to banks	-2 031 086	-955 887	657 697	865 498
Net increase/decrease in derivatives	-664 829	-854 288	68 864	299 460
Net increase/decrease in amounts due to customers	57 370	1 914 146	778 321	2 317 872
Net increase/decrease in liabilities arising from repurchase transactions	-1 317 003	-8 991	-502 009	-50 126
Net increase/decrease in other liabilities	-1 626	-31 784	3 033	-58 093
Net cash flow from operating activities	-192 658	235 180	-688 222	-1 122 410

	2 nd quarter of 2009	Two quarters of 2009	2 nd quarter of 2008	Two quarters of 2008
<i>in PLN '000'</i>	01.04.2009 - 30.06.2009	01.01.2009 - 30.06.2009	01.04.2008 - 30.06.2008	01.01.2008 - 30.06.2008
Net cash flow from investing activities				
Inflows	2 540 957	3 142 116	427 682	540 098
Disposal of property, plant and equipment and intangible assets	0	0	0	20
Disposal of investment securities	2 340 809	2 874 658	364 841	416 771
Dividends	120 759	120 759	9 666	9 666
Interest received	79 389	146 699	53 175	113 641
Outflows	-2 315 870	-2 923 498	-696 328	-820 537
Acquisition of property, plant and equipment and intangible assets	-7 852	-22 284	-39 138	-101 132
Acquisition of investment securities	-2 308 018	-2 901 214	-657 190	-719 405
Net cash flow from investing activities	225 087	218 618	-268 646	-280 439
Cash flow from financing activities				
Inflows	1 163 251	1 960 652	415 020	1 125 278
Proceeds from a subordinated loan	496 681	571 681	209 580	209 580
Proceeds from loans and advances	666 570	1 388 971	205 440	915 698
Outflows	-641 164	-1 314 838	-421 069	-461 505
Repayment of subordinated liabilities	0		-375 045	-375 045
Repayment of loans and advances	-600 000	-1 200 000	0	0
Other financial outflows	-41 164	-114 838	-46 024	-86 460
Net cash flow from financing activities	522 087	645 814	-6 049	663 773
Net increase/decrease in cash	554 516	1 099 612	-962 917	-739 076
Cash at the beginning of the period	1 506 327	961 231	652 317	2 689 893
Cash at the end of the period, including:	2 060 843	2 060 843	1 950 817	1 950 817
Restricted cash	948 377	948 377	688 368	688 368

23.7. Notes to the standalone condensed financial statements

Accounting principles and methods of carrying accounting estimates adopted at the preparation of the standalone condensed interim financial statements of the Bank comply with the accounting principles adopted for the interim consolidated financial statements of Kredyt Bank S.A. Capital Group, which were described in section 11.

Signatures of the Members of the Management Board

date	06.08.2009	Maciej Bardan	President of the Management Board
date	06.08.2009	Umberto Arts	Vice President of the Management Board
date	06.08.2009	Lidia Jabłonowska – Luba	Vice President of the Management Board
date	06.08.2009	Michał Oziembło	Vice President of the Management Board

Signature of a person responsible for keeping the accounting books

date	06.08.2009	Grzegorz Kędzior	Director of Accounting and External Reporting Department
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