

SAB-QSr IV / 2004 Form

(for banks)

Pursuant to Paragraph 57 subparagraph 2 and Paragraph 58 subparagraph 1 of the Ordinance by the Council of Ministers dated 16 October 2001 (Dz. U. {Journal of Law} No 139, item 1569 of 2002 and No 31, item 280)

Management Board of Bank Handlowy w Warszawie Spółka Akcyjna
publishes the consolidated quarterly report for the Quarter 4 of accounting year 2004:

dated 1 March 2005
(date of release)

SELECTED FINANCIAL DATA	in PLN thousand		in EUR thousand	
	Q4 incrementally from 01/01/04 to 31/12/04	Q4 incrementally from 01/01/03 to 31/12/03	Q4 incrementally from 01/01/04 to 31/12/04	Q4 incrementally from 01/01/03 to 31/12/03
I. Interest income	1 653 161	1 380 857	365 889	310 486
II. Commission income	710 217	605 428	157 190	136 131
III. Profit (loss) on banking activities	1 965 837	1 971 974	435 093	443 399
IV. Profit (loss) on operations	502 510	459 111	111 219	103 231
V. Gross profit (loss)	502 510	459 111	111 219	103 231
VI. Net profit (loss)	420 160	296 559	92 993	66 681
VII. Net cash flows from operations	175 990	139 321	43 145	29 536
VIII. Net cash flows from investment activities	(100 916)	312 059	(24 740)	66 156
IX. Net cash flows from financial activities	(314 835)	(248 168)	(77 184)	(52 611)
X. Total net cash flows	(239 761)	203 212	(58 779)	43 081
XI. Total assets	33 936 881	34 034 977	8 319 902	7 215 386
XII. Liabilities due to the Central Bank	718	41 145	176	8 723
XIII. Liabilities due to the financial sector	3 916 604	3 582 256	960 187	759 435
XIV. Liabilities due to the non-financial sector and public sector	17 325 780	18 526 483	4 247 556	3 927 599
XV. Shareholders' equity	6 159 580	5 947 523	1 510 071	1 260 870
XVI. Initial capital	522 638	522 638	128 129	110 799
XVII. Number of shares	130 659 600	130 659 600	130 659 600	130 659 600
XVIII. Book value per one share (in PLN / EUR)	47,14	45,52	11,56	9,65
XIX. Diluted book value per one share (in PLN / EUR)				
XX. Solvency ratio	19,92	16,25	19,92	16,25
XXI. Profit (loss) per one ordinary share (in PLN / EUR)	3,22	2,27	0,71	0,51
XXII. Diluted profit (loss) per one ordinary share (in PLN / EUR)				
XXIII. Declared or paid dividend per one share (in PLN / EUR)*	1,85	1,85	0,45	0,39

* The presented ratios refer to respectively: the dividend paid out in 2004 from appropriation of 2003 profit and the dividend paid out in 2003 from appropriation of 2002 profit.

CONSOLIDATED BALANCE SHEET (in PLN thousand)	as of 31/12/04 end of quarter (current year)	as of 30/09/04 end of previous quarter (current year)	as of 31/12/03 end of quarter (previous year)	as of 30/09/03 end of previous quarter (previous year)
Assets				
I. Cash, operations with the Central Bank	841 114	807 010	1 186 514	1 498 738
II. Debt securities eligible for rediscounting with the Central Bank				
III. Receivables from the financial sector	7 916 978	6 594 854	8 009 705	3 534 818
1. Short term receivables	5 043 327	3 677 822	6 244 484	3 024 153
a) in current account	4 879 799	3 572 307	6 163 517	2 985 540
b) other short term receivables	163 528	105 515	80 967	38 613
2. Long term receivables	2 873 651	2 917 032	1 765 221	510 665
IV. Receivables from the non-financial sector	9 741 057	11 208 422	13 254 962	13 970 315
1. Short term receivables	2 440 550	3 220 599	3 530 576	4 058 140
a) in current account	2 432 795	3 218 526	3 529 638	4 058 140
b) other short term receivables	7 755	2 073	938	
2. Long term receivables	7 300 507	7 987 823	9 724 386	9 912 175
V. Receivables from the public sector	2 873	585	3 239	20 947

1. Short term receivables	1 426	183	195	7 620
a) in current account	91	66	87	7 484
b) other short term receivables	1 335	117	108	136
2. Long term receivables	1 447	402	3 044	13 327
VI. Receivables arising from securities purchased with agreement to resell	293 209	66 573	288 601	1 989
VII. Debt securities	7 303 284	10 691 493	3 912 464	4 552 122
VIII. Receivables from subsidiaries valued by means of the equity method	748 491	794 998	796 069	867 655
1. Subsidiaries	648 168	676 419	774 795	849 145
2. Jointly controlled entities	100 323	118 579	21 274	5 454
3. Affiliates	-	-	-	13 056
IX. Shares or stocks in subsidiaries valued by means of the equity method	284 510	267 763	247 958	241 983
X. Shares or stocks in jointly controlled entities valued by means of the equity method	6 671	5 949	5 323	20 585
XI. Shares or stocks in affiliates valued by means of the equity method	11 500	12 958	6 059	6 932
XII. Shares or stocks in other entities	37 682	38 850	40 729	40 376
XIII. Other securities and financial assets	4 105 153	3 040 806	3 624 910	3 625 458
XIV. Intangible assets, including:	1 237 294	1 255 990	1 295 051	1 316 340
- goodwill	1 171 200	1 189 311	1 243 645	1 261 756
XV. Goodwill of subsidiaries				
XVI. Tangible assets	713 024	721 622	764 609	771 298
XVII. Other assets	388 347	341 477	315 717	216 670
1. Assets acquired - for sale	23 780	24 260	21 025	21 066
2. Reserves				
3. Other	364 567	317 217	294 692	195 604
XVIII. Prepaid expenses	305 694	292 001	283 067	454 035
1. Assets arising from deferred income tax	223 799	212 150	220 990	389 795
2. Other prepaid expenses	81 895	79 851	62 077	64 240
Total assets	33 936 881	36 141 351	34 034 977	31 140 261

Liabilities				
I. Due to the Central Bank	718	1 642	41 145	85 041
II. Due to the financial sector	3 916 604	5 196 510	3 582 256	2 376 136
1. Short term liabilities	2 702 167	2 452 459	2 320 325	1 673 822
a) in current account	2 552 367	2 356 008	2 252 627	1 642 808
b) other short term liabilities	149 800	96 451	67 698	31 014
2. Long term liabilities	1 214 437	2 744 051	1 261 931	702 314
III. Due to the non-financial sector	16 791 566	17 563 388	18 060 427	16 332 863
1. Short term liabilities	8 484 422	10 006 887	8 903 980	8 562 142
a) in current account, including :	8 481 323	10 003 252	8 902 743	8 559 089
- savings				
b) other short term liabilities, including:	3 099	3 635	1 237	3 053
- savings				
2. Long term liabilities, including:	8 307 144	7 556 501	9 156 447	7 770 721
- savings				
IV. Due to the public sector	534 214	582 223	466 056	492 635
1. Short term liabilities	341 566	406 147	305 018	296 546
a) in current account	338 875	405 258	304 415	295 713
b) other short term liabilities	2 691	889	603	833
2. Long term liabilities	192 648	176 076	161 038	196 089
V. Liabilities arising from securities sold with agreement to repurchase	408 559	1 341 839	470 803	169 110
VI. Liabilities arising from issue of debt securities	-	-	-	-

1. Short term				
2. Long term				
VII. Other liabilities from financial instruments	4 194 290	3 180 906	3 651 195	3 598 892
VIII. Liabilities due to subsidiaries valued by means of equity method	397 757	397 002	224 719	162 414
1. Subsidiaries	397 612	396 619	213 968	153 839
2. Jointly controlled entities	145	383	74	1 138
3. Affiliates			10 677	7 437
IX. Special funds and other liabilities	219 622	457 713	222 120	568 452
X. Accruals and deferred income	1 065 933	1 144 878	921 402	995 530
1. Accruals	221 173	189 737	124 667	129 939
2. Negative goodwill				
3. Other accruals and deferred income	844 760	955 141	796 735	865 591
XI. Negative goodwill of subordinated entities				
XII. Provisions	248 038	273 113	447 331	453 047
1. Provisions for deferred income tax				
2. Other provisions	248 038	273 113	447 331	453 047
a) short term	29 674	36 405	96 558	80 269
b) long term	218 364	236 708	350 773	372 778
XIII. Subordinated liabilities				
XIV. Minority interests				
XV. Initial capital	522 638	522 638	522 638	522 638
XVI. Outstanding contributions to initial capital (negative value)				
XVII. Own shares (negative value)				
XVIII. Capital surplus	3 047 807	3 073 603	3 068 974	3 068 974
XIX. Revaluation capital	19 650	(39 275)	(13 212)	17 267
XX. Other reserve capital	2 113 356	2 087 367	2 082 580	2 082 251
XXI. Exchange rate differences arising from calculation of subsidiaries				
1. Positive exchange rate differences				
2. Negative exchange rate differences				
XXII. Retained profit (loss)	35 969	35 969	(10 016)	(10 014)
XXIII. Net profit (loss)	420 160	321 835	296 559	225 025
Total liabilities	33 936 881	36 141 351	34 034 977	31 140 261

Solvency ratio	19,92	19,76	16,25	17,62
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Book value	6 159 580	6 002 137	5 947 523	5 906 141
Number of shares	130 659 600	130 659 600	130 659 600	130 659 600
Book value per one share (in PLN)	47,14	45,94	45,52	45,20

Diluted shares	-	-	-	-
Diluted book value per one share (in PLN)	-	-	-	-

OFF-BALANCE SHEET ITEMS	as of 31/12/04 end of quarter (current year)	as of 30/09/04 end of previous quarter (current year)	as of 31/12/03 end of quarter (previous year)	as of 30/09/03 end of previous quarter (previous year)
I. Off-balance sheet contingent liabilities granted and received	14 715 204	13 150 119	18 356 245	14 830 673
1. Liabilities granted :	11 762 863	10 190 125	15 058 891	10 851 969
a) financing commitments	9 394 449	7 605 202	12 020 986	8 340 211
b) guarantees	2 368 414	2 584 923	3 037 905	2 511 758
2. Liabilities received:	2 952 341	2 959 994	3 297 354	3 978 704
a) financing commitments	335 975	-	480 000	825 100
b) guarantees	2 616 366	2 959 994	2 817 354	3 153 604
II. Liabilities from purchase/sale transactions	191 926 366	195 671 911	167 002 522	149 536 398
III. Other liabilities (from)	5 288 540	5 914 788	6 264 593	5 565 222
- Collateral received by the Bank	5 288 540	5 914 788	6 264 593	5 565 222
Total off-balance sheet items	211 930 110	214 736 818	191 623 360	169 932 293

CONSOLIDATED PROFIT AND LOSS ACCOUNT	Q4 (current year) from 01/10/04 till 31/12/04	4 Quarters incrementally (current year) from 01/01/04 till 31/12/04	Q4 (previous year) from 01/10/03 till 31/12/03	4 Quarters incrementally (previous year) from 01/01/03 till 31/12/03
I. Interest income	442 158	1 653 161	335 245	1 380 857
II. Interest expense	(214 469)	(748 842)	(146 493)	(635 391)
III. Interest profit/(loss) (I-II)	227 689	904 319	188 752	745 466
IV. Commission income	188 178	710 217	167 721	605 428
V. Commission expense	(21 135)	(78 128)	(21 117)	(58 072)
VI. Commission profit/(loss) (IV-V)	167 043	632 089	146 604	547 356
VII. Net income from sale of products, goods and materials	-	-	-	-
VIII. Cost of sold products, goods and materials	-	-	-	-
IX. Sales cost	-	-	-	-
X. Sales result (VII-VIII-IX)	-	-	-	-
XI. Income from shares or stocks, other securities and other variable income financial instruments	-	16 526	59 530	64 750
1. From subsidiary undertakings	-	15 185	-	500
2. From jointly controlled undertakings	-	-	59 530	59 530
3. From associated undertakings	-	341	-	23
4. From other undertakings	-	1 000	-	4 697
XII. Profit/(loss) on financial operations	51 595	52 554	(3 930)	133 041
XIII. Profit/(loss) on foreign exchange position	55 214	360 349	151 033	481 361
XIV. Profit/(loss) on banking activity	501 541	1 965 837	541 989	1 971 974
XV. Other operating income	35 935	91 925	25 316	77 872
XVI. Other operating expense	(40 469)	(120 692)	(26 867)	(114 997)
XVII. Cost of banking operations and general management expenses	(333 730)	(1 282 809)	(321 811)	(1 138 799)
XVIII. Depreciation and amortization	(35 772)	(142 834)	(41 503)	(155 948)
XIX. Charges to provisions and revaluation	(325 069)	(1 060 040)	(246 838)	(1 149 337)
1. Charges to specific provisions and general risk provision	(325 069)	(1 060 040)	(246 838)	(1 125 428)
2. Revaluation of financial assets	-	-	-	(23 909)
XX. Release and revaluation of provisions	311 082	1 051 123	230 957	968 346
1. Release of specific provisions and general risk provision	308 397	1 046 938	230 957	963 795
2. Revaluation of financial assets	2 685	4 185	-	4 551
XXI. Net movement in provisions and revaluation (XIX - XX)	(13 987)	(8 917)	(15 881)	(180 991)
XXII. Operating profit	113 518	502 510	161 243	459 111
XXIII. Extraordinary gains/(losses)	-	-	-	-
1. Extraordinary gains	-	-	-	-
2. Extraordinary losses	-	-	-	-
XXIV. Subsidiaries' goodwill write-off	-	-	-	-
XXV. Negative subsidiaries' goodwill write-off	-	-	-	-
XXVI. Gross profit (loss)	113 518	502 510	161 243	459 111
XXVII. Income tax	(31 207)	(125 168)	(95 019)	(191 882)
1. Current	25 823	(144 640)	126 606	(62 247)
2. Deferred	(57 030)	19 472	(221 625)	(129 635)
XXVIII. Other obligatory charges to profit (increase in loss)	-	-	-	-
XXIX. Share in net profit (loss) of subsidiaries valued according to the equity method	16 014	42 818	5 310	29 330
XXX. Minority (profit) loss	-	-	-	-
XXXI. Net profit (loss)	98 325	420 160	71 534	296 559
Net profit (loss) (average per year)	420 160		296 559	
Weighted average number of ordinary shares	130 659 600		130 659 600	
Profit (loss) per 1 ordinary share (in PLN)	3,22		2,27	
Diluted weighted average number of ordinary shares	-		-	
Diluted profit (loss) per 1 ordinary share (in PLN)	-		-	

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	Q4 (current year) from 01/10/04 till 31/12/04	4 Quarters incrementally (current year) from 01/01/04 till 31/12/04	Q4 (previous year) from 01/10/03 till 31/12/03	4 Quarters incrementally (previous year) from 01/01/03 till 31/12/03
I. Equity at the beginning of the period	6 002 137	5 947 523	5 906 141	5 961 896
a) changes to adopted accounting standards (policy)				(76)
b) corrections of basic errors				
I.a. Equity at the beginning of the period, after reconciliation with comparable data	6 002 137	5 947 523	5 906 141	5 961 820
1. Initial capital at the beginning of the period	522 638	522 638	522 638	500 902
1.1. Changes to initial capital				21 736
a) increases (from)				21 736
- issue of shares				
- conversion of Special Participating Convertible Bonds into shares				21 736
b) decreases (from)				-
- redemption of shares				
1.2. Initial capital at the end of the period	522 638	522 638	522 638	522 638
2. Unpaid contributions to initial capital at the beginning of the period				
2.1. Change in unpaid contributions to initial capital				
a) increases (from)				
b) decreases (from)				
2.2. Unpaid contributions to initial capital at the end of the period				
3. Own shares at the beginning of the period				
a) increases (from)				
b) decreases (from)				
3.1. Own shares at the end of the period				
4. Capital surplus at the beginning of the period	3 073 603	3 068 974	3 068 974	3 067 344
4.1. Changes to capital surplus	(25 796)	(21 167)		1 630
a) increases (from)	(4 257)	(21 167)		1 630
- issue of shares above nominal value				
- distribution of profit (statutory)	(4 257)	372		1 630
- distribution of profit (above the statutory minimum)				
b) decreases (from)	(21 539)	(21 539)		
- loss coverage				
- change in presentation of received dividends	(21 539)	(21 539)		
4.2. Capital surplus at the end of the period	3 047 807	3 047 807	3 068 974	3 068 974
5. Revaluation reserve capital at the beginning of the period	(39 275)	(13 212)	17 267	45 968
a) changes to adopted accounting standards (policy)				10 771
5a. Revaluation reserve at the start of period after reconcillation with comparable data	(39 275)	(13 212)	17 267	56 739
5.1. Changes in the revaluation reserve capital	58 925	32 862	(30 479)	(69 951)
a) increases (from)	72 986	41 185	5 369	19 692
- valuation of available for sale securities	72 986	41 185		
- tax effect of valuation of available for sale securities			5 369	19 692
b) decreases (from)	(14 061)	(8 323)	(35 848)	(89 643)
- sale of fixed assets	(193)	(498)	(329)	(1 075)
- valuation of available for sale securities			(35 519)	(88 568)
- tax effect of valuation of available for sale securities	(13 868)	(7 825)		
5.2. Revaluation reserve at the end of the period	19 650	19 650	(13 212)	(13 212)
6. General banking risk fund at the beginning of the period	390 000	390 000	390 000	390 000
6.1. Changes in the general banking risk fund				
a) increases (from)				
b) decreases (from)				
6.2. General banking risk fund at the end of the period	390 000	390 000	390 000	390 000
7. Other reserve capital at the beginning of the period	1 697 367	1 692 580	1 692 251	1 684 205
7.1. Changes in other reserve capital	25 989	30 776	329	8 375
a) increases (from)	25 989	30 776	329	35 143
- distribution of profit		790		969
- sale of fixed assets	193	498	329	1 075

- group's profit for previous period brought forward		3 692		
- change in presentation of received dividends	25 796	25 796		
- profit for previous period brought forward - adjustment of OB 2002 change in accounting principles				33 099
b) decreases (from)				(26 768)
- conversion of Special Participating Convertible Bonds into shares				(21 736)
- group's profit for previous period brought forward				(5 032)
7.2. Other reserve capital at the end of the period	1 723 356	1 723 356	1 692 580	1 692 580
8. Exchange rate differences from calculation of subordinated undertakings at the beginning of the period				
a) increases				
b) decreases				
8.1. Exchange rate differences from calculation of subordinated undertakings at the end of the period				
9. Retained profit (loss) at the beginning of the period	35 969	286 543	(10 014)	273 477
9.1. Retained profit at the beginning of the period	46 816	297 390	833	273 477
a) changes in adopted accounting standards (policy)				
b) corrections of basic errors		-		
9.2. Retained profit at the beginning of the period, after reconciliation with comparable data	46 816	297 390	833	273 477
9.3. Change in retained profit		(250 574)	(2)	(272 646)
a) increases (from)				3 144
- transfer to group equity				3 144
- distribution of retained profit				
b) decreases (from)		(250 574)	(2)	(275 790)
- transfer to parent company's equity		(790)		(969)
- dividend for parent company shareholders		(241 720)		(241 720)
- transfer of profit from previous years to group reserve capital - adjustment of OB 2002 change in accounting principles				(33 099)
- transfer to group equity		(8 064)		
- other			(2)	(2)
9.4. Retained profit at the end of the period	46 816	46 816	831	831
9.5. Retained loss at the beginning of the period	(10 847)	(10 847)	(10 847)	
a) changes of adopted accounting standards (policy)				(10 847)
b) corrections of basic errors				
9.6. Retained loss at the beginning of the period, after reconciliation with comparable data	(10 847)	(10 847)	(10 847)	(10 847)
9.7. Changes in retained loss				
a) increases (from)				
- changes towards uncovered retained loss				
b) decreases (from)				
9.8. Retained loss at the end of the period	(10 847)	(10 847)	(10 847)	(10 847)
9.9. Retained profit (loss) at the end of the period	35 969	35 969	(10 016)	(10 016)
9.10. Profit (loss) for previous periods	321 835		225 025	
10. Net profit (loss)	98 325	420 160	71 534	296 559
a) net profit	98 325	420 160	71 534	296 559
b) net loss				
II. Equity at the end of the period	6 159 580	6 159 580	5 947 523	5 947 523
III. Equity after suggested distribution of profit (loss coverage)	6 159 580	6 159 580	5 705 803	5 705 803

CONSOLIDATED CASH FLOW STATEMENT	Q4 (current year) from 01/10/04 till 31/12/04	4 Quarters incrementally (current year from 01/01/04 till 31/12/04	Q4 (previous year) from 01/10/03 till 31/12/03	4 Quarters incrementally (previous year from 01/01/03 till 31/12/03
A. Cash flows from operations - indirect method				
I. Net profit (loss)	98 325	420 160	71 534	296 559
II. Total adjustments:	(88 193)	(244 170)	(491 060)	(157 238)
1. Minority profit (loss)				
2. Share in net profit (loss) of subordinated undertakings valued by means of equity method	(16 014)	(42 818)	(5 310)	(29 330)

3. Amortisation, including: - charges of goodwill of subordinated undertakings and negative goodwill of subordinated undertakings	35 772	142 834	41 503	155 948
4. (Profit) loss from exchange rate differences	(22 328)	(35 038)	(5 542)	13 750
5. Interest and profit sharing (dividend)	90	4 063	(2 150)	(16 540)
6. (Profit) loss on investments	16 221	24 233	56 084	10 857
7. Change in provisions	(25 075)	(199 293)	1 342	1 936
8. Change in reserves				
9. Change in debt securities	3 323 013	(3 460 981)	640 750	429 154
10. Change in receivables from the financial sector	(1 327 346)	246 065	(4 481 895)	(3 422 364)
11. Change in receivables from the non-financial sector and public sector	1 465 077	3 514 272	746 115	307 390
12. Change in receivables arising from securities purchased with agreement to resell	(226 636)	(4 608)	(286 612)	(268 834)
13. Change in shares or stocks, other securities and other financial assets	(1 063 180)	(478 825)	540	898 837
14. Change in liabilities towards the financial sector	(1 256 834)	571 089	1 218 181	273 448
15. Change in liabilities towards the non-financial sector and public sector	(819 831)	(1 211 364)	1 704 207	1 796 902
16. Change in liabilities arising from securities sold with agreement to repurchase	(933 280)	(62 244)	301 693	230 029
17. Change in liabilities from securities				
18. Change in other liabilities	68 912	96 432	(131 190)	(26 697)
19. Change in accruals	20 009	75 937	165 907	68 870
20. Change in deferred and restricted income	(109 476)	51 504	(65 860)	72 973
21. Other adjustments	782 713	524 572	(388 823)	(653 567)
III. Net cash flows from operations (I+/-II) - indirect method	10 132	175 990	(419 526)	139 321
B. Cash flows from investment activities				
I. Inflows	2 693	17 930	75 514	440 910
1. Sale of shares or stocks in subsidiaries				500
2. Sale of shares or stocks in jointly controlled entities			75 000	75 000
3. Sale of shares or stocks in affiliates		2 096		144
4. Sale of shares or stocks in other entities, other securities and other financial assets	1 422	2 330		308 791
5. Sale of intangible and tangible fixed assets	1 267	4 440	514	6 849
6. Sale of investments in real estate and intangible assets				
7. Other inflows from investments	4	9 064		49 626
II. Outflows	(29 457)	(118 846)	(33 102)	(128 851)
1. Purchase of shares or stocks in subsidiaries				
2. Purchase of shares or stocks in jointly controlled entities				
3. Purchase of shares or stocks in affiliates				
4. Purchase of shares or stocks in other entities, other securities and other financial assets	(476)	(476)		(14 782)
5. Purchase of intangible and tangible fixed assets	(28 981)	(118 370)	(33 102)	(114 069)
6. Investments in real estate and intangible assets				
7. Other investment expenses				
III. Net cash flows from investment activities (I-II)	(26 764)	(100 916)	42 412	312 059
C. Net cash flows from financing activities				
I. Inflows	1 350	1 350		34 392
1. Long term loans from other banks				19 611
2. Long term borrowing from other financial institutions				14 781
3. Issue of debt securities				
4. Increase of subordinated liabilities				
5. Net proceeds from the issue of shares and additional contributions to capital				
6. Other inflows from financing activity	1 350	1 350		
II. Outflows	(2 348)	(316 185)	(847)	(282 560)
1. Repayment of long term loans to other banks		(33 693)		
2. Repayment of long term borrowing to other financial institutions		(10 187)		(9 406)
3. Redemption of debt securities				

4. From other financial liabilities				
5. Payments under finance lease agreements				
6. Decrease in subordinated liabilities				
7. Dividends and other payments to shareholders		(241 720)		(241 720)
8. Dividends and other shares in profits paid out to minority				
9. Profit distribution expenses, other than to shareholders				
10. Purchase of own shares				
11. Other financing expenses	(2 348)	(30 585)	(847)	(31 434)
III. Net cash flows from financing activities (I-II)	(998)	(314 835)	(847)	(248 168)
D. Total net cash flows (A.III+/-B.III+/-C.III)	(17 630)	(239 761)	(377 961)	203 212
E. Balance sheet change in cash, including:	(17 630)	(239 761)	(377 961)	203 212
-change in cash from exchange rate differences	(9 955)	(15 533)	(1 453)	4 891
F. Cash at the beginning of the period	989 750	1 211 881	1 589 842	1 008 669
G. Cash at the end of the period (F+/-D), including:	972 120	972 120	1 211 881	1 211 881
- with limited disposal rights	-	-	-	-

ABBREVIATED QUARTERLY FINANCIAL STATEMENTS

BALANCE SHEET (in PLN thousand)	as of 31/12/04 end of quarter (current year)	as of 30/09/04 end of previous quarter (current year)	as of 31/12/03 end of quarter (previous year)	as of 30/09/03 end of previous quarter (previous year)
A s s e t s				
I. Cash, Operations with Central Bank	841 114	807 010	1 186 514	1 498 738
II. Debt securities eligible for rediscounting with the Central Bank	-	-	-	-
III. Receivables from the financial sector	8 501 833	7 284 321	8 724 786	4 347 476
1. In current account	5 468 012	4 228 270	6 822 543	3 681 558
2. Term deposits	3 033 821	3 056 051	1 902 243	665 918
IV. Receivables from the non-financial sector	9 732 947	11 205 978	13 252 870	13 980 669
1. In current account	2 432 795	3 218 526	3 529 638	4 056 621
2. Term deposits	7 300 152	7 987 452	9 723 232	9 924 048
V. Receivables from the public sector	1 538	468	3 131	20 811
1. In current account	91	66	87	7 484
2. Term deposits	1 447	402	3 044	13 327
VI. Receivables arising from securities purchased with agreement to resell	293 209	66 573	288 601	1 989
VII. Debt securities	7 303 033	10 691 258	3 912 427	4 551 209
VIII. Shares in subsidiaries	389 036	360 367	338 218	329 038
IX. Shares in jointly controlled entities	6 671	5 949	5 323	20 585
X. Shares in affiliates	11 829	13 287	12 388	13 261
XI. Shares in other entities	27 749	27 749	23 633	23 289
XII. Other securities and financial assets	4 105 123	3 040 792	3 624 895	3 625 442
XIII. Intangible assets, including:	1 237 133	1 255 832	1 295 012	1 316 292
- goodwill	1 171 200	1 189 311	1 243 645	1 261 756
XIV. Tangible assets	711 710	720 235	764 145	770 823
XV. Other assets	388 347	341 477	315 717	216 670
1. Assets acquired - for sale	23 780	24 260	21 025	21 066
2. Other	364 567	317 217	294 692	195 604
XVI. Prepaid expenses	299 976	289 081	280 556	452 302
1. Deferred income tax	218 236	209 280	218 563	388 124
2. Other prepaid expenses	81 740	79 801	61 993	64 178
Total assets	33 851 248	36 110 377	34 028 216	31 168 594
L i a b i l i t i e s				
I. Due to the Central Bank	718	1 642	41 145	85 041
II. Due to the financial sector	4 304 594	5 612 710	3 826 082	2 598 169
1. In current account	3 039 901	2 785 496	2 343 320	1 810 138
2. Term deposits	1 264 693	2 827 214	1 482 762	788 031
III. Due to the non-financial sector	16 729 658	17 520 539	18 039 260	16 306 331
1. Savings accounts, including:	-	-	-	-
a) current				
b) term				
2. Other, including:	16 729 658	17 520 539	18 039 260	16 306 331
a) current	8 422 514	9 964 038	8 877 277	8 531 680
b) term	8 307 144	7 556 501	9 161 983	7 774 651
IV. Due to the public sector	531 517	581 265	465 145	491 785
1. Current	338 869	405 189	304 107	295 696
2. Term	192 648	176 076	161 038	196 089
V. Liabilities arising from securities sold with agreement to repurchase	408 559	1 341 839	470 803	169 110
VI. Liabilities from the issue of debt securities	-	-	-	-
1. Short term				
2. Long term				
VII. Other liabilities from financial instruments	4 194 290	3 180 906	3 651 195	3 598 892
VIII. Special funds and other liabilities	219 622	457 713	222 120	568 452
IX. Accruals and deferred income	1 059 579	1 141 358	918 205	993 816

1. Accruals	214 819	186 217	121 470	128 225
2. Negative goodwill				
3. Other accruals and deferred income	844 760	955 141	796 735	865 591
X. Provisions	247 717	273 113	447 331	445 988
1. Provisions for deferred income tax	-	-	-	-
2. Other provisions	247 717	273 113	447 331	445 988
a) short term	29 353	36 405	96 558	73 210
b) long term	218 364	236 708	350 773	372 778
XI. Subordinated liabilities	-	-	-	-
XII. Authorised share capital	522 638	522 638	522 638	522 638
XIII. Unpaid contributions to authorised share capital (negative value)	-	-	-	-
XIV. Own shares (negative value)	-	-	-	-
XV. Capital surplus	3 044 585	3 044 585	3 044 585	3 044 585
XVI. Revaluation reserve	19 650	(39 275)	(13 212)	17 267
XVII. Other reserve capital	2 116 561	2 116 368	2 115 273	2 114 944
XVIII. Retained profit (loss)	35 136	35 136	(10 847)	(10 847)
XIX. Net profit (loss)	416 424	319 840	288 493	222 423
Total liabilities	33 851 248	36 110 377	34 028 216	31 168 594

Solvency ratio	19,62	19,47	16,04	17,69
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Book value	6 154 994	5 999 292	5 946 930	5 911 010
Number of shares	130 659 600	130 659 600	130 659 600	130 659 600
Book value per share (in PLN)	47,11	45,92	45,51	45,24

Diluted shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

OFF-BALANCE SHEET ITEMS	as of 31/12/04 end of quarter (current year)	as of 30/09/04 end of previous quarter (current year)	as of 31/12/03 end of quarter (previous year)	as of 30/09/03 end of previous quarter (previous year)
I. Contingent liabilities granted and received	14 715 204	13 150 119	18 356 245	14 830 673
1. Liabilities granted:	11 762 863	10 190 125	15 058 891	10 851 969
a) financing commitments	9 394 449	7 605 202	12 020 986	8 340 211
b) guarantees	2 368 414	2 584 923	3 037 905	2 511 758
2. Liabilities received:	2 952 341	2 959 994	3 297 354	3 978 704
a) financing commitments	335 975	-	480 000	825 100
b) guarantees	2 616 366	2 959 994	2 817 354	3 153 604
II. Liabilities from purchase/sale transactions	191 926 366	195 671 911	167 002 522	149 536 398
III. Other liabilities (from)	5 288 540	5 914 788	6 264 593	5 565 222
- Collateral received by the Bank	5 288 540	5 914 788	6 264 593	5 565 222
Total off-balance sheet items	211 930 110	214 736 818	191 623 360	169 932 293

PROFIT AND LOSS ACCOUNT	Q4 (current year) from 01/10/04 till 31/12/04	4 Quarters incrementally (current year) from 01/01/04 till 31/12/04	Q4 (previous year) from 01/10/03 till 31/12/03	4 Quarters incrementally (previous year) from 01/01/03 till 31/12/03
I. Interest income	442 158	1 653 161	335 245	1 386 301
II. Interest expense	(215 929)	(753 892)	(147 576)	(637 474)
III. Net interest income (I-II)	226 229	899 269	187 669	748 827
IV. Fee and commission income	162 810	655 854	157 134	570 945
V. Fee and commission expense	(16 102)	(65 390)	(18 252)	(48 794)
VI. Net fee and commission income (IV-V)	146 708	590 464	138 882	522 151
VII. Income from shares, other securities & other variable income financial instruments	-	16 526	59 530	64 750

1. From subsidiary undertakings	-	15 185	-	500
2. From joint venture undertakings	-	-	59 530	59 530
3. From associated undertakings	-	341	-	23
4. From other undertakings	-	1 000	-	4 697
VIII. Net gain/(loss) on financial operations	51 346	51 765	(4 199)	132 175
IX. Foreign exchange profit	55 212	360 352	151 033	481 361
X. Profit on banking activity	479 495	1 918 376	532 915	1 949 264
XI. Other operating income	34 837	90 101	25 319	77 865
XII. Other operating expense	(37 960)	(117 209)	(26 342)	(113 759)
XIII. General expenses	(327 545)	(1 263 164)	(315 891)	(1 119 779)
XIV. Depreciation and amortization	(35 584)	(142 179)	(41 415)	(155 445)
XV. Charges to provisions and valuation allowances	(325 057)	(1 059 850)	(246 725)	(1 148 878)
1. Charges to specific provisions and general risk provision	(325 057)	(1 059 850)	(246 725)	(1 124 969)
2. Revaluation of financial assets	-	-	-	(23 909)
XVI. Release of provisions	311 036	1 050 848	223 862	961 170
1. Release of specific provisions and general risk provision	308 351	1 046 663	223 862	956 619
2. Revaluation of financial assets	2 685	4 185	-	4 551
XVII. Net movement in provisions and revaluation (XV - XVI)	(14 021)	(9 002)	(22 863)	(187 708)
XVIII. Operating profit	99 222	476 923	151 723	450 438
XIX. Extraordinary gains/(losses)	-	-	-	-
1. Extraordinary gains	-	-	-	-
2. Extraordinary losses	-	-	-	-
XX. Profit/(loss) before taxation	99 222	476 923	151 723	450 438
XXI. Corporate income tax	(30 576)	(122 371)	(94 166)	(190 284)
1. Current	29 148	(138 858)	128 220	(59 808)
2. Deferred	(59 724)	16 487	(222 386)	(130 476)
XXII. Other obligatory charges to profit / (increase in loss)	-	-	-	-
XXIII. Participation in net profit / (loss) of subordinated undertakings accounted for under the equity method	27 938	61 872	8 513	28 339
XXIV. Net profit/(loss)	96 584	416 424	66 070	288 493
Net profit (loss) (average per year)	416 424		288 493	
Weighted average number of ordinary shares	130 659 600		130 659 600	
Profit (loss) per 1 ordinary share (in PLN)	3,19		2,21	
Diluted weighted average number of ordinary shares	-		-	
Diluted profit (loss) per 1 ordinary share (in PLN)	-		-	

STATEMENT OF CHANGES IN EQUITY	Q4 (current year) from 01/10/04 till 31/12/04	4 Quarters incrementally (current year) from 01/01/04 till 31/12/04	Q4 (previous year) from 01/10/03 till 31/12/03	4 Quarters incrementally (previous year) from 01/01/03 till 31/12/03
I.a. Equity at start of period (BO)	5 999 292	5 946 930	5 911 010	5 969 109
a) changes to adopted accounting standards (policy)				(76)
b) corrections of basic errors				
I.a. Equity at start of period (BO) after reconciliation with comparable data	5 999 292	5 946 930	5 911 010	5 969 033
1. Authorised share capital at start of period	522 638	522 638	522 638	500 902
1.1. Changes to authorised share capital				21 736
a) increases (from)				21 736
- issue of shares				
- conversion of Special Participating Convertible Bonds into shares				21 736
b) decreases (from)				
- redemption of shares				
1.2. Authorised share capital at the end of period	522 638	522 638	522 638	522 638
2. Unpaid contributions to authorised share capital at the start of period				
2.1. Change in unpaid contributions to authorised share capital				
a) increases (from)				
b) decreases (from)				
2.2. Unpaid contributions to authorised capital at the end of period				
3. Own shares at the start of period				

a) increases (from)				
b) decreases (from)				
3.1. Own shares at the end of period				
4. Capital surplus at the start of period	3 044 585	3 044 585	3 044 585	3 044 585
4.1. Changes to capital surplus				
a) increases (from)				
- issue of shares above nominal value				
- distribution of profit (statutory)				
- distribution of profit (above the statutory minimum)				
b) decreases (from)				
- loss coverage				
4.2. Capital surplus at the end of period	3 044 585	3 044 585	3 044 585	3 044 585
5. Revaluation reserve at the start of period	(39 275)	(13 212)	17 267	45 968
a) changes to adopted accounting standards (policy)				10 771
5a. Revaluation reserve at the start of period after reconciliation with comparable data	(39 275)	(13 212)	17 267	56 739
5.1. Changes in the revaluation reserve	58 925	32 862	(30 479)	(69 951)
a) increase (from)	72 986	41 185	5 369	19 692
- valuation of available for sale securities	72 986	41 185		
- tax effect of valuation of available for sale securities			5 369	19 692
b) decrease (from)	(14 061)	(8 323)	(35 848)	(89 643)
- sale of fixed assets	(193)	(498)	(329)	(1 075)
- valuation of available for sale securities			(35 519)	(88 568)
- tax effect of valuation of available for sale securities	(13 868)	(7 825)		
5.2. Revaluation reserve at the end of period	19 650	19 650	(13 212)	(13 212)
6. General banking risk fund at the start of period	390 000	390 000	390 000	390 000
6.1. Changes in the general banking risk fund				
a) increase (from)				
a) decrease (from)				
6.2. General banking risk fund at the end of period	390 000	390 000	390 000	390 000
7. Other reserve capital at the start of period	1 726 368	1 725 273	1 724 944	1 776 283
7.1. Changes in other reserve capital	193	1 288	329	(51 010)
a) increase (from)	193	1 288	329	2 044
- distribution of profit		790		969
- sale of fixed assets	193	498	329	1 075
b) decrease (from)				(53 054)
- loss coverage from revaluation of shares in subordinated entities with the equity method as of 1 Jan 2002 – changes of the adopted accounting standards				(31 318)
- conversion of Special Participating Convertible Bonds into shares				(21 736)
7.2 Other reserve capital at the end of period	1 726 561	1 726 561	1 725 273	1 725 273
8. Retained profit (loss) at the start of period	35 136	277 646	(10 847)	242 689
8.1. Retained profit at the start of period	45 983	288 493		242 689
a) changes of adopted accounting standards (policy)				
b) corrections of basic errors				
8.2. Retained profit at the start of period after reconciliation with comparable data	45 983	288 493		242 689
8.3. Change in retained profit		(242 510)		(242 689)
a) increase (from)				-
- distribution of retained profit				
b) decrease (from)		(242 510)		(242 689)
- write-down for reserve capital		(790)		(969)
- dividend		(241 720)		(241 720)
8.4. Retained profit at the end of period	45 983	45 983		
8.5. Retained loss at the start of period	(10 847)	(10 847)	(10 847)	(31 318)
a) changes of adopted accounting standards (policy)				(10 847)
b) corrections of basic errors				
8.6. Retained loss at the start of period after reconciliation with comparable data	(10 847)	(10 847)	(10 847)	(42 165)
8.7. Changes in retained loss				31 318
a) increase (from)				
- charges towards uncovered retained loss				

b) decrease (from)				31 318
- loss coverage from revaluation of shares in subordinated entities with the equity method as of 1 Jan 2002 – changes of the adopted accounting standards				31 318
8.8. Retained loss at the end of period	(10 847)	(10 847)	(10 847)	(10 847)
8.9. Retained profit (loss) at the end of period	35 136	35 136	(10 847)	(10 847)
8.10. Profit (loss) for previous periods	319 840	-	222 423	
9. Net profit (loss)	96 584	416 424	66 070	288 493
a) net profit	96 584	416 424	66 070	288 493
b) net loss				
II. Equity at the end of period (BZ)	6 154 994	6 154 994	5 946 930	5 946 930
III. Equity after proposed distribution of profit (loss coverage)	6 154 994	6 154 994	5 705 210	5 705 210

CASH FLOW STATEMENT	Q4 (current year) from 01/10/04 till 31/12/04	4 Quarters incrementally (current year) from 01/01/04 till 31/12/04	Q4 (previous year) from 01/10/03 till 31/12/03	4 Quarters incrementally (previous year) from 01/01/03 till 31/12/03
A. Cash flow from operations - indirect method				
I. Net profit (loss)	96 584	416 424	66 070	288 493
II. Total adjustments:	(86 658)	(242 068)	(483 255)	(149 139)
1. Share in net (profit) loss of subsidiaries valued by means of equity method	(27 938)	(61 872)	(8 513)	(28 339)
2. Amortisation	35 584	142 179	41 415	155 445
3. (Profit) loss from exchange rate differences	(22 328)	(35 038)	(5 542)	13 750
4. Interest and profit sharing (dividend)	94	4 143	(2 151)	(16 346)
5. (Profit) loss on investments	16 221	24 233	56 084	10 858
6. Changes in provisions	(25 396)	(199 614)	1 342	1 936
7. Change in debt securities	3 323 030	(3 460 766)	639 874	429 119
8. Change in receivables from the financial sector	(1 269 334)	328 508	(4 440 635)	(3 370 864)
9. Change in receivables from the non-financial and public sector	1 471 961	3 521 516	745 478	284 442
10. Change in receivables arising from securities purchased with agreement to resell	(226 636)	(4 608)	(286 612)	(268 834)
11. Change in shares, other securities and financial instruments	(1 064 330)	(480 228)	546	898 554
12. Change in dues to the financial sector	(1 285 800)	531 553	1 180 892	241 780
13. Change in dues to the non-financial and public sectors	(840 629)	(1 243 230)	1 706 288	1 805 152
14. Change in liabilities arising from securities sold with agreement to repurchase	(933 280)	(62 244)	301 693	230 029
15. Change in liabilities from securities				
16. Change in other liabilities	68 912	96 432	(131 190)	(26 697)
17. Change in accruals	17 708	73 923	164 990	68 053
18. Change in deferred and restricted income	(109 476)	51 504	(65 860)	72 973
19. Other adjustments	784 979	531 541	(381 354)	(650 150)
III. Net cash flows from operations (I +/- II) – indirect method	9 926	174 356	(417 185)	139 354
B. Cash flows from investment activities				
I. Inflows	2 689	17 850	75 515	440 715
1. Sale of shares in subsidiaries				500
2. Sale of shares in jointly controlled entities			75 000	75 000
3. Sale of shares in affiliates		2 096		144
4. Sale of shares in other entities, other securities and financial instruments	1 422	2 330		308 791
5. Sale of intangible and tangible fixed assets	1 267	4 440	515	6 848
6. Sale of real estate investments and intangible fixed assets				
7. Other inflows from investments		8 984		49 432
II. Outflows	(29 338)	(117 218)	(33 034)	(128 605)
1. Purchase of shares in subsidiaries				

2. Purchase of shares in jointly controlled entities				
3. Purchase of shares in affiliates				
4. Purchase of shares in other entities, other securities and financial instruments	(476)	(476)		(14 782)
5. Purchase of intangible and tangible fixed assets	(28 862)	(116 742)	(33 034)	(113 823)
6. Purchase of real estate investments and intangible fixed assets				
7. Other investment expenses				
III. Net cash flows from investment activities (I-II)	(26 649)	(99 368)	42 481	312 110
C. Net cash flows from financing activities				
I. Inflows	1 350	1 350		34 392
1. Long-term loans from other banks				19 611
2. Long-term borrowing from other financial institutions				14 781
3. Issue of debt securities				
4. Increase of subordinated liabilities				
5. Net proceeds from the issue of shares and subsidies to capital				
6. Other inflows from financing activity	1 350	1 350		
II. Outflows	(2 348)	(316 185)	(847)	(282 560)
1. Repayment of long-term loans to banks		(33 693)		
2. Repayment of long-term borrowing to other financial institutions		(10 187)		(9 406)
3. Redemption of debt securities				
4. Other financial liabilities				
5. Payments under finance lease agreements				
6. Decrease in subordinated liabilities				
7. Dividends and other payments to shareholders		(241 720)		(241 720)
8. Profit distribution expenses, other than to shareholders				
9. Purchase of own shares				
10. Other financing expenses	(2 348)	(30 585)	(847)	(31 434)
III. Net cash flows from financing activities (I-II)	(998)	(314 835)	(847)	(248 168)
D. Total net cash flows (A.III+/-B.III+/-C.III)	(17 721)	(239 847)	(375 551)	203 296
E. Balance sheet change in chas, including:	(17 721)	(239 847)	(375 551)	203 296
-change in cash from exchange rate differences	(9 955)	(15 533)	(1 453)	4 891
F. Cash at the start of period	989 734	1 211 860	1 587 411	1 008 564
G. Cash at the end of period (F+/-D), including:	972 013	972 013	1 211 860	1 211 860
- with limited disposal rights	-	-	-	-