



**Bank BPH Group
Financial Report**

3 quarters

2005

SELECTED FINANCIAL DATA

| | PLN'000 | | EUR'000 | |
|--|--|---|--|---|
| | 3 quarters in accruals (current year) from 01.01.2005 to 30.09.2005 | 3 quarters in accruals (previous year) from 01.01.2004 to 30.09.2004 | 3 quarters in accruals (current year) from 01.01.2005 to 30.09.2005 | 3 quarters in accruals (previous year) from 01.01.2004 to 30.09.2004 |
| I. Interest income | 2 836 420 | 1 931 503 | 698 918 | 417 948 |
| II. Fee and commission income | 934 735 | 831 110 | 230 327 | 179 839 |
| III. Operating profit | 930 588 | 760 661 | 229 305 | 164 595 |
| IV. Gross profit (loss) | 901 211 | 708 907 | 230 100 | 161 733 |
| V. Net profit (loss) | 716 376 | 555 553 | 182 908 | 126 746 |
| VI. Net cash flow from operating activities | 5 474 365 | 766 825 | 1 348 931 | 165 929 |
| VII. Net cash flow from investing activities | -257 869 | 10 452 | -63 541 | 2 262 |
| VIII. Net cash flow from financing activities | 813 519 | 1 458 179 | 200 458 | 315 528 |
| IX. Total net cash flow | 6 030 015 | 2 235 456 | 1 485 848 | 483 718 |
| X. Total assets | 61 152 243 | 50 426 155 | 15 613 604 | 11 504 416 |
| XI. Amounts owed to the central bank | 87 810 | 97 124 | 22 420 | 22 158 |
| XII. Amounts owed to banks | 10 043 549 | 6 654 519 | 2 564 354 | 1 518 187 |
| XIII. Amounts owed to customers | 37 060 640 | 33 083 064 | 9 462 452 | 7 547 697 |
| XIV. Shareholders' equity | 6 125 252 | 5 567 298 | 1 563 921 | 1 270 145 |
| XV. Share capital | 143 581 | 143 581 | 36 660 | 32 757 |
| XVI. Number of shares | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 |
| XVII. Book value per share (PLN/EUR) | 213.30 | 193.87 | 54.46 | 44.23 |
| XVIII. Diluted book value per share (PLN/EUR) | 213.30 | 193.87 | 54.46 | 44.23 |
| XIX. Capital adequacy ratio | 13.09 | 13.77 | 13.09 | 13.77 |
| XX. Net earnings (loss) per ordinary share (PLN / EUR) | 24.95 | 19.35 | 6.37 | 4.41 |
| XXI. Diluted net earnings (loss) per ordinary share (PLN / EUR) | 24.95 | 19.35 | 6.37 | 4.41 |
| XXII. Declared or paid dividend per ordinary share (PLN / EUR) | 22.10 | 8.70 | 5.64 | 1.98 |

INTERIM FINANCIAL STATEMENTS OF THE BANK BPH GROUP

INCOME STATEMENT OF THE BANK BPH GROUP FOR THE 3 QUARTERS OF 2005 PLN'000

| | | 3rd quarter | 3 quarters in accruals | 3rd quarter | 3 quarters in accruals |
|--|-------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Notes | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Interest income | | 954 518 | 2 836 420 | 718 381 | 1 931 503 |
| Interest expenses | | -445 616 | -1 365 383 | -252 473 | -593 862 |
| Net interest income | 2 | 508 902 | 1 471 037 | 465 908 | 1 337 641 |
| Impairment charges | 3 | -61 161 | -196 246 | -62 705 | -195 416 |
| Net interest income after impairment charges | | 447 741 | 1 274 791 | 403 203 | 1 142 225 |
| Fee and commission income | | 326 472 | 934 735 | 272 532 | 831 110 |
| Fee and commission expenses | | -62 647 | -199 931 | -61 268 | -135 550 |
| Net fee and commission income | 4 | 263 825 | 734 804 | 211 264 | 695 560 |
| Net trading result | 5 | 1 942 | 82 961 | -2 020 | 42 634 |
| General administrative expenses | 6 | -385 028 | -1 169 722 | -373 721 | -1 156 414 |
| Other operating income and expenses | 7 | -9 259 | 7 754 | 5 855 | 36 656 |
| Operating profit | | 319 221 | 930 588 | 244 581 | 760 661 |
| Net income from investments | 8 | 5 108 | -15 126 | -21 410 | -32 652 |
| Goodwill impairment | | 0 | -10 950 | -5 142 | -15 409 |
| Result on other income and expenses | | -1 095 | -3 301 | -1 132 | -3 693 |
| Profit from ordinary activities | | 323 234 | 901 211 | 216 897 | 708 907 |
| Income tax | | -61 849 | -184 825 | -57 305 | -146 697 |
| Minority interests | | -4 | -10 | -4 | -6 657 |
| Net income | | 261 381 | 716 376 | 159 588 | 555 553 |

| | | |
|---|--------------------|--------------------|
| Net income (in PLN) | 716 376 000 | 555 553 000 |
| Weighted average number of ordinary shares | 28 716 230 | 28 716 230 |
| Earnings per ordinary share (in PLN) | 24.95 | 19.35 |

| | | |
|--|-------------------|-------------------|
| Weighted average diluted number of ordinary shares | 28 716 230 | 28 716 230 |
| Diluted earnings (loss) per ordinary share (in PLN) | 24.95 | 19.35 |

INCOME STATEMENT OF THE BANK BPH GROUP FOR THE 3 QUARTERS OF 2005
PLN'000

| By quarter | Q3 2005 | Q2 2005 | Q1 2005 | Q3 2004 | Q2 2004 | Q1 2004 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Interest income | 954 518 | 972 992 | 908 910 | 718 381 | 654 397 | 558 725 |
| Interest expenses | -445 616 | -482 727 | -437 040 | -252 473 | -210 094 | -131 295 |
| Net interest income | 508 902 | 490 265 | 471 870 | 465 908 | 444 303 | 427 430 |
| Impairment charges | -61 161 | -55 105 | -79 980 | -62 705 | -57 672 | -75 039 |
| Net interest income after impairment charges | 447 741 | 435 160 | 391 890 | 403 203 | 386 631 | 352 391 |
| Fee and commission income | 326 472 | 321 593 | 286 670 | 272 532 | 303 184 | 255 394 |
| Fee and commission expenses | -62 647 | -80 714 | -56 570 | -61 268 | -45 173 | -29 109 |
| Net fee and commission income | 263 825 | 240 879 | 230 100 | 211 264 | 258 011 | 226 285 |
| Net trading result | 1 942 | 36 844 | 44 175 | -2 020 | 30 254 | 14 400 |
| General administrative expenses | -385 028 | -381 156 | -403 538 | -373 721 | -391 767 | -390 926 |
| Other operating income and expenses | -9 259 | 12 937 | 4 076 | 5 855 | 36 306 | -5 505 |
| Operating profit | 319 221 | 344 664 | 266 703 | 244 581 | 319 435 | 196 645 |
| Net income from investments | 5 108 | -15 828 | -4 406 | -21 410 | -14 674 | 3 432 |
| Goodwill impairment | 0 | -5 592 | -5 358 | -5 142 | -5 230 | -5 037 |
| Result on other income and expenses | -1 095 | -1 094 | -1 112 | -1 132 | -1 181 | -1 380 |
| Profit from ordinary activities | 323 234 | 322 150 | 255 827 | 216 897 | 298 350 | 193 660 |
| Income tax | -61 849 | -72 599 | -50 377 | -57 305 | -46 235 | -43 157 |
| Minority interests | -4 | -3 | -3 | -4 | -2 239 | -4 414 |
| Net income | 261 381 | 249 548 | 205 447 | 159 588 | 249 876 | 146 089 |

CONSOLIDATED BALANCE SHEET

PLN'000

| Assets | Notes | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|--|-------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Cash and balances with the central bank | 9 | 2 712 735 | 1 957 889 | 4 058 952 | 3 432 154 | 2 106 188 |
| Trading assets | 10 | 2 219 583 | 4 063 374 | 5 362 144 | 4 274 915 | 3 546 723 |
| Loans and advances to, and placements with banks | 11 | 12 785 223 | 11 030 045 | 7 977 046 | 7 481 784 | 4 676 210 |
| Loan impairment | 13 | -3 | -1 | -1 | -18 217 | -26 404 |
| Loans and advances to customers | 12 | 31 085 414 | 30 637 699 | 28 030 784 | 28 217 537 | 26 319 216 |
| Loan impairment | 13a | -1 837 115 | -1 813 282 | -1 776 469 | -2 362 234 | -2 534 176 |
| Other financial assets | 14 | 10 246 258 | 9 174 588 | 4 074 630 | 4 929 937 | 8 426 587 |
| Property and equipment | 15 | 913 986 | 926 130 | 960 127 | 943 793 | 972 695 |
| Intangible assets | 16 | 294 148 | 285 295 | 305 842 | 356 294 | 361 530 |
| Other assets | | 894 896 | 884 403 | 864 354 | 789 741 | 685 493 |
| Tax assets | | 629 355 | 700 448 | 737 188 | 571 740 | 520 942 |
| Total assets | | 61 152 243 | 58 959 423 | 51 633 879 | 50 426 155 | 47 094 642 |

PLN'000

| Liabilities | Notes | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|-------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Amounts owed to the central bank | | 87 810 | 86 218 | 77 133 | 97 124 | 101 343 |
| Amounts owed to banks | 17 | 10 043 549 | 8 271 275 | 5 802 571 | 6 654 519 | 6 431 962 |
| Amounts owed to customers | 18 | 37 060 640 | 36 120 414 | 34 329 152 | 33 083 064 | 31 917 848 |
| Liabilities evidenced by certificates | 19 | 4 341 139 | 4 421 880 | 2 095 628 | 2 406 507 | 759 494 |
| Provisions | 20 | 626 365 | 634 610 | 744 960 | 520 557 | 443 909 |
| Income tax provision | | 569 457 | 573 420 | 647 369 | 438 758 | 378 234 |
| Trading liabilities | 21 | 1 594 396 | 1 589 922 | 2 094 551 | 1 315 407 | 1 064 031 |
| Other liabilities | | 1 272 956 | 1 314 459 | 655 580 | 781 557 | 1 005 371 |
| Minority interests | | 136 | 132 | 126 | 122 | 118 |
| Shareholders' equity | | 6 125 252 | 6 520 513 | 5 834 178 | 5 567 298 | 5 370 566 |
| Total liabilities and shareholders' equity | | 61 152 243 | 58 959 423 | 51 633 879 | 50 426 155 | 47 094 642 |

| | | | | | |
|------------------------|-------|-------|-------|-------|-------|
| Capital adequacy ratio | 13.09 | 13.45 | 13.99 | 13.77 | 14.66 |
|------------------------|-------|-------|-------|-------|-------|

| | | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Book value (in PLN) | 6 125 252 000 | 6 520 513 000 | 5 834 178 000 | 5 567 298 000 | 5 370 566 000 |
| Number of shares | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 |
| Book value per share (in PLN) | 213.30 | 227.07 | 203.17 | 193.87 | 187.02 |

| | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|
| Diluted number of shares | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 |
| Diluted book value per share (in PLN) | 213.30 | 227.07 | 203.17 | 193.87 | 187.02 |

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

PLN'000

| | SHARE CAPITAL | OTHER RESERVES | REVALUATION RESERVE | RETAINED PROFITS | TOTAL |
|---|------------------|-------------------|------------------------|---------------------|------------------|
| Opening balance of shareholders' equity on 1 January 2005 | 143 581 | 4 702 482 | 150 910 | 853 303 | 5 850 276 |
| Changes of accounting policies | - | - | -2 711 | 7 625 | 4 914 |
| Opening balance of shareholders' equity on 1 January 2005 | 143 581 | 4 702 482 | 148 199 | 860 928 | 5 855 190 |
| Increase/decrease due to repricing of securities available for sale | - | - | 3 691 | - | 3 691 |
| Increase/decrease due to repricing of hedging derivatives | - | - | 226 711 | - | 226 711 |
| Increases/decreases due to tax effect of the repricing of securities available for sale | - | - | 1 001 | - | 1 001 |
| Increases/decreases due to tax effect of the repricing of hedging derivatives | - | - | -43 075 | - | -43 075 |
| Other increases/decreases | - | - | - | -13 | -13 |
| Net income | - | - | - | 716 376 | 716 376 |
| TOTAL INCOME IN 2005 | 143 581 | 4 702 482 | 336 527 | 1 577 291 | 6 759 881 |
| Charge for 2004 dividend | - | 20 619 | - | -655 248 | -634 629 |
| General risk fund charge | - | 137 547 | - | -137 547 | 0 |
| Other | - | 15 154 | - | -15 154 | 0 |
| BALANCE on 30 Sept. 2005 | 143 581 | 4 875 802 | 336 527 | 769 342 | 6 125 252 |

Opening balance as at 01 January 2005 is higher in connection with consolidation of BPH PBK Leasing S.A.

PLN'000

| | SHARE CAPITAL | OTHER RESERVES | REVALUATION RESERVE | RETAINED PROFITS | TOTAL |
|---|----------------|-------------------|------------------------|---------------------|------------------|
| Opening balance of shareholders' equity on 1 January 2004 | 143 581 | 4 716 745 | 66 987 | 325 974 | 5 253 287 |
| Increase/decrease due to repricing of securities available for sale | - | - | 4 631 | - | 4 631 |
| Increase/decrease due to repricing of hedging derivatives | - | - | 97 348 | - | 97 348 |
| Increases/decreases due to tax effect of the repricing of securities available for sale | - | - | -1 383 | - | -1 383 |
| Increases/decreases due to tax effect of the repricing of hedging derivatives | - | - | -18 496 | - | -18 496 |
| Other increases/decreases (consolidation adjustments) | - | -81 798 | 1 823 | 79 010 | -965 |
| Net income | - | - | - | 750 592 | 750 592 |
| TOTAL INCOME IN 2004 | 143 581 | 4 634 947 | 150 910 | 1 155 576 | 6 085 014 |
| Charge for 2003 dividend | - | - | - | -249 831 | -249 831 |
| General risk fund charge | - | 64 136 | - | -64 136 | 0 |
| Other | - | 450 | - | -1 455 | -1 005 |
| BALANCE on 31 Dec. 2004 | 143 581 | 4 699 533 | 150 910 | 840 154 | 5 834 178 |

| | PLN'000 | | | | |
|---|------------------|-------------------|------------------------|---------------------|------------------|
| | SHARE CAPITAL | OTHER RESERVES | REVALUATION RESERVE | RETAINED PROFITS | TOTAL |
| Opening balance of shareholders' equity on 1 January 2004 | 143 581 | 4 716 745 | 66 987 | 323 784 | 5 251 097 |
| Increase/decrease due to repricing of securities available for sale | - | - | 948 | - | 948 |
| Increase/decrease due to repricing of hedging derivatives | - | - | 15 016 | - | 15 016 |
| Increases/decreases due to tax effect of the repricing of securities available for sale | - | - | -657 | - | -657 |
| Increases/decreases due to tax effect of the repricing of hedging derivatives | - | - | -2 853 | - | -2 853 |
| Other increases/decreases (consolidation adjustments) | - | -81 899 | 1 921 | 79 010 | -968 |
| Net income for the current year | - | - | - | 555 553 | 555 553 |
| TOTAL INCOME IN 2004 | 143 581 | 4 634 846 | 81 362 | 958 347 | 5 818 136 |
| Charge for 2003 dividend | - | - | - | -249 831 | -249 831 |
| General risk fund charge | - | 64 136 | - | -64 136 | 0 |
| Other | - | 450 | - | -1 455 | -1 005 |
| BALANCE on 30 Sept. 2004 | 143 581 | 4 699 432 | 81 362 | 642 925 | 5 567 300 |

CONSOLIDATED CASH FLOW STATEMENT

| | PLN'000 | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 3rd quarter | 3rd quarter in accruals | 3rd quarter | 3rd quarter in accruals |
| | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| I. Net cash flow from operating activities - indirect method | 1 870 125 | 5 474 365 | -750 334 | 766 825 |
| II. Net cash flow from investing activities | -59 643 | -257 869 | -52 211 | 10 452 |
| III. Net cash flow from financing activities | -745 749 | 813 519 | 1 378 217 | 1 458 179 |
| IV. Total net cash flow | 1 064 733 | 6 030 015 | 575 672 | 2 235 456 |

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS OF THE BANK BPH GROUP

(1) Changes in respect of consolidated companies in Q4 2004

In the presented statements of Bank BPH Group, the BPH Bank Hipoteczny SA subsidiary, BPH Finance plc., and BPH PBK Leasing SA were consolidated using full method.

The remaining companies were not consolidated on the materiality principle (IAS 1).

Impact of the incorporation of leasing companies on the results for three quarters of 2005 were presented in the table below:

| | PLN'000 | |
|---|------------------|-----------------|
| CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THREE QUARTERS OF 2005 | Bank BPH Group | BPH PBK Leasing |
| Interest income | 2 836 420 | 72 713 |
| Interest expenses | -1 365 383 | -35 946 |
| Net interest income | 1 471 037 | 36 767 |
| Impairment charges | -196 246 | -1 296 |
| Net interest income after impairment charges | 1 274 791 | 35 471 |
| Fee and commission income | 934 735 | - |
| Fee and commission expenses | -199 931 | - |
| Net fee and commission income | 734 804 | - |
| Net trading result | 82 961 | 1047 |
| General administrative expenses | -1 169 722 | -22 035 |
| Other operating income and expenses | 7 754 | -207 |
| Operating profit | 930 588 | 14 276 |
| Net income from investments | -15 126 | - |
| Goodwill impairment | -10 950 | - |
| Result on other income and expenses | -3 301 | - |
| Profit from ordinary activities | 901 211 | 14 276 |
| Income tax | -184 825 | -2336 |
| Minority interests | -10 | - |
| Net income | 716 376 | 11 940 |

| PLN'000 | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (2) NET INTEREST INCOME | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Interest income from: | 931 411 | 2 760 024 | 716 355 | 1 926 967 |
| loans and money market transactions | 826 260 | 2 400 821 | 596 179 | 1 621 047 |
| dividends | 0 | 14 371 | 12 746 | 29 220 |
| other | 105 151 | 344 832 | 107 430 | 276 700 |
| Interest expenses for: | -439 919 | -1 333 050 | -252 064 | -593 453 |
| deposits, loans received and money market transactions | -414 316 | -1 255 085 | -232 705 | -557 547 |
| other | -25 603 | -77 965 | -19 359 | -35 906 |
| Result from leasing transactions | 17 410 | 44 063 | 1 617 | 4 127 |
| income | 23 107 | 76 396 | 1 681 | 4 536 |
| expenses | -5 697 | -32 333 | -64 | -409 |
| NET INTEREST INCOME | 508 902 | 1 471 037 | 465 908 | 1 337 641 |

| PLN'000 | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (3) LOSSES ON LOANS AND ADVANCES | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Allocations to | -264 839 | -943 181 | -241 846 | -929 813 |
| provisions for loans and advances | -259 533 | -920 896 | -216 684 | -868 825 |
| provisions for contingent liabilities | -5 306 | -22 285 | -25 162 | -60 988 |
| Releases from | 203 678 | 746 935 | 179 141 | 734 397 |
| provisions for loans and advances | 198 545 | 722 014 | 153 882 | 673 927 |
| provisions for contingent liabilities | 5 133 | 24 921 | 25 259 | 60 470 |
| NET CHARGE FOR LOSSES ON LOANS AND ADVANCES | -61 161 | -196 246 | -62 705 | -195 416 |

| PLN'000 | | | | |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (4) NET FEE AND COMMISSION INCOME | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Income from: | 326 471 | 934 735 | 272 532 | 831 110 |
| securities and custodian business | 26 089 | 65 849 | 14 061 | 45 226 |
| loans and advances | 49 811 | 138 280 | 44 922 | 143 926 |
| domestic payments | 143 652 | 425 431 | 126 835 | 380 421 |
| international payments | 99 569 | 285 437 | 82 605 | 249 336 |
| other | 7 350 | 19 738 | 4 109 | 12 201 |
| Expenses of: | -62 646 | -199 931 | -61 268 | -135 550 |
| securities and custodian business | -4 931 | -12 902 | -3 157 | -9 874 |
| loans and advances | -5 894 | -16 620 | -7 260 | -19 039 |
| domestic payments | -43 771 | -143 341 | -37 383 | -78 940 |
| international payments | -4 066 | -11 726 | -3 570 | -11 538 |
| other | -3 984 | -15 342 | -9 898 | -16 159 |
| NET FEE AND COMMISSION INCOME | 263 825 | 734 804 | 211 264 | 695 560 |

| PLN'000 | | | | |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (5) NET TRADING RESULT | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Result on equity instruments | -522 | -172 | -1 | -14 |
| Result on fixed income instruments | -17 621 | 14 477 | 12 055 | 29 057 |
| Exchange gain (loss) | 20 085 | 68 656 | -14 074 | 13 591 |
| NET TRADING RESULT | 1 942 | 82 961 | -2 020 | 42 634 |

| PLN'000 | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (6) GENERAL ADMINISTRATIVE EXPENSES | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Salaries and employee benefits | -191 868 | -549 146 | -163 400 | -517 895 |
| Building maintenance and rents | -49 631 | -174 063 | -64 549 | -181 921 |
| Other expenses | -88 506 | -279 818 | -94 503 | -280 164 |
| Depreciation | -55 023 | -166 695 | -51 269 | -176 434 |
| GENERAL ADMINISTRATIVE EXPENSES | -385 028 | -1 169 722 | -373 721 | -1 156 414 |

| PLN'000 | | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (7) BALANCE OF OTHER OPERATING INCOME AND EXPENSES | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Other operating income | 3 690 | 82 470 | 39 065 | 152 098 |
| Other operating expenses | -12 949 | -74 716 | -33 210 | -115 442 |
| BALANCE OF OTHER OPERATING INCOME AND EXPENSES | -9 259 | 7 754 | 5 855 | 36 656 |

| PLN'000 | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| (8) NET INCOME FROM INVESTMENTS | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Profit on sales of available for sale portfolio | 402 | 14 744 | 977 | 26 017 |
| Loss on sales of available for sale portfolio | 0 | -533 | -3 086 | -31 465 |
| Net income from equity investments | -689 | -34 723 | -19 301 | -27 204 |
| Net income from portfolio priced at fair value, with pricing effect recognised in the income statement (FVO) | 5 395 | 5 386 | 0 | 0 |
| NET INCOME FROM INVESTMENTS | 5 108 | -15 448 | -21 410 | -32 652 |

DETAILED DATA - BALANCE SHEET

PLN'000

| (9) CASH AND BALANCES WITH THE CENTRAL BANK | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Cash | 804 766 | 931 211 | 800 003 | 912 212 | 933 497 |
| Balances with the central bank | 1 880 145 | 978 321 | 776 813 | 523 052 | 667 765 |
| Debt securities and bills issued by the State Treasury and other public issuers eligible for discounting at the Central Bank | 27 824 | 48 357 | 2 482 136 | 1 996 890 | 504 926 |
| a) treasury bills and non-interest bearing treasury securities and similar debt securities issued by the State Treasury and other issuers | 0 | 20 777 | 2 436 308 | 1 953 320 | 464 450 |
| b) bills of exchange | 27 824 | 27 580 | 45 828 | 43 570 | 40 476 |
| CASH AND BALANCES WITH THE CENTRAL BANK | 2 712 735 | 1 957 889 | 4 058 952 | 3 432 154 | 2 106 188 |

PLN'000

| (10) TRADING ASSETS | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Debt securities and other fixed- income securities | 686 803 | 2 521 758 | 3 094 699 | 2 879 608 | 2 373 571 |
| bonds | 414 344 | 2 057 585 | 2 442 237 | 2 427 357 | 1 953 134 |
| T-bills | 0 | 0 | 21 777 | 18 337 | 19 830 |
| eurobonds | 177 839 | 182 153 | 135 523 | 208 430 | 299 805 |
| other | 94 620 | 282 020 | 495 162 | 225 484 | 100 802 |
| Positive fair value of derivatives | 1 532 780 | 1 541 616 | 2 267 445 | 1 395 307 | 1 173 152 |
| TRADING ASSETS | 2 219 583 | 4 063 374 | 5 362 144 | 4 274 915 | 3 546 723 |

PLN'000

| (11) LOANS AND ADVANCES TO, AND PLACEMENTS WITH BANKS BY TYPE | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Money market placements | 11 965 640 | 10 735 742 | 7 738 559 | 7 169 235 | 4 437 638 |
| Loans and advances | 283 303 | 161 706 | 158 409 | 188 045 | 189 435 |
| Other including | 510 218 | 101 385 | 61 849 | 126 389 | 62 217 |
| current accounts | 93 741 | 62 524 | 41 941 | 63 402 | 55 879 |
| accounts for special purpose funds | 10 515 | 12 383 | 4 211 | 4 001 | 6 338 |
| sell buy-back securities | 405 962 | 26 478 | 15 697 | 58 986 | 0 |
| Gross total | 12 759 161 | 10 998 833 | 7 958 817 | 7 483 669 | 4 689 290 |
| Value adjustment | -37 | -114 | -36 | -27 | -18 |
| Loan loss provision | -3 | -1 | -1 | -18 217 | -26 404 |
| Interest | 26 102 | 31 327 | 18 266 | 16 359 | 13 342 |
| LOANS AND ADVANCES TO, AND PLACEMENTS WITH BANKS | 12 785 223 | 11 030 045 | 7 977 046 | 7 481 784 | 4 676 210 |

PLN'000

| (12) LOANS AND ADVANCES TO CUSTOMERS BY TYPE | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Deposits | 5 982 | 5 797 | 5 707 | 5 707 | 5 707 |
| Loans and advances: | 31 601 004 | 31 213 776 | 29 643 755 | 30 234 673 | 28 662 818 |
| from financial institutions | 724 079 | 798 595 | 1 096 156 | 1 317 961 | 1 284 577 |
| from non-financial institutions | 28 940 471 | 28 309 737 | 26 166 947 | 26 624 937 | 25 603 379 |
| from government institutions | 1 936 454 | 2 105 444 | 2 380 652 | 2 291 775 | 1 774 862 |
| Other: | 118 967 | 109 418 | 162 326 | 332 588 | 173 208 |
| sell buy-back securities | 501 | 18 964 | 26 320 | 250 964 | 76 212 |
| received but not booked loans and advances to customers | 101 959 | 74 178 | 120 249 | 64 177 | 77 988 |
| other | 16 507 | 16 276 | 15 757 | 17 447 | 19 008 |
| Financial lease receivables | 1 204 272 | 1 148 790 | 10 178 | 11 241 | 10 170 |
| GROSS TOTAL | 32 930 225 | 32 477 781 | 29 821 966 | 30 584 209 | 28 851 903 |
| Discount on purchased loans | -3 004 | -3 876 | -5 118 | -5 721 | -6 880 |
| Value adjustment | -106 345 | -128 765 | -118 719 | -106 015 | -85 025 |
| Interest | 101 653 | 105 841 | 109 124 | 107 298 | 93 394 |
| Loan loss provision | -1 837 115 | -1 813 282 | -1 776 469 | -2 362 234 | -2 534 176 |
| LOANS AND ADVANCES TO CUSTOMERS | 31 085 414 | 30 637 699 | 28 030 784 | 28 217 537 | 26 319 216 |

PLN'000

| (13) IMPAIRMENT CHARGES FOR BANKS | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Opening balance | 1 | 1 | 26 184 | 26 184 | 26 184 |
| allocations to loan loss provisions | 1 | 0 | 0 | 431 | 174 |
| release of loan loss provisions | 0 | 0 | 0 | 0 | 0 |
| use | 0 | 0 | -20 933 | -7 114 | 0 |
| revaluation | 1 | 0 | -5 250 | -1 284 | 46 |
| other | 0 | 0 | 0 | 0 | 0 |
| CLOSING BALANCE OF LOAN LOSS PROVISIONS | 3 | 1 | 1 | 18 217 | 26 404 |

PLN'000

| 13a) IMPAIRMENT CHARGES FOR CUSTOMERS | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Opening balance | 1 817 667 | 1 817 667 | 2 646 810 | 2 646 810 | 2 646 810 |
| allocations to loan loss provisions | 939 635 | 661 362 | 1 202 002 | 868 963 | 653 060 |
| release of loan loss provisions | -715 547 | -511 647 | -932 298 | -672 584 | -517 097 |
| use | -233 180 | -167 780 | -896 158 | -366 907 | -77 073 |
| revaluation | 26 331 | 11 402 | -66 482 | 64 037 | -12 751 |
| other | 2 209 | 2 278 | -177 405 | -178 085 | -158 773 |
| CLOSING BALANCE OF LOAN LOSS PROVISIONS | 1 837 115 | 1 813 282 | 1 776 469 | 2 362 234 | 2 534 176 |

PLN'000

| (14) OTHER FINANCIAL ASSETS | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Assets available for sale | 1 683 701 | 1 692 902 | 3 830 103 | 4 847 016 | 8 392 172 |
| Debt: | 1 441 760 | 1 450 641 | 3 666 563 | 4 683 469 | 8 240 652 |
| bonds | 1 330 952 | 1 361 382 | 3 357 240 | 3 842 345 | 4 898 146 |
| Treasury bills | 110 808 | 89 253 | 134 763 | 20 | 0 |
| money market bills | - | 0 | 73 508 | 690 660 | 3 187 901 |
| eurobonds | - | 0 | 45 831 | 4 894 | 99 158 |
| others | - | 6 | 55 221 | 145 550 | 55 447 |
| Equity instruments by type | 241 941 | 242 261 | 163 540 | 163 547 | 151 520 |
| shares | 163 030 | 163 719 | 151 178 | 144 725 | 131 248 |
| interests | 78 911 | 78 542 | 12 362 | 18 822 | 20 272 |
| Assets held to maturity | 15 959 | 15 844 | 15 591 | 15 908 | 15 687 |
| bonds | 15 959 | 15 657 | 15 419 | 15 728 | 15 489 |
| Treasury bills | 0 | 187 | 172 | 180 | 198 |
| Non-marketable securities at fair value reported in the income statement (FVO) | 7 917 687 | 6 898 296 | 0 | 0 | 0 |
| bonds | 3 632 775 | 3 051 738 | 0 | 0 | 0 |
| Treasury bills | 1 124 180 | 2 109 390 | 0 | 0 | 0 |
| eurobonds | 34 397 | 50 149 | 0 | 0 | 0 |
| money market bills | 3 059 744 | 1 630 730 | 0 | 0 | 0 |
| other | 66 591 | 56 289 | 0 | 0 | 0 |
| Other | 628 911 | 567 546 | 228 936 | 67 013 | 18 728 |
| OTHER FINANCIAL ASSETS | 10 246 258 | 9 174 588 | 4 074 630 | 4 929 937 | 8 426 587 |

PLN'000

| (15) PROPERTY AND EQUIPMENT BY TYPE | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Land | 19 880 | 19 976 | 20 172 | 12 136 | 12 127 |
| Buildings, premises | 492 075 | 505 577 | 519 797 | 498 939 | 527 945 |
| Other property and equipment | 281 529 | 293 809 | 336 822 | 374 353 | 391 732 |
| Property and equipment under construction | 120 502 | 106 768 | 83 336 | 58 365 | 40 891 |
| PROPERTY AND EQUIPMENT | 913 986 | 926 130 | 960 127 | 943 793 | 972 695 |

PLN'000

| (16) INTANGIBLE ASSETS BY TYPE | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---------------------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Goodwill | 162 219 | 162 218 | 170 283 | 196 600 | 202 095 |
| Other intangible assets | 131 929 | 123 077 | 135 559 | 159 694 | 159 435 |
| INTANGIBLE ASSETS | 294 148 | 285 295 | 305 842 | 356 294 | 361 530 |

PLN'000

| (17) AMOUNTS OWED TO BANKS BY TYPE | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Account balances | 53 599 | 60 259 | 127 927 | 139 488 | 80 451 |
| Money market placements | 7 435 212 | 6 087 659 | 3 220 565 | 4 131 015 | 3 968 023 |
| Loans and advances received | 2 088 931 | 2 062 209 | 2 261 226 | 2 324 435 | 2 355 396 |
| Other: | 666 163 | 45 023 | 174 121 | 36 641 | 6 141 |
| amounts owed under cash collateral | 4 275 | 8 351 | 169 955 | 3 287 | 2 452 |
| accounts for special purpose funds | 5 327 | 5 124 | 3 113 | 4 142 | 3 364 |
| sell buy-back securities | 655 469 | 28 026 | - | 28 886 | - |
| Other | 1 092 | 3 522 | 1 053 | 326 | 325 |
| GROSS TOTAL | 10 243 905 | 8 255 150 | 5 783 839 | 6 631 579 | 6 410 011 |
| Value adjustment | -213 639 | -9 021 | -5 310 | -3 982 | -2 655 |
| Interest | 13 283 | 25 146 | 24 042 | 26 922 | 24 606 |
| TOTAL AMOUNTS OWED TO BANKS | 10 043 549 | 8 271 275 | 5 802 571 | 6 654 519 | 6 431 962 |

PLN'000

| (18) AMOUNTS OWED TO CUSTOMERS BY TYPE | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Account balances | 9 594 762 | 9 415 047 | 9 886 317 | 8 638 811 | 9 348 273 |
| Deposits | 24 101 455 | 23 058 862 | 21 616 304 | 21 316 181 | 20 348 417 |
| Loans and advances received | 244 250 | 220 074 | 289 300 | 332 526 | 335 610 |
| Other: | 3 025 779 | 3 302 785 | 2 442 676 | 2 693 755 | 1 801 687 |
| sell buy-back securities | 2 167 772 | 2 497 109 | 1 723 004 | 1 908 675 | 1 056 602 |
| amounts owed under cash collateral | 383 851 | 416 745 | 447 206 | 452 785 | 427 901 |
| Other | 474 156 | 388 931 | 272 466 | 332 295 | 317 184 |
| GROSS TOTAL | 36 966 246 | 35 996 768 | 34 234 597 | 32 981 273 | 31 833 987 |
| Value adjustment | -24 550 | -655 | -641 | -481 | -321 |
| Interest | 118 944 | 124 301 | 95 196 | 102 272 | 84 182 |
| TOTAL AMOUNTS OWED TO CUSTOMERS | 37 060 640 | 36 120 414 | 34 329 152 | 33 083 064 | 31 917 848 |

PLN'000

| (19) LIABILITIES EVIDENCED BY CERTIFICATES | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Bonds | 4 009 071 | 4 162 550 | 1 778 075 | 2 082 234 | 639 354 |
| Certificates | 134 010 | 70 189 | 196 244 | 190 996 | 4 500 |
| Other | 173 552 | 158 387 | 99 484 | 98 419 | 97 863 |
| Value adjustment | -3 475 | -1 611 | -165 | -124 | -83 |
| Interest | 27 981 | 32 365 | 21 990 | 34 982 | 17 860 |
| TOTAL LIABILITIES EVIDENCED BY CERTIFICATES | 4 341 139 | 4 421 880 | 2 095 628 | 2 406 507 | 759 494 |

| PLN'000 | | | | | |
|--|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| (20) PROVISIONS | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
| Provisions for income taxes | 569 457 | 573 420 | 647 369 | 438 758 | 378 234 |
| Provisions for retirement benefits and similar obligations | 19 983 | 20 091 | 20 209 | 25 971 | 28 590 |
| Provision for restructuring costs | 7 974 | 9 683 | 10 109 | 5 206 | 608 |
| Provision for leaves | 5 990 | 6 291 | 6 719 | 3 814 | 4 104 |
| Provisions for contingent liabilities | 13 647 | 14 129 | 16 854 | 17 108 | 17 373 |
| Other | 9 314 | 10 996 | 43 700 | 29 700 | 15 000 |
| TOTAL PROVISIONS | 626 365 | 634 610 | 744 960 | 520 557 | 443 909 |

| PLN'000 | | | | | |
|-------------------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| (21) TRADING LIABILITIES | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
| Negative fair values of derivatives | 1 594 396 | 1 589 922 | 2 094 551 | 1 315 407 | 1 064 031 |
| TOTAL TRADING LIABILITIES | 1 594 396 | 1 589 922 | 2 094 551 | 1 315 407 | 1 064 031 |

| PLN'000 | | | | | |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| (22) CONTINGENT LIABILITIES | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
| I. Contingent liabilities granted and received | 26 586 014 | 22 914 204 | 20 863 109 | 16 182 900 | 16 277 363 |
| 1. Contingent liabilities granted: | 15 074 055 | 12 369 518 | 11 533 949 | 11 196 352 | 11 357 328 |
| a) financing | 13 288 007 | 10 739 906 | 9 789 770 | 9 614 608 | 9 994 719 |
| b) guarantee | 1 786 048 | 1 629 612 | 1 744 179 | 1 581 744 | 1 362 609 |
| 2. Contingent liabilities received: | 11 511 959 | 10 544 686 | 9 329 160 | 4 986 548 | 4 920 035 |
| c) financing | 2 421 078 | 2 389 763 | 945 981 | 1 151 802 | 1 214 929 |
| d) guarantee | 9 090 881 | 8 154 923 | 8 383 179 | 3 834 746 | 3 705 106 |
| II. Contingent liabilities under buy/sell transactions | 78 420 408 | 54 881 337 | 66 583 974 | 78 034 992 | 58 988 819 |
| III. Other | 177 930 636 | 184 308 168 | 199 563 051 | 223 905 166 | 212 951 451 |
| – securities issued as guarantees | 259 483 | 259 483 | 210 791 | 221 044 | 221 044 |
| – securities received as guarantees and other collateral deducted from risk-weighted assets | 6 275 300 | 4 494 622 | 3 957 871 | 3 921 242 | 3 875 078 |
| – transactions in securities | 2 800 240 | 2 749 472 | 107 021 | 3 763 558 | 1 247 892 |
| – liabilities under transactions in securities | 168 595 613 | 176 804 591 | 195 287 368 | 215 999 322 | 207 607 437 |
| TOTAL CONTINGENT LIABILITIES | 282 937 058 | 262 103 709 | 287 010 134 | 318 123 058 | 288 217 633 |

| (23) Segment reporting | | Segments | | | Other (not allocated to segments) | Exclusions | Consolidated value (2+3+4+5-6) |
|--|----------|----------|-----------|------------------------|-----------------------------------|------------|--------------------------------|
| | | Retail | Corporate | International markets* | | | |
| CONSOLIDATED INCOME STATEMENT | | 2 | 3 | 4 | 5 | 6 | |
| Interest income | 1 Q 2005 | 637 928 | 520 282 | 808 546 | 147 147 | -1 204 993 | 908 910 |
| | 2 Q 2005 | 521 037 | 355 747 | 1 116 463 | 173 557 | -1 193 811 | 972 992 |
| | 3 Q 2005 | 566 831 | 381 551 | 1 092 039 | 173 339 | -1 259 242 | 954 518 |
| internal income | 1 Q 2005 | 300 024 | 314 607 | 277 627 | 16 652 | x | |
| | 2 Q 2005 | 244 667 | 207 589 | 504 476 | 16 260 | x | |
| | 3 Q 2005 | 275 691 | 213 809 | 465 018 | 0 | x | |
| external income | 1 Q 2005 | 337 904 | 205 675 | 530 919 | 130 495 | -1 204 993 | |
| | 2 Q 2005 | 276 370 | 148 158 | 611 987 | 157 297 | -1 193 811 | |
| | 3 Q 2005 | 291 140 | 167 742 | 627 021 | 173 339 | -1 259 242 | |
| Interest expenses | 1 Q 2005 | -359 752 | -410 077 | -795 458 | -76 746 | 1 204 993 | -437 040 |
| | 2 Q 2005 | -230 510 | -255 066 | -1 083 135 | -107 827 | 1 193 811 | -482 727 |
| | 3 Q 2005 | -275 337 | -275 423 | -1 052 004 | -102 094 | 1 259 242 | -445 616 |
| external expenses | 1 Q 2005 | -184 300 | -151 257 | -101 483 | 0 | x | |
| | 2 Q 2005 | -131 499 | -77 875 | -273 353 | 0 | x | |
| | 3 Q 2005 | -155 674 | -112 818 | -177 124 | 0 | x | |
| internal expenses | 1 Q 2005 | -175 452 | -258 820 | -693 975 | -76 746 | 1 204 993 | |
| | 2 Q 2005 | -99 011 | -177 191 | -809 782 | -107 827 | 1 193 811 | |
| | 3 Q 2005 | -119 663 | -162 605 | -874 880 | -102 094 | 1 259 242 | |
| Net interest income | 1 Q 2005 | 278 176 | 110 205 | 13 088 | 70 401 | 0 | 471 870 |
| | 2 Q 2005 | 290 527 | 100 681 | 33 328 | 65 730 | 0 | 490 265 |
| | 3 Q 2005 | 291 494 | 106 128 | 40 035 | 71 245 | 0 | 508 902 |
| Impairment charges | 1 Q 2005 | -47 897 | -32 083 | 0 | 0 | 0 | -79 980 |
| | 2 Q 2005 | -45 708 | -9 397 | 0 | 0 | 0 | -55 105 |
| | 3 Q 2005 | -43 874 | -17 286 | 0 | 0 | 0 | -61 161 |
| Net interest income after impairment charges | 1 Q 2005 | 230 279 | 78 122 | 13 088 | 70 401 | 0 | 391 890 |
| | 2 Q 2005 | 244 819 | 91 284 | 33 328 | 65 730 | 0 | 435 160 |
| | 3 Q 2005 | 247 620 | 88 841 | 40 035 | 71 245 | 0 | 447 741 |
| Fee and commission income | 1 Q 2005 | 224 633 | 93 765 | 0 | -31 728 | 0 | 286 670 |
| | 2 Q 2005 | 236 630 | 136 804 | 714 | -52 555 | 0 | 321 593 |
| | 3 Q 2005 | 246 546 | 118 413 | 50 | -38 537 | 0 | 326 472 |
| Fee and commission expenses | 1 Q 2005 | -54 442 | -7 358 | -1 378 | 6 608 | 0 | -56 570 |
| | 2 Q 2005 | -50 023 | -44 633 | -2 491 | 16 433 | 0 | -80 714 |
| | 3 Q 2005 | -47 526 | -22 363 | -2 125 | 9 366 | 0 | -62 647 |
| Net fee and commission income | 1 Q 2005 | 170 191 | 86 407 | -1 378 | -25 120 | 0 | 230 100 |
| | 2 Q 2005 | 186 607 | 92 171 | -1 777 | -36 122 | 0 | 240 879 |
| | 3 Q 2005 | 199 021 | 96 050 | -2 075 | -29 171 | 0 | 263 825 |
| Net trading result | 1 Q 2005 | 0 | 0 | 43 472 | 703 | 0 | 44 175 |
| | 2 Q 2005 | 0 | 0 | 37 507 | -663 | 0 | 36 844 |
| | 3 Q 2005 | 0 | 0 | -5 977 | 7 919 | 0 | 1 942 |
| General administrative expenses | 1 Q 2005 | -285 092 | -108 719 | -15 635 | 5 907 | 0 | -403 538 |
| | 2 Q 2005 | -261 003 | -101 140 | -13 174 | -5 838 | 0 | -381 156 |
| | 3 Q 2005 | -279 327 | -88 750 | -17 160 | 209 | 0 | -385 028 |
| Other operating income and expenses | 1 Q 2005 | 0 | 0 | 0 | 4 076 | 0 | 4 076 |
| | 2 Q 2005 | 0 | 0 | 0 | 12 937 | 0 | 12 937 |
| | 3 Q 2005 | 0 | 0 | 0 | -9 259 | 0 | -9 259 |

| | | | | | | | |
|--|-----------------|----------------|---------------|---------------|----------------|----------|----------------|
| Operating profit | 1 Q 2005 | 115 379 | 55 810 | 39 548 | 55 967 | 0 | 266 703 |
| | 2 Q 2005 | 170 422 | 82 315 | 55 884 | 36 043 | 0 | 344 664 |
| | 3 Q 2005 | 167 313 | 96 142 | 14 822 | 40 944 | 0 | 319 221 |
| Net income from investments | 1 Q 2005 | -300 | -389 | -2 991 | -726 | | -4 406 |
| | 2 Q 2005 | 23 | 0 | 16 916 | -32 766 | 0 | -15 828 |
| | 3 Q 2005 | 8 | 126 | 2 226 | 2 748 | 0 | 5 108 |
| Goodwill impairment | 1 Q 2005 | -4 822 | -536 | 0 | 0 | 0 | -5 358 |
| | 2 Q 2005 | -5 033 | -559 | 0 | 0 | 0 | -5 592 |
| | 3 Q 2005 | 0 | 0 | 0 | 0 | 0 | 0 |
| Result on other income and expenses | 1 Q 2005 | 0 | 0 | 0 | -1 112 | | -1 112 |
| | 2 Q 2005 | 0 | 0 | 0 | -1 094 | 0 | -1 094 |
| | 3 Q 2005 | 0 | 0 | 0 | -1 095 | 0 | -1 095 |
| Profit from ordinary activities | 1 Q 2005 | 110 257 | 54 885 | 36 557 | 54 129 | 0 | 255 827 |
| | 2 Q 2005 | 165 412 | 81 756 | 72 799 | 2 182 | 0 | 322 150 |
| | 3 Q 2005 | 167 322 | 96 268 | 17 048 | 42 597 | 0 | 323 234 |
| Income tax | 1 Q 2005 | 0 | 0 | 0 | -50 377 | 0 | -50 377 |
| | 2 Q 2005 | 0 | 0 | 0 | -72 599 | 0 | -72 599 |
| | 3 Q 2005 | 0 | 0 | 0 | -61 849 | 0 | -61 849 |
| Minority interests | 1 Q 2005 | -3 | 0 | 0 | 0 | 0 | -3 |
| | 2 Q 2005 | -3 | 0 | 0 | 0 | 0 | -3 |
| | 3 Q 2005 | -4 | 0 | 0 | 0 | 0 | -4 |
| Net income | 1 Q 2005 | 110 254 | 54 885 | 36 557 | 3 752 | 0 | 205 447 |
| | 2 Q 2005 | 165 409 | 81 756 | 72 799 | -70 417 | 0 | 249 548 |
| | 3 Q 2005 | 167 318 | 96 268 | 17 048 | -19 252 | 0 | 261 381 |

* Excluding results on sales of treasury and custody products as generated by International Markets Division and presented entirely in the results of Corporate and Retail segments.

Within the retail business segment, increased interest margin was attributable to interest income growth (of PLN 45,794 thousand) being higher than interest expense growth (of PLN 44,826 thousand).

Growth was accounted for by growing sales of highly profitable products and mortgage loans. Margin on deposits grew as a result of a marked decline in interest rates (from June 2005 to September 2005, WIBOR 1M shrank from 5.00% down to 4.57%).

In percentage terms, commission growth in this segment was reported at 6.7%.

The result on operating activities contracted slightly in the retail segment in relation to Q2 due to increased administrative expenses. Their growth was attributable to coverage of expenses involved in reorganization of the network for wealthy customer groups. The completion of the project is scheduled by the end of 2006.

Within the corporate business segment, increased interest margin in Q3 2005 was traced to net interest income growth being more rapid (by PLN 25,804 thousand) than interest expense growth (by PLN 20,357 thousand). This trend was fuelled by increased volumes of loans and deposits.

In percentage terms, commission growth in this segment was reported at 4.2%.

The operating expenses and general administrative expenses in the corporate segment in Q3 2005 declined in relation to Q2 2005 by 12.25%.

The corporate segment shows growth of the result on operating activities attributable to higher interest income and lower commission expense.

Within the International Markets business segment, interest income in Q3 2005 was higher by 20% in relation to Q2 2005 resulted from a decline in interest expense (by PLN 31,131 thousand) being more pronounced than that of net interest income (by PLN 24,424 thousand). The net interest income figure in Q2 was affected by poor interest income on securities and low interest rates in the market.

Income from sale of treasury and custody products realized by the International Markets Division and recognized in the results of the corporate and retail segments amounted to PLN 121,400 thousand (of which PLN 40,200 thousand in Q1 2005, PLN 39,300 thousand in Q2 2005 and PLN 41,900 thousand in Q3 2005).

The income on custody products does not comprise gains on foreign exchange transactions.

The INM segment shows a decline in the operating profit in the third quarter in relation to the second quarter of 2005 resulting from:

- (i) Reduction in net trading result on foreign exchange transactions, and
- (ii) Change in the presentation of the net trading result in this segment consisting in transfer of a portion of the result for the current year to the Other segment (not allocated to segments) in the third quarter.

| | | | | | | PLN'000 |
|---------------------|------------|------------|------------|------------------|----------------------------------|--------------|
| Assets | | Retail | Corporate | Internal Markets | Other (not assigned to segments) | Total assets |
| | 31.03.2005 | 14 431 396 | 18 387 970 | 15 543 429 | 4 534 339 | 52 897 134 |
| Total assets | 30.06.2005 | 16 328 814 | 19 954 646 | 18 010 431 | 4 665 532 | 58 959 423 |
| | 30.09.2005 | 17 373 211 | 20 122 247 | 18 847 375 | 4 809 410 | 61 152 243 |

| | | | | | | PLN'000 |
|--------------------------|------------|------------|------------|------------------|----------------------------------|-------------------|
| Liabilities | | Retail | Corporate | Internal Markets | Other (not assigned to segments) | Total liabilities |
| | 31.03.2005 | 22 218 034 | 14 604 544 | 8 353 826 | 7 720 730 | 52 897 134 |
| Total liabilities | 30.06.2005 | 24 506 067 | 16 019 410 | 9 959 867 | 8 474 079 | 58 959 423 |
| | 30.09.2005 | 25 376 272 | 16 608 515 | 10 763 467 | 8 403 989 | 61 152 243 |

ABRIDGED FINANCIAL STATEMENTS OF BANK BPH SA FOR THE 3 QUARTERS OF 2005

INCOME STATEMENT OF BANK BPH SA

PLN'000

| | 3rd quarter | 3 quarters in accruals | 3rd quarter | 3 quarters in accruals |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| Interest income | 919 580 | 2 746 967 | 707 504 | 1 827 088 |
| Interest expenses | -440 435 | -1 331 836 | -251 755 | -567 604 |
| Net interest income | 479 145 | 1 415 131 | 455 749 | 1 259 484 |
| Impairment charges | -60 407 | -189 917 | -62 310 | -186 930 |
| Net interest income after impairment charges | 418 738 | 1 225 214 | 393 439 | 1 072 554 |
| Fee and commission income | 324 300 | 927 903 | 268 951 | 794 922 |
| Fee and commission expenses | -62 060 | -197 705 | -59 813 | -122 681 |
| Net fee and commission income | 262 240 | 730 198 | 209 138 | 672 241 |
| Net trading result | 164 | 81 493 | -1 003 | 42 778 |
| General administrative expenses | -373 395 | -1 130 224 | -369 938 | -1 102 802 |
| Other operating income and expenses | -8 331 | 8 180 | 5 787 | 103 230 |
| Operating profit | 299 416 | 914 861 | 237 423 | 788 001 |
| Net income from investments | 4 886 | -15 448 | -21 410 | -32 624 |
| Goodwill impairment | 0 | -10 950 | -5 142 | -15 409 |
| Result on other income and expenses | -1 095 | -3 301 | -1 132 | -3 285 |
| Profit from ordinary activities | 303 207 | 885 162 | 209 739 | 736 683 |
| Income tax | -58 209 | -178 190 | -56 118 | -139 209 |
| Net income | 244 998 | 706 972 | 153 621 | 597 474 |
| Net income (in PLN) | | 706 972 000 | | 597 474 000 |
| Weighted average number of ordinary shares | | 28 716 230 | | 28 716 230 |
| Earnings per ordinary share (in PLN) | | 24.62 | | 20.81 |
| Weighted average diluted number of ordinary shares | | 28 716 230 | | 28 716 230 |
| Diluted earnings (loss) per ordinary share (in PLN) | | 24.62 | | 20.81 |

INCOME STATEMENT OF BANK BPH SA

PLN'000

| By quarter | Q3 2005 | Q2 2005 | Q1 2005 | Q3 2004 | Q2 2004 | Q1 2004 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Interest income | 919 580 | 954 595 | 872 792 | 707 504 | 624 068 | 495 516 |
| Interest expenses | -440 435 | -467 669 | -423 732 | -251 755 | -203 406 | -112 443 |
| Net interest income | 479 145 | 486 926 | 449 060 | 455 749 | 420 662 | 383 073 |
| Impairment charges | -60 407 | -54 010 | -75 500 | -62 310 | -56 310 | -68 310 |
| Net interest income after impairment charges | 418 738 | 432 916 | 373 560 | 393 439 | 364 352 | 314 763 |
| Fee and commission income | 324 300 | 319 298 | 284 305 | 268 951 | 283 451 | 242 520 |
| Fee and commission expenses | -62 060 | -80 138 | -55 507 | -59 813 | -35 047 | -27 821 |
| Net fee and commission income | 262 240 | 239 160 | 228 798 | 209 138 | 248 404 | 214 699 |
| Net trading result | 164 | 37 856 | 43 473 | -1 003 | 31 798 | 11 983 |
| General administrative expenses | -373 395 | -367 233 | -389 596 | -369 938 | -375 746 | -357 118 |
| Other operating income and expenses | -8 331 | 12 098 | 4 413 | 5 787 | 101 919 | -4 476 |
| Operating profit | 299 416 | 354 797 | 260 648 | 237 423 | 370 727 | 179 851 |
| Net income from investments | 4 886 | -15 877 | -4 457 | -21 410 | -14 675 | 3 461 |
| Goodwill impairment | 0 | -5 592 | -5 358 | -5 142 | -5 230 | -5 037 |
| Result on other income and expenses | -1 095 | -1 094 | -1 112 | -1 132 | -1 079 | -1 074 |
| Profit from ordinary activities | 303 207 | 332 234 | 249 721 | 209 739 | 349 743 | 177 201 |
| Income tax | -58 209 | -70 640 | -49 341 | -56 118 | -43 245 | -39 846 |
| Net income | 244 998 | 261 594 | 200 380 | 153 621 | 306 498 | 137 355 |

BALANCE SHEET OF BANK BPH SA

PLN'000

| Assets | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Cash and balances with the central bank | 2 712 102 | 1 957 226 | 4 058 896 | 3 431 869 | 2 106 059 |
| Trading assets | 2 200 394 | 4 054 553 | 5 353 878 | 4 271 453 | 3 544 260 |
| Loans and advances to, and placements with banks | 13 693 114 | 11 976 662 | 8 912 711 | 8 290 072 | 5 403 453 |
| Loan impairment | -3 | -1 | -1 | -18 217 | -26 404 |
| Loans and advances to customers | 28 777 659 | 28 474 631 | 26 925 108 | 27 192 688 | 25 369 519 |
| Loan impairment | -1 776 481 | -1 753 383 | -1 764 835 | -2 348 845 | -2 521 182 |
| Other financial assets | 10 691 332 | 9 489 015 | 4 200 068 | 5 090 129 | 8 587 358 |
| Property and equipment | 900 302 | 910 620 | 958 071 | 942 047 | 971 487 |
| Intangible assets | 290 163 | 281 159 | 304 983 | 355 556 | 360 850 |
| Other assets | 874 904 | 880 579 | 858 571 | 785 483 | 679 923 |
| Tax assets | 610 291 | 683 602 | 731 993 | 568 162 | 516 764 |
| Total assets | 60 139 970 | 58 024 445 | 51 572 286 | 50 359 297 | 47 022 909 |

PLN'000

| Liabilities | As at 30 Sept. 2005 | As at 30 June 2005 | As at 31 Dec. 2004 | As at 30 Sept. 2004 | As at 30 June 2004 |
|---|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Amounts owed to the central bank | 87 810 | 86 218 | 77 133 | 97 124 | 101 343 |
| Amounts owed to banks | 9 773 324 | 8 031 621 | 5 819 299 | 6 657 026 | 6 433 129 |
| Amounts owed to customers | 37 076 931 | 36 119 497 | 34 325 185 | 33 079 135 | 31 913 914 |
| Liabilities evidenced by certificates | 3 660 234 | 3 789 790 | 2 055 172 | 2 366 078 | 719 110 |
| Provisions | 616 574 | 627 719 | 743 845 | 520 434 | 442 685 |
| Income tax provision | 559 666 | 566 529 | 646 254 | 438 635 | 377 010 |
| Trading liabilities | 1 586 191 | 1 581 861 | 2 093 469 | 1 314 124 | 1 062 946 |
| Other liabilities | 1 260 658 | 1 298 080 | 645 947 | 769 833 | 985 004 |
| Shareholders' equity | 6 078 248 | 6 489 659 | 5 812 236 | 5 555 543 | 5 364 778 |
| Total liabilities and shareholders' equity | 60 139 970 | 58 024 445 | 51 572 286 | 50 359 297 | 47 022 909 |

| | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Capital adequacy ratio | 12.91 | 13.09 | 14.02 | 13.77 | 14.68 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|

| | | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Book value (in PLN) | 6 078 248 000 | 6 489 659 000 | 5 812 236 000 | 5 555 543 000 | 5 364 778 000 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|

| | | | | | |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of shares | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

| | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Book value per share (in PLN) | 211.67 | 225.99 | 202.40 | 193.46 | 186.82 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|

| | | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Diluted number of shares | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 | 28 716 230 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

| | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Diluted book value per share (in PLN) | 211.67 | 225.99 | 202.40 | 193.46 | 186.82 |
|--|---------------|---------------|---------------|---------------|---------------|

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF BANK BPH SA

PLN'000

| | SHARE CAPITAL | OTHER RESERVES | REVALUATIO N RESERVE | RETAINED PROFITS | TOTAL |
|---|------------------|-------------------|-------------------------|---------------------|------------------|
| Opening balance of shareholders' equity on 1 January 2005 | 143 581 | 4 690 369 | 150 787 | 827 499 | 5 812 236 |
| Changes of accounting policies | - | - | -2 711 | 7 625 | 4 914 |
| Opening balance of shareholders' equity on 1 January 2005 | 143 581 | 4 690 369 | 148 076 | 835 124 | 5 817 150 |
| Increase/decrease due to repricing of securities available for sale | - | - | 3 789 | - | 3 789 |
| Increase/decrease due to repricing of hedging derivatives | - | - | 227 115 | - | 227 115 |
| Increases/decreases due to tax effect of the repricing of securities available for sale | - | - | 1 001 | - | 1 001 |
| Increases/decreases due to tax effect of the repricing of hedging derivatives | - | - | -43 152 | - | -43 152 |
| Net income | - | - | - | 706 972 | 706 972 |
| TOTAL INCOME IN 2005 | 143 581 | 4 690 369 | 336 829 | 1 542 096 | 6 712 875 |
| Charge for 2004 dividend | - | - | - | -634 629 | -634 629 |
| General risk fund charge | - | 137 547 | - | -137 547 | 0 |
| Other | - | - | - | - | 0 |
| BALANCE on 30 September 2005 | 143 581 | 4 827 916 | 336 829 | 769 920 | 6 078 246 |

PLN'000

| | SHARE CAPITAL | OTHER RESERVES | REVALUATIO N RESERVE | RETAINED PROFITS | TOTAL |
|---|------------------|-------------------|-------------------------|---------------------|------------------|
| Opening balance of shareholders' equity 01.01.2004 | 143 581 | 4 626 800 | 69 247 | 358 520 | 5 198 148 |
| Increase/decrease due to repricing of securities available for sale | - | - | 5 003 | - | 5 003 |
| Increase/decrease due to repricing of hedging derivatives | - | - | 97 348 | - | 97 348 |
| Increases/decreases due to tax effect of the repricing of securities available for sale | - | - | -1 383 | - | -1 383 |
| Increases/decreases due to tax effect of the repricing of hedging derivatives | - | - | -18 496 | - | -18 496 |
| Other increases/decreases | - | 932 | -932 | - | 0 |
| Net income | - | - | - | 782 452 | 782 452 |
| TOTAL INCOME IN 2004 | 143 581 | 4 627 732 | 150 787 | 1 140 972 | 6 063 072 |
| Charge for 2003 dividend | - | - | - | -249 831 | -249 831 |
| General risk fund charge | - | 62 637 | - | -62 637 | 0 |
| Other | - | - | - | -1 005 | -1 005 |
| BALANCE on 31 December 2004 | 143 581 | 4 690 369 | 150 787 | 827 499 | 5 812 236 |

| | PLN'000 | | | | |
|---|------------------|-------------------|-------------------------|---------------------|------------------|
| | SHARE CAPITAL | OTHER RESERVES | REVALUATIO N RESERVE | RETAINED PROFITS | TOTAL |
| Opening balance of shareholders' equity 01.01.2004 | 143 581 | 4 626 800 | 69 247 | 356 330 | 5 195 958 |
| Increase/decrease due to repricing of securities available for sale | - | - | 948 | - | 948 |
| Increase/decrease due to repricing of hedging derivatives | - | - | 15 016 | - | 15 016 |
| Increases/decreases due to tax effect of the repricing of securities available for sale | - | - | -162 | - | -162 |
| Increases/decreases due to tax effect of the repricing of hedging derivatives | - | - | -2 853 | - | -2 853 |
| Other increases/decreases | - | 834 | -834 | - | 0 |
| Net income for the current year | - | - | - | 597 474 | 597 474 |
| TOTAL INCOME IN 2004 | 143 581 | 4 627 634 | 81 362 | 953 804 | 5 806 381 |
| Charge for 2003 dividend | - | - | - | -249 831 | -249 831 |
| General risk fund charge | - | 62 637 | - | -62 637 | 0 |
| Other | - | - | - | -1 005 | -1 005 |
| BALANCE on 30 September 2004 | 143 581 | 4 690 271 | 81 362 | 640 331 | 5 555 545 |

CASH FLOW STATEMENT OF BANK BPH SA

| | PLN'000 | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 3rd quarter | 3rd quarter in accruals | 3rd quarter | 3rd quarter in accruals |
| | 1 July 2005 – 30 Sept. 2005 | 1 Jan. 2005 – 30 Sept. 2005 | 1 July 2004 – 30 Sept. 2004 | 1 Jan. 2004 – 30 Sept. 2004 |
| I. Net cash flow from operating activities - indirect method | 2 046 735 | 5 898 299 | -745 708 | 748 562 |
| II. Net cash flow from investing activities | -59 426 | -257 167 | -51 824 | 266 381 |
| III. Net cash flow from financing activities | -912 315 | 399 851 | 1 378 217 | 1 465 003 |
| IV. Total net cash flow | 1 074 994 | 6 040 983 | 580 685 | 2 479 946 |

Bank  BPH

Comments to Consolidated Report of
Bank BPH Group according to
International Financial Reporting Standards

3 quarters
2005

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1. Summary

| Item (PLN thousand) | 30.09.2005 | 30.09.2004 | Change |
|--|------------|------------|---------|
| Profit and loss account | | | |
| - Net interest income | 1,471,037 | 1,337,641 | +10.0% |
| - Net fee and commission income | 734,804 | 695,560 | +5.6% |
| - Net trading result | 82,961 | 42,634 | +94.6% |
| - Impairment charges | -196,246 | -195,416 | +0.4% |
| - General administrative expense | -1,169,722 | -1,156,414 | +1.2% |
| - Pre-tax profit | 901,211 | 708,907 | +27.1% |
| - Net profit | 716,376 | 555,553 | +28.9% |
| Balance sheet | | | |
| - Balance sheet total | 61,152,243 | 50,426,155 | +21.3% |
| - Net amounts due from customers* | 31,085,414 | 28,217,537 | +10.2% |
| - Risk-weighted assets | 36,845,100 | 31,947,475 | +15.3% |
| - Amounts due to customers | 37,060,640 | 33,083,064 | +12.0% |
| - Shareholders' equity | 6,125,252 | 5,567,298 | +10.0% |
| Ratios (%) | | | |
| - Pre-tax return on equity (pre-tax ROE) | 19.65 | 17.49 | +2.16pp |
| - Net return on equity (net ROE) | 15.62 | 13.71 | +1.91pp |
| - Return on assets (ROA) | 1.74 | 1.55 | +0.19pp |
| - Interest margin on total assets | 3.58 | 3.72 | -0.14pp |
| - Cost/Income ratio | 50.93 | 54.74 | -3.81pp |
| - Capital adequacy ratio | 13.09 | 13.77 | -0.68pp |

* Net of impairment write-offs

3Q2005 - best quarterly financial results and efficiency due to further business growth.

- A pre-tax profit reached PLN 323 m and a net profit of PLN 261 m for the 3Q2005 (up by 49% and 64% as compared with 3Q2004), while a cumulative 3Qs2005 results were equal to PLN 901 m (up 27% y/y) and PLN 716 m (up 29%) respectively
- Better efficiency ratios: pre-tax ROE rose to 19.6% and net to 15.6%, while C/I ratio dropped to 50.9%
- Further improvement of asset quality (NPL ratio at a 9.5% level, accompanied by a 25% fall in the volume of irregular loans)
- Hefty growth of a b/s total maintained (21% y/y), thanks to a loans upturn of 10% and deposits up by 12%
- Enhanced sales of retail strategic products: mortgages (45% y/y), credit cards (67%), Harmonium packages (45%), SME loans (19%) and ROR accounts (11%)
- Multiple growth dynamics in the number of transactions with corporate clients (more than eight times for *Trans-Debit* and four times for *Trans-Collect*); development of structural finance and corporate bonds' issues; a 55% rise in assets under custody and 26% in the volume of inter-bank transactions.

After 3Qs2005 Bank BPH achieved more than favorable financial results with a consolidated pre-tax profit rising by 27% to PLN 901 211 ths and net profit by 29% to PLN 716 376 ths, as compared with the 2004 corresponding period. As a result, the efficiency ratios bettered: pre-tax

ROE by 2.2 pp to 19.7%, net by 1.9 pp to 15.6% and EPS by 29% to 25 PLN.

Behind this earnings improvement was business expansion. After 3Qs2005 result on banking activity climbed by 10% to PLN 2 289 ths, fuelled by upbeats in interests of 10%, negatively touched by interest margin slide to 3.6%, though and F&C incomes (+6%).

Bank BPH reported a modest 1.2% rise in activity costs associated with the strategy implementation. 17 new outlets have been set up since the beginning of this year, making up for 480 in total at the end of September, what triggered employment growth (by 88 FTEs, up to 9 742). Due to a higher growth dynamics of income rather than costs, C/I ratio fell by 3.8 p.p. to 50.9% on a yearly basis, positively distinguishing the Bank from its peers.

The quality of assets further improved due to 10% growth of new lending and writing-off a portion of loss loans as well as a more efficient debt collection. Hence, NPL volume fell by 25% and represented a 9.5% share in overall loan portfolio as at end-Sept.

Bank BPH fast development is evident in b/s boost of 21% to PLN 61 152 m y/y, stemming from high growth in clients deposits (12%) and loans (10%), along with the first tranche of EMTN issue. Business development was recorded in all market segments. Retail loans hit an annual pace of 25% (6.6% over 2Q05) reaching PLN 16 bn. High growth dynamics in mortgage sales was maintained with its volume expanding by 36% y/y (7% over 2Q05) to PLN 9 bn at the end of September. Retail deposits rose by 11% y/y and 2.9% only in 3Q05. Thanks to efficient marketing campaigns the number of current accounts serviced by the Bank mounted by 11% y/y (4% during 3Q05 alone) and credit cards by 67% (7% in 3Q05). The number of internet banking clients surged by 82% y/y up to 431 ths, and call center's by 46% to 501 ths. The promotion of SME loans helped to encourage its volume by 19%.

The average indebtedness of corporate clients edged up by 8.8% y/y to PLN 17.4 bn, while deposits by 18.7% to PLN 12.8 bn. The size of settlement transactions for companies significantly increased. An integrated services package based on *BusinessNet* internet system is held in high esteem by the market (European Medal and Euro-product 2005 awards). More than 8 times higher number of transactions serviced by this application was recorded,

while the number of electronic banking transactions through Trans-Collect system equaled 9.7 m, positioning the Bank as second in the sector's mass payments. 7 syndicated loan transactions for 2005, made the Bank a No. 1 arranger in the sector.

Bank BPH expanded its activities on money, currency and capital markets. Owing to the acquisition of new pension and investment funds, a 55% boost in assets under custody was reported. The value of turnover of inter-bank transactions went up by 26%. The International Markets Division arranged issues of medium and long-term corporate bonds for the total amount of PLN 640 m, which constitutes a 60% share in new bond issues, ranking the Bank first in the market. A rise in the number of trading transactions with customers contributed to a 27% upturn in margin on fixed-rate products and derivatives. Treasury transactions for clients are carried out automatically by fully integrated front and back-office systems, what facilitates the acquisition of new orders and puts the Bank high on the market in service quality.

The Bank's capital group companies saw favorable sales and financial results as well. The value of newly leased assets went up over a year by 22% (i.e. by PLN 664 m), while the leasing subsidiary's net profit after 3Qs2005 equaled PLN 18.6 m. The other Bank's (indirect) subsidiary, the investment fund BPH TFI S.A. raised its assets 2.8 times during 3Qs of the year, reaching PLN 2.9 bn, whereas its financial result accounted for PLN 1.5 m. The mortgage bank BPH Bank Hipoteczny noted a net profit of PLN 19.1 m, a 15.7% upbeat compared with last year's 3Qs.

2. Principles used in preparing the consolidated quarterly report and their changes

The accounting principles used in 3Q 2005 were the same as in 1Q and 2Q 2005. Since the beginning of the year, Bank BPH Group has been developing consolidated financial statements based on the requirements stemming from International Financial Reporting Standards (IFRS) in the version approved by the European Union, and within the scope not regulated therein, in accordance with the Act of 29 September 1994 on Accounting (Journal of Laws of 2002 No. 75, item 694, as amended) and the implementing regulations issued thereunder, as well as the requirements laid down in the Ordinance of the Council of Ministers of 31 March 2005 on current and periodic

information submitted by issuers of securities (Journal of Laws of 2005, No. 49, item 463). This quarterly report complies with the International Accounting Standard (IAS) 34 (mid-year financial reporting).

Given the process of EU adopting the IFRS, there are no significant differences between the accounting standards applied by the Group in accordance with the IFRS and the IFRS version approved by the EU, as of the date of the mid-year consolidated financial statements.

Bank BPH's reports are consolidated directly within the financial reports of Bank Austria Creditanstalt AG (BA-CA) with its seat in Vienna (Austria), as the majority shareholder, and indirectly within financial report of the whole HVB/BA-CA Group.

On the other hand, the Bank BPH Group consolidated report includes the following subsidiaries:

- BPH Bank Hipoteczny S.A. w Warszawie (formerly HVB Bank Hipoteczny S.A. w Warszawie), in which the Bank holds a 99.941% share;
- BPH PBK Leasing S.A. w Warszawie, a wholly owned subsidiary consolidated since 1 January 2005; and
- BPH Finance plc, London, first consolidated on 1 June 2005. It is a special-purpose company established by the Bank to implement a Eurobond issue program.

The Bank's other subsidiaries and associated entities are not consolidated due to their immateriality.

A detailed discussion of the accounting principles is provided in the consolidated Report for 1H 2005.

3. Bank BPH SA's quotations ¹

The 3rd quarter saw very high increases in share prices on the Warsaw Stock Exchange and record-breaking levels of the main indices. From the first session in July 2005 to the last one of September, both the largest company index – WIG20 – and the broad market index – WIG – rose in value, by 21.7% and 18.1%, respectively. Among the industry indices, the WIG-Banki index of the banking

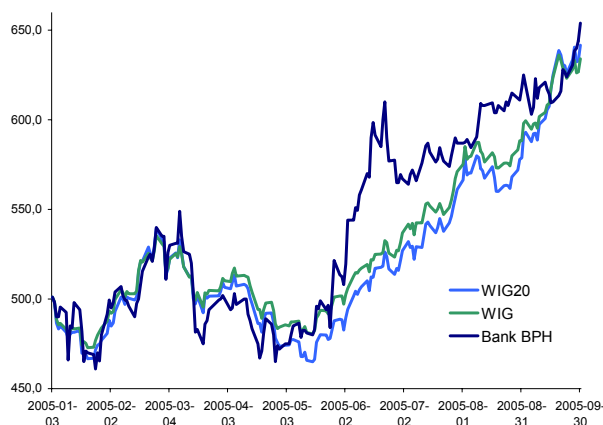
¹Bank BPH's shares are quoted on the primary market of the Warsaw Stock Exchange in the continuous listing system. The shares belong to the group of most liquid assets on the Warsaw Stock Exchange and form part of the prestigious WIG20 index as well as the WIG and WIG-Banki indices. Global Depository Receipts (GDR) of the Bank are also listed on the London Stock Exchange.

sector developed very favorably, moving by 19.6% between July and September 2005.

The 3rd quarter started with the continuation of the growth trend that began in mid-May. As early as at the beginning of July, the WIG index broke its historic record level several times, while the WIG20 large company index was at the highest level in five months at the end of July. The sentiment was bullish until the end of the quarter, and as a result WIG kept crossing record levels, while in late September WIG20 reached its historic peak. This bull market was, to a great extent, due to the high interest of foreign investors in emerging markets. The Warsaw Stock Exchange market also benefited from the good 2nd quarter results of companies, particularly those included in WIG20, the favorable economic trends and the decreasing political risk related to the parliamentary and presidential elections.

After a downward correction of BPH share prices at the end of June, the 3rd quarter brought improved climate and price growth of 15.3% from PLN 567 at the first July session until the end of September. The price tended to go north throughout the 3rd quarter. In late August, Bank BPH price reached its historic maximum, which was bested several times in September. September saw the highest quoted price of PLN 654. The quarterly volume of trading was somewhat lower than in the previous quarter: 1.566 million shares, but still close to the historic maximum. This trend was also reflected by the average session volume of 24,087 shares, 15.4% less than in the 2nd quarter.

Bank BPH's share quotations on Warsaw Stock Exchange and value of WIG and WIG20 indices within 3Qs2005²



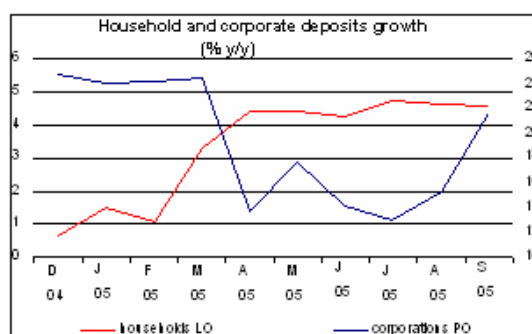
²WIG and WIG20 indices have been rescaled in respect of the price of Bank BPH shares as of 3 January 2005.

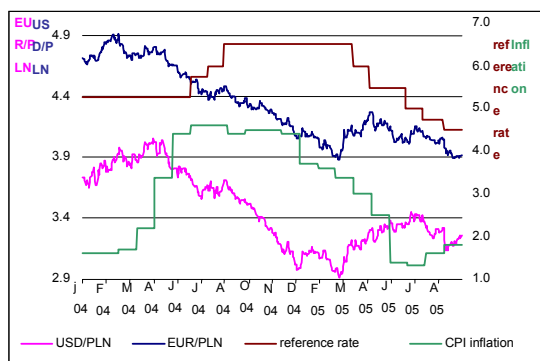
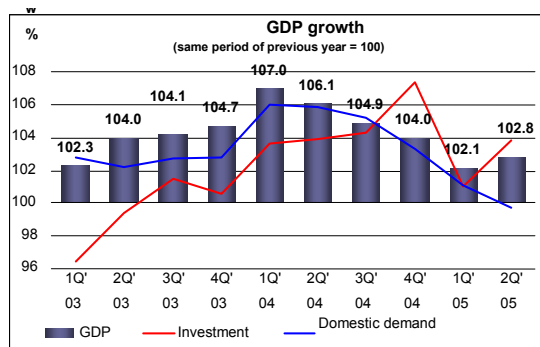
4. Economic conditions and market situation in 3Q 2005

In the context of the anticipated inflation level (1.8% y/y at end September), the Monetary Policy Council made two cuts of interest rates in the 3rd quarter and maintained the relaxed monetary policy. At the September meeting, the Council left the rates unchanged. Thus, at the end of 3Q, the reference rate was 4.5%, lombard rate: 6%, and bill rediscount rate: 4.75% per annum. At the same time, the Council noted that faster growth of industrial production (4.6% y/y), an upturn in construction (6.5% y/y), an increase in retail sales of 7.9% and better labor market figures (the unemployment rate falling to 17.8%) suggested that the GDP grew faster in the 3rd quarter than in the 2nd one.

Published September figures indicate that the economy continued to develop favorably. Despite appreciation of the zloty, export growth rate remained high, industrial production rose by 5.5% y/y, construction and building trades gained pace and reached 10.5% growth y/y, retail sales growth slowed to 5.4% y/y and the unemployment rate continued to shrink (down to 17.6%).

In the 3rd quarter of 2005, the annual M3 money supply grew to 12.7% at the end of September against 10.8% at the end of June. Of all the aggregate monetary measures, the most surprising was the faster growth of corporate deposits, which increased by 21.6% y/y at the end of the quarter. Corporate debt grew at 1.5% y/y at the end of September, compared to just 0.8% y/y as of the end of June. The situation in the market of household loans and deposits was generally unchanged. Their deposits grew by 4.6% y/y, and loans by 19% y/y.





5. Profit and loss account of Bank BPH Group

5.1 Net interest income

The net interest income for 3 quarters of 2005 was 10.0% greater than in the corresponding period of the previous year (PLN 133.396 thousand), mainly due to a 25% increase in the volume of loans granted to retail customers (including 36% growth in mortgage loans).

Net interest income

| | 3Q 2005 | 3Q 2004 | Change (1/2) | | 1-3Qs 2005 | 1-3Qs 2004 | Change (5/6) | |
|----------------------------|----------------|----------------|---------------|------------|------------------|------------------|----------------|-------------|
| | | | PLN'000 | % | | | PLN'000 | % |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Interest income | 931,411 | 716,355 | 215,056 | 30.0 | 2,760,024 | 1,926,967 | 833,057 | 43.2 |
| Interest expense | -439,919 | -252,064 | -187,855 | 74.5 | -1,333,050 | -593,453 | -739,597 | 124.6 |
| Result on leases | 17,410 | 1,617 | 15,793 | 976.7 | 44,063 | 4,127 | 39,936 | 967.7 |
| NET INTEREST INCOME | 508,902 | 465,908 | 42,994 | 9.2 | 1,471,037 | 1,337,641 | 133,396 | 10.0 |

5.2 Provisions

During 3 quarters of 2005, additional impairment charges were built-up in the amount of PLN 195.4m, representing a 0.4% rise in relation to the corresponding period of the previous year. Although contributing to improved quality of the loan portfolio, the creation of additional provisions is attributable to a consciously pursued prudential credit risk management policy.

Impairment charges

| | 3Q 2005 | 3Q 2004 | Change (1/2) | | 1-3Qs 2005 | 1-3Qs 2004 | Change (5/6) | |
|---------------------------------------|-----------------|-----------------|----------------|-------------|-----------------|-----------------|----------------|------------|
| | | | PLN'000 | % | | | PLN'000 | % |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Allocations | -264,839 | -241,846 | -22,993 | 9.5 | -943,181 | -929,813 | -13,368 | 1.4 |
| Revaluation of loans and advances | -259,533 | -216,684 | -42,849 | 19.8 | -920,896 | -868,825 | -52,071 | 6.0 |
| Provisions for contingent liabilities | -5,306 | -25,162 | 19,856 | -78.9 | -22,285 | -60,988 | 38,703 | -63.5 |
| Changes | 203,678 | 179,141 | 24,537 | 13.7 | 746,935 | 734,397 | 12,538 | 1.7 |
| Revaluation of loans and advances | 198,545 | 153,882 | 44,663 | 29.0 | 722,014 | 673,927 | 48,087 | 7.1 |
| Provisions for contingent liabilities | 5,133 | 25,259 | -20,126 | -79.7 | 24,921 | 60,470 | -35,549 | -58.8 |
| IMPAIRMENT CHARGES | -61,161 | -62,705 | 1,544 | -2.5 | -196,246 | -195,416 | -830 | 0.4 |

5.3 Net fee and commission income

Compared to 3Q 2004, the net fee and commission income grew by PLN 52,561 thousand (i.e. 24.9%). However, when set against the aggregate data for the 3 quarters of 2005, its growth rate amounted to 5.6% (PLN 39,244 thousand). Net fee and commission income on securities and custody business, almost 50% higher in relation to the corresponding period of the previous year, grew the most. High growth dynamic of net fee and commission income was also recorded on the handling of international payments (a 15.1% rise).

Breakdown of net fee and commission income

| | 3Q 2005 | 3Q 2004 | Change (1/2) | | 1-3Qs 2005 | 1-3Qs 2004 | Change (5/6) | |
|--------------------------------------|----------------|----------------|---------------|-------------|----------------|----------------|---------------|------------|
| | | | PLN'000 | % | | | PLN'000 | % |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Securities and custody business | 21,158 | 10,904 | 10,254 | 94.0 | 52,947 | 35,352 | 17,595 | 49.8 |
| Loans and advances | 43,917 | 37,662 | 6,255 | 16.6 | 121,660 | 124,887 | -3,227 | -2.6 |
| Domestic payments | 99,881 | 89,452 | 10,429 | 11.7 | 282,090 | 301,481 | -19,391 | -6.4 |
| International payments | 95,503 | 79,035 | 16,468 | 20.8 | 273,711 | 237,798 | 35,913 | 15.1 |
| Other | 3,366 | -5,789 | 9,155 | 158.1 | 4,396 | -3,958 | 8,354 | 211.1 |
| Net fee and commission income | 263,825 | 211,264 | 52,561 | 24.9 | 734,804 | 695,560 | 39,244 | 5.6 |

5.4 General administrative expenses

On an aggregate basis for 3 quarters of 2005, total general administrative expenses were 1.2% higher than those reported in 2004. The depreciation expenses fell (by 5.5%) and so did building maintenance and rent costs (by 4.3%). On the other hand, salaries increased 6% following the opening of new outlets and employment growth. Compared to 3Q 2004, general administrative expenses rose by 3.0% (PLN 11,307 thousand) and reached PLN 385,028 thousand.

Changes in general administrative expenses

| | 3Q 2005 | | 3Q 2004 | | Change (1/2) | | 1-3Qs 2005 | | 1-3Qs 2004 | | Change (5/6) | |
|--------------------------------|----------------|----------------|---------------|------------|------------------|------------------|---------------|------------|------------|--|--------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | | |
| | | | PLN'000 | % | PLN'000 | % | PLN'000 | % | | | | |
| Salaries and employee benefits | 191,868 | 163,400 | 28,468 | 17.4 | 549,146 | 517,895 | 31,251 | 6.0 | | | | |
| Building maintenance and rents | 49,631 | 64,549 | -14,918 | -23.1 | 174,063 | 181,921 | -7,858 | -4.3 | | | | |
| Other expenses | 88,506 | 94,503 | -5,997 | -6.3 | 279,818 | 280,164 | -346 | -0.1 | | | | |
| Depreciation | 55,023 | 51,269 | 3,754 | 7.3 | 166,695 | 176,434 | -9,739 | -5.5 | | | | |
| TOTAL | 385,028 | 373,721 | 11,307 | 3.0 | 1,169,722 | 1,156,414 | 13,308 | 1.2 | | | | |

5.5 Asset impairment write-offs made

The net value of property and equipment as well as intangibles liquidated over the first 3 quarters of 2005 amounted to PLN 3,377 thousand, which was associated with further implementation of the Bank's facility management program.

An additional allocation of PLN 691 thousand was made on account of the impairment of shares in BPH Auto Finanse S.A. (former PBK Inwestycje) to reflect its loss of goodwill.

6. Balance sheet of Bank BPH Group

6.1 Assets

The balance sheet total of Bank BPH Group increased by 18.4% compared to year-end 2004 and reached PLN 61,152,243 thousand, whereas in relation to the corresponding period of the previous year it expanded 21.3%, i.e. by PLN 10,726,088 thousand. The breakdown of assets was caused by an increase in amounts due from customers (the volume of loans to private individuals grew), amounts due from banks (greater placements in the inter-bank market) and other financial assets (increase of non-trading debt securities).

Changes to asset breakdown, PLN'000

| Assets | As at 30.09.2005 | | As at 31.12.2004 | | Change (1/2) | | As at 30.09.2004 | | Change (1/5) | |
|-------------------------------------|-------------------|-------------------|------------------|-------------|-------------------|-------------------|------------------|--|--------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| Cash and balances with central bank | 2,712,735 | 4,058,952 | -1,346,217 | -33.2 | 3,432,154 | -719,419 | -21.0 | | | |
| Trading assets | 2,219,583 | 5,362,144 | -3,142,561 | -58.6 | 4,274,915 | -2,055,332 | -48.1 | | | |
| Amounts due from banks | 12,785,223 | 7,977,046 | 4,808,177 | 60.3 | 7,481,784 | 5,303,439 | 70.9 | | | |
| including impairment write-off | -3 | -1 | -2 | 200.0 | 0 | -3 | 100.0 | | | |
| Amounts due from customers | 31,085,414 | 28,030,784 | 3,054,630 | 10.9 | 28,217,537 | 2,867,877 | 10.2 | | | |
| including impairment write-offs | -1,837,115 | -1,776,469 | -60,646 | 3.4 | -2,362,234 | 525,119 | -22.2 | | | |
| Other financial assets | 10,246,258 | 4,074,630 | 6,171,628 | 151.5 | 4,929,937 | 5,316,321 | 107.8 | | | |
| Property and equipment | 913,986 | 960,127 | -46,141 | -4.8 | 943,793 | -29,807 | -3.2 | | | |
| Intangibles | 294,148 | 305,842 | -11,694 | -3.8 | 356,294 | -62,146 | -17.4 | | | |
| Other assets | 894,896 | 864,354 | 30,542 | 3.5 | 789,741 | 105,155 | 13.3 | | | |
| TOTAL ASSETS | 61,152,243 | 51,633,879 | 9,518,364 | 18.4 | 50,426,155 | 10,726,088 | 21.3 | | | |

6.2 Loans and advances

3Q 2005 saw a further improvement to the quality of our lending portfolio. Doubtful category dropped from 11.1% at the end of 2004 to 9.5%, while the Watch category came down from 5.3% to 5.1%.

| Dues category | As at 30.09.2005 | | As at 31.12.2004 | | As at 30.09.2004 | |
|-----------------------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | PLN'000 | % | PLN'000 | % | PLN'000 | % |
| Normal | 27,299,358 | 85.9 | 24,825,483 | 83.6 | 24,799,613 | 81.8 |
| Watch | 1,444,934 | 4.6 | 1,571,238 | 5.3 | 1,495,760 | 4.9 |
| Non-performing, including: | 3,030,629 | 9.5 | 3,281,570 | 11.1 | 4,015,582 | 13.2 |
| Substandard | 506,458 | 1.6 | 558,793 | 1.9 | 592,308 | 2.0 |
| Doubtful | 404,807 | 1.3 | 642,468 | 2.2 | 727,296 | 2.4 |
| Loss | 2,119,364 | 6.7 | 2,080,309 | 7.0 | 2,695,978 | 8.9 |
| TOTAL | 31,774,921 | 100.0 | 29,678,291 | 100.0 | 30,310,955 | 100.0 |

6.3 Liabilities and equity

Most of the changes to the asset financing structure against the corresponding period are attributable to the increased amounts due to banks (more placements on the inter-bank market), higher customers' deposits and greater amount of liabilities evidenced with certificates.

Changes in assets financing sources, PLN'000

| Liabilities and equity | As at | | Change (1/2) | | As at | | Change (1/5) | |
|---|-------------------|-------------------|------------------|-------------|-------------------|-------------------|--------------|--|
| | 30.09.2005 | 31.12.2004 | PLN'000 | % | 30.09.2004 | PLN'000 | % | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| Amounts due to the central bank | 87,810 | 77,133 | 10,677 | 13.8 | 97,124 | -9,314 | -9.6 | |
| Amounts due to banks | 10,043,549 | 5,802,571 | 4,240,978 | 73.1 | 6,654,519 | 3,389,030 | 50.9 | |
| Amounts due to customers | 37,060,640 | 34,329,152 | 2,731,488 | 8.0 | 33,083,064 | 3,977,576 | 12.0 | |
| Liabilities evidenced with certificates | 4,341,139 | 2,095,628 | 2,245,511 | 107.2 | 2,406,507 | 1,934,632 | 80.4 | |
| Provisions | 626,365 | 744,960 | -118,595 | -15.9 | 520,557 | 105,808 | 20.3 | |
| Trading financial liabilities | 1,594,396 | 2,094,551 | -500,155 | -23.9 | 1,315,407 | 278,989 | 21.2 | |
| Other liabilities | 1,272,956 | 655,580 | 617,376 | 94.2 | 781,557 | 491,399 | 62.9 | |
| Minority interests | 136 | 126 | 10 | 7.9 | 122 | 14 | 11.5 | |
| Equity | 6,125,252 | 5,834,178 | 291,074 | 5.0 | 5,567,298 | 557,954 | 10.0 | |
| TOTAL LIABILITIES AND EQUITY | 61,152,243 | 51,633,879 | 9,518,364 | 18.4 | 50,426,155 | 10,726,088 | 21.3 | |

6.4 Deferred income tax reserve and assets

The balance of deferred tax assets and provision is reported in the balance sheet. Any changes to the figures for the previous quarter are due to the timing differences.

Balance of deferred income tax reserve and assets, PLN'000

| | As at 30.09.2005 | As at 31.12.2004 | As at 30.09.2004 |
|----------------------------|------------------|------------------|------------------|
| Deferred income tax assets | 629,335 | 737,188 | 571,740 |
| Income tax provision | 569,457 | 647,369 | 438,758 |

7. Breakdown into business segments

The business segmentation of Bank BPH Group strictly follows its management structure which is based on division of competencies into sales and risk management (interest rate risk, currency risk and liquidity risk). Within the sales competence, two segments have been distinguished, namely Retail Banking and Corporate Banking. Meanwhile, the functions responsible for managing interest rate, currency and liquidity risks are consolidated into a single segment (central unit) called International Markets.

Selected items of the profit and loss account as well as the balance sheet by business segment over 3 quarters of 2005, PLN'000

| CONSOLIDATED PROFIT AND LOSS ACCOUNT | Business segments | | | Other (not allocated to segments) | Consolidated value (1+2+3+4) | |
|--------------------------------------|-------------------|------------|------------|-----------------------------------|------------------------------|------------|
| | Retail | Corporate | INM* | | | |
| | 1 | 2 | 3 | 4 | | |
| Net interest income | 1Q 2005 | 278,176 | 110,205 | 13,088 | 70,401 | 471,870 |
| | 2Q 2005 | 290,527 | 100,681 | 33,328 | 65,730 | 490,265 |
| | 3Q 2005 | 291,494 | 106,128 | 40,035 | 71,245 | 508,902 |
| Impairment write-offs | 1Q 2005 | -47,897 | -32,083 | 0 | 0 | -79,980 |
| | 2Q 2005 | -45,708 | -9,397 | 0 | 0 | -55,105 |
| | 3Q 2005 | -43,874 | -17,286 | 0 | 0 | -61,161 |
| Net fee and commission income | 1Q 2005 | 170,191 | 86,407 | -1,378 | -25,120 | 230,100 |
| | 2Q 2005 | 186,607 | 92,171 | -1,777 | -36,122 | 240,879 |
| | 3Q 2005 | 199,021 | 96,050 | -2,075 | -29,171 | 263,825 |
| Net trading result | 1Q 2005 | 0 | 0 | 43,472 | 703 | 44,175 |
| | 2Q 2005 | 0 | 0 | 37,507 | -663 | 36,844 |
| | 3Q 2005 | 0 | 0 | -5,977 | 7,919 | 1,942 |
| General administrative expenses | 1Q 2005 | -285,092 | -108,719 | -15,635 | 5,907 | -403,538 |
| | 2Q 2005 | -261,003 | -101,140 | -13,174 | -5,838 | -381,156 |
| | 3Q 2005 | -279,327 | -88,750 | -17,160 | 209 | -385,028 |
| Gross operating profit | 1Q 2005 | 110,257 | 54,885 | 36,557 | 54,129 | 255,827 |
| | 2Q 2005 | 165,412 | 81,756 | 72,799 | 2,182 | 322,150 |
| | 3Q 2005 | 167,322 | 96,268 | 17,048 | 42,597 | 323,234 |
| BALANCE SHEET | | | | | | |
| Total assets | 31.03.2005 | 14,431,396 | 18,387,970 | 15,543,429 | 4,534,339 | 52,897,134 |
| | 30.06.2005 | 16,328,814 | 19,954,646 | 18,010,431 | 4,665,532 | 58,959,423 |
| | 30.09.2005 | 17,373,211 | 20,122,247 | 18,847,375 | 4,809,410 | 61,152,243 |
| Total liabilities and equity | 31.03.2005 | 22,218,034 | 14,604,544 | 8,353,826 | 7,720,730 | 52,897,134 |
| | 30.06.2005 | 24,506,067 | 16,019,410 | 9,959,867 | 8,474,079 | 58,959,423 |
| | 30.09.2005 | 25,376,272 | 16,608,515 | 10,763,467 | 8,403,989 | 61,152,243 |

* Net of the result on sales of treasury and custody products executed by the International Markets Division and presented entirely in the results of the Corporate and Retail segments.

8. Important actions of Bank BPH Group and list of key developments

Selected financial data of Bank BPH SA Group companies:

| Company | Registered address | Bank's % share of votes at the company's GM | Shareholders' equity | Total assets |
|---|--------------------|---|----------------------|--------------|
| Dominant entity | | | | |
| Bank BPH Spółka Akcyjna | Kraków | | 6 078 248 | 60 139 970 |
| Consolidated subsidiaries | | | | |
| BPH Bank Hipoteczny S.A. | Warszawa | 99.94% | 198 963 | 1 541 448 |
| BPH Finance plc. | Londyn | 100.00% | 1 338 | 1 978 422 |
| BPH PBK Leasing S.A. | Warszawa | 100.0% | 188 815 | 189 466 |
| Unconsolidated subsidiaries | | | | |
| BPH PBK Zarządzanie Funduszami Sp. z o.o. | Warszawa | 100.00% | 10 094 | 10 100 |
| Final Holding Sp. z o.o.** | Warszawa | 100.00% | 53 936 | 54 040 |
| Centrum Usług Księgowych Sp. z o.o. | Kraków | 100.00% | 53 | 76 |
| PBK Property Sp. z o.o. | Warszawa | 99.995% | 16 794 | 23 315 |
| Centrum Bankowości Bezpośredniej Sp. z o.o. | Kraków | 98.00% | 9 123 | 10 136 |
| BPH Real Estate S.A.*** | Warszawa | 100.00% | 377 | 384 |
| Indirect subsidiaries, subsidiaries of BPH PBK Leasing S.A. | | | | |
| PBK Leasing S.A. | Warszawa | 100.00% | 37 054 | 42 093 |
| BPH Leasing S.A. | Warszawa | 100.00% | 85 188 | 1 167 935 |
| BPH Auto Finanse S.A.* | Warszawa | 100.00% | 117 747 | 118 808 |
| Indirect subsidiaries, subsidiaries of Final Holding Sp. z o.o. | | | | |
| Media Magnus Sp. z o.o. | Warszawa | 100.00% | -19 | 7 |
| Final S.A. | Dąbrowa Górnicza | 99.78% | 22 206 | 67 818 |
| Asset S.A. | Warszawa | 100.00% | 83 | 83 |
| Subsidiaries of Asset S.A. | | | | |
| 3W Internet Marketing Sp. z o.o. | Warszawa | 99.83% | -2 781 | 719 |
| Bancom Sp. z o.o. | Warszawa | 99.69% | -1 309 | 1 523 |
| Motosoft Sp. z o.o. | Warszawa | 90.91% | 63 | 1 416 |
| PKBL S.A. under liquidation | Warszawa | 84.79% | -29 018 | 1 576 |
| Eratech S.A. | Łódź | 75.39% | n/a | n/a |
| Indirect subsidiaries, subsidiaries of PBK Property Sp. z o.o. | | | | |
| FPB Media Sp. z o.o. | Warszawa | 99.995% | -2 071 | 24 226 |
| Indirect subsidiaries, subsidiaries of BPH PBK Zarządzanie Funduszami Sp. z o.o. | | | | |
| BPH Towarzystwo Funduszy Inwestycyjnych S.A. | Warszawa | 61.41% | 8 207 | 18 324 |
| Affiliated companies of Bank BPH SA | | | | |
| Międzybankowe Centrum Gotówki Sp. z o.o. | Kraków | 25.00% | 10 876 | 17 070 |
| Polish Banking System S.A. under liquidation | Warszawa | 48.90% | n/a | n/a |
| PPP Budpress Sp. z o.o. under liquidation | Warszawa | 36.20% | n/a | n/a |
| Bankowe Doradztwo Podatkowe Sp. z o.o. | Kraków | 48.68% | 73 | 122 |
| Indirect affiliated company, affiliated with Final Holding Sp. z o.o. | | | | |
| Podlaskie Centrum Rolno-Towarowe S.A. | Białystok | 21.33% | 9 928 | 12 082 |
| Indirect affiliated company, affiliated with BPH PBK Zarządzanie Funduszami Sp. z o.o. | | | | |
| CA IB Investment Management S.A. | Warszawa | 40.00% | 8 300 | 9 329 |

* formerly PBK Inwestycje S.A.

** formerly BPH PBK Doradztwo Finansowe Sp. z o.o.

*** formerly Atut Finanse S.A. under liquidation

8.1 Acquisition of shares in Atut Finanse S.A. under liquidation

On 19 July, the Bank acquired two blocks of shares in Atut Finanse S.A. under liquidation. The sellers were two Bank BPH Group companies: Final Holding Sp. z o.o., a

subsidiary of the Bank, which held 151,000 shares, and the indirect subsidiary of the Bank – Asset S.A., which held 10,000 shares. The value of acquired share blocks totaled PLN 376,440.00, conferring the right to 100% of votes at the GM. In August, the court ruled on discontinuation of the liquidation process, registered the change of the name from Atut Finanse S.A. under liquidation to BPH Real Estate S.A. and the change of the business line. The core business of BPH Real Estate S.A. is property development and management. The acquisition of this company is a long-term investment.

8.2 Raising the equity of a subsidiary

In September, an increase of BPH PBK Leasing S.A. equity was registered. The company's equity was raised by way of issuance of 4,657,729 registered shares, all of which were taken up by the Bank in exchange for a contribution in kind in the form of 1,558,050 registered shares of BPH Auto Finanse S.A. The contribution was valued at PLN 116,443,225. Following the registration, the equity of BPH PBK Leasing S.A. amounts to PLN 206,671,225 and is divided into 8,266,849 shares conferring the right to 8,266,849 votes at the General Meeting of Shareholders. The Bank holds all shares in BPH PBK Leasing S.A. At present, the leasing group of the Bank consists of 4 companies: the Bank's subsidiary – BPH PBK Leasing S.A. and its 3 subsidiaries: BPH Leasing S.A., PBK Leasing S.A. and BPH Auto Finanse S.A.

9. Significant information on the issuer's human resource, asset and financial standing as well as its financial result

On 10 June 2005, the Annual General Meeting of Shareholders of Bank BPH SA passed GM the resolution on the distribution of 2004 profit, setting the dividend date and the dividend payment date. The dividend for 2004, of PLN 22.10 per share, was paid out on 15 July 2005 to shareholders who held Bank shares on 30 June 2005.

Moody's Investors Service Ltd. raised the financial strength rating of the Bank to C- (stable outlook) from D+ (positive outlook). Moody's is also considering whether to raise the long- and short-term credit ratings, which are at A3 and P-2 at present.

Fitch Ratings announced a positive outlook for the support rating of the Bank of 2. The rating was performed based on public information.

During the quarter, changes were made to the composition of the Supervisory Board of Bank BPH SA. After leaving Bank Austria Creditanstalt AG, Mr. Wolfgang Haller resigned from the office of a Bank's Supervisory Board member as of 5 September 2005. Mr. Janusz Reiter resigned from the office of a Supervisory Board member of Bank BPH SA as of 1 October 2005. The reason for his resignation was his appointment as the Polish Ambassador in Washington.

In September, the Bank Management Board passed the following resolutions: on the effectiveness of issue and the allocation of Series A132 Bonds of Bank BPH SA issued as part of the Bond Issue Program.

10. Developments after the quarterly report date with a potential impact on future financial performance

No developments that could significantly impact future financial performance had taken place.

11. Factors that influence results of at least one quarter

The improving general business climate in the economy provides an opportunity for volume growth, in particular for household loans and corporate deposits whose market growth is anticipated at the level of, respectively, 7.2% and 2.8% q/q.

The interest income dynamics will be, to a lesser extent, adversely affected by falling interest rates. It is forecasted that the decline of WIBOR 1M rate will be slowed down from 5.62% in 2Q 2005 and 4.74% in 3Q 2005 to 4.43% in 4Q 2005 and 4.00% throughout 2006. Despite falling interest rates, deposit margins within Bank BPH Group have remained stable since August.

Volume growth in retail loans will be primarily driven by housing loans in the provision of which Bank BPH Group is the market leader. Increased volume of housing loans is correlated with the observed recovery of the construction sector and with growing availability of mortgage loans and increased market competition.

Higher sales of loans as well as savings and investment products other than traditional placements contributed to increased net commission income in the current quarter (+9.5% change on the previous quarter) and this trend can be expected to continue in the following periods.

12. Shareholders controlling directly or indirectly 5 per cent or more of the issuer's GSM votes

The shareholder structure remained unchanged throughout the quarter, as well as on the reporting date.

Shareholders possessing at least 5 per cent of total votes at the Bank's GSM

| Item | Shareholder's name | SHARES | | VOTES AT GM | |
|-------|-------------------------------|------------|-------|-------------|-------|
| | | Number | % | Number | % |
| 1 | HVB Group, of which: | 20,458,354 | 71.24 | 20,458,354 | 71.24 |
| | Bank Austria Creditanstalt AG | 20,450,487 | 71.21 | 20,450,487 | 71.21 |
| 2 | State Treasury | 1,058,000 | 3.68 | 1,058,000 | 3.68 |
| 3 | The Bank of New York | 1,158,556 | 4.04 | 1,158,556 | 4.04 |
| 4 | Other shareholders | 6,041,320 | 21.04 | 6,041,320 | 21.04 |
| TOTAL | | 28,716,230 | 100 | 28,716,230 | 100 |

On 13 June 2005, the Bank Management Board was informed by the strategic investor of the planned merger of UniCredit and HVB which had concluded a Business Combination Agreement laying down the terms and conditions for such merger. Consequently:

- On 24 October 2005, the time limit for acceptance of the offer to exchange HVB shares for UniCredit shares drew to an end, with UniCredit acquiring 88% of HVB shares; and
- Following the bid for BA-CA shares, UniCredit purchased 10.64% of shares from the market, which, combined with the shares held by HVB, corresponded to some 88.17% of BA-CA's equity-CA.

The completion of UniCredit's offer for HVB and BA-CA shares is dependent on the fulfillment of the transaction registration criteria set under German and Austrian laws. The ultimate number of shares purchased by UniCredit may be subject to change following the extension of the offer's validity.

13. Information on the Bank's shares held by the issuers' Management Board and Supervisory Board members

The issuer's shares held by the Bank's Management Board members

| | Number of the Bank's shares held at: | |
|--|--------------------------------------|------------|
| | 30.09.2005 | 30.06.2005 |
| Józef Wancer, President of the Management Board | 0 | 0 |
| Mirosław Boniecki, Deputy President of the Management Board | 131 | 131 |
| Mariusz Grendowicz, Deputy President of the Management Board | 0 | 0 |
| Anton Knett, Deputy President of the Management Board | 0 | 0 |
| Niels Lundorff, Deputy President of the Management Board | 0 | 0 |
| Katarzyna Niezgoda, Deputy President of the Management Board | 0 | 0 |
| Wojciech Sobieraj, Deputy President of the Management Board | 0 | 0 |

The issuer's shares held by the Bank's Supervisory Board members

| | Number of the Bank's shares held at: | |
|--|--------------------------------------|------------|
| | 30.09.2005 | 30.06.2005 |
| Alicja Kornasiewicz, Chairperson | 0 | 0 |
| Erich Hampel, First Deputy Chairman | 0 | 0 |
| Regina Prehofer, Second Deputy Chairperson | 0 | 0 |
| Helmut Bernkopf | 0 | 0 |
| Stefan Ermisch | 0 | 0 |
| Krystyna Gawlikowska-Hueckel | 0 | 0 |
| Wolfgang Haller* | 0 | 0 |
| Marek Józefiak | 0 | 0 |
| Anna Krajewska | 0 | 0 |
| Michael Mendel | 0 | 0 |
| Janusz Reiter** | 0 | 0 |
| Johann Strobl | 0 | 0 |
| Andrzej Szeląg | 0 | 0 |
| Marek Wierzbowski*** | 0 | 0 |

* Supervisory Board member until 5 September 2005

** Supervisory Board member until 1 October 2005

*** According to the information received on 1 August 2005, Marek Wierzbowski, member of the Bank's Supervisory Board held no shares of Bank BPH as at 30 June 2005.

14. New proceedings before courts and other public administration bodies

During 3Q 2005, Bank BPH Group was not involved in any proceedings before any court, arbitrage authority or public administration body, related to the issuer's or the issuer's subsidiary's debt or claims, the value of which would constitute at least 10 per cent of the issuer's equity; or in any two or more proceedings related to liabilities or receivables of the combined value which would constitute, respectively, at least 10 per cent of the issuer's equity.

15. Management Board's position on actual performance against published annual forecasts

The Management Board of Bank BPH SA did not publish any financial forecasts for 2005.

16. Information on transactions with related entities

The transactions made with related entities over the three quarters of 2005 were typical and conducted at arm's length.

Transactions of related entities exceeding EUR 500 thousand

| (PLN'000) | 01.01-30.09.2005 | | | | |
|---|--------------------|-----------------------------|------------------|---------------------|-----------------------|
| | Dominant entity | Other entities of HVB Group | Subsidiaries | Associated entities | Consolidated entities |
| - FX transactions | 4,687,384 | 1,077,754 | 5,337 | 0 | 334,983 |
| - Forward, FX swaps | 68,217,121 | 2,752,290 | 40,185 | 0 | 2,737,100 |
| - IRS/CIRS | 10,164,955 | 1,782,573 | 0 | 0 | 200,890 |
| - FRA | 11,156,652 | 752,873 | 0 | 0 | 0 |
| - Options | 197,917 | 0 | 10,732 | 0 | 0 |
| - Off-balance sheet guarantees extended | 184,606 | 934 | 0 | 3,090 | 1,344 |
| - Placements | 800,510,559 | 1,794,233 | 0 | 0 | 0 |
| - Loans | 0 | 40,626 | 17,341 | 0 | 5,159 |
| - Deposits | 1,408,072 | 31,118,193 | 4,689,944 | 1,666,873 | 2,402,150 |
| - Securities | 2,212,730 | 377,760 | 275,800 | 0 | 2,466,150 |
| Total | 898,739,996 | 39,697,236 | 5,039,339 | 1,669,963 | 8,147,776 |

17. Information on loan underwriting or guarantees

No transactions carried out by Bank BPH Group fell within the scope of Art. 98 section 6 point 7 of the Council of Ministers' Ordinance dated 21 March 2005.

18. Additional information

During 3Q 2005, there appeared no new items, which could be defined as extraordinary (unusual) whether in terms of type, volume or impact on assets, liabilities, equity, net financial result or cash flows. The Group's activity is neither seasonal nor cyclical.

Below were presented converted comparative data as at end of last year's reporting period to account for presentation changes introduced this year as a result of IFRS adoption.

Balance sheet data adjusted for comparability, as at 30 September 2004

| BALANCE SHEET – NEW PATTERN (PLN'000) | Bank BPH Group | IAS adjust- ments/ reclassifica- tion adjust- ments | Total |
|--|-------------------|---|-------------------|
| I. Cash and balances with central bank | 3,434,347 | -2,193 | 3,432,154 |
| II. Trading assets | 5,059,664 | -784,749 | 4,274,915 |
| III. Loans and advances to, and place- ments with banks | 7,481,943 | -159 | 7,481,784 |
| -Loan loss provisions | 18,217 | | 18,217 |
| IV. Loans and advances to customers | 29,296,942 | -1,079,405 | 28,217,537 |
| - Loan loss provisions | 2,071,970 | 290,264 | 2,362,234 |
| V. Other financial assets | 5,060,969 | -131,032 | 4,929,937 |
| VI. Property and equipment | 910,316 | 33,477 | 943,793 |
| VII. Intangible assets | 403,503 | -47,209 | 356,294 |
| VIII. Other assets, of which: | 1,229,930 | -440,189 | 789,741 |
| - Income tax assets | 727,443 | -155,703 | 571,740 |
| TOTAL ASSETS | 52,877,614 | -2,451,459 | 50,426,155 |

| | | | |
|---|-------------------|-------------------|-------------------|
| I. Amounts owed to central bank | 0 | 97,124 | 97,124 |
| II. Amounts owed to banks | 6,934,429 | -279,910 | 6,654,519 |
| III. Amounts owed to customers | 33,083,545 | -481 | 33,083,064 |
| IV. Liabilities evidenced by certificates | 2,418,215 | -11,708 | 2,406,507 |
| V. Provisions, of which: | 945,404 | -424,847 | 520,557 |
| - Income tax provision | 580,694 | -141,936 | 438,758 |
| VI. Trading liabilities | 2,100,157 | -784,750 | 1,315,407 |
| VII. Other liabilities | 1,742,892 | -961,335 | 781,557 |
| IX. Subordinated liabilities | 0 | 0 | 0 |
| X. Minority interests | 130 | -8 | 122 |
| XI. Equity | 5,652,842 | -85,544 | 5,567,298 |
| TOTAL LIABILITIES | 52,877,614 | -2,451,459 | 50,426,155 |

Profit and Loss Account data adjusted for comparability, as at 30 September 2004 r.

| PROFIT AND LOSS ACCOUNT – NEW PATTERN | Period from 01.01.2004 to 30.09.2004 | IAS adjust- ments/ reclassifica- tion adjust- ments | Total |
|---|--|---|------------------|
| Interest income | 1,885,995 | 45,508 | 1,931,503 |
| Interest expense | -1,007,618 | 413,756 | -593,862 |
| Net interest income | 878,377 | 459,264 | 1,337,641 |
| Losses on loans and advances | -191,734 | -3,682 | -195,416 |
| Net interest income after losses on loans and advances | 686,643 | 455,582 | 1,142,225 |
| Fee and commission income | 717,240 | 113,870 | 831,110 |
| Fee and commission expense | -153,593 | 18,043 | -135,550 |
| Net fee and commission income | 563,647 | 131,913 | 695,560 |
| Net trading result | 676,923 | -634,289 | 42,634 |
| General administrative expenses | -1,157,054 | 640 | -1,156,414 |
| Other operating income and expenses | 37,940 | -1,284 | 36,656 |
| Operating profit | 808,099 | -47,438 | 760,661 |
| Net income from investments | -21,449 | -11,203 | -32,652 |
| Amortization of goodwill and intangible assets | -43,850 | 28,441 | -15,409 |
| Balance of other income and expenses | -3,693 | | -3,693 |
| Profit from ordinary activities | 739,107 | -30,200 | 708,907 |
| Income tax | -143,027 | -3,670 | -146,697 |
| Minority interests | -6,664 | 7 | -6,657 |
| Net income | 589,416 | -33,863 | 555,553 |