

(for capital group with the bank as the parent)

Pursuant to Art. 57.2 and Art. 58.1 of the Regulation of the Council of Ministers dated 16 October 2001 (Journal of Laws No. 139, item 1569 and No. 31, item 280 (from year 2002),

The Management Board of BRE Bank S.A.
publishes this Quarterly Report for Q3 2004:

29 October 2004
(date of submittal)

SELECTED FINANCIAL DATA	[000] PLN		[000] EUR	
	III Q cumulative	III Q cumulative	III Q cumulative	III Q cumulative
(current year)	from 1 Jan 2004 to 30 Sept 2004	from 1 Jan 2003 to 30 Sept 2003	from 1 Jan 2004 to 30 Sept 2004	from 1 Jan 2003 to 30 Sept 2003
I. Interest income	984 675	840 643	213 069	192 728
II. Commission income	315 088	265 286	68 180	60 820
III. Profit (loss) on banking activity	806 163	616 650	174 441	141 375
IV. Operating profit (loss)	186 044	116 516	40 257	26 713
V. Gross profit (loss) before tax	166 460	95 730	36 019	21 947
VI. Net profit (loss)	107 512	75 234	23 264	17 248
VII. Net cash from operating activities	(825 714)	1 374 972	(178 672)	315 230
VIII. Net cash from investing activities	179 354	25 560	38 809	5 860
IX. Net cash from financing activities	553 499	189 412	119 769	43 425
X. Total net cash flow	(92 861)	1 589 944	(20 094)	364 516
XI. Total assets	32 490 227	29 545 496	7 412 445	6 362 764
XII. Amounts due to the Central Bank	-	901	-	194
XIII. Amounts to the financial institutions	6 207 046	6 575 460	1 416 099	1 416 057
XIV. Amounts to the non-financial and public sector	12 936 779	10 694 533	2 951 446	2 303 119
XV. Equity	2 245 462	1 669 903	512 288	359 622
XVI. Share capital	114 853	91 882	26 203	19 787
XVII. Number of shares	28 713 125	22 970 500	28 713 125	22 970 500
XVIII. Book value per share (in PLN/EUR)	78.20	72.70	17.84	15.66
XIX. Diluted book value per share (in PLN/EUR)	-	-	-	-
XX. Solvency ratio	10.85	8.91	10.85	8.91
XXI. Profit (loss) per ordinary share (in PLN/EUR)	3.74	3.28	0.81	0.75

CONSOLIDATED BALANCE SHEET [PLN'000]	as at 30 Sept 2004 end of this quarter (2004)	as at 30 Jun 2004 end of previous quarter (2003)	as at 30 Sept 2003 end of this quarter (2003)	as at 30 Jun 2003 end of previous quarter (2003)
Assets				
I. Cash and balances with the Central Bank	474 141	466 674	575 642	640 187
II. Debt securities eligible for rediscounting at the Central Bank	56 264	84 773	56 294	101 302
III. Receivables from financial institutions	5 590 040	5 693 228	3 824 812	3 972 325
1. Short-term	5 402 406	5 316 061	3 403 982	3 003 561
a) Current	3 219 943	2 364 952	1 755 452	2 171 685
b) Other short-term	2 182 463	2 951 109	1 648 530	831 876
2. Long-term	187 634	377 167	420 830	968 764
IV. Receivables from clients	14 185 516	14 144 450	14 014 888	13 348 749
1. Short-term	8 340 692	8 333 324	8 300 563	8 119 474
a) Current	1 737 440	1 819 851	1 808 744	2 013 389
b) Other short-term	6 603 252	6 513 473	6 491 819	6 106 085
2. Long-term	5 844 824	5 811 126	5 714 325	5 229 275
V. Receivables from the public sector	1 593 965	1 578 869	72 349	48 434
1. Short-term	1 539 668	1 553 941	48 522	38 628
a) Current receivables	1 551	3 699	7 505	6 274
b) Other short-term	1 538 117	1 550 242	41 017	32 354
2. Long-term	54 297	24 928	23 827	9 806
VI. Receivables under purchased securities with a buy-back clause	244 327	529 249	743 515	115 014
VII. Debt securities	4 412 456	4 451 827	4 053 911	4 859 179
VIII. Receivables from subordinated entities subject to equity accounting valuation	61 968	59 483	12 446	17 490
1. Subsidiaries	4 581	20 702	1 474	2 884
2. Joint-ventures	-	-	-	-
3. Affiliates	57 387	38 781	10 972	14 606
IX. Stocks and shares in subsidiaries subject to equity accounting valuation	207 059	182 969	106 882	104 961
X. Stocks and shares in joint ventures subject to equity accounting valuation	-	-	-	-
XI. Stocks and shares in associates subject to equity accounting valuation	1 632	3 758	3 784	25 942
XII. Stocks or shares in other entities	10 774	8 690	12 957	24 437
XIII. Other securities and financial assets	2 724 504	2 657 443	2 698 563	2 788 722
XIV. Intangible fixed assets, including:	316 012	280 596	280 250	294 574
- goodwill	81 192	84 395	94 005	97 207
XV. Goodwill of subordinated entities	457 895	447 025	465 747	473 325
XVI. Tangible fixed assets	724 834	732 966	948 550	903 773
XVII. Other assets	688 211	958 701	664 732	364 126
1. Assets taken over and held for resale	42	44	989	105
2. Inventories	60 683	54 350	76 919	69 055
3. Other	627 486	904 307	586 824	294 966
XVIII. Prepayments	740 629	739 993	1 010 174	993 638
1. Deferred income tax assets	662 590	651 091	931 301	907 410
2. Other prepaid items	78 039	88 902	78 873	86 228
Total assets	32 490 227	33 020 694	29 545 496	29 076 178
	-	-	-	-
Liabilities				
I. Amounts due to the Central Bank	-	-	901	862
II. Amounts due to financial institutions	6 207 046	6 865 053	6 575 460	6 730 293
1. Short-term	4 050 225	4 668 697	4 245 219	3 663 662
a) Current	1 108 493	945 081	1 197 793	615 166
b) Other short-term	2 941 732	3 723 616	3 047 426	3 048 496
2. Long-term	2 156 821	2 196 356	2 330 241	3 066 631
III. Amounts due to clients	12 690 206	12 167 272	10 615 146	10 524 297
1. Short-term	11 773 173	11 309 970	9 646 445	9 514 416
a) Current, including:	6 839 779	6 524 860	5 640 500	5 743 189
- saving deposits	2 552 931	2 524 319	2 068 570	1 948 367
b) Other short-term, including:	4 933 394	4 785 110	4 005 945	3 771 227
- saving deposits	707 151	606 167	481 947	426 681
2. Long-term, including:	917 033	857 302	968 701	1 009 881
- saving deposits	164 448	167 397	209 601	216 034
IV. Amounts due to the public sector	246 573	200 661	79 387	77 939
1. Short-term	244 812	198 075	76 784	75 336
a) Current	164 036	126 699	49 632	43 247
b) Other short-term	80 776	71 376	27 152	32 089
2. Long-term	1 761	2 586	2 603	2 603

V. Amounts due under sold securities with a buy-back clause	2 102 832	2 513 418	2 953 452	2 664 674
VI. Amounts due under issues of debt securities				
1. Short-term	3 978 700	4 073 138	2 494 539	2 363 587
2. Long-term	2 104 530	2 189 797	490 270	482 269
VII. Other amounts due under financial instruments	1 874 170	1 883 341	2 004 269	1 881 318
VIII. Amounts due to the subordinated priced using equity method				
1. Subsidiaries	2 460 833	2 334 322	2 226 597	2 233 392
2. Joint-ventures				
3. Affiliates	24 323	17 455	16 357	11 832
IX. Special funds and other liabilities	16 440	14 011	13 574	11 497
X. Accruals, deferred income and qualified income				
1. Prepayments	7 883	3 444	2 783	335
2. Goodwill (negative figure)	373 375	363 494	353 617	349 749
3. Other deferred and qualified income				
XI. Goodwill of subordinated companies (negative figure)	295 590	291 235	276 128	266 435
	46 957	47 971	35 115	42 667
		-	-	-
	248 633	243 264	241 013	223 768
XII. Provisions				
1. Defferd income tax liabilities	1 207	1 650	2 981	4 055
2. Other	696 860	685 860	940 355	939 279
a) short-term	561 867	550 515	791 891	799 975
b) long-term	134 993	135 345	148 464	139 304
XIII. Subordinated liabilities	8 408	8 444	5 279	1 611
XIV. Minority interests	126 585	126 901	143 185	137 693
XV. Share capital	1 096 112	1 176 075	1 212 260	1 154 141
XVI. Subscribed share capital not paid up (negative amount)				
XVII. Own shares (negative figure)		-	-	-
XVIII. Supplementary reserve		-	-	-
XIX. Revaluation reserve	1 185 922	1 185 922	657 159	656 365
XX. Other reserves	8 172	1 493	22 101	7 134
XXI. Foreign exchange gains/losses on the translation of subordinated companies	749 270	749 270	745 655	745 618
1. gains				
2. losses	(653)	(430)	1 255	604
XXII. Retained profit (loss)	6 981	9 752	13 365	8 706
XXIII. Net profit (loss)	(7 634)	(10 182)	(12 110)	(8 102)
T o t a l l i a b i l i t i e s	80 386	80 453	76 617	77 474
	107 512	70 808	75 234	55 707
Solvency ratio	32 490 227	33 020 694	29 545 496	29 076 178
	10.85	11.52	8.91	8.88
Book value				
Number of shares	2 245 462	2 202 369	1 669 903	1 634 784
Book value per share (in PLN)	28 713 125	28 713 125	22 970 500	22 970 500
	78.20	76.70	72.70	71.17

	as at 30 Sept 2004 end of this quarter (2004)	as at 30 Jun 2004 end of previous quarter (2003)	as at 30 Sept 2003 end of this quarter (2003)	as at 30 Jun 2003 end of previous quarter (2003)
CONSOLIDATED OFF-BALANCE-SHEET ITEMS				
I. Contingent liabilities extended and received				
1. Commitments granted:	8 816 436	7 786 159	6 926 236	6 451 492
a) financing	7 453 887	6 839 667	6 175 069	5 684 294
b) guarantees	5 899 325	5 353 718	4 795 106	4 399 364
2. Commitments received:	1 554 562	1 485 949	1 379 963	1 284 930
a) financing	1 362 549	946 492	751 167	767 198
b) guarantees	407 061	128 451	107 305	246 470
II. Commitments arising from purchase/sale transactions	955 488	818 041	643 862	520 728
III. Other (due to)	239 667 309	216 722 941	187 830 732	178 082 540
- factoring receivables	1 088 280	1 074 767	-	376 003
- factoring liabilities	526 047	518 468		287 090
- share acquisition rights	169 540	149 360		88 913
Total off-balance-sheet items	392 693	406 939		-
	249 572 025	225 583 867	194 756 968	184 910 035

	III Q	III Q cumulative	III Q	III Q cumulative
CONSOLIDATED				
PROFIT AND LOSS ACCOUNT				
	from 1 Jul 2004 to 30 Sept 2004	from 1 Jan 2004 to 30 Sept 2004	from 1 Jul 2003 to 30 Sept 2003	from 1 Jan 2003 to 30 Sept 2003
I. Interest income	343 222	984 675	258 375	840 643
II. Interest cost	220 273	639 404	214 839	639 152
III. Net interest income (I-II)	122 949	345 271	43 536	201 491
IV. Commission income	106 215	315 088	95 726	265 286
V. Commission cost	27 097	85 333	26 851	72 074
VI. Net commission income (IV-V)	79 118	229 755	68 875	193 212
VII. Net income of goods sold	-	-	-	-
VIII. Cost of sold products, goods and materials	-	-	-	-
IX. Cost of sale	-	-	-	-
X. Profit on sale (VII-VIII-IX)	-	-	-	-
XI. Income from shares, other securities and financial instruments with variable income				
	1 043	9 843	12 935	19 244
1. From subsidiaries	14	3 105	1 496	1 496
2. From joint-ventures	-	-	-	-
3. From affiliates	5 906	5 906	11 404	17 657
4. From others	(4 877)	832	35	91
XII. Profit (loss) on financial transaction	29 948	44 860	(25 818)	52 324
XIII. Profit (loss) on foreign exchange result	51 902	176 434	81 631	150 379
XIV. Profit (loss) on banking activity	284 960	806 163	181 159	616 650
XV. Other operating income	41 141	395 733	30 476	109 877
XVI. Other operating expenses	18 991	270 015	6 018	24 355
XVII. Overhead costs of the bank	179 479	516 028	159 180	465 283
XVIII. Depreciation and amortisation of tangible and intangible fixed assets	37 583	114 612	38 495	116 017
XIX. Provisions and revaluation	111 096	392 967	110 382	246 366
1. specific provisions and general risk provisions	87 436	367 740	110 572	245 313
2. revaluation of financial assets	23 660	25 227	(190)	1 053
XX. Released provisions and revaluation	81 323	277 770	101 876	242 010
1. Released specific provisions and general risk provisions	80 645	275 537	100 080	239 293
2. Revaluation of financial assets	678	2 233	1 796	2 717
XXI. Net provisions and revaluation (XIX-XX)	29 773	115 197	8 506	4 356
XXII. Operating profit (loss)	60 275	186 044	(564)	116 516
XXIII. Profit (loss) on extraordinary items	57	57	21	65
1. gains	101	101	81	177
2. losses	44	44	60	112
XXIV. Deduction of subordinated goodwill	7 152	20 970	7 551	22 757
XXV. Deduction of subordinated goodwill (negative amount)	443	1 329	1 075	1 906
XXVI. Profit (loss) before tax	53 623	166 460	(7 019)	95 730
XXVII. Corporate income tax	13 623	41 489	(31 283)	9 092
1. current part	16 955	42 596	5 560	14 685
2. postponed part	(3 332)	(1 107)	(36 843)	(5 593)
XXVIII. Other obligatory profit appropriations (loss increase)	-	-	-	-
XXIX. Net gain (loss) on share in subordinated valued using equity method	855	3 487	(566)	(3 371)
XXX. (Profit) loss of minority	(4 151)	(20 946)	(4 171)	(8 033)
XXXI. Net profit (loss)	36 704	107 512	19 527	75 234
Net profit (loss) (for 12 months)	37 782		(233 644)	
Weighted average number of ordinary shares	22 970 500		22 970 500	
Net profit (loss) per 1 ordinary share [PLN]	1.64		(10.17)	

MOVEMENTS IN CONSOLIDATED EQUITY	III Q	III Q cumulative	III Q	III Q cumulative
	from 1 Jul 2004 to 30 Sept 2004	from 1 Jan 2004 to 30 Sept 2004	from 1 Jul 2003 to 30 Sept 2003	from 1 Jan 2003 to 30 Sept 2003
I. Equity as at the beginning of the period (OB)	2 202 369	1 577 608	1 884 655	1 581 306
a) changes to accounting policy	-	(598)	-	(6 464)
b) adjustment of key miscalculation	(69)	870	-	(2 540)
I.a. Equity as at the beginning of the period (OB) after reconciliation to comparative data	2 202 300	1 577 880	1 884 655	1 572 302
I. Share capital as at the beginning of the period	114 853	91 882	91 882	91 882
1.1 Changes in share capital	-	22 971	-	-
a) increase (due to):	-	22 971	-	-
-issue of shares	-	22 971	-	-
	-	-	-	-
b) decrease (due to):	-	-	-	-
-cancellation of shares	-	-	-	-
	-	-	-	-
1.2. Share capital as at the end of the period	114 853	114 853	91 882	91 882
2. Payments for share capital as at the beginning of the period	-	-	-	-
2.1 Changes in payments for share capital	-	-	-	-
a) increase (due to):	-	-	-	-
b) decrease (due to):	-	-	-	-
2.2 Payments for share capital at the end of the period	-	-	-	-
3. Own shares as at the beginning of the period	-	-	-	-
a) increase (due to):	-	-	-	(4 545)
b) decrease (due to):	-	-	-	(4 545)
3.1 Own shares at the end of the period	-	-	-	-
4. Supplementary capital as at the beginning of the period	1 185 922	657 157	656 365	659 013
4.1. Movements in the supplementary capital	-	528 765	794	(1 854)
a) increase (due to):	-	528 765	11	4 892
- issue of shares above nominal value	(1)	526 844	-	-
- allocation of the profit (statutory)	(7)	1 911	4	4 769
- allocation of the profit (above minimal value up to statutory)	-	-	-	-
- exclusion from consolidation following disposal of a company	-	-	-	-
- supplementary charge of partners	-	-	-	-
- consolidation of company	-	-	-	-
- reclassification from reserve capital	-	-	-	-
- other	8	10	7	123
b) decrease (due to):	-	-	(783)	6 746
- loss coverage	-	-	(675)	2 859
- correction of agio due to change of consolidation method	-	-	-	-
- termination of capital in case of payment to shareholders	-	-	-	-
- exclusion from consolidation following disposal of a company	-	-	-	3 887
- correction of agio due to payment to shareholders	-	-	-	-
- foreign exchange gains/losses	-	-	(108)	-
- other	-	-	-	-
4.2. Supplementary capital as at the end of the period	1 185 922	1 185 922	657 159	657 159
5. Revaluation reserve as at the beginning of the period	1 493	(1 988)	7 134	(8 643)
5.1. Movements in revaluation reserve	6 679	10 160	14 967	30 744
a) increase (due to)	16 099	60 875	27 906	69 444
- foreign exchange gains/losses	994	5 244	13 061	24 627
- deferred income tax	96	4 821	2 751	6 474
- revaluation of securities available to sale	13 455	45 039	7 802	25 008
- revaluation of tangible fixed assets	67	345	4 412	6 773
- exclusion from consolidation following disposal of a company	5 426	5 426	1	6 464
- other	(3 939)	-	(121)	98
b) decrease (due to)	9 420	50 715	12 939	38 700
- disposal of fixed assets	8	10	1	1
- deferred income tax	2 367	7 022	5 841	11 516
- foreign exchange gains/losses	3 618	9 840	4 537	6 746
- exclusion from consolidation following disposal of a company	-	-	(754)	-
- revaluation of tangible fixed assets	-	-	1 102	4 502
- revaluation of securities for disposal	3 145	32 788	204	13 927
- other	282	1 055	2 008	2 008
5.2. Revaluation reserve as at the end of the period	8 172	8 172	22 101	22 101

6. General banking risk reserve as at the beginning of the period	559 595	558 000	558 000	558 000
6.1. Movements in general banking risk reserve	-	1 595	-	-
a) increase (due to)	-	1 595	-	-
- appropriation of retained earnings	-	1 595	-	-
	-		-	-
			-	-
b) decrease (due to)	-	-	-	-
-	-		-	-
-	-		-	-
6.2. General banking risk reserve as at the end of the period	559 595	559 595	558 000	558 000
7. Other supplementary capitals as at the beginning of the period	189 675	188 354	187 618	800 267
7.1. Changes in other supplementary capitals	-	1 321	37	(612 612)
a) increase (due to):	-	2 025	37	37
- deduction of profit for supplementary capital	-	2 025	-	-
- inclusion for consolidation	-		-	-
- capital decrease reserve	-		-	-
- dividend payment	-		-	-
- other	-		37	37
b) decrease (due to)	-	704	-	612 649
- reclassification to reserve capital	-		-	-
- dividend payment	-		-	-
- dividend payment by way of advance	-		-	-
- exclusion from consolidation following disposal of a company	-		-	1 984
- loss coverage	-	702	-	607 993
- other	-	2	-	2 672
7.2. Other supplementary capital as at the end of the period	189 675	189 675	187 655	187 655
8. Foreign exchange gains/losses on the translation of subordinated companies	(653)	(653)	1 255	1 255
9. Retained earnings (accumulated losses) as at the beginning of the period	80 453	84 447	77 474	(518 862)
9.1. Retained earnings as at beginning of the period	105 841	103 779	94 146	98 819
a) changes to accounting policy	-	5 057	-	3 055
b) adjustment of key miscalculation	(69)	1 973	-	440
9.2. Retained earnings as at the beginning of the period after reconciliation to comparative data	105 772	110 809	94 146	102 314
9.3. Change in retained earnings	2	(5 035)	3 072	(5 096)
a) increase (due to):	(5)	496	626	1 112
- allocation of retained earnings	-		-	-
- inclusion the company to consolidation (full method)	-		-	-
- stake increased through a subholding	-		-	-
- foreign exchange gains/losses	-		62	62
- other	(5)	496	564	1 050
b) decrease (due to):	(7)	5 531	(2 446)	6 208
- deduction of profit for general banking risk reserve	-		-	-
- profit allocation to supplementary capital	-	3 620	-	-
- profit allocation to reserve capital	(7)	1 911	(13)	4 752
- profit allocation to shareholder dividend	-		(2 422)	956
- transfer to the Social Fund	-		-	6
- foreign exchange gains/losses	-		-	-
- other	-		(11)	494
9.4. Retained earnings as at the end of the period	105 774	105 774	97 218	97 218
9.5. Accumulated losses at the beginning of the period	(25 388)	(19 332)	(16 672)	(617 681)
a) changes to accounting policies	-	(5 655)	-	(9 519)
b) adjustment of key miscalculation	-	(1 103)	-	(2 980)
9.6. Accumulated losses as at the beginning of the period after reconciliation to comparative data	(25 388)	(26 090)	(16 672)	(630 180)
9.7. Change in accumulated losses	-	702	(3 929)	609 579
a) increase (due to):	-	-	(1 273)	(1 273)
- loss to be covered brought forward from previous years	-		-	-
- inclusion the company to consolidation	-		-	-
- other	-		(1 273)	(1 273)
b) decrease (due to):	-	(702)	2 656	(610 852)
- coverage from reserves	-		675	(2 859)
- exclusion from consolidation in connection of selling the company	-		1 981	-
- coverage from supplementary capital	-	(702)	-	(607 993)
9.8. Accumulated losses as at the end of period	(25 388)	(25 388)	(20 601)	(20 601)
9.9. Retained earnings (accumulated losses) as at the end of period	80 386	80 386	76 617	76 617
10. Net profit/loss	107 512	107 512	75 234	75 234
a) net loss	107 512	107 512	75 234	75 234
b) net profit	-	-	-	-
II. Equity as at the end of the period (CB)	2 245 462	2 245 462	1 669 903	1 669 903
III. Equity including proposed profit distribution (coverage of loss)	2 245 462	2 245 462	1 669 903	1 669 903

CONSOLIDATED CASH FLOW STATEMENT	III Q	III Q cumulative	III Q	III Q cumulative
	from 1 Jul 2004 to 30 Sept 2004	from 1 Jan 2004 to 30 Sept 2004	from 1 Jul 2003 to 30 Sept 2003	from 1 Jan 2003 to 30 Sept 2003
A. Net cash flows from operating activities - indirect method				
	(40 750)	(825 714)	249 673	1 374 972
I. Net profit (loss)	36 704	107 512	19 527	75 234
II. Total adjustments for:	(77 454)	(933 226)	230 146	1 299 738
1. Profit (loss) of minority shareholders	4 151	20 946	4 171	8 033
2. Participation in profit (loss) of subordinated companies valued with equity method	(855)	(3 487)	566	3 371
3. Depreciation, including:	44 292	134 253	44 971	136 868
- appropriations of goodwill of subordinates and goodwill of subordinates (negative amount)	6 709	19 641	6 476	20 851
4. Foreign exchange gains/losses	9 220	(86 884)	11 275	109 511
5. Interest and dividends	41 847	109 545	25 322	77 461
6. (Profit) loss on investments	(14 952)	(42 438)	(22 232)	(18 134)
7. Change in provisions	10 639	(36 636)	(19 471)	(34 846)
8. Change in reserves	-	-	-	-
9. Change in debt securities	67 880	(635 102)	860 055	1 104 040
10. Change in receivables from the financial institutions	32 494	(1 344 662)	(23 137)	578 585
11. Change in receivables from the clients and public sector	(61 950)	(448 850)	(662 822)	(2 075 552)
12. Change in amounts due to purchase of securities with a buy-back clause	284 922	9 991	(628 501)	(445 902)
13. Change in stocks or shares and securities and other financial instruments	(61 007)	56 345	39 992	349 542
14. Change in liabilities to financial institutions	(485 616)	(630 696)	302 318	(682 249)
15. Change in liabilities to clients and public sector	568 846	818 829	92 297	229 223
16. Change in liabilities due to sold securities with a buy-back clause	(410 586)	637 835	288 778	1 011 137
17. Change in liabilities due to securities	(133 807)	377 822	129 564	608 646
18. Change in other liabilities	23 309	103 470	(260 235)	274 271
19. Change in prepayments	(1 650)	33 637	29 990	25 470
20. Change in deferred and qualified income	5 369	(7 144)	17 245	40 263
21. Other	-	-	-	-
III. Net cash flows from operating activities (I - II) - indirect method	(40 750)	(825 714)	249 673	1 374 972
B. Net cash flows from investment operations (I-II)				
	159 165	179 354	21 632	25 560
I. Incomes	275 622	378 163	105 757	215 757
1. Sale of stocks or shares in subsidiaries	-	-	4 929	5 242
2. Sale of stocks or shares in joint ventures	-	-	-	-
3. Sale of stocks or shares in affiliates	8 040	8 040	16 486	21 623
4. Sale of other stocks or shares, securities and financial instruments	936	102 313	77 962	179 488
5. Sale of intangible and tangible fixed assets	263 945	264 819	3 702	5 031
6. Sale of investment in real estate and intangible assets	-	-	-	-
7. Other investment incomes	2 701	2 991	2 678	4 373

II. Expenses	116 457	198 809	84 125	190 197
1. Purchase of stocks or shares in subsidiaries	87 596	88 225	5 833	12 336
2. Purchase of stocks or shares in joint ventures	-	-	-	-
3. Purchase of shares in affiliated	-	-	10 027	10 027
4. Purchase of other stocks or shares, securities and financial instruments	-	14 095	6 661	35 683
5. Purchase of intangible and tangible fixed assets	6 780	32 510	33 205	62 703
6. Investment in real estate and intangible assets	22 081	63 979	28 399	69 448
7. Other investments' expenses	-	-	-	-
III. Net cash flow from investment operations (I-II)	159 165	179 354	21 632	25 560
C. Net cash flow from financing activities (I-II)	(73 254)	553 499	(491 441)	189 412
I. Incomes	70 562	1 140 051	1 094 652	2 949 082
1. Long term loans received from other banks	16 479	427 626	492 480	1 995 851
2. Long term loans received from financial institutions, excluding banks	-	-	-	8 430
3. Issue of debt securities	54 084	162 610	602 172	944 801
4. Change in subordinated liabilities in plus	-	-	-	-
5. Net cash from shares' issue and payment to capital	(1)	549 815	-	-
6. Other	-	-	-	-
II. Expenses	143 816	586 552	1 586 093	2 759 670
1. Long term loans repaid to other banks	41 782	416 530	956 238	2 071 436
2. Long term loans repaid to financial institutions, excluding banks	-	-	-	-
3. Redemption of securities	57 485	57 485	600 784	600 784
4. Due to other financial liabilities	-	-	-	-
5. Payments due to financial leasing liabilities	-	-	-	-
6. Decrease of subholding liabilities	-	-	1 134	1 134
7. Dividends and other payments to owners	-	-	-	-
8. Dividends and other participation in profit payments for minority	-	-	-	-
9. Payments for allocation of the profit (diferrent from payments to owners)	-	-	-	-
10. Acquisition of own shares	-	-	-	4 545
11. Other financial expenses	44 549	112 537	27 937	81 771
12. Other expenses	-	-	-	-
III. Net cash flows from financing activities (I-II)	(73 254)	553 499	(491 441)	189 412
D. Total net cash flows (A+/-B+/-C)	45 161	(92 861)	(220 136)	1 589 944
E. Net change in cash	45 161	(92 861)	(220 136)	1 589 944
- including change in cash due to foreign exchange gains/losses	(16 845)	(20 835)	68 790	86 573
F. Cash at the beginning of the period	4 918 223	5 056 245	3 228 343	1 418 263
G. Cash at the end of the period (F+/- D)	4 963 384	4 963 384	3 008 207	3 008 207

QUARTERLY SHORTENED FINANCIAL STATEMENT

BALANCE SHEET [PLN'000]	as at 30 Sept 2004 end of this quarter (2004)	as at 30 Jun 2004 end of previous quarter (2004)	as at 30 Sept 2003 end of this quarter (2003)	as at 30 Sept 2003 end of previous quarter (2003)
A s s e t s				
I. Cash and balances with the Central Bank	471 936	466 163	575 323	639 878
II. Debt securities eligible for refinancing at Central Bank	56 264	84 773	56 294	101 302
III. Amounts due from the financial institutions	6 174 899	6 115 426	4 330 570	4 343 155
1. Current	3 235 937	2 367 958	1 829 811	2 170 583
2. Term	2 938 962	3 747 468	2 500 759	2 172 572
IV. Amounts from clients	9 851 458	9 839 855	10 021 452	9 472 497
1. Current	1 737 440	1 819 851	1 808 744	1 730 407
2. Term	8 114 018	8 020 004	8 212 708	7 742 090
V. Amounts due from the public sector	1 561 497	1 578 869	72 324	48 434
1. Current	1 551	3 699	7 505	6 274
2. Term	1 559 946	1 575 170	64 819	42 160
VI. Amounts due in respect of purchase of securities with a buy back clause	244 327	529 249	729 345	100 844
VII Debt securities	4 431 112	4 450 848	4 203 863	5 024 664
VIII. Stocks or shares in subsidiaries	1 120 126	978 468	904 674	881 816
IX Stocks or shares in joint ventures	-	-	-	-
X. Stocks or shares in affiliates	577	1 102	(1 707)	19 699
XI. Stocks or shares in other companies	8 160	8 321	11 587	23 966
XII. Other securities and financial assets	2 664 198	2 606 670	2 670 422	2 737 583
XIII. Intangible assets, including:	270 641	235 465	233 872	246 664
- goodwill	46 887	49 612	57 786	60 510
XIV. Tangible fixed assets	683 841	693 892	910 589	876 180
XV. Other assets	366 846	653 333	201 439	180 028
1. Assets acquired through debt recovery - for sale	42	44	319	105
2. Other	366 804	653 289	201 120	179 923
XVI. Prepayments	649 749	638 908	842 004	853 329
1. Deferred income tax	622 985	605 759	825 672	832 761
2. Other prepayments	26 764	33 149	16 332	20 568
T o t a l a s s e t s	28 555 631	28 881 342	25 762 051	25 550 039
	-	-	-	-
Liabilities				
I. Amounts due to Central Bank	-	-	901	862
II. Liabilities to the financial institutions	6 397 934	6 901 154	5 784 603	6 076 855
1. Current	1 188 120	1 007 227	1 002 591	692 438
2. Term	5 209 814	5 893 927	4 782 012	5 384 417
III. Liabilities to the clients sector	12 225 303	11 745 378	10 287 090	10 208 146
1. Saving deposits	3 424 530	3 297 883	2 697 498	2 539 756
a) Current	2 552 931	2 524 319	2 068 570	1 948 367
b) Term	871 599	773 564	628 928	591 389
2. Other	8 800 773	8 447 495	7 589 592	7 668 390
a) Current	4 189 086	3 874 745	3 476 064	3 661 209
b) Term	4 611 687	4 572 750	4 113 528	4 007 181
IV. Liabilities to the public institutions	246 573	200 661	79 266	77 939
1. Current liabilities	164 036	126 699	49 632	43 247
2. Term liabilities	82 537	73 962	29 634	34 692
V. Amounts due under sold securities with a buy-back clause	2 102 832	2 513 418	2 953 452	2 664 674
VI. Liabilities due to issue of debt securities	618 951	700 135	302 726	225 907
1. Short-term	528 379	610 346	269 290	222 827
2. Long-term	90 572	89 789	33 436	3 080
VII. Other liabilities due to financial instruments	2 471 581	2 330 250	2 186 014	2 172 390
VIII. Special funds and other liabilities	242 850	256 977	230 870	262 026

IX. Accruals, deferred income and qualified income	260 972	260 681	242 802	235 224
1. Costs prepayments	24 388	28 182	15 194	23 513
2. Goodwill (negative figure)	-	-	-	-
3. Other deferred and qualified income	236 584	232 499	227 608	211 711
X. Reserves	651 915	638 357	865 595	876 534
1. Income tax reserves	536 499	522 798	733 610	748 976
2. Other reserves	115 416	115 559	131 985	127 558
a) short-term	-	-	-	-
b) long-term	115 416	115 559	131 985	127 558
XI. Subordinated liabilities	1 096 112	1 135 766	1 161 052	1 114 591
XII. Share capital	114 853	114 853	91 882	91 882
XIII. Payment for share capital (negative figure)	-	-	-	-
XIV. Own shares (negative figure)	-	-	-	-
XV. Supplementary capital	1 275 583	1 275 584	748 739	748 739
XVI. Revaluation capital	8 412	(421)	21 317	6 788
XVII. Other reserve capital	746 757	746 757	744 922	744 922
XVIII. Net Retained earnings (Accumulated losses)	(8 333)	(8 264)	(11 975)	(11 975)
XIX. Net profit (loss)	103 336	70 056	72 795	54 535
T o t a l l i a b i l i t i e s	28 555 631	28 881 342	25 762 051	25 550 039
Capital adequacy ratio	12.94	14.28	9.18	9.54
Book value	2 240 608	2 198 565	1 667 680	1 634 891
Number of shares	28 713 125	28 713 125	22 970 500	22 970 500
Book value per share (in PLN)	78.03	76.57	72.60	71.17
Diluted number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

	as at 30 Sept 2004 end of this quarter (2004)	as at 30 Jun 2004 end of previous quarter (2004)	as at 30 Sept 2003 end of this quarter (2003)	as at 30 Sept 2003 end of previous quarter (2003)
OFF-BALANCE-SHEET ITEMS				
I. Off-balance-sheet liabilities extended and received	9 606 527	9 230 393	7 411 671	7 295 369
1. Liabilities extended	9 144 652	8 714 221	6 884 827	6 818 504
a) financing	5 280 153	4 839 493	4 169 146	4 132 631
b) guarantees	3 864 499	3 874 728	2 715 681	2 685 873
2. Liabilities received	461 875	516 172	526 844	476 865
a) financing	39 660	105 175	107 305	102 760
b) guarantees	422 215	410 997	419 539	374 105
II. Liabilities related to realised purchase/sale transactions	241 227 073	217 428 296	188 283 888	177 875 871
III. Other	392 693	406 939	-	-
-	392 693	406 939		
-				
T o t a l o f f - b a l a n c e - s h e e t i t e m s	251 226 293	227 065 628	195 695 559	185 171 240

PROFIT AND LOSS ACCOUNT	III Q	III Q cumulative	III Q	III Q cumulative
	from 1 Jul 2004 to 30 Sept 2004	from 1 Jan 2004 to 30 Sept 2004	from 1 Jul 2003 to 30 Sept 2003	from 1 Jan 2003 to 30 Sept 2003
I. Interest income	261 159	741 771	193 337	654 489
II. Interest expense	176 807	515 121	179 665	542 735
III. Net interest income (I-II)	84 352	226 650	13 672	111 754
IV. Commission income	80 011	235 621	68 495	195 963
V. Commission expense	19 915	68 874	20 863	57 344
VI. Net commission income (IV-V)	60 096	166 747	47 632	138 619
VII. Profit (loss) stocks or shares, other securities and financial instruments of variable income	5 774	26 029	12 440	22 373
1. From subsidiaries	(117)	19 385	2 145	4 716
2. From joint ventures	-	-	-	-
3. From affiliates	5 906	5 916	10 295	17 657
4. From others	(15)	728	-	-
VIII. Profit on financial operations	14 577	20 388	(33 315)	35 073
IX. Exchange gains/losses	48 985	170 834	78 688	166 975
X. Profit (loss) on banking operations	213 784	610 648	119 117	474 794
XI. Other operating income	15 181	310 797	7 616	39 861
XII. Other operating expenses	14 633	252 427	3 608	14 151
XIII. Overheads	132 801	365 784	109 672	316 379
XIV. Depreciation of tangible and intangible fixed assets	32 416	98 209	33 415	101 600
XV. Provisions and write-downs	100 706	347 516	88 931	200 268
1. for specific provisions and to general banking risk	77 046	322 289	88 146	199 287
2. revaluation of financial assets	23 660	25 227	785	981
XVI. Reversal of provisions and revaluation	79 967	255 058	89 928	212 914
1. Release of provisions and general banking risk reserve	79 293	252 992	89 677	212 663
2. Revaluation of financial assets	674	2 066	251	251
XVII. Difference in provisions and revaluation appropriations and	20 739	92 458	(997)	(12 646)
XVIII. Operating profit (loss)	28 376	112 567	(18 965)	95 171
XIX. Profit (loss) on extraordinary items	53	53	20	52
1. Extraordinary gains	67	67	68	144
2. Extraordinary losses	14	14	48	92
XX. Gross profit (loss) before tax	28 429	112 620	(18 945)	95 223
XXI. Income tax	7 007	13 653	(11 792)	22 891
1. Current part	12 803	26 895	-	-
2. Postponed part	(5 796)	(13 242)	(11 792)	22 891
XXII. Other obligatory deductions of profit (increase of loss)	-	-	-	-
XXIII. Participation in net profit (loss) of subordinated to equity method valuation	11 858	4 369	25 413	463
XXIV. Net profit (loss)	33 280	103 336	18 260	72 795
Net profit (loss) (for 12 months)	32 377		(236 314)	
Weighted average number of ordinary shares	24 884 708		22 970 500	
Net profit (loss) per 1 ordinary share [PLN]	1.30		(10.29)	
Weighted average diluted number of ordinary shares	-		-	
Diluted net profit (loss) per 1 ordinary share [PLN]	-		-	

MOVEMENTS IN EQUITY	III Q	III Q cumulative	III Q	III Q cumulative
	from 1 Jul 2004 to 30 Sept 2004	from 1 Jan 2004 to 30 Sept 2004	from 1 Jul 2003 to 30 Sept 2003	from 1 Jan 2003 to 30 Sept 2003
I. Equity as at the beginning of the period (OB)	2 198 565	1 577 138	1 634 891	1 582 497
a) changes to accounting policies	-	(598)	-	(9 519)
b) adjustment of key miscalculation	(69)	870	-	(2 456)
I.a. Equity as at the beginning of the period (OB) after reconciliation to comparative data	2 198 496	1 577 410	1 634 891	1 570 522
1. Share capital as at the beginning of the period	114 853	91 882	91 882	91 882
1.1 Movements in share capital	-	22 971	-	-
a) increase (due to)	-	22 971	-	-
- issue of shares	-	22 971	-	-
	-	-	-	-
b) decrease (due to):	-	-	-	-
- cancellation of shares	-	-	-	-
	-	-	-	-
1.2. Share capital as at the end of the period	114 853	114 853	91 882	91 882
2. Payments for share capital at the beginning of the period	-	-	-	-
2.1 Movements in payments for share capital	-	-	-	-
a) increase (due to):	-	-	-	-
b) decrease (due to):	-	-	-	-
2.2 Payments for share capital at the end of the period	-	-	-	-
3. Own shares as at the beginning of the period	-	-	-	-
a) increase (due to):	-	-	-	(4 545)
- purchase	-	-	-	(4 545)
b) decrease (due to):	-	-	-	(4 545)
- give out to shareholders due to merge	-	-	-	(4 545)
3.1 Own shares at the end of the period	-	-	-	-
4. Supplementary capital as at the beginning of the period	1 275 584	748 739	748 739	748 739
4.1. Movements in the supplementary capital	(1)	526 844	-	1
a) increase (due to):	(1)	526 844	-	1
- issue of shares above nominal value	(1)	526 844	-	-
- allocation of the profit (statutory)	-	-	-	-
- allocation of the profit (above minimal value up to statutory)	-	-	-	-
- other	-	-	-	1
b) decrease (due to):	-	-	-	-
- loss coverage	-	-	-	-
4.2. Supplementary capital as at the end of the period	1 275 583	1 275 583	748 739	748 739
5. Revaluation capital as at the beginning of the period	(421)	(1 636)	6 788	(3 045)
5.1. Movements in revaluation reserve	8 833	10 048	14 529	24 362
a) increase (due to)	15 815	57 686	26 213	61 053
- foreign exchanges gains/losses	994	5 244	13 061	24 627
- deferred income tax	96	4 821	2 325	6 048
- revaluation of tangible assets	1 276	5 195	3 025	5 370
- revaluation of securities for sale	13 449	42 426	7 802	25 008
b) decrease (due to)	6 982	47 638	11 684	36 691
- revaluation of tangible assets	-	441	1 102	4 502
- revaluation of securities for sale	997	30 335	204	13 927
- deferred income tax	2 367	7 022	5 841	11 516
- foreign exchanges gains/losses	3 618	9 840	4 537	6 746
5.2. Revaluation reserve as at the end of the period	8 412	8 412	21 317	21 317

6. General banking risk reserve as at the beginning of the period	558 000	558 000	558 000	558 000
6.1. Movements in general banking risk reserve	-	-	-	-
a) increase (due to)	-	-	-	-
- appropriation of retained earnings	-	-	-	-
	-	-	-	-
b) decrease (due to)	-	-	-	-
	-	-	-	-
	-	-	-	-
6.2. General banking risk reserve as at the end of the period	558 000	558 000	558 000	558 000
7. Other reserves as at the beginning of the period	188 757	186 922	186 922	794 915
7.1. Movements in other reserves	-	1 835	-	(607 993)
a) increase (due to):	-	1 836	-	-
- profit allocation to supplementary capital	-	1 836	-	-
- appropriation of profit	-	-	-	-
b) decrease (due to)	-	1	-	607 993
- loss coverage	-	-	-	607 993
- other	-	1	-	-
	-	-	-	-
	-	-	-	-
7.2. Other reserves as at the end of the period	188 757	188 757	186 922	186 922
8. Retained earnings (accumulated losses) as at the end of the period	(8 264)	(6 769)	(12 443)	(607 993)
8.1 Profit from previous years as at the beginning of the period	10 937	5 674	468	-
a) changes to accounting policy	-	5 057	-	-
b) adjustment of key miscalculation	(69)	1 973	-	468
8.2 Retained earnings as at the beginning of the period	10 868	12 704	468	468
8.3. Changes in retained earnings	-	(1 836)	-	-
a) increase (due to):	-	-	-	-
- allocation of retained earnings	-	-	-	-
	-	-	-	-
	-	1 836	-	-
b) decrease (due to):	-	1 836	-	-
- deduction to supplementary capital	-	-	-	-
- deduction to general banking risk reserve	-	-	-	-
- transfer to the Social Fund	-	-	-	-
- profit allocation to shareholder dividend	-	-	-	-
8.4 Retained earnings as at the end of the period	10 868	10 868	468	468
8.5 Accumulated losses as at the beginning of the period	(19 201)	(12 443)	(12 443)	(607 993)
a) changes to accounting policy	-	(5 655)	-	(9 519)
b) adjustment of key miscalculation	-	(1 103)	-	(2 924)
8.6. Accumulated losses as at the beginning of the period	(19 201)	(19 201)	(12 443)	(620 436)
8.7 Movements of loss from previous years	-	-	-	607 993
a) increase (due to):	-	-	-	-
- loss allocation from previous years for coverage	-	-	-	-
	-	-	-	-
b) decrease (due to):	-	-	-	(607 993)
- coverage from reserve capital	-	-	-	(607 993)
	-	-	-	-
8.8 Accumulated losses as at the end of the period	(19 201)	(19 201)	(12 443)	(12 443)
8.9 Retained earnings (accumulated losses) as at the end of the period	(8 333)	(8 333)	(11 975)	(11 975)
9. Net profit (loss)	103 336	103 336	72 795	72 795
a) net profit	103 336	103 336	72 795	72 795
b) net loss	-	-	-	-
II. Equity as at the end of the period (CB)	2 240 608	2 240 608	1 667 680	1 667 680
III Equity including proposed profit distribution (coverage of loss)	2 240 608	2 240 608	1 667 680	1 667 680

CASH FLOW STATEMENT	III Q	III Q cumulative	III Q	III Q cumulative
	from 1 Jul 2004 to 30 Sept 2004	from 1 Jan 2004 to 30 Sept 2004	from 1 Jul 2003 to 30 Sept 2003	from 1 Jan 2003 to 30 Sept 2003
A. Net cash flows from operating activities - indirect method				
	77 381	(649 272)	574 250	2 242 925
I. Net profit (loss)	33 280	103 336	18 260	72 795
II. Total adjustments for:	44 101	(752 608)	555 990	2 170 130
1. Participation in profit (loss) of subordinated companies priced with equity method	(11 858)	(4 369)	(25 413)	(463)
2. Depreciation	32 416	98 209	33 415	101 600
3. Foreign exchange gains/losses	10 626	(83 927)	14 507	109 511
4. Interest and dividends	(1 979)	39 827	12 051	38 899
5. (Profit) loss on investments	(14 976)	(42 421)	(13 798)	(17 896)
6. Change in reserves	13 197	(22 539)	(31 486)	(71 733)
7. Change in debt securities	48 245	(488 953)	875 588	1 115 399
8. Change in receivables from the financial institutions	(33 011)	(1 318 655)	(132 799)	394 132
9. Change in receivables from the clients and public sector	5 769	(191 556)	(545 613)	(733 781)
10. Change in amounts due in respect of purchase of securities with a buy back clause	284 922	9 991	(628 501)	(445 614)
11. Change in stocks or shares and securities and other financial instruments	(49 983)	63 991	3 571	385 174
12. Change in liabilities to the financial institutions	(363 401)	(627 308)	518 646	(363 941)
13. Change in liabilities to the clients and public sector	525 837	626 722	80 271	161 089
14. Change in liabilities due to sold securities with a buy-back clause	(410 586)	637 835	288 778	1 011 137
15. Change in liabilities due to securities	(81 184)	365 127	46 619	244 240
16. Change in other liabilities	100 617	190 187	41 251	163 950
17. Change in prepayments	(14 635)	(5 634)	3 006	27 499
18. Change in deferred and qualified income	4 085	865	15 897	50 928
19. Other	-	-	-	-
III. Net cash flows from operating activities (I +/- II) - indirect method	77 381	(649 272)	574 250	2 242 925
B. Net cash flows from investment operations (I-II)				
	164 925	149 816	48 548	68 420
I. Incomes	275 826	390 835	106 396	218 333
1. Sale of stocks or shares in subsidiaries	-	-	4 697	5 010
2. Sale of stocks or shares in joint ventures	-	-	-	-
3. Sale of stocks or shares in affiliates	8 040	8 040	16 486	21 623
4. Sale of other stocks or shares, securities and other financial assets	937	97 191	77 940	179 466
5. Sale of intangible and tangible fixed assets	263 078	263 218	3 352	4 097
6. Sale of investment in real estate and intangible assets	-	-	-	-
7. Other incomes	3 771	22 386	3 921	8 137
II. Expenses	110 901	241 019	57 848	149 913
1. Purchase of stocks or shares in subsidiaries	87 594	145 527	5 643	12 146
2. Purchase of stocks or shares in joint ventures	-	-	-	-
3. Purchase of shares in affiliated	-	-	805	10 027
4. Purchase of other stocks or shares, securities and financial instruments	-	14 095	1 638	22 235
5. Purchase of intangible and tangible fixed assets	2 019	18 840	21 362	36 057
6. Investment in real estate and intangible assets	21 288	62 557	28 400	69 448
7. Other investments' expenses	-	-	-	-
III. Net cash flows from investment operations (I-II)	164 925	149 816	48 548	68 420

C. Net cash flows from financing activities	(210 367)	396 105	(826 510)	(689 910)
I. Incomes	(1)	729 229	56 340	1 242 306
1. Long term loans received from other banks	-	90 888	26 140	1 200 676
2. Long term loans received from financial institutions, excluding banks	-	-	-	8 430
3. Issue of debt securities	-	88 526	30 200	33 200
4. Change in subordinated liabilities in plus	-	-	-	-
5. Net cash from shares' issue and payment to capital	(1)	549 815	-	-
6. Other incomes	-	-	-	-
II. Expenses	210 366	333 124	882 850	1 932 216
1. Long term loans repaid to other banks	-	49 831	848 170	1 850 995
2. Long term loans repaid to financial institutions, excluding banks	190 249	221 080	18 708	29 640
3. Redemption of securities	-	-	-	-
4. Due to other financial liabilities	-	-	-	-
5. Payments due to financial leasing liabilities	-	-	-	-
6. Decrease of subholding liabilities	-	-	-	-
7. Dividends and other payments to owners	-	-	-	-
8. Payments for allocation of the profit (different than payments to owners)	-	-	-	-
9. Acquisition of own shares	-	-	-	4 545
10. Other financial expenses	20 117	62 213	15 972	47 036
III. Net cash flows from financing activities (I-II)	(210 367)	396 105	(826 510)	(689 910)
D. Total net cash flows (A+B+C)	31 939	(103 351)	(203 712)	1 621 435
E. Net change in cash	31 939	(103 351)	(203 712)	1 621 435
- including change in cash due to foreign exchange	(16 845)	(20 835)	68 790	86 573
F. Cash at the beginning of the period	4 903 541	4 043 431	4 197 723	4 372 576
G. Cash at the end of the period (F+ D)	4 935 480	3 940 080	3 994 011	5 994 011

**COMMENTARY
TO THE CONSOLIDATED QUARTERLY REPORT
Q3 2004**

Methodology Used in the Consolidated Quarterly Report

The Consolidated Quarterly Report comprises the balance sheet, the income statement, the statement of change in equity, and the cash flow statement prepared in accordance with the following:

- Accountancy Act of 29 September 1994 (Journal of Laws No. 121, item 591, as amended);
- Banking Law dated 29 August 1997 (Journal of Laws No. 140, item 939, as amended);
- Regulation of the Minister of Finance dated 10 December 2001 concerning specific accounting rules for banks (Journal of Laws No. 149, item 1673, as amended);
- Regulation of the Minister of Finance dated 12 December 2001 concerning rules of drawing up consolidated financial statements of banks and consolidated reports of financial holdings (Journal of Laws No. 152, item 1728);
- Regulation of the Minister of Finance dated 10 December 2003 concerning rules of provisioning against the risk related to banks' operations (Journal of Laws No. 218, item 2147);
- Regulation of the Minister of Finance dated 12 December 2001 concerning specific rules of recognition, methods of valuation, scope of disclosure, and mode of presentation of financial instruments (Journal of Laws No. 149, item 1674, as amended);
- Corporate Income Tax Law dated 15 February 1992 (Journal of Laws No. 106, item 482, as amended);
- Regulation of the Minister of Finance dated 12 December 2001 concerning the model chart of accounts for banks (Journal of Laws No. 152, item 1727);
- Regulation no Nr 6/2001 of the Commission for Banking Supervision dated 12 December 2001 concerning specific rules of calculating banks' capital base with reference to the instructions presented in the General Inspectorate's of Banking Supervision letter no NB-BNP-III-523-28/582/04 to the banks , dated 6 September 2004.
- Regulation of the Council of Ministers dated 16 October 2001 concerning current and periodic reports submitted by issuers of securities (Journal of Laws from 2001 No. 139, item 1569, as amended);
- Regulation of the Council of Ministers dated 16 October 2001 concerning specific conditions to be met by issue prospectuses and abridged prospectuses (Journal of Laws No. 139, item 1568, as amended).

The data contained in the Report were prepared in line with binding accounting regulations, according to the rules of valuation of assets and liabilities and measurement of the net financial profit as at the balance sheet date, taking account of adjustments in respect of provisions, including the deferred income tax provision mentioned in the Accountancy Act and asset revaluation appropriations.

A detailed description of the accounting policies and the valuation methodology used by the BRE Bank SA Capital Group ("Group") are presented in the Half-yearly Consolidated Financial Statements of the BRE Bank SA Group as at 30.06.2004 published on 30 September 2004.

EUR Exchange Rates Used in Translation

The exchange rates used to convert data presented in the Report into the EUR:

- assets and liabilities items of the balance sheet were converted according to the mid rate prevailing on 30 September 2004 quoted by the National Bank of Poland (NBP), i.e., 4.3832 PLN to 1 EUR (data at 30 September 2003 at the rate of 4.6435 PLN to 1 EUR);
- income statement items for the nine months of 2004 were converted according to the arithmetic mean of the mid rates quoted by NBP on the last day of each of the nine months of 2004, i.e., 4.6214 PLN to 1 EUR (data at 30 September 2003 at the rate of 4.3618 PLN to 1 EUR).

Structure of the BRE Bank SA Group

Pursuant to the requirements of the Accountancy Act, the Group comprises all subsidiaries and affiliates important from the viewpoint of financial statements, other than those acquired with the sole purpose to be sold.

Pursuant to the requirements of the Regulation of the Minister of Finance dated 12 December 2001 concerning rules of drawing up consolidated financial statements of banks and consolidated reports of financial holdings, those subsidiaries and affiliates which meet the criteria of classification as banks, credit institutions, financial institutions, or auxiliary banking service provider in the sense of the Banking Law are covered by the consolidated financial statements.

The structure of the Group did not change compared to that presented in the Q2 2004 report. The number of Group companies covered by the consolidated financial statements Q3 2004 is bigger than in Q3 2003. In Q4 2003, three new companies joined the Group: BRE Finance France SA, TV-TECH Investment Sp. z o.o., and CERI Sp. z o.o. (The companies' core business is presented in detail in the Introduction to the Half-yearly Consolidated Financial Statements of the BRE Bank SA Group as at 30.06.2004 published on 30 September 2004).

Comparability of Financial Data

The data presented in the Report (other than differences due to changes in the structure of the Group in 2003) are comparable, including the change concerning the presentation of embedded instruments. For the sake of comparability of financial data, respective balance sheet and income statement items at 30 September 2003 is adjusted. As a result of the adjustment, the net profit at 30 September 2003 increased by PLN 6,642 thousand compared to the originally published reports. The retained profit decreased respectively by PLN 9,519 thousand at 30 September 2003.

Factors and Events that Materially Affected the Profitability of the Group in Q3 2004

At the end of the 3-d quarter of the current year the Group achieved a net after tax profit of PLN 107,512,000, whereas the dominant company (BRE Bank SA) attained a net profit of PLN 103,336,000. The net after tax performance of the Group and of the BRE Bank in the 3-d quarter was approximately 21% better than that accomplished in the preceding quarter. It was also about 42% superior to the results achieved by the end of the same quarter of the previous year.

The most significant factors behind such performance in the 3-d quarter of 2004 were the following:

- Interest income – In the 3-d quarter of the current year the interest income of the Group increased by 6.0 %, which was decisively due to the clear incremental growth of this item at the BRE Bank (by close to 34%). This reflects the visible effect of the increases of the interest rates of the National Bank of Poland (NBP), which occurred in the course of the current year, and also the growth at the BRE Bank of the average balances of interest bearing assets, such as deposits at the banks (by 5.2%), loans by 1.6%, and also the perceptible growth of the net interest margin from 1.1% at the end of June to 1.2% by the end of September of the present year. As a result of these factors the interest income generated from bank deposits was approximately 20% higher than in the preceding quarter, whereas interest income from loans granted was approximately 8% higher. The performance of debt securities, accounted for as part of interest income/loss was negative in the reported quarter (PLN 800,000.00 capital loss), whereas interest accrued on the account of debt securities, which amounted to PLN 29 million, was approximately 45% higher.

The companies, which generate interest income substantially contributing to the performance of the Group, traditionally include BRE Leasing (about PLN 60 million), Rheinhyp-BRE Bank Hipoteczny mortgage bank (about PLN 23 million), Intermarket Bank AG (PLN 16 million). Substantial items also comprise the interest paid to investors by BRE International Finance (amounting to approximately PLN 29 million) and by BRE Finance France (about PLN 18 million), which represent a charge decreasing the interest income of the Group.

- Commission income – A more favourable commission performance throughout the Group than in the previous quarter was the effect of lower commission costs at the BRE Bank in the 3-d quarter of the current year, and also of increased commission proceeds obtained in the 3-d quarter by the other companies of the Group (approximately by PLN 8 million higher than in the previous quarter). At the BRE Bank the contribution of the retail banking business to the generation of commission income continues to grow. By the end of the 3-d quarter almost 86% of the proceeds on the account of the performance of payment card services (PLN 29 million), over 34% of the commissions for the preparation of loans (PLN 16 million), over 22% of the commission fees attached to bank transfers within the country and of the commission charges for the keeping customer bank accounts, were generated by the mBank and the Multibank. On the costs side of the commission performance account, almost half of the charges consist of the expenses attached to the handling of payment card services (commission fees paid to the organisations that issue the cards and provide the supporting services, such as POLCARD, VISA), out of which 94% is paid by the mBank and by the Multibank.

Amongst the companies of the Group significant commission income (after consolidation adjustments) is generated by the Intermarket Bank (PLN 18 million), Dom Inwestycyjny (PLN 15 million), Transfinance a.s. (PLN 12 million).

- Gain/loss on financial operations – The improvement of the performance on financial operations as compared to the preceding quarter was due, above all, to the more favourable valuation of the portfolio of securities held on the trading book at the BRE Bank, as to the valuation of transactions in derivatives. The improved consolidated performance on financial operations was due above all to the result of the adjustments on consolidation.

- Other operating income/expenses – The fact that this item presents a higher value in the consolidated statement than in the figures presented by the dominant company is due to the

income obtained by the Skarbiec Asset Management Holding (approximately PLN 39 million), mainly on the account of asset management done by the companies belonging to the holding company, as well as to the income gained by the PTE Skarbiec Emerytura (approximately PLN 28 million).

- Overhead costs of operation of the Group – The costs of operation of the Group in the 3-d quarter of the current year remained on the same level as in the preceding quarter, whereas at the BRE Bank they were slightly higher (by 2.3%). Their increase at the BRE Bank was mainly caused by leasing payments for the buildings that were sold in July and are currently leased. On the other hand, there is no depreciation on these buildings. Other tangible cost items were maintained on a lower level than in the previous quarter. The overhead costs of operation of the other companies of the Group were also approximately 5% lower.

- The corporate income charge on the account of the financial performance of the Group – as at the end of the 3-d quarter of the year 2004 amounted to PLN 41,489,000, out of which the current part of the tax burden amounts to PLN 42,596,000, whereas the deferred tax part represents PLN -1,107,000. The corporate income tax charge on the profit and loss account of the BRE Bank per end of the 3-d quarter of 2004 amounts to PLN 13,653,000. This tax burden, in turn, consists of the current corporate income tax charge of PLN 26,895,000 and of deferred tax amounting to PLN -13,242,000. Owing to the fact that the current corporate income tax liability has been reduced by the tax collected on the account of dividend receipts of the Bank and by the tax collected on the account of the Bank's income from foreign sources, the corporate income tax advance payable amounted to PLN 1,294,000. In compliance with the provisions of the Act on the EU Guarantee Fund, enacted in May of the present year, already in the 2-d quarter of the year 2004 the Bank included on the deferred tax account the assets determined on the basis of the amount corresponding to value of 8% of the total amount of the specific provisions not eligible to be charged to tax deductible costs of income, which were formed to provide cover for the amounts receivable on the account of credits (loans) and guarantees (pledges) classified as pertaining to the category of unrecoverable and doubtful receivables, according to their condition as at the date of 31 December 2003. These assets exerted a positive impact upon the net after tax performance of the Bank also in the 3-d quarter.

- Participation in profits/losses of subsidiary companies subject to the equity method of valuation – The analysis of this item enables to observe the impact of the financial condition of the subsidiary companies valued by the equity method of accounting upon the financial performance (profit/loss account). (In the individual company financial statement the participation in profits/losses of all the subsidiary companies valued by this method is accounted for. In the consolidated statement, in turn, the different particular items of the profit and loss accounts of the companies subject to consolidation are recorded as being contained in the respective balances of the consolidated report, whereas the item in question presents only the participation in the financial results (profits/losses) of the companies not subject to consolidation). At the end of the 1-st quarter of the present year the participation in the profits/losses of subsidiary companies valued by the equity method of accounting presented the aggregate negative value of PLN 11,193,000, which indicated the participation totalling that amount in the losses generated by the respective companies, whereas by the end of the 2-nd quarter of the current year that negative value was reduced to PLN 7,489,000. Subsequently, by the end of the 3-d quarter of the present year the same balance already attained the positive value of PLN 4,369,000.

Selected items of the profit and loss account for the 3-d quarter of 2004 by business segments of the operating activities of the Group of BRE Bank SA are presented in the table on page 10.

In the 3-d quarter of the current year there was not any increase of the assets of the Group and BRE Bank.

The value of receivables due from the sector of financial institutions and from the non-financial customers sector, as at the end of September, both in the consolidated statement and at the BRE Bank, did not change to any significant extent. Apart from the interest rate increases, which were restraining the demand for credit (loans), the lack of change of the value of these items was also a consequence of the impact of the decline of foreign exchange rates. (At the BRE Bank over 40% of the receivables due from the sectors of financial institutions and of non-financial customers consists of accounts receivable denominated in foreign currencies). As an effect of the above described situation, the balance of foreign currency receivables from the sectors of financial institutions and of non-financial customers decreased by approximately 7%, whereas the PLN receivables increased over the same period by approximately 4%. One may also note the above-indicated growth (by 1.6%) of the average balance of the loans portfolio of the Bank (loans to financial institutions and non-financial customer sector). The portfolio quality was also improved. The share of doubtful loans decreased to 13.3% by the end of September (whereas at the end of the previous quarter it represented 14.8%). The value of the consolidated portfolio was most strongly influenced by the loans granted by the mortgage bank Rheinhyp-BRE Bank Hipoteczny (PLN 1,700 millions), as well as by the receivables of BRE Leasing (PLN 1,500 millions) and of Intermarket Bank AG (PLN 690 millions).

The acquisition of 50% of the shares of Rheinhyp-BRE Bank Hipoteczny (ca. PLN 88 million) and the purchase of shares followed by a capital injection to the company BREL-BUD Sp. z o.o. amounting to PLN 47.8 millions (the capital injection was subsequently followed by the formation of the corresponding provision of PLN 23 millions) were shown under the item presenting shares and equity participation in subsidiary companies.

The reduction of liabilities to the sector of financial institutions stems, above all, from the decrease of short-term foreign exchange deposits kept at the BRE Bank, which amounted to 25%. The balance of PLN deposits of the sector of financial institutions remained unchanged. The liabilities of the other companies of the Group due to financial institutions decreased by approximately 10%.

The growth of deposits from the sector of non-financial customers continues to persist, as they increased both in the consolidated statement and at the BRE Bank by about 4%. At the BRE Bank such growth is due to a greater degree to corporate deposits (ca. 6%) and to a lesser degree to deposits from individual private persons (2.1%), whereby the deposits of the clients of the mBank and of the Multibank increased by approximately 4%, while those of Private Banking clients grew by about 1%. The liabilities to customers of the other companies of the Group increased by approximately 13%, but their impact upon the consolidated figures is not very big (just under 4%).

Off-Balance Sheet Liabilities

The value of off-balance sheet liabilities related to purchase/sale transactions stated at PLN 240 billion in the accounts as at 30 September 2004 mainly includes the liabilities of the holding company adjusted for inter-Group transactions. It is partly “overstated” (by approximately PLN 85 billion) as some items are not netted off in the presentation, pursuant to the Instructions for Drafting Banks’ Reports in Conjunction with the Model Chart of Accounts issued by NBP’s General Inspectorate of Banking Supervision. This applies to foreign currencies and zlotys as well as interest to be received.

The netted value of off-balance sheet items, i.e., PLN 156 billion, represents the nominal value of derivative transactions and interest streams related to the following instruments:

- a) Spot and forward transactions (PLN and FX to be paid out) – PLN 30 billion;
- b) Forward Rate Agreements (FRA) – PLN 58 billion;
- c) Interest Rate Swaps (IRS) interest paid – PLN 55 billion;
- d) FX options – PLN 9 billion;
- e) Other – PLN 4 billion.

The market value of derivative transactions is set as at each balance sheet date and reported in the income statement and under relevant balance sheet items.

The risk related to those transactions is mainly measured in terms of sensitivity to the volatility in their market value. The Bank performs a regular analysis of the behaviour of relevant portfolios (stress-testing) and uses the value-at-risk assessment methodology.

The Bank also complies with the norms of acceptable fx risk set by the Banking Supervision Commission as well as internal limits of open fx positions.

Adjustments for Provisions

At 30 September 2004, amounts written off by the Group as specific provisions for loans and guarantees and the revaluation of financial assets amounted to PLN 392,967 thousand, including PLN 367,740 thousand written off as specific provisions (for loans, guarantees, and securities acquired in the primary market and recognised under receivables) and PLN 25,227 thousand written off as revaluation of financial assets. Provisions released by the Group at 30 September 2004 were PLN 277,770 thousand, including specific provisions for loans and guarantees and for general risk at PLN 275,537 thousand and revaluation of financial assets at PLN 2,233 thousand.

At BRE Bank SA at 30 September 2004, total write-offs for provisions amounted to PLN 347,516 thousand, including PLN 322,289 thousand written off as specific provisions (for the items listed above) and PLN 25,227 thousand written off as revaluation of financial assets (provision for repayable contributions to capital of BREL-BUD Sp. z o.o in amount of PLN 23,211 thousand). Provisions released were PLN 255,058 thousand, including provisions for loans and guarantees at PLN 252,992 thousand and revaluation of financial assets at PLN 2,066 thousand.

Cash Flow Statement

In both the stand-alone and the consolidated cash flow statement, “Other financial expenses” includes the cost of interest paid on liabilities in respect of long-term loans and subordinated liabilities. As a result, the level of 5% of total financial expenses was exceeded by 13.68% at the holding company and by 14.19% in the Group.

The level of 5% of total income from investing activities was exceeded by 0.73% in the Bank's cash flow statement under "Other investment income" due to dividend received by the Bank.

Major Events of Q3 2004

- on 5 July 2004 BRE Bank SA acquired shares in BRELBUD Sp. z o.o. (75% from Tele-Tech Investment Sp. z o.o. and i 25 % from BRE Leasing Sp. z o.o.). After the acquisition BRE Bank holds 100% of Company's share capital and votes during the partners meetings. After an extra payment to share capital made by BRE Bank the value of Banks engagement in shares and extra payment of the Company amounts PLN 47,800 thousand. The investment is considered as a short term.
- On 12 July 2004 BRE Bank and EUROHYPO signed the final sale agreement. Under that agreement, BRE Bank acquired from EUROHYPO 675,000 RHEINHYP-BRE Bank Hipoteczny shares with the nominal value of PLN 100 per one. (Conditional preliminary agreement on sale Rheinyp-BRE Bank Hipoteczny's shares was signed on 29 January 2004, now all conditions precedent were fulfilled). Acquired shares constitute 50% of initial capital and votes on general meeting of RHEINHYP-BRE Bank Hipoteczny SA. Total amount of acquired Shares amounted to PLN 87.54 million. After the transaction BRE Bank holds 100% of share capital and votes during general meeting of RHEINHYP-BRE Bank Hipoteczny.
- On 20 July 2004 BRE Bank sold to ITI Bond Finance Sp. z o.o. all held 561 bonds issued by ITI Holdings for their total nominal value of US\$ 28,050,000 (PLN 100,713,525 at the mid exchange rate of the National Bank of Poland quoted on 20 July 2004) plus accrued interest. In exchange, BRE Bank SA acquired, for their nominal value, 568 bonds issued by ITI Bond Finance Sp. z o.o. with a total nominal value of US\$ 28,400,000 (PLN 101,970,200 at the mid exchange rate of the National Bank of Poland quoted on 20 July 2004). The acquired bonds have a maturity of 4 years. The debt under the bonds is secured with a guarantee issued by ITI Holdings S.A. and registered pledge on shares in TVN Sp. z o.o. representing 8.57% of this company's share capital. As a result of the transaction, the unsecured ITI Holdings were converted into ITI Bond Finance secured with a guarantee of ITI Holdings and registered pledge on shares of TNV Sp. z o.o.
- On 26 July 2004 the District Court in Warsaw, 20th Commercial Division gave its decision in the case of claims lodged by Art-B Sp. z o.o. in liquidation against BRE Bank SA. The original claims amounted to PLN 99,077,860 plus statutory interest as of September 1991. In the course of the litigation, the plaintiff added other amounts of claims. The court stopped the proceedings under the original claims and dismissed the other claims as overdue and ungrounded based on available evidence. The court decision is not legally valid.
- On 9 September 2004 BRE Bank sold 2,037,638 shares of Billbird S.A with a nominal value of PLN 1 each share to Polcard S.A. Sold shares constitute 45.38% of the share capital of Billbird S.A and allow to execute 45.38% of all votes during shareholder meetings. Shares were sold for the total sum of PLN 8,934 thousand. Value of sold shares in the books of BRE Bank amounted to PLN 3,028 thousand. After mentioned above transaction BRE Bank does not hold any shares in Billbird S.A.
- On 16 September 2004 were registered the decrease of the initial capital of Centrum Rozliczeń i informacji CERI Sp z o.o. a subsidiary of BRE Bank from PLN 12,066 thousand to PLN 6,033 thousand by reducing the nominal value of each share from PLN

1,000 to PLN 500. Under the terms of the resolution of the Partners Meeting of CERI, BRE Bank carried out an extra payment to the capital at PLN 6,033 thousand which are included in initial capital of CERI. Total value of CERI shares in the books of BRE Bank after registration of initial capital decrease and after an extra payment is PLN 12,066 thousand.

Major Events after the Balance Sheet Date Not Disclosed in the Balance Sheet or the Income Statement

On 18 October 2004 BRE Finance France SA placed at BRE Bank SA a financial deposit in the amount of EUR 224,340,750 EUR (i.e. PLN 962,152,608 which value derives from the National Bank of Poland rate at 18 October 2004). The deposit comes from Eurobonds issued by BRE Finance France on 18 October 2004 with nominal value EUR 225,000,000 EUR (i.e. PLN 964,980,000 which value derives from the National Bank of Poland rate at 18 October 2004). The deposit was made to fulfill obligation coming off from guarantee put out by BRE Bank SA. In accordance with the mentioned agreement, the amount of deposit shall remain the property of BRE Bank SA until the bond repayment date in 2007. The deposit placing BRE Finance France SA shall receive interest in quarterly periods, based on a 3M variable EURIBOR rate, with an additional buyout bonus of EURO 659,250.00 (i.e. PLN 2,827,391 the value in PLN derives from the National Bank of Poland rate at 18 October 2004).

Material Share Packages

Commerzbank AG was a shareholder holding over 5% of the share capital and votes at the General Meeting of Shareholders. Commerzbank AG holds 72.16% of the share capital and votes of BRE Bank SA.

Change in Stocks and Options Held by Managers and Supervisors

	Bank's Management Board	Supervisory Board
Number of stocks held as at 30 June 2004	90,915	24,034
Number of stocks acquired in Q3	0	0
Number of stocks sold in Q3	0	0
Number of stocks held as at 30 September 2004	90,915	24,034
Number of options held as at 30 June 2004	152,600	0
Number of options acquired in Q3	33,600	0
Number of options sold in Q23	0	0
Number of options held as at 30 September 2004	186,200	0

Proceedings before a Court, Arbitration Body, or Public Administration Authority

The total value of the Bank's receivables or liabilities disputed in proceedings before a court, an arbitration body or a public administration authority is less than 10% of the Bank's equity. As a creditor, the Bank takes part in bankruptcy, restructuring and bill-of-exchange proceedings whose total amount (including interest) is PLN 416,983 thousand.

Transactions with Associated Entities Exceeding the Equivalent of EUR 500,000 Not in the Course of Regular Business Operations (Atypical)

In Q3 2004, there were no transactions with associated entities in excess of the PLN equivalent of EUR 500,000.00 other than typical and regular transactions at market prices, whose nature or parameters would be unrelated to regular business operations of the Bank.

Credit and Loan Guarantees, Other Guarantees Granted in Excess of 10% of the Equity

The Bank's exposure under extended guarantees in excess of 10% of the equity at 30 September 2004 relates to:

- two guarantees of the redemption of eurobonds issued by order of BRE International Finance B.V. (issuer of eurobonds), a 100%-owned subsidiary of BRE Bank SA, totalling EUR 325 million. The first guarantee of EUR 200 million took effect in June 2000 and its term is indefinite; the other guarantee of PLN 125 million expires in November 2004.

- a guarantee of the redemption of eurobonds issued by order of BRE Finance France SA (issuer of eurobonds), a subsidiary of BRE Bank SA. The guarantee, totalling EUR 200 million, took effect in November 2003 and expires in November 2006.

Additionally, the guarantee of the redemption of eurobonds issued by order of BRE Finance France (issuer of eurobonds) took effect in October 2004. This guarantee amounts to EUR 225 million and expires in 2007.

Factors Affecting the Results in the Coming Quarter

Other than the day-to-day operations of the Bank and the companies of the Group, no events that might significantly affect the results of the quarter are expected to occur in Q4 2004.

BRE Bank SA Group
30 September 2004 r.

Selected items of Income Statement by Business Line

PLN'000

	Corporate Banking	Investment Banking	Strategic Investments	Proprietary Investments	Private Banking and Retail Banking	Other, not allocated to segments	Consolidation adjustments - elimination of intragroup transactions	BRE Bank SA Group Total
1. Result on banking operations including provisions	340 235	289 968	(16 141)	28 523	86 402	(21 521)	(16 501)	690 966
2. Overhead costs and depreciation	(205 713)	(55 040)	(68 551)	(6 683)	(128 263)	(202 000)	35 610	(630 640)
3. Pre-tax profit (loss)	91 098	217 275	(20 017)	19 447	(66 185)	(46 121)	(29 036)	166 460
4. Income tax								(41 489)
5. Share in the profit (loss) of subsidiaries valued at equity	0	0	(4 160)	8 529	0	0	(732)	3 637
6. Net profit (loss)								107 512