

SUMMARISED SEMI-ANNUAL REPORT

SELECTED FINANCIAL DATA	PLN thousand		EUR thousand	
	half-year / 2004	half-year/ 2003	half-year / 2004	half-year / 2003
I. Interest income	747 800	664 126	158 060	154 054
II. Commission income	112 352	109 516	23 748	25 404
III. Result on banking activities	497 064	487 860	105 063	113 166
IV. Result on operating activities	92 775	56 818	19 610	13 180
V. Gross profit (loss)	92 775	56 818	19 610	13 180
VI. Net profit (loss)	112 000	33 848	23 673	7 852
VII. Net cash flows from operating activities	-740	-451 995	-156	-104 847
VIII. Net cash flows from investing activities	-68 995	206 946	-14 583	48 004
IX. Net cash flows from financing activities	-76 632	204 518	-16 198	47 441
X. Net cash flows, total	-146 367	-40 531	-30 937	-9 402
XI. Total assets	20 551 176	20 586 220	4 524 498	4 618 851
XII. Liabilities to the Central Bank	0	0	0	0
XIII. Liabilities to financial sector	2 449 631	3 010 670	539 305	675 492
XIV. Liabilities to non-financial and budget sector	11 899 097	10 563 879	2 619 677	2 370 177
XV. Own equity	1 843 767	1 734 989	405 919	389 273
XVI. Share capital	849 182	849 182	849 182	849 182
XVII. Number of stock	849 181 744	849 181 744	849 181 744	849 181 744
XVIII. Book value per one stock (in PLN / EUR)	2,17	2,04	0,48	0,46
XX. Solvency ratio	15,73%	10,68%	15,73%	10,68%
XXI. Profit (loss) per one ordinary stock (in PLN / EUR)	0,14	0,12	0,03	0,03

BALANCE SHEET	Note	30.06.2004	31.12.2003	30.06.2003
ASSETS				
I. Cash and balances with Central Bank	1	647 423	788 754	243 482
II. Debt securities eligible for rediscount at Central Bank		11 568	11 189	16 990
III. Amounts due from financial sector	2	2 485 263	1 803 977	1 415 107
1. Current		943 772	427 748	10 402
2. Term		1 541 491	1 376 229	1 404 705
IV. Amounts due from non-financial sector (customers)	3	6 726 321	9 329 249	9 818 813
1. Current		1 431 562	1 809 119	2 331 276
2. Term		5 294 759	7 520 130	7 487 537
V. Amounts due from public sector	4	468 323	504 480	488 102
1. Current		6 979	6 872	5 636
2. Term		461 344	497 608	482 466
VI. Receivables from securities bought with sell-back clause	5	260 124	100 358	363 667
VII. Debt securities	6	6 687 829	4 836 667	4 595 798
VIII. Shares in subsidiaries	7, 10	1 423 941	1 382 022	1 354 408
IX. Shares in jointly controlled subsidiaries	8, 10	0	0	0
X. Shares in associated companies	9, 10	5 967	6 803	4 843
XI. Other shares	11	12 780	12 714	1 906
XII. Other securities and other financial assets	12	394 036	677 449	474 088
XIII. Intangible assets of which:	14	218 841	227 082	235 685
- goodwill		6 732	7 779	8 719
XIV. Tangible fixed assets	15	622 090	666 042	670 083
XV. Other assets	16	89 760	91 674	200 353
1. Repossessed assets - for resale		3 071	3 228	6 847
2. Other		86 689	88 446	193 506
XVI. Accrued costs and prepayments	17	496 910	505 743	702 895
1. Deferred income tax		200 840	238 741	426 920
2. Other		296 070	267 002	275 975
TOTAL ASSETS		20 551 176	20 944 203	20 586 220

LIABILITIES AND EQUITY				
I. Amounts due to Central Bank		0	0	0
II. Amounts due to financial sector	20	2 449 631	3 183 243	3 010 670
1. Current		319 171	585 243	388 109
2. Term		2 130 460	2 598 000	2 622 561
III. Amounts due to non-financial sector (customers' deposits)	21	10 665 520	10 550 414	9 402 284
1. Savings accounts, of which:		0	0	0
a) Current		0	0	0
b) Term		0	0	0
2. Other, of which:		10 665 520	10 550 414	9 402 284
a) Current		2 968 697	2 852 561	2 352 360
b) Term		7 696 823	7 697 853	7 049 924
IV. Amounts due to public sector	22	1 233 577	920 189	1 161 595
1. Current		547 038	581 063	600 546
2. Term		686 539	339 126	561 049
V. Liabilities from securities sold with buy-back clause	23	1 943 675	1 535 478	1 193 721
VI. Liabilities from debt securities	20, 21, 22,	725 334	982 660	1 509 818
1. Short-term		484 934	736 602	1 352 737
2. Long-term		240 400	246 058	157 081
VII. Other liabilities from financial instruments		330 475	444 436	663 373
VIII. Special funds and other liabilities	25	145 778	144 075	316 967
IX. Accrued & deferred costs, other deferred and restricted incomes	26	422 238	660 295	670 088
1. Accrued and deferred costs		81 718	107 323	98 718
2. Negative goodwill		0	0	0
3. Other deferred & restricted incomes		340 520	552 972	571 370
X. Provisions	27	427 152	410 345	565 458
1. Provision for deferred income tax		114 891	140 603	351 361
2. Other		312 261	269 742	214 097
a) short-term		0	2 552	25 858
b) long-term		312 261	267 190	188 239
XI. Subordinated debt	28	364 029	378 162	357 257
XII. Share capital	29	849 182	849 182	849 182
XIII. Unpaid share capital (negative value)		0	0	0
XIV. Treasury stock (negative value)	30	0	0	0
XV. Supplementary capital	31	508 095	542 970	542 970
XVI. Revaluation reserve	32	29 709	32 848	39 977
XVII. Other reserves	33	380 532	339 637	339 638
XVIII. Unappropriated earnings or uncovered loss from prior years		-35 751	-70 626	-70 626
XIX. Net income (loss)		112 000	40 895	33 848
TOTAL LIABILITIES AND EQUITY		20 551 176	20 944 203	20 586 220
Capital adequacy ratio	29	15,73%	11,05%	10,68%
Book value		1 843 767	1 734 906	1 734 989
Number of shares		849 181 744	849 181 744	849 181 744
Book value per share (in PLN)	29	2,17	2,04	2,04
Estimated number of shares				
Diluted book value per share (in PLN)				

OFF-BALANCE SHEET ITEMS	Note	30.06.2004	31.12.2003	30.06.2003
I. Contingent liabilities		3 780 377	3 625 665	3 729 187
1. liabilities granted:	36	2 872 743	2 573 894	2 713 677
a) financial		2 381 427	2 138 906	2 290 605
b) guarantees		491 316	434 988	423 072
2. liabilities received:	37	907 634	1 051 771	1 015 510
a) financial		0	0	0
b) guarantees		907 634	1 051 771	1 015 510
II. Commitments resulting from sale/purchase transactions		14 380 575	17 646 900	14 771 758
III. Other off-balance sheet items		25 781 407	18 871 096	12 696 271
- interest rate swaps		23 735 615	18 044 419	11 927 665
- options		45 792	186 677	358 606
- FRAs		2 000 000	640 000	410 000
TOTAL OFF-BALANCE SHEET ITEMS		43 942 359	40 143 661	31 197 216

INCOME STATEMENT	Note	half-year / 2004	2003	half-year / 2004
I. Interest income	31	747 800		664 126
II. Interest expense	32	527 583		474 389
III. Net interest income (I-II)		220 217		189 737
IV. Commission income	33	112 352		109 516
V. Commission expense		14 452		21 075
VI. Net commission income (IV-V)		97 900		88 441
VII. Income from shares, other securities and other variable-income financial instruments, of which from:	34	13 424		126 695
1. Subsidiaries		12 704		83 164
2. Jointly-controlled subsidiaries		0		0
3. Associated companies		720		478
4. Other		0		43 053
VIII. Profit (loss) on financial operations	35	126 921		50 380
IX. Foreign exchange gains (losses)		38 602		32 607
X. Profit / (loss) on banking activity		497 064		487 860
XI. Other operating income	36	19 734		13 746
XII. Other operating expenses	37	13 253		9 713
XIII. General and administrative expenses	38	298 427		366 738
XIV. Depreciation and amortization		54 625		47 447
XV. Charges to provisions and revaluation	39	616 114		858 193
1. Charges to specific provisions and general banking risk provisions		616 081		856 693
2. Revaluation of financial assets		33		1 500
XVI. Release of provisions and decreases resulting from revaluation	40	558 396		837 303
1. Release of specific provisions and general banking risk provisions		558 396		836 541
2. Revaluation of financial assets		0		762
XVII. Net provisions and revaluation (XV- XVI)		-57 718		-20 890
XVIII. Operating profit		92 775		56 818
XIX. Extraordinary gains / (losses)		0		0
1. Extraordinary gains	41	0		0
2. Extraordinary losses	42	0		0
XX. Profit before taxes		92 775		56 818
XXI. Corporate income tax	43	19 151		-35 251
1. Current		0		0
2. Deferred		19 151		-35 251
XXII. Other obligatory charges to profit / (loss)	44	0		0
XVII. Share in net income of subordinated entities subject to equity method		38 376		-58 221
XXIII. Net Income		112 000		33 848
Net income (loss) (for 12 months)		119 047		98 078
Weighted average number of ordinary shares		849 181 744		849 181 744
Earnings (losses) per ordinary share (in PLN)	45	0,14		0,12
Estimated weighted average number of ordinary shares				
Diluted earnings (losses) per ordinary share (in PLN)				

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY		half-year / 2004	2003	half-year / 2004
I. Shareholders' Equity at the beginning of the period (opening balance)		1 734 906	1 737 572	1 737 572
I.a. Shareholders' Equity at the beginning of the period (opening balance) as restated to comparable data		1 734 906	1 737 572	1 737 572
1. Share capital at the beginning of the period		849 182	849 182	849 182
a) increases (of which)		0	0	0
b) decreases (of which)		0	0	0
1.2. Share capital at the end of the period		849 182	849 182	849 182
2. Unpaid share capital at the beginning of the period		0	0	0
2.2. Unpaid share capital at the end of the period		0	0	0
3. Treasury stock at the beginning of the period				
3.1. Treasury stock at the end of the period				
3. Supplementary capital at the beginning of the period		542 970	560 846	560 846
a) increases (of which)		0	0	0
b) decreases (of which)		34 875	17 876	17 876
- to cover prior years losses of BIG BANK S.A.		17 876	17 876	17 876
- to cover prior years losses		16 999		
3.2. Supplementary capital at the end of the period		508 095	542 970	542 970
4. Revaluation reserve at the beginning of the period		32 848	76 409	76 409
a) increases (of which)		0	0	0
b) decreases (of which)		3 139	43 561	36 432
- sales of Polcard			32 576	32 576
- sale and revaluation of readily marketable financial assets		3 139	10 985	3 856
4.2. Revaluation reserve at the end of the period		29 709	32 848	39 977
5. General banking risk reserve at the beginning of the period				
		339 637	44 738	44 738
5.1. Movements in the general banking risk reserve		40 895	294 900	294 900
a) increases (of which)		40 895	294 900	294 900

- appropriation of earnings	40 895	183 930	183 930
- appropriation of earnings from previous years		110 970	110 970
b) decreases (of which)	0	0	0
5.2. General banking risk fund at the end of the period	380 532	339 637	339 638
7. Sundry components of other reserve capital (funds) at the beginning of the period			
7.2. Sundry components of other reserve capital at the end of the period	0	0	0
8. Retained earnings or losses brought forward at the beginning of the period	-70 626	27 297	27 297
8.1. Retained earnings at the beginning of the period	-16 999	98 800	98 800
a) changes in adopted accounting policies			
b) material errors corrected	0	0	0
8.2. Retained earnings at the beginning of the period, as restated to comparable data	-16 999	98 800	98 800
a) increases (of which)	40 895	179 100	179 100
- earnings from previous years under approval	40 895	179 100	179 100
b) decreases (of which)	23 896	294 899	294 899
- appropriation of earnings	40 895	183 930	183 930
- appropriation of earnings from previous years	-16 999	110 969	110 969
8.4. Retained earnings at the end of the period	0	-16 999	-16 999
8.5. Losses brought forward at the beginning of the period	53 627	71 503	71 503
a) changes in adopted accounting policies			
b) material errors corrected			
8.6. Losses brought forward at the beginning of the period, as restated to comparable data	53 627	71 503	71 503
a) increases (of which)	0	0	0
b) decreases (of which)	17 876	17 876	17 876
- to cover losses brought forward of BIG BANK S.A. from supplementary capital	17 876	17 876	17 876
8.8. Losses brought forward at the end of the period	35 751	53 627	53 627
8.9. Retained earnings or losses brought forward at the end of the period	-35 751	-70 626	-70 626
9. Net result	112 000	40 895	33 848
a) net income	112 000	40 895	33 848
b) net loss	0	0	0
II. Shareholders' Equity at the end of the period (closing balance)	1 843 767	1 734 906	1 734 989

STATEMENT OF CASH FLOWS		half-year / 2004	2003	half-year / 2004
A. NET CASH FLOWS FROM OPERATING ACTIVITIES (I-II) - indirect method*				
I. Net income (loss)		112 000		33 848
II. Adjusted by:		-112 740		-485 843
1. Share in net income of subsidiaries subject to equity method		-38 376		58 221
2. Depreciation and amortization		54 625		47 447
3. Foreign exchange gains/(losses)		-54 054		97 977
4. Interest and dividends		54 996		-1 283
5. Profit/(loss) on investing activities		461		-66 877
6. Changes in other provisions		17 543		-103 030
7. Change in debt securities		-1 774 696		-74 423
8. Change in amounts due from financial sector		-686 322		232 238
9. Change in amounts due from non-financial and public sectors		2 638 706		-495 061
10. Change in receivables from securities purchased with sell-back option		-159 766		-218 632
11. Change in shares, other securities and other financial assets		280 041		19 967
12. Change in amounts due to financial sector		-711 290		79 829
13. Change in amounts due to non-financial and public sectors		428 494		-598 272
14. Change in liabilities from securities sold with buy-back option		408 197		-750 660
15. Change in liabilities from securities		-365 717		1 121 831
16. Change in other liabilities		23 642		119 275
17. Change in accrued expenses and prepayments		-16 772		-21 686
18. Change in deferred and restricted incomes		-212 452		67 296
19. Other				
III. Net cash from (used for) operating activities (I+/-II) - indirect method		-740		-451 995
B. NET CASH FLOWS FROM INVESTING ACTIVITIES (I-II)				
I. Cash from investing activities		16 389		556 199
1. Sale of shares in subsidiaries				10 710
2. Sale of shares in jointly-controlled subsidiaries				0
3. Sale of shares in associated companies				0
4. Sale of shares in other companies, other securities (including tradable ones) and other financial assets		12		480 973
5. Sale of intangible assets and tangible fixed assets		2 953		3 452
6. Sale of investments in real estate and intangible assets		0		11 788
7. Other		13 424		49 276
II. Cash used for investing activities		85 384		349 253
1. Purchase of shares in subsidiaries		4		217 479
2. Purchase of shares in jointly-controlled subsidiaries		0		0
3. Purchase of shares in associated companies		0		0
4. Purchase of shares in other companies, other securities (including tradable ones) and other financial assets		79 534		0
5. Purchase of intangible assets and tangible fixed assets		1 958		125 221
6. Capital expenditure in real estate and intangible assets		3 888		6 553
7. Purchase of treasury stock for resale		0		0
8. Other		0		0
III. Net cash from (used for) investing activities (I+/-II)		-68 995		206 946
C. NET CASH FLOWS FROM FINANCING ACTIVITIES (I-II)				
I. Cash from financing activities		0		889 433
1. Long-term bank loans		0		704 600
2. Long-term borrowings from financial institutions other than banks		0		0
3. Issue of bonds or other debt securities for other financial institutions		0		0
4. Increase in subordinated debt		0		0
5. Issue of share capital and contributions to capital		0		184 833
6. Other		0		0

II. Cash used for financing activities	76 632	684 915
1. Repayment of long-term bank loans	0	584 128
2. Repayment of long-term borrowings from financial institutions other than banks	0	0
3. Redemption of bonds or other debt securities from other financial institutions	0	0
4. Decrease in subordinated debt	0	0
5. Cost of issue of share capital	0	0
6. Redemption of treasury stock	0	0
7. Dividends and other payments to owners	0	0
8. Expenses on account of the distribution of profits other than payments to owners	0	0
9. Purchase of own shares	0	0
10. Other	76 632	100 787
III. Net cash from (used for) financing activities (I+/-II)	-76 632	204 518
D. NET CASH FLOWS, TOTAL (A+/-B+/-C)	-146 367	-40 531
E. ON-BALANCE SHEET CHANGE IN CASH	-146 367	-40 531
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	805 402	294 244
G. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (F+/- D)	659 035	253 713