

(for capital group with the bank as the parent)

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

The Management Board of BRE Bank S.A.
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(date of submittal)

SELECTED FINANCIAL DATA	[000] PLN		[000] EUR	
	4 Q cumulative	4 Q cumulative	4 Q cumulative	4 Q cumulative
(current year)	from 1 Jan 2004 to 31 Dec 2004	from 1 Jan 2003 to 31 Dec 2003	from 1 Jan 2004 to 31 Dec 2004	from 1 Jan 2003 to 31 Dec 2003
I. Interest income	1 353 410	1 130 250	299 546	254 137
II. Commission income	434 664	358 026	96 203	80 502
III. Profit (loss) on banking activity	1 068 854	807 876	236 566	181 651
IV. Operating profit (loss)	(179 119)	92 137	(39 644)	20 717
V. Gross profit (loss) before tax	(205 440)	66 915	(45 469)	15 046
VI. Net profit (loss)	(278 430)	8 874	(61 624)	1 995
VII. Net cash flow from operating activities	475 336	2 439 822	105 205	548 595
VIII. Net cash flow from investment activities	347 565	54 189	76 926	12 184
IX. Net cash flow from financial activities	878 021	1 143 971	194 330	257 222
X. Net cash flow, total	1 700 922	3 637 982	376 460	818 002
XI. Total assets	32 713 522	30 531 559	8 019 986	6 472 665
XII. Amounts due to the Central Bank	-	-	-	-
XIII. Amounts to the financial institutions	6 279 597	7 065 042	1 539 494	1 497 783
XIV. Amounts to the customer and public sector	14 323 575	12 117 950	3 511 541	2 568 995
XV. Equity	1 862 127	1 577 608	456 516	334 452
XVI. Share capital	114 853	91 882	28 157	19 479
XVII. Number of shares	28 713 125	22 970 500	28 713 125	22 970 500
XVIII. Book value per share (in PLN/EUR)	64.85	68.68	15.90	14.56
XIX. Diluted book value per share (in PLN/EUR)	-	-	-	-
XX. Solvency ratio	9.99	8.23	9.99	8.23
XXI. Profit (loss) per ordinary share (in PLN/EUR)	(9.70)	0.39	(2.15)	0.09
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)	-	-	-	-
XXIII. Declared or paid dividend per ordinary share (in PLN / EUR)	-	-	-	-

	as at	as at	as at	as at
CONSOLIDATED BALANCE SHEET [PLN'000]	31 Dec 2004 end of this quarter (2004)	30 Sept 2004 end of previous quarter	31 Dec 2003 end of this quarter (2003)	30 Sept 2003 end of previous quarter (2003)
Assets				
I. Cash and balances with the Central Bank	734 690	474 141	473 982	575 642
II. Debt securities eligible for rediscounting at the Central Bank	52 832	56 264	52 765	56 294
III. Receivables from financial institutions	7 191 204	5 590 040	4 432 653	3 824 812
1. Short-term	6 589 431	5 402 406	4 088 864	3 403 982
a) Current	3 612 032	3 219 943	2 092 008	1 755 452
b) Other short-term	2 977 399	2 182 463	1 996 856	1 648 530
2. Long-term	601 773	187 634	343 789	420 830
IV. Receivables from customers	12 757 841	14 185 516	13 745 077	14 014 888
1. Short-term	7 445 667	8 340 692	7 753 653	8 300 563
a) Current	1 849 846	1 737 440	1 509 900	1 808 744
b) Other short-term	5 595 821	6 603 252	6 243 753	6 491 819
2. Long-term	5 312 174	5 844 824	5 991 424	5 714 325
V. Receivables from the public sector	1 041 739	1 593 965	1 585 554	72 349
1. Short-term	1 021 475	1 539 668	1 556 363	48 522
a) Current receivables	8 059	1 551	7 726	7 505
b) Other short-term	1 013 416	1 538 117	1 548 637	41 017
2. Long-term	20 264	54 297	29 191	23 827
VI. Receivables under purchased securities with a buy-back clause	155 403	244 327	254 318	743 515
VII. Debt securities	4 387 909	4 412 456	3 780 853	4 053 911
VIII. Receivables from subordinated entities subject to equity accounting valuation	53 911	61 968	6 163	12 446
1. Subsidiaries	4 613	4 581	3 342	1 474
2. Joint-ventures	-	-	-	-
3. Affiliates	49 298	57 387	2 821	10 972
IX. Stocks and shares in subsidiaries subject to equity accounting valuation	142 873	207 059	104 790	106 882
X. Stocks and shares in joint ventures subject to equity accounting valuation	-	-	-	-
XI. Stocks and shares in associates subject to equity accounting valuation	853	1 632	4 700	3 784
XII. Stocks or shares in other entities	5 159	10 774	9 657	12 957
XIII. Other securities and financial assets	3 272 923	2 724 504	2 886 213	2 698 563
XIV. Intangible fixed assets, including:	390 623	470 456	420 958	397 467
- goodwill	33 826	81 192	90 801	94 005
XV. Goodwill of subordinated entities	269 839	457 895	460 845	465 747
XVI. Tangible fixed assets	529 087	570 390	833 009	831 333
XVII. Other assets	890 173	688 211	686 384	664 732
1. Repossessed assets	43	42	49	989
2. Reserves	5 173	60 683	59 539	76 919
3. Other	884 957	627 486	626 796	586 824
XVIII. Prepayments	836 463	740 629	793 638	1 010 174
1. Deferred income tax assets	772 461	662 590	701 913	931 301
2. Other prepaid items	64 002	78 039	91 725	78 873
Total assets	32 713 522	32 490 227	30 531 559	29 545 496
	-	-	-	-
Liabilities				
I. Amounts due to the Central Bank	-	-	-	901
II. Amounts due to financial institutions	6 279 597	6 207 046	7 065 042	6 575 460
1. Short-term	4 279 919	4 050 225	5 096 217	4 245 219
a) Current	1 205 374	1 108 493	1 022 165	1 197 793
b) Other short-term	3 074 545	2 941 732	4 074 052	3 047 426
2. Long-term	1 999 678	2 156 821	1 968 825	2 330 241
III. Amounts due to customers	14 214 887	12 690 206	12 052 470	10 615 146
1. Short-term	13 171 423	11 773 173	11 295 374	9 646 445
a) Current, including:	7 370 712	6 839 779	5 955 134	5 640 500
- saving deposits	2 604 340	2 552 931	2 324 341	2 068 570
b) Other short-term, including:	5 800 711	4 933 394	5 340 240	4 005 945
- saving deposits	1 043 428	707 151	536 155	481 947
2. Long-term, including:	1 043 464	917 033	757 096	968 701
- saving deposits	144 345	164 448	174 038	209 601
IV. Amounts due to the public sector	108 688	246 573	65 480	79 387
1. Short-term	106 992	244 812	62 894	76 784
a) Current	83 989	164 036	48 011	49 632
b) Other short-term	23 003	80 776	14 883	27 152
2. Long-term	1 696	1 761	2 586	2 603

V. Amounts due under sold securities with a buy-back clause	1 665 249	2 102 832	1 464 997	2 953 452
VI. Amounts due under issues of debt securities				
1. Short-term	3 103 887	3 978 700	3 329 181	2 494 539
2. Long-term	1 206 734	2 104 530	803 421	490 270
VII. Other amounts due under financial instruments	1 897 153	1 874 170	2 525 760	2 004 269
VIII. Amounts due to the subordinated priced using equity method				
	3 015 358	2 460 833	2 366 961	2 226 597
1. Subsidiaries	8 412	24 323	7 485	16 357
2. Joint-ventures	8 113	16 440	3 872	13 574
3. Affiliates		-	-	-
IX. Special funds and other liabilities	299	7 883	3 613	2 783
X. Accruals, deferred income and qualified income	224 759	373 375	210 604	353 617
1. Prepayments	340 689	295 590	322 106	276 128
2. Goodwill (negative figure)	91 712	46 957	66 329	35 115
3. Other deferred and qualified income		-	-	-
XI. Goodwill of subordinated companies (negative figure)	248 977	248 633	255 777	241 013
XII. Provisions	824	1 207	2 537	2 981
1. Defferd income tax liabilities	814 273	696 860	733 496	940 355
2. Other	686 943	561 867	596 637	791 891
a) short-term	127 330	134 993	136 859	148 464
b) long-term	10 393	8 408	7 386	5 279
XIII. Subordinated liabilities	116 937	126 585	129 473	143 185
XIV. Minority equity	1 020 144	1 096 112	1 221 340	1 212 260
XV. Share capital	54 628	71 108	112 252	128 413
XVI. Subscribed share capital not paid up (negative amount)	114 853	114 853	91 882	91 882
XVII. Own shares (negative figure)	-	-	-	-
XVIII. Equity reserves	-	-	-	-
XIX. Revaluation reserve	1 190 793	1 185 922	657 157	657 159
XX. Other reserves	2 891	8 172	(1 988)	22 101
XXI. Foreign exchange gains/losses on the translation of subordinated companies	747 677	749 270	746 354	745 655
1. gains	(842)	(653)	(244)	1 255
2. losses	2 645	6 981	12 386	13 365
XXII. Retained profit (loss)	(3 487)	(7 634)	(12 630)	(12 110)
XXIII. Net profit (loss)	85 185	80 386	75 573	76 617
T o t a l l i a b i l i t i e s	(278 430)	107 512	8 874	75 234
Solvency ratio	32 713 522	32 490 227	30 531 559	29 545 496
	9.99	10.85	8.23	8.91
Book value	1 862 127	2 245 462	1 577 608	1 669 903
Number of shares	28 713 125	28 713 125	22 970 500	22 970 500
Book value per share (in PLN)	64.85	78.20	68.68	72.70
Diluted number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

	as at 31 Dec 2004 end of this quarter (2004)	as at 31 Dec 2004 end of previous quarter	as at 31 Dec 2003 end of this quarter (2003)	as at 31 Dec 2003 end of previous quarter (2003)
CONSOLIDATED OFF-BALANCE-SHEET ITEMS				
I. Contingent liabilities extended and received	8 260 342	8 816 436	6 307 936	6 926 236
1. Commitments granted:	7 268 893	7 453 887	5 526 043	6 175 069
a) financing	5 628 898	5 899 325	4 359 305	4 795 106
b) guarantees	1 639 995	1 554 562	1 166 738	1 379 963
2. Commitments received:	991 449	1 362 549	781 893	751 167
a) financing	340 000	407 061	185 510	107 305
b) guarantees	651 449	955 488	596 383	643 862
II. Commitments arising from purchase/sale transactions	223 399 356	239 667 309	183 288 838	187 830 732
III. Other (due to)	1 133 670	1 088 280	900 140	-
- factoring receivables	688 057	526 047	586 694	-
- factoring liabilities	131 477	169 540	313 446	-
- share acquisition rights	314 136	392 693	-	-
Total off-balance-sheet items	232 793 368	249 572 025	190 496 914	194 756 968

	IV Q	4 Q cumulative	IV Q	4 Q cumulative
CONSOLIDATED				
PROFIT AND LOSS ACCOUNT	from 1 Oct 2004 to 31 Dec 2004	from 1 Jan 2004 to 31 Dec 2004	from 1 Oct 2003 to 31 Dec 2003	from 1 Jan 2003 to 31 Dec 2003
I. Interest income	368 735	1 353 410	289 607	1 130 250
II. Interest cost	218 493	857 897	234 417	873 569
III. Net interest income (I-II)	150 242	495 513	55 190	256 681
IV. Commission income	119 576	434 664	92 740	358 026
V. Commission cost	41 038	126 371	36 417	108 491
VI. Net commission income (IV-V)	78 538	308 293	56 323	249 535
VII. Net income from sale of products, goods and materials	-	-	-	-
VIII. Cost of products, goods and materials sold	-	-	-	-
IX. Cost of sale	-	-	-	-
X. Profit on sale (VII-VIII-IX)	-	-	-	-
XI. Income from shares, other securities and financial instruments with variable income				
	5 380	15 223	1 007	20 251
1. From subsidiaries	2 882	5 987	41	1 537
2. From joint-ventures	-	-	-	-
3. From affiliates	-	5 906	-	17 657
4. From others	2 498	3 330	966	1 057
XII. Profit (loss) on financial transaction	(11 873)	32 987	(10 156)	42 168
XIII. Profit (loss) on foreign exchange result	40 404	216 838	88 862	239 241
XIV. Profit (loss) on banking activity	262 691	1 068 854	191 226	807 876
XV. Other operating income	50 501	446 234	59 359	169 236
XVI. Other operating expenses	169 059	439 074	24 390	48 745
XVII. Overhead costs of the bank	248 611	764 639	202 139	667 422
XVIII. Depreciation and amortisation of tangible and intangible fixed assets	35 971	150 583	40 405	156 422
XIX. Provisions and revaluation	336 277	729 244	89 009	335 375
1. specific provisions and general risk provisions	144 497	512 237	88 556	333 869
2. revaluation of financial assets	191 780	217 007	453	1 506
XX. Released provisions and revaluation	111 563	389 333	80 979	322 989
1. Released specific provisions and general risk provisions	111 711	387 248	82 085	321 378
2. Revaluation of financial assets	(148)	2 085	(1 106)	1 611
XXI. Net provisions and revaluation (XIX-XX)	224 714	339 911	8 030	12 386
XXII. Operating profit (loss)	(365 163)	(179 119)	(24 379)	92 137
XXIII. Profit (loss) on extraordinary items	(3)	54	23	88
1. gains	10	111	80	257
2. losses	13	57	57	169
XXIV. Deduction of subordinated goodwill				27 659
	7 117	28 087	4 902	
XXV. Deduction of subordinated goodwill (negative figure)				2 349
	383	1 712	443	
XXVI. Profit (loss) before tax	(371 900)	(205 440)	(28 815)	66 915
XXVII. Corporate income tax	167	41 656	41 984	51 076
1. current part	(17 944)	24 652	3 413	18 098
2. postponed part	18 111	17 004	38 571	32 978
XXVIII. Other obligatory profit appropriations (loss increase)	8 838	8 838	-	-
XXIX. Net gain (loss) on share in subordinated valued using equity method	(12 943)	(9 456)	(386)	(3 757)
XXX. (Profit) loss of minority	7 906	(13 040)	4 825	(3 208)
XXXI. Net profit (loss)	(385 942)	(278 430)	(66 360)	8 874
Net profit (loss) (for 12 months)	(278 430)		8 874	
Weighted average number of ordinary shares	25 841 813		22 970 500	
Net profit (loss) per 1 ordinary share [PLN]	(10.77)		0.39	
Weighted average number of ordinary shares	-		-	
Diluted net profit (loss) per 1 ordinary share [PLN]	-		-	

MOVEMENTS IN CONSOLIDATED EQUITY	IV Q	4 Q cumulative	IV Q	4 Q cumulative
	from 1 Oct 2004 to 31 Dec 2004	from 1 Jan 2004 to 31 Dec 2004	from 1 Oct 2003 to 31 Dec 2003	from 1 Jan 2003 to 31 Dec 2003
I. Equity as at the beginning of the period (OB)	2 245 462	1 577 608	1 884 655	1 581 306
a) changes in adopted accounting principles	840	242	-	(6 464)
b) corrections of material errors	(736)	134	-	(2 540)
I.a. Equity as at the beginning of the period (OB) after reconciliation to comparative data	2 245 566	1 577 984	1 884 655	1 572 302
I. Share capital as at the beginning of the period	114 853	91 882	91 882	91 882
1.1 Changes in share capital	-	22 971	-	-
a) increase (due to):	-	22 971	-	-
- issue of shares	-	22 971	-	-
	-	-	-	-
b) decrease (due to):	-	-	-	-
- redemption of shares	-	-	-	-
	-	-	-	-
1.2. Share capital as at the end of the period	114 853	114 853	91 882	91 882
2. Payments for share capital as at the beginning of the period	-	-	-	-
2.1 Changes in payments for share capital	-	-	-	-
a) increase (due to):	-	-	-	-
b) decrease (due to):	-	-	-	-
2.2 Payments for share capital at the end of the period	-	-	-	-
3. Own shares as at the beginning of the period	-	-	-	-
a) increase (due to):	-	-	-	(4 545)
b) decrease (due to):	-	-	-	(4 545)
3.1 Own shares at the end of the period	-	-	-	-
4. Supplementary capital as at the beginning of the period	1 185 922	657 157	657 159	659 013
4.1. Movements in the supplementary capital	4 871	533 636	(2)	(1 856)
a) increase (due to):	9 438	538 203	(2)	4 890
- issue of shares above nominal value	1 477	528 321	-	-
- allocation of the profit (statutory)	(8)	1 903	(1)	4 768
- allocation of the profit (above minimal value up to statutory)	-	-	-	-
- exclusion from consolidation following disposal of a company	-	-	-	-
- supplementary charge of partners	-	-	-	-
- consolidation of company	-	-	-	-
- reclassification from reserve capital	7 969	7 969	-	-
- other	-	10	(1)	122
b) decrease (due to):	4 567	4 567	-	6 746
- loss coverage	-	-	-	2 859
- issue cost	1 477	1 477	-	-
- termination of capital in case of payment to shareholders	-	-	-	-
- exclusion from consolidation following disposal of a company	3 090	3 090	-	3 887
- correction of agio due to payment to shareholders	-	-	-	-
- foreign exchange gains/losses	-	-	-	-
- other	-	-	-	-
4.2. Supplementary capital as at the end of the period	1 190 793	1 190 793	657 157	657 157
5. Revaluation reserve as at the beginning of the period	8 172	(1 988)	22 101	(8 643)
5.1. Movements in revaluation reserve	(5 281)	4 879	(24 089)	6 655
a) increase (due to)	7 388	68 263	9 772	79 216
- foreign exchange gains/losses	6 780	12 024	3 771	28 398
- deferred income tax	665	5 486	7 666	14 140
- revaluation of securities available to sale	(2 291)	42 748	3 673	28 681
- revaluation of tangible fixed assets	712	1 057	(5 608)	1 165
- exclusion from consolidation following disposal of a company	-	-	7	6 471
- other	1 522	6 948	263	361
b) decrease (due to)	12 669	63 384	33 861	72 561
- disposal of fixed assets	7 969	7 979	1	2
- deferred income tax	4 112	13 952	18 721	25 467
- foreign exchange gains/losses	3 095	10 117	761	12 277
- exclusion from consolidation following disposal of a company	(2 042)	30 746	20 237	34 164
- revaluation of tangible fixed assets	456	456	(4 502)	-
- revaluation of securities for disposal	-	-	-	-
- other	(921)	134	(1 357)	651
5.2. Revaluation reserve as at the end of the period	2 891	2 891	(1 988)	(1 988)

6. General banking risk reserve as at the beginning of the period	559 595	558 000	558 000	558 000
6.1. Movements in general banking risk reserve	(1 595)	-	-	-
a) increase (due to)	-	1 595	-	-
- appropriation of retained earnings	-	1 595	-	-
	-	-	-	-
b) decrease (due to)	1 595	1 595	-	-
-	1 595	1 595	-	-
-	-	-	-	-
6.2. General banking risk reserve as at the end of the period	558 000	558 000	558 000	558 000
7. Other supplementary capitals as at the beginning of the period	189 675	188 354	187 655	800 267
7.1. Changes in other supplementary capitals	2	1 323	699	(611 913)
a) increase (due to):	-	2 025	1 830	1 867
- deduction of profit for supplementary capital	-	2 025	700	700
- inclusion of entity to consolidation	-	-	-	-
- capital decrease reserve	-	-	-	-
- dividend payment	-	-	1 131	1 131
- other	-	-	(1)	36
b) decrease (due to)	(2)	702	1 131	613 780
- reclassification to reserve capital	-	-	-	-
- dividend payment	-	-	-	-
- dividend payment by way of advance	-	-	1 131	1 131
- exclusion from consolidation following disposal of a company	-	-	-	1 984
- loss coverage	-	702	-	607 993
- other	(2)	-	-	2 672
7.2. Other supplementary capital as at the end of the period	189 677	189 677	188 354	188 354
8. Foreign exchange gains/losses on the translation of subordinated companies	(842)	(842)	(244)	(244)
9. Retained earnings (accumulated losses) as at the beginning of the period	80 386	84 447	76 617	(518 862)
9.1. Retained earnings as at beginning of the period	105 774	103 779	97 218	98 819
a) changes in adopted accounting principles	1 442	6 499	-	3 055
b) corrections of material errors	(736)	1 237	-	440
9.2. Retained earnings as at the beginning of the period after reconciliation to comparative data	106 480	111 515	97 218	102 314
9.3. Change in retained earnings	4 695	(340)	(2 313)	(7 409)
a) increase (due to):	4 687	5 183	(807)	305
- allocation of retained earnings	-	-	-	-
- inclusion the company to consolidation (full method)	-	-	-	-
- stake increased through a subholding	4 685	4 685	-	-
- foreign exchange gains/losses	-	-	237	299
- other	2	498	(1 044)	6
b) decrease (due to):	(8)	5 523	1 506	7 714
- deduction of profit for general banking risk reserve	-	-	-	-
- profit allocation to supplementary capital	-	3 620	700	700
- profit allocation to reserve capital	(8)	1 903	16	4 768
- profit allocation to shareholder dividend	-	-	(956)	-
- transfer to the Social Fund	-	-	-	6
- foreign exchange gains/losses	-	-	2 034	2 034
- other	-	-	(288)	206
9.4. Retained earnings as at the end of the period	111 175	111 175	94 905	94 905
9.5. Accumulated losses at the beginning of the period	(25 388)	(19 332)	(20 601)	(617 681)
a) changes in adopted accounting principles	(602)	(6 257)	-	(9 519)
b) corrections of material errors	-	(1 103)	-	(2 980)
9.6. Accumulated losses as at the beginning of the period after reconciliation to comparative data	(25 990)	(26 692)	(20 601)	(630 180)
9.7. Change in accumulated losses	-	702	1 269	610 848
a) increase (due to):	-	-	1 273	-
- loss to be covered brought forward from previous years	-	-	-	-
- inclusion the company to consolidation	-	-	-	-
- other	-	-	1 273	-
b) decrease (due to):	-	(702)	4	(610 848)
- coverage from reserves	-	-	4	(2 855)
- exclusion from consolidation in connection of selling the company	-	-	-	-
- coverage from supplementary capital	-	(702)	-	(607 993)
9.8. Accumulated losses as at the end of period	(25 990)	(25 990)	(19 332)	(19 332)
9.9. Retained earnings (accumulated losses) as at the end of period	85 185	85 185	75 573	75 573
10. Net profit/loss	(278 430)	(278 430)	8 874	8 874
a) net loss	-	-	8 874	8 874
b) net profit	(278 430)	(278 430)	-	-
II. Equity as at the end of the period (CB)	1 862 127	1 862 127	1 577 608	1 577 608
III. Equity including proposed profit distribution (coverage of loss)	1 862 127	1 862 127	1 577 608	1 577 608

CONSOLIDATED CASH FLOW STATEMENT	IV Q	4 Q cumulative	IV Q	4 Q cumulative
	from 1 Oct 2004 to 31 Dec 2004	from 1 Jan 2004 to 31 Dec 2004	from 1 Oct 2003 to 30 Sept 2003	from 1 Jan 2003 to 31 Dec 2003
A. Net cash flow from operating activities - indirect method	964 312	475 336	1 064 850	2 439 822
I. Net profit (loss)	(385 942)	(278 430)	(66 360)	8 874
II. Total adjustments for:	1 350 254	753 766	1 131 210	2 430 948
1. Profit (loss) of minority shareholders	(7 906)	13 040	(4 825)	3 208
2. Participation in profit (loss) of subordinated companies valued with equity method	12 943	9 456	386	3 757
3. Depreciation, including: - appropriations of goodwill of subordinates and goodwill of subordinates (negative amount)	60 391	194 644	44 864	181 732
4. Foreign exchange gains/losses	6 734	26 375	4 459	25 310
5. Interest and dividends	(337 098)	(423 982)	286 998	396 509
6. (Profit) loss on investments	40 103	149 648	84 024	161 485
7. Change in provisions	20 078	(22 360)	11 478	(6 656)
8. Change in reserves	120 080	83 444	(257 717)	(292 563)
9. Change in debt securities held	-	-	-	-
10. Change in receivables from the financial institutions	27 979	(607 123)	266 808	1 370 848
11. Change in receivables from the customers and public sector	(33 429)	(1 378 091)	1 568 558	2 147 143
12. Change in amounts due to purchase of securities with a buy-back clause	474 615	25 765	(1 270 626)	(3 346 178)
13. Change in stocks or shares and securities and other financial instruments	88 924	98 915	489 197	43 295
14. Change in liabilities to financial institutions	(476 178)	(419 833)	(380 772)	(31 230)
15. Change in liabilities to customers and public sector	417 277	123 319	385 782	(296 467)
16. Change in liabilities due to sold securities with a buy-back clause	1 423 205	2 242 034	1 423 417	1 652 640
17. Change in liabilities due to securities	(437 583)	200 252	(1 488 455)	(477 318)
18. Change in other liabilities	(513 901)	(136 079)	(198 202)	410 444
19. Change in prepayments	527 662	631 132	(38 141)	236 130
20. Change in deferred and qualified income	(57 252)	(23 615)	193 672	219 142
21. Other	344	(6 800)	14 764	55 027
III. Net cash flows from operating activities (I - II) - indirect method	-	-	-	-
	964 312	475 336	1 064 850	2 439 822
B. Net cash flows from investment operations (I-II)	168 211	347 565	28 629	54 189
I. Incomes	276 910	655 073	48 102	263 859
1. Sale of stocks or shares in subsidiaries	169 844	169 844	5 566	10 808
2. Sale of stocks or shares in joint ventures	-	-	-	-
3. Sale of stocks or shares in affiliates	-	8 040	(21 578)	45
4. Sale of other stocks or shares, securities and financial instruments	104 009	206 322	66 702	246 190
5. Sale of intangible and tangible fixed assets	331	265 150	(3 616)	1 415
6. Sale of investment in real estate and intangible fixed assets	-	-	-	-
7. Other investment incomes	-	-	-	-
	2 726	5 717	1 028	5 401

II. Expenses	108 699	307 508	19 473	209 670
1. Purchase of stocks or shares in subsidiaries	1 775	90 000	(7 702)	4 634
2. Purchase of stocks or shares in joint ventures	-	-	100	100
3. Purchase of shares in affiliated	-	-	(9 920)	107
4. Purchase of other stocks or shares, securities and financial instruments	-	14 095	(2 919)	32 764
5. Purchase of intangible and tangible fixed assets	75 561	108 071	19 531	82 234
6. Investment in real estate and intangible assets	31 363	95 342	20 383	89 831
7. Other investments' expenses	-	-	-	-
III. Net cash flow from investment operations (I-II)	168 211	347 565	28 629	54 189
C. Net cash flow from financing activities (I-II)	661 260	878 021	954 559	1 143 971
I. Incomes	1 191 904	1 995 217	701 990	3 651 072
1. Long term loans received from other banks	105 330	196 218	283 604	2 279 455
2. Long term loans received from financial institutions, excluding banks	124 879	124 879	-	8 430
3. Issue of debt securities	961 695	1 124 305	418 386	1 363 187
4. Change in subordinated liabilities in plus	-	-	-	-
5. Net cash from shares' issue and payment to capital	-	549 815	-	-
6. Other	-	-	-	-
II. Expenses	530 644	1 117 196	(252 569)	2 507 101
1. Long term loans repaid to other banks	35 140	451 670	264 100	2 335 536
2. Long term loans repaid to financial institutions, excluding banks	-	-	-	-
3. Redemption of securities	452 390	509 875	(600 784)	-
4. Due to other financial liabilities	-	-	-	-
5. Payments due to financial leasing liabilities	-	-	-	-
6. Decrease of subholding liabilities	-	-	(1 134)	-
7. Dividends and other payments to owners	-	-	-	-
8. Dividends and other participation in profit payments for minority	-	-	-	-
9. Payments for allocation of the profit (diferrent from payments to owners)	-	-	-	-
10. Acquisition of own shares	-	-	-	4 545
11. Other financial expenses	43 114	155 651	85 249	167 020
12. Other expenses	-	-	-	-
III. Net cash flows from financing activities (I-II)	661 260	878 021	954 559	1 143 971
D. Total net cash flows (A+/-B+/-C)	1 793 783	1 700 922	2 048 038	3 637 982
E. Net change in cash	1 793 783	1 700 922	2 048 038	3 637 982
- including change in cash due to foreign exchange gains/losses	(21 477)	(42 312)	17 402	103 975
F. Cash at the beginning of the period	4 963 384	5 056 245	3 008 207	1 418 263
G. Cash at the end of the period (F+/- D)	6 757 167	6 757 167	5 056 245	5 056 245
- in this cash not at free disposal	-	-	-	-

QUARTERLY SHORTENED FINANCIAL STATEMENT

	as at	as at	as at	as at
BALANCE SHEET [PLN'000]	31 Dec 2004 end of this quarter (2004)	30 Sept 2004 end of previous quarter	31 Dec 2003 end of this quarter (2003)	30 Sept 2003 end of previous quarter (2003)
A s s e t s				
I. Cash and balances with the Central Bank	734 608	471 936	473 243	575 323
II. Debt securities eligible for refinancing at Central Bank	52 832	56 264	52 765	56 294
III. Amounts due from the financial institutions	7 329 903	6 174 899	4 957 906	4 330 570
1. Current	3 612 817	3 235 937	2 130 704	1 829 811
2. Term	3 717 086	2 938 962	2 827 202	2 500 759
IV. Amounts from customers	10 405 895	9 851 458	9 635 845	10 021 452
1. Current	1 849 846	1 737 440	1 509 900	1 808 744
2. Term	8 556 049	8 114 018	8 125 945	8 212 708
V. Amounts due from the public sector	1 041 739	1 561 497	1 585 554	72 324
1. Current	8 059	1 551	7 726	7 505
2. Term	1 033 680	1 559 946	1 577 828	64 819
VI. Amounts due in respect of purchase of securities with a buy back clause	120 341	244 327	254 318	729 345
VII Debt securities	4 397 543	4 431 112	3 945 658	4 203 863
VIII. Stocks or shares in subsidiaries	717 880	1 120 126	929 879	904 674
IX Stocks or shares in joint ventures	-	-	-	-
X. Stocks or shares in affiliates	(4 902)	577	358	(1 707)
XI. Stocks or shares in other companies	4 798	8 160	9 287	11 587
XII. Other securities and financial assets	3 248 975	2 664 198	2 826 186	2 670 422
XIII. Intangible fixed assets, including:	350 148	425 085	373 252	351 089
- goodwill	-	46 887	55 061	57 786
XIV. Tangible fixed assets	488 467	529 397	793 090	793 372
XV. Other assets	401 521	366 846	350 746	201 439
1. Repossessed assets	43	42	49	319
2. Other	401 478	366 804	350 697	201 120
XVI. Prepayments	752 645	649 749	666 719	842 004
1. Deferred income tax	729 241	622 985	634 802	825 672
2. Other prepayments	23 404	26 764	31 917	16 332
T o t a l a s s e t s	30 042 393	28 555 631	26 854 806	25 762 051
	-	-	-	-
Liabilities				
I. Amounts due to Central Bank	-	-	-	901
II. Liabilities to the financial institutions	6 838 714	6 397 934	7 205 743	5 784 603
1. Current	1 180 446	1 188 120	1 095 470	1 002 591
2. Term	5 658 268	5 209 814	6 110 273	4 782 012
III. Liabilities to the customers sector	13 880 441	12 225 303	11 779 674	10 287 090
1. Saving deposits	3 766 526	3 424 530	2 987 016	2 697 498
a) Current	2 604 340	2 552 931	2 324 341	2 068 570
b) Term	1 162 186	871 599	662 675	628 928
2. Other	10 113 915	8 800 773	8 792 658	7 589 592
a) Current	4 572 111	4 189 086	3 542 926	3 476 064
b) Term	5 541 804	4 611 687	5 249 732	4 113 528
IV. Liabilities to the public institutions	108 688	246 573	65 480	79 266
1. Current liabilities	83 989	164 036	48 011	49 632
2. Term liabilities	24 699	82 537	17 469	29 634
V. Amounts due under sold securities with a buy-back clause	1 750 225	2 102 832	1 464 997	2 953 452
VI. Liabilities due to issue of debt securities	407 792	618 951	165 298	302 726
1. Short-term	316 637	528 379	106 218	269 290
2. Long-term	91 155	90 572	59 080	33 436
VII. Other liabilities due to financial instruments	3 008 112	2 471 581	2 346 443	2 186 014
VIII. Special funds and other liabilities	83 864	242 850	113 393	230 870

IX. Accruals, deferred income and qualified income	311 792	260 972	282 711	242 802
1. Costs prepayments	71 883	24 388	46 992	15 194
2. Goodwill (negative figure)	-	-	-	-
3. Other deferred and qualified income	239 909	236 584	235 719	227 608
X. Reserves	777 902	651 915	674 454	865 595
1. Income tax reserves	671 187	536 499	557 914	733 610
2. Other reserves	106 715	115 416	116 540	131 985
a) short-term	-	-	-	-
b) long-term	106 715	115 416	116 540	131 985
XI. Subordinated liabilities	1 020 144	1 096 112	1 179 475	1 161 052
XII. Share capital	114 853	114 853	91 882	91 882
XIII. Payment for share capital (negative figure)	-	-	-	-
XIV. Own shares (negative figure)	-	-	-	-
XV. Supplementary capital	1 283 552	1 275 583	748 739	748 739
XVI. Revaluation capital	2 468	8 412	(1 636)	21 317
XVII. Other reserve capital	746 757	746 757	744 922	744 922
XVIII. Net Retained earnings (Accumulated losses)	(8 704)	(8 333)	(11 975)	(11 975)
XIX. Net profit (loss)	(284 207)	103 336	5 206	72 795
Total liabilities	30 042 393	28 555 631	26 854 806	25 762 051
Capital adequacy ratio	11.76	12.94	9.45	9.18
Book value	1 854 719	2 240 608	1 577 138	1 667 680
Number of shares	28 713 125	28 713 125	22 970 500	22 970 500
Book value per share (in PLN)	64.59	78.03	68.66	72.60
Diluted number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

	as at 31 Dec 2004 end of this quarter (2004)	as at 30 Sept 2004 end of previous quarter	as at 31 Dec 2003 end of this quarter (2003)	as at 30 Sept 2003 end of previous quarter (2003)
OFF-BALANCE-SHEET ITEMS				
I. Off-balance-sheet liabilities extended and received	10 801 668	9 606 527	8 059 446	7 411 671
1. Liabilities extended	10 365 621	9 144 652	7 554 045	6 884 827
a) financing	6 186 717	5 280 153	3 866 943	4 169 146
b) guarantees	4 178 904	3 864 499	3 687 102	2 715 681
2. Liabilities received	436 047	461 875	505 401	526 844
a) financing	37 070	39 660	108 634	107 305
b) guarantees	398 977	422 215	396 767	419 539
II. Liabilities related to realised purchase/sale transactions	223 452 709	241 227 073	184 177 234	188 283 888
III. Other	314 136	392 693	-	-
- other	314 136	392 693	-	-
-	-	-	-	-
Total off-balance-sheet items	234 568 513	251 226 293	192 236 680	195 695 559

PROFIT AND LOSS ACCOUNT	IV Q	4 Q cumulative	IV Q	4 Q cumulative
	from 1 Oct 2004 to 31 Dec 2004	from 1 Jan 2004 to 31 Dec 2004	from 1 Oct 2003 to 31 Dec 2003	from 1 Jan 2003 to 31 Dec 2003
I. Interest income	283 884	1 025 655	211 323	865 812
II. Interest expense	179 339	694 460	194 321	737 056
III. Net interest income (I-II)	104 545	331 195	17 002	128 756
IV. Commission income	87 622	323 243	70 172	266 135
V. Commission expense	35 846	104 720	31 730	89 074
VI. Net commission income (IV-V)	51 776	218 523	38 442	177 061
VII. Profit (loss) stocks or shares, other securities and financial instruments of variable income	15 299	41 328	167	22 540
1. From subsidiaries	12 817	32 202	13	4 729
2. From joint ventures	-	-	-	-
3. From affiliates	-	5 916	-	17 657
4. From others	2 482	3 210	154	154
VIII. Profit on financial operations	135	20 523	(5 904)	29 169
IX. Exchange gains/losses	45 795	216 629	88 722	255 697
X. Profit (loss) on banking operations	217 550	828 198	138 429	613 223
XI. Other operating income	4 749	315 546	8 360	48 221
XII. Other operating expenses	184 518	436 945	10 639	24 790
XIII. Overheads	166 596	532 380	147 278	463 657
XIV. Depreciation of tangible and intangible fixed assets	30 759	128 968	33 524	135 124
XV. Provisions and write-downs	319 696	667 212	65 014	265 282
1. for specific provisions and to general banking risk	125 754	448 043	64 497	263 784
2. revaluation of financial assets	193 942	219 169	517	1 498
XVI. Reversal of provisions and revaluation	113 946	369 004	69 543	282 457
1. Release of provisions and general banking risk reserve	114 105	367 097	68 571	281 234
2. Revaluation of financial assets	(159)	1 907	972	1 223
XVII. Difference in provisions and revaluation appropriations and reversal	205 750	298 208	(4 529)	(17 175)
XVIII. Operating profit (loss)	(365 324)	(252 757)	(40 123)	55 048
XIX. Profit (loss) on extraordinary items	-	53	16	68
1. Extraordinary gains	-	67	36	180
2. Extraordinary losses	-	14	20	112
XX. Gross profit (loss) before tax	(365 324)	(252 704)	(40 107)	55 116
XXI. Income tax	3 340	16 993	23 055	45 946
1. Current part	(25 424)	1 471	550	550
2. Postponed part	28 764	15 522	22 505	45 396
XXII. Other obligatory deductions of profit (increase of loss)	-	-	-	-
XXIII. Participation in net profit (loss) of subordinated to equity method valuation	(18 879)	(14 510)	(4 427)	(3 964)
XXIV. Net profit (loss)	(387 543)	(284 207)	(67 589)	5 206
Net profit (loss) (for 12 months)	(284 207)		5 206	
Weighted average number of ordinary shares	25 841 813		22 970 500	
Net profit (loss) per 1 ordinary share [PLN]	(11.00)		0.23	
Weighted average diluted number of ordinary shares	-		-	
Diluted net profit (loss) per 1 ordinary share [PLN]	-		-	

MOVEMENTS IN EQUITY	IV Q	4 Q cumulative	IV Q	4 Q cumulative
	from 1 Oct 2004 to 31 Dec 2004	from 1 Jan 2004 to 31 Dec 2004	from 1 Oct 2003 to 31 Dec 2003	from 1 Jan 2003 to 31 Dec 2003
I. Equity as at the beginning of the period (OB)	2 240 608	1 577 138	1 667 680	1 582 497
a) changes in adopted accounting principles	840	242	-	(9 519)
b) adjustment of key miscalculation	(1 211)	(341)	-	(2 456)
I.a. Equity as at the beginning of the period (OB) after reconciliation to comparative data	2 240 237	1 577 039	1 667 680	1 570 522
1. Share capital as at the beginning of the period	114 853	91 882	91 882	91 882
1.1 Movements in share capital	-	22 971	-	-
a) increase (due to)	-	22 971	-	-
- issue of shares	-	22 971	-	-
	-	-	-	-
b) decrease (due to):	-	-	-	-
- redemption of shares	-	-	-	-
	-	-	-	-
1.2. Share capital as at the end of the period	114 853	114 853	91 882	91 882
2. Payments for share capital at the beginning of the period	-	-	-	-
2.1 Movements in payments for share capital	-	-	-	-
a) increase (due to):	-	-	-	-
b) decrease (due to):	-	-	-	-
2.2 Payments for share capital at the end of the period	-	-	-	-
3. Own shares as at the beginning of the period	-	-	-	-
a) increase (due to):	-	-	-	(4 545)
- purchase	-	-	-	(4 545)
b) decrease (due to):	-	-	-	(4 545)
- give out to shareholders due to merge	-	-	-	(4 545)
3.1 Own shares at the end of the period	-	-	-	-
4. Supplementary capital as at the beginning of the period	1 275 583	748 739	748 739	748 738
4.1. Movements in the supplementary capital	7 969	534 813	-	1
a) increase (due to):	9 446	536 290	-	1
- issue of shares above nominal value	1 477	528 321	-	-
- allocation of the profit (statutory)	-	-	-	-
- allocation of the profit (above minimal value up to statutory)	-	-	-	-
- sale of tangible fixed assets	7 969	7 969	-	-
- other	-	-	-	1
b) decrease (due to):	1 477	1 477	-	-
- loss coverage	-	-	-	-
- issue cost	1 477	1 477	-	-
4.2. Supplementary capital as at the end of the period	1 283 552	1 283 552	748 739	748 739
5. Revaluation capital as at the beginning of the period	8 412	(1 636)	21 317	(3 045)
5.1. Movements in revaluation reserve	(5 944)	4 104	(22 953)	1 409
a) increase (due to)	7 127	64 813	17 073	78 126
- foreign exchanges gains/losses	6 780	12 024	3 755	28 382
- deferred income tax	665	5 486	8 092	14 140
- revaluation of tangible assets	2 662	7 857	1 652	7 022
- revaluation of securities for sale	(2 980)	39 446	3 574	28 582
b) decrease (due to)	13 071	60 709	40 026	76 717
- sale of tangible fixed assets	7 969	7 969	-	-
- foreign exchanges gains/losses	4 112	13 952	18 721	25 467
- deferred income tax	1 775	8 797	761	12 277
- revaluation of tangible assets	1 257	1 698	307	4 809
- revaluation of securities for sale	(2 042)	28 293	20 237	34 164
5.2. Revaluation reserve as at the end of the period	2 468	2 468	(1 636)	(1 636)

6. General banking risk reserve as at the beginning of the period	558 000	558 000	558 000	558 000
6.1. Movements in general banking risk reserve	-	-	-	-
a) increase (due to)	-	-	-	-
- appropriation of retained earnings	-	-	-	-
	-	-	-	-
b) decrease (due to)	-	-	-	-
	-	-	-	-
6.2. General banking risk reserve as at the end of the period	558 000	558 000	558 000	558 000
7. Other reserves as at the beginning of the period	188 757	186 922	186 922	794 915
7.1. Movements in other reserves	-	1 835	-	(607 993)
a) increase (due to):	-	1 836	-	-
- profit allocation to supplementary capital	-	1 836	-	-
- appropriation of profit	-	-	-	-
b) decrease (due to)	-	1	-	607 993
- loss coverage	-	-	-	607 993
- other	-	1	-	-
	-	-	-	-
7.2. Other reserves as at the end of the period	188 757	188 757	186 922	186 922
8. Retained earnings (accumulated losses) as at the end of the period	(8 333)	(6 769)	(12 443)	(607 993)
8.1 Profit from previous years as at the beginning of the period	10 868	5 674	468	-
a) changes in adopted accounting principles	1 442	6 499	-	-
b) adjustment of key miscalculation	(1 211)	762	-	468
8.2 Retained earnings as at the beginning of the period	11 099	12 935	468	468
8.3. Changes in retained earnings	-	(1 836)	-	-
a) increase (due to):	-	-	-	-
- allocation of retained earnings	-	-	-	-
	-	-	-	-
b) decrease (due to):	-	1 836	-	-
- deduction to supplementary capital	-	1 836	-	-
- deduction to general banking risk reserve	-	-	-	-
- transfer to the Social Fund	-	-	-	-
- foreign exchanges gains/losses	-	-	-	-
- profit allocation to shareholder dividend	-	-	-	-
8.4 Retained earnings as at the end of the period	11 099	11 099	468	468
8.5 Accumulated losses as at the beginning of the period	(19 201)	(12 443)	(12 443)	(607 993)
a) changes to accounting policy	(602)	(6 257)	-	(9 519)
b) adjustment of key miscalculation	-	(1 103)	-	(2 924)
8.6. Accumulated losses as at the beginning of the period	(19 803)	(19 803)	(12 443)	(620 436)
8.7 Movements of loss from previous years	-	-	-	607 993
a) increase (due to):	-	-	-	-
- loss allocation from previous years for coverage	-	-	-	-
-	-	-	-	-
b) decrease (due to):	-	-	-	(607 993)
- coverage from reserve capital	-	-	-	(607 993)
-	-	-	-	-
8.8 Accumulated losses as at the end of the period	(19 803)	(19 803)	(12 443)	(12 443)
8.9 Retained earnings (accumulated losses) as at the end of the period	(8 704)	(8 704)	(11 975)	(11 975)
9. Net profit (loss)	(284 207)	(284 207)	5 206	5 206
a) net profit	-	-	5 206	5 206
b) net loss	(284 207)	(284 207)	-	-
II. Equity as at the end of the period (CB)	1 854 719	1 854 719	1 577 138	1 577 138
III Equity including proposed profit distribution (coverage of loss)	1 854 719	1 854 719	1 577 138	1 577 138

CASH FLOW STATEMENT	IV Q	4 Q cumulative	IV Q	4 Q cumulative
	from 1 Oct 2004 to 31 Dec 2004	from 1 Jan 2004 to 31 Dec 2004	from 1 Oct 2003 to 31 Dec 2003	from 1 Jan 2003 to 31 Dec 2003
A. Net cash flows from operating activities - indirect method				
I. Net profit (loss)	1 332 776	683 504	1 886 150	4 129 075
II. Total adjustments for:	(387 543)	(284 207)	(67 589)	5 206
1. Participation in profit (loss) of subordinated companies priced with equity method	1 720 319	967 711	1 953 739	4 123 869
2. Depreciation	18 879	14 510	4 427	3 964
3. Foreign exchange gains/losses	48 445	146 654	33 524	135 124
4. Interest and dividends	(334 393)	(418 320)	280 824	390 335
5. (Profit) loss on investments	18 063	57 890	19 031	57 930
6. Change in reserves	20 836	(21 585)	3 784	(14 112)
7. Change in debt securities	125 987	103 448	(241 999)	(313 732)
8. Change in receivables from the financial institutions	37 001	(451 952)	251 955	1 367 354
9. Change in receivables from the customers and public sector	232 663	(1 085 992)	1 530 708	1 924 840
10. Change in amounts due in respect of purchase of securities with buy back clause	(24 742)	(216 298)	(1 154 855)	(1 888 636)
11. Change in stocks or shares and securities and other financial instruments	123 986	133 977	475 027	29 413
12. Change in liabilities to the financial institutions	(501 873)	(437 882)	(335 297)	49 877
13. Change in liabilities to the customers and public sector	524 848	(102 460)	1 145 694	781 753
14. Change in liabilities due to sold securities with a buy-back clause	1 517 253	2 143 975	1 478 798	1 639 887
15. Change in liabilities due to securities	(352 607)	285 228	(1 488 455)	(477 318)
16. Change in other liabilities	(211 159)	153 968	(162 231)	82 009
17. Change in prepayments	529 208	719 395	(102 390)	61 560
18. Change in deferred and qualified income	(55 401)	(61 035)	207 083	234 582
19. Other	3 325	4 190	8 111	59 039
19. Other	-	-	-	-
III. Net cash flows from operating activities (I +/- II) - indirect method	1 332 776	683 504	1 886 150	4 129 075
B. Net cash flows from investment operations (I-II)				
I. Incomes	163 989	313 805	15 828	84 248
1. Sale of stocks or shares in subsidiaries	265 632	656 467	49 251	267 584
2. Sale of stocks or shares in joint ventures	169 196	169 196	5 798	10 808
3. Sale of stocks or shares in affiliates	-	8 040	1	21 624
4. Sale of other stocks or shares, securities and other financial assets	-	-	-	223 160
5. Sale of intangible and tangible fixed assets	94 255	191 446	43 694	223 160
6. Sale of investment in real estate and intangible assets	(70)	263 148	(253)	3 844
7. Other incomes	-	-	-	-
7. Other incomes	2 251	24 637	11	8 148
II. Expenses	101 643	342 662	33 423	183 336
1. Purchase of stocks or shares in subsidiaries	1 747	147 274	45	12 191
2. Purchase of stocks or shares in joint ventures	-	-	-	-
3. Purchase of shares in affiliated	-	-	(136)	9 891
4. Purchase of other stocks or shares, securities and financial instruments	-	14 095	29	22 264
5. Purchase of intangible and tangible fixed assets	67 285	86 125	13 989	50 046
6. Investment in real estate and intangible assets	32 611	95 168	19 496	88 944
7. Other investments' expenses	-	-	-	-
III. Net cash flows from investment operations (I-II)	163 989	313 805	15 828	84 248

C. Net cash flows from financing activities	153 961	550 066	147 444	(542 466)
I. Incomes	230 209	959 438	251 061	1 493 367
1. Long term loans received from other banks	105 330	196 218	226 061	1 426 737
2. Long term loans received from financial institutions, excluding banks	124 879	124 879	-	8 430
3. Issue of debt securities	-	88 526	25 000	58 200
4. Change in subordinated liabilities in plus	-	-	-	-
5. Net cash from shares' issue and payment to capital	-	549 815	-	-
6. Other incomes	-	-	-	-
II. Expenses	76 248	409 372	103 617	2 035 833
1. Long term loans repaid to other banks	251	50 082	26 039	1 877 034
2. Long term loans repaid to financial institutions, excluding banks	55 683	276 763	13 452	43 092
3. Redemption of securities	-	-	-	-
4. Due to other financial liabilities	-	-	-	-
5. Payments due to financial leasing liabilities	-	-	-	-
6. Decrease of subholding liabilities	-	-	-	-
7. Dividends and other payments to owners	-	-	-	-
8. Payments for allocation of the profit (diferrent than payments to owners)	-	-	-	-
9. Acquisition of own shares	-	-	-	4 545
10. Other financial expenses	20 314	82 527	64 126	111 162
III. Net cash flows from financing activities (I-II)	153 961	550 066	147 444	(542 466)
D. Total net cash flows (A+B+C)	1 650 726	1 547 375	2 049 422	3 670 857
E. Net change in cash	1 650 726	1 547 375	2 049 422	3 670 857
- including change in cash due to foreign exchange	(21 351)	(42 186)	(62 644)	23 929
F. Cash at the beginning of the period	4 940 082	5 043 433	2 994 011	1 372 576
G. Cash at the end of the period (F+ D)	6 590 808	6 590 808	5 043 433	5 043 433
- in this cash not at free disposal	-	-	-	-

**COMMENTARY
TO THE CONSOLIDATED QUARTERLY REPORT
Q4 2004**

Methodology Used in the Consolidated Quarterly Report

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

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

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

A detailed description of the accounting policies and the valuation methodology used by the BRE Bank SA Capital Group ("Group") are presented in the Consolidated Report H1 2004 published on 30 September 2004.

EUR Exchange Rates Used in Translation

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

- assets and liabilities items of the balance sheet were converted according to the mid rate prevailing on 31 December 2004 quoted by the National Bank of Poland (NBP), i.e., 4.0790 PLN to 1 EUR (data at 31 December 2003 at the rate of 4.7170 PLN to 1 EUR);
- income statement items for the twelve months of 2004 were converted according to the arithmetic mean of the mid rates quoted by NBP on the last day of each of the twelve months of 2004, i.e., 4.5182 PLN to 1 EUR (data at 31 December 2003 at the rate of 4.4474 PLN to 1 EUR).

Structure of the BRE Bank SA Group

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

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

On 28 December 2004 r. BRE Bank disposed shares of RHEINHYP-BRE Bank Hipoteczny that constituted 100% of its share capital and votes on the company's Shareholders' Meeting.

Comparability of Financial Data

Due to the fact that in 2004 RHEINHYP-BRE Bank Hipoteczny was included in the Bank's portfolio, results of the company for 2004 were recognized in consolidated income statement in accordance with the full methodology. The consolidated balance sheet as at 31 December 2004, however, does not include balance sheet items of RHEINHYP-BRE Bank Hipoteczny. Expenditures previously included in the item "Tangible fixed assets" were transferred to the item "Intangible and legal assets" at the end of 2004. In order to ensure comparability of financial data, these items were respectively adjusted in all periods included in the report. The amounts of PLN 154,444 thousands, PLN 146,620 thousands and PLN 117,217 were transferred from the item of "Tangible fixed assets" to the item of "Intangible and legal assets" as at 30 September 2004, 31 December 2003, and 30 September 2003, respectively. Data presented in the report was also adjusted in order to ensure comparability of changes related to presentation of embedded instruments. Therefore appropriate items of the balance sheet and income statement as at 31 December 2003 were adjusted. As a result of the adjustment the net profit at 31 December 2003 increased by the amount of PLN 3,370 thousands in comparison with the previous financial reports. The retained profit decreased by PLN 9,519 thousands.

Factors and Events that Materially Affected the Profitability of the Group in Q4 2004

In accordance with earlier information provided by the Bank's Management Board, net result of the Group at the end of 2004 significantly differed from the previously expected result. Hereinafter are presented the main events that had an impact on the Bank's net result for Q4 2004. It should also be noted that the described events were not recurrent due, but not limited to, a possibility of the initial recognition of amendments to the International Accounting Standard no. 36 *Impairment of Assets* (IAS) introduced in March 2004 and the latest changes of the Bank's business strategy. Recognition of the changes of IAS 36 results from lack of detailed regulations in the Accounting Law and the recommended application of IAS if any regulations are missing.

In accordance with changes of the Bank's business strategy introduced by the Management Board it is assumed that the Bank shall eliminate its exposure to high risk investments and limit its exposure to activities related to the Bank's core business operations, i.e., activities that can be expected to generate a satisfactory return on capital or synergy benefits. For the next three years the Bank plans to achieve high and stable profitability, including return on equity (ROE) exceeding 20%.

Considering requirements of the applicable Law on Accounting, International Financial Reporting Standards (IFRS) that shall apply to the Bank's financial reports for periods starting on 1 January 2005, and the necessary recognition of impact on the implemented business strategy on the current valuation of assets, the Bank recognized significant depreciation write-offs included in the financial report for Q4 2004. Despite the fact that the above-mentioned write-offs did not encumber the operational result, they had an impact on the recognition by the Bank of the net loss as the end of the reported period.

Commentary to banking operations – comparison of 2003 and 2004.

The Bank's results on the banking operations level indicate constant improvement.

No.	Income statement item	PLN'000,000			
		2003	2004	Adjustments	2004 after adjustments
1	Result on banking operations *	613.2	835.4		835.4
2	Gross result	51.2	140.8	-408.0	-267.2
3	Tax liabilities	-46	-24.4	7.4	-17
4	Net result	5.2	116.4	-400.6	-284.2

*Result on banking operations does not include hereinafter described, one time events of value amounting to PLN 7.2 million.

The total impact of adjustments of the financial results in the single Bank's report amounted to PLN 408 million, including the following items:

Events with an impact on *Other operational costs* of the Bank.

1) Recognition of permanent impairment of fixed assets

During preparation for introduction of IFRS and in accordance with the Law on Accounting, the Bank conducted a detailed review of its fixed assets in order to update their fair value and use value. Based on the evaluation results including evaluation conducted by independent experts, the Bank recognized impairment of the following fixed assets:

1a) *Real property used for banking operations.* As a result of impairment tests, the Bank recognized a provision amounting to PLN 60 million.

1b) *Real property and technical equipment acquired as a debt security.* As a result the Bank recognized permanent asset impairment write-offs amounting to PLN 24.1 million.

2) *Goodwill amortization*

As a result of tests including, but not limited to, analysis of discounted cash flows, conducted in accordance with IAS 36, the Bank identified the necessity to recognize goodwill amortization with regard to the following assets:

2a) *Goodwill recognized as a result of acquisition of Polski Bank Rozwoju.* The Bank recognized a write-off of the whole unamortized goodwill of the company amounting to PLN 38.9 million.

2b) *Goodwill recognized as a result of acquisition of Bank Częstochowa.* As a result of recognition of an impact of the implemented business strategy, the Bank recognized a write-off of the whole unamortized goodwill of the company amounting to PLN 5.3 million.

3) *Write-off of expenditures on intangible and legal assets that lost use value for the Bank.* As a consequence of identification of lost use value of some expenditures related to implementation of IT system, the Bank recognized a write-off amounting to PLN 17.7 million.

4) *Write-off of other expenditures that lost use value for the Bank.* The Bank recognized a write-off amounting to PLN 4.7 million.

5) *Establishment of a provision for indemnification by an underwriter.* Due to the fact that an underwriter disputed payment of indemnification due to identified irregularities related to capital market transactions, the Bank established a provision for the whole amount of receivables from the underwriter amounting to PLN 16.8 million.

The total impact of the above-mentioned events included in the item of *Other operating costs* (including other, not recurrent events amounting to PLN 9 million) amounted to PLN 176.5 million.

Events with an impact on the item of *Revaluation of financial assets.*

1) *Partial amortization of PTE Skarbiec-Emerytura goodwill.* As a result of recognition of an impact of independent evaluation of PTE Skarbiec Emerytura, the Bank recognized an impairment write-off amounting to PLN 163.3 million.

2) *Recognition of provisions on permanent impairment of assets of a subsidiary.* For the purpose of the consolidated report, subsidiaries conducted revaluation of their real property. As a result of independent evaluation of real property held by one of subsidiaries, the Bank recognized a provision on permanent impairment of assets amounting to PLN 22.1 million.

The total revenue generated by the two, above-mentioned events amounting to PLN 185.4 million increased *Revaluation of financial assets* write-off.

Events that had an impact on *Share in profit (loss) of subsidiaries consolidated under the equity method.*

The Bank recognized the amount of PLN 33.6 million in the item of *Share in profit (loss) of subsidiaries consolidated under the equity method* due to impact of the following events on evaluation of subsidiaries:

- one time loss due to change of fair value of derivatives in a company constituting a part of Skarbiec Asset Management Holdings amounting to PLN 22.4 million;
- decrease of evaluation of two subsidiaries amounting to the total of PLN 11.2 million due to recognition of impairment of real property of the two companies identified by independent assessments.

Events with an impact on other items of income statement of the Bank

Events with an impact on other items of the Bank's income statement:

- 1) *Negative impact of conversion of shares held by the Bank to shares of another company* of PLN 7.2 million that decreased *Result on exchange items* by PLN 6.8 million and *Result on financial operations* by PLN 0.4 million.
- 2) *Other provisions on nonrecurring operating overheads of the Bank* amounting to PLN 5.3 million that increased the item of *The Bank's operating overheads*.

The total impact of the above-mentioned adjustments on the Bank's financial result:

	PLN'000,000
Gross result and share in results of subsidiaries consolidated under the equity methodology before adjustments	140.8
Total adjustments, including:	408.0
Recognition of permanent impairment of fixed assets	84.1
Goodwill amortization of PBR and Bank Częstochowa	44.2
Write-off of expenditures on intangible and legal assets	17.7
Write-off of other expenditures	4.7
Establishment of a provision on an indemnification by an insurer	16.8
Other adjustments recognized in <i>Other operational overheads</i>	9.0
Partial amortization of goodwill of PTE Skarbiec-Emerytura	163.3
Recognition of provision on impairment of a subsidiary	22.1
Revaluation of fair value of derivatives in a subsidiary	22.4
Decrease of valuation of two subsidiaries	11.2
Negative impact of share conversion	7.2
Other provisions for nonrecurring operational overheads of the Bank	5.3
Gross result and share in results of subsidiaries consolidated under the equity methodology after adjustments	-267.2
Tax liabilities	-17.0
<i>Including decrease of tax liabilities due to nonrecurring adjustments</i>	<i>7.4</i>
Net result after adjustments	-284.2

Recognition of the above-mentioned events did not impair financial security of the Bank. To the contrary, it allowed for identification of all potential risks known to the Management Board and their recognition in the presented financial data. It should be noted that the Bank's result on banking operations for Q4 2004 and the whole 2004 amounted to PLN 217.6 million and PLN 828.2 million, respectively, and was higher by the respective amounts for 2003 by PLN 79.1 million and PLN 215 million, respectively.

In order to reduce the impact of nonrecurring events in Q4 2004 and to assist its development strategy, the Bank issued subordinated bonds of the nominal value of EUR 100 million. The Bank acquired acceptance of the Banking Supervision Commission to include the amounts

raised by the issue in its supplementary capital. The whole issue was subscribed by a subsidiary of Commerzbank AG, the main shareholder of the Bank.

The Bank informed about particulars of the issue in its current report published on 2 February 2005.

Despite detrimental impact of the above-mentioned, nonrecurring events on the Bank's results, the capital adequacy ratio of the Bank as at 31 December 2004 was secure and amounted to 11.76%. Following inclusion of the amount raised as a result of the above-mentioned issue to the Bank's supplementary capital, the capital adequacy ratio shall significantly improve and ensure further development of the Bank in accordance with the accepted development strategy.

In addition to the above-mentioned, one-time events, the following factors had a significant impact on the financial result of Q4 2004:

Result on interests – Result on interests at the end of 2004 was almost 2 times higher than at the end of 2003. In Q4 a significant increases exceeding 22% was identified in comparison with Q3. At that time BRE Bank's average interests assets increased (by more than 5%), and the growth was combined with an increasing interests margin (1.1%, 1.2% and 1.3% at the end of June, September and December 2004, respectively). Capital gains on debt securities was higher in Q4 by an estimated PLN 16 million than in Q3, and interests on debt securities amounting to PLN 31.5 million increased by an estimated 9%. The companies whose business had a significant impact on the net interest income of the Group traditionally included BRE Leasing (approximately PLN 78 million), Rheinhyp-BRE Bank Hipoteczny (approximately PLN 33 million), Intermarket Bank AG (PLN 24 million). Interest paid to investors by BRE International Finance (approximately PLN 35.5 million) and by BRE Finance France (PLN 28 million) was a significant cost item to the Group's result on interests.

- Result on commission – The result was by more than 23% higher than in 2004. Increasing growth of the result on commissions was observed during consecutive reporting periods. In Q4, however, the increase was slightly lower as a result of higher commission costs as a result of establishment of necessary commission cost provisions for 2004 and payable in 2005 established at the end of 2004 (the provisions established by BRE Bank amounted to almost PLN 11 million). In addition, costs of commission paid to organizations that issue and service cards rose, in particular in Q4 with an increasing number of transactions performed by customers. Increase of net commission income of the Group in Q4 amounting to 13% failed to cover increase of costs during that period. Commissions on extended loans and guarantees were higher by approximately 16%, and commissions on servicing cards (by approximately 10%) were higher from document transactions (by approximately 7%). Significant result on commission (after consolidation adjustments) was generated by Intermarket Bank (PLN 25 million), Dom Inwestycyjny (PLN 23 million), Transfinance a.s. (PLN 16 million).

- Other operating income/costs – This item was higher on a consolidated basis than on a stand-alone basis at the Bank due to the income of the Skarbiec Asset Management Holding (approximately PLN 54 million), mainly income from asset management operations of holding company, as well as the income of PTE Skarbiec Emerytura (approximately PLN 38 million). Single time costs adjustments for the total amount of PLN 176.5 million due to change in assets assessment have already been described.

- **Group's overhead costs** – In Q4 overheads costs usually increase due to the necessary establishment of provisions for unpaid accounting year costs and related to executed tariff agreements and provisions. The amount of established provisions amounted to PLN 38.5 million, including PLN 30.9 million for material costs and PLN 7.6 million for personal costs. The overhead costs of the Group subsidiaries were up by approximately 17% in Q4 2004.

- **The income tax charged against the profit of the Group** at the end of Q4 2004 was PLN 41.656 thousand, including current tax of PLN 24,652 thousand and deferred tax of PLN 17.004 thousand. The income tax charged against the profit of BRE Bank was PLN 16,993 thousand at the end of Q4 2004, including current tax of PLN 1,471 thousand and deferred tax of PLN 15.522 thousand. The current corporate income tax was fully reduced with the amount of the tax charged on the tax charged on the Bank's foreign interests income.

In accordance with accounting rules applicable in the Bank, and in particular in accordance with the principle of prudent evaluation, the Bank did not recognize assets from deferred income tax in single-time adjustments of the item of "Adjustment of financial assets" and "Share in profits (losses) of subsidiaries consolidated under equity method". Deferred assets in the above-mentioned items will be disclosed, if there are circumstances allowing for recognition of tax loss in evaluation and the Bank has information about possible deduction of the losses in the future.

The income statement of Q4 2004 by business line of the BRE Bank Group is shown in the table in page 13.

Analysis of the Group's balance sheet items at the end of Q4 has to take into consideration consequences of sale of RHEINHYP- BRE Bank Hipoteczny. The main items related to the company included in the consolidated balance sheet for Q3 included:

Receivables from non-financial sector – PLN 1.7 billion

Financial sector liabilities – PLN 141 million

Non-financial sector liabilities – PLN 121 million

Liabilities on issue of debt securities – PLN 931 million.

Other significant changes of balance sheet items in Q4 included:

Receivables from financial institutions that grew by almost 29% primarily due to increase by over 30% of short-term (up to 1 month) assets placed by BRE Bank on interbank market.

Liabilities to non-financial sector that grew by 5.6% (consolidated liabilities to non-financial sector are lower by more than 10%). As it has been noted in current report, BRE Bank has lately provided a few large, short-term loans to institutional customers. The share of threatened loans in the Bank's portfolio decreased (from 21.1% at the end of 2003 to 13.3 % and 11.7% at the end of Q3 2004 and Q4 2004, respectively).

Receivables from budget sector decreased as a result of payment of some of the receivables, i.e., over PLN 0.5 billion by one, large budget institution.

Shares and interests in subsidiaries decreased mainly due to sale of RHEINHYP-BRE Bank Hipoteczny and recognition of permanent impairment of shares of PTE-Skarbiec-Emerytura.

Intangible and legal assets. In Q4 2004 the item included expenditures on intangible and legal assets amounting at the end of 2004 approximately PLN 130 million that previously

were recognized in the item of “Tangible fixed assets”. In order to ensure comparability of financial statements, the item for the previous periods presented in the report was adjusted accordingly. Decrease of the item in comparison with Q3 was caused by recognition of undepreciated goodwill generated as a result of acquisition of Polski Bank Rozwoju (PLN 38.9 million) and Bank Częstochowa (PLN 5.3 million) as other operating costs, and recognition of expenditures that lost utility for the Bank (PLN 17.7 million).

Tangible fixed assets. This item decreased as a result of the above-mentioned adjustment of real property owned by the Bank (PLN 60 million) and real property acquired as a result of loan restructuring (PLN 24.1 million).

Liabilities to non-financial sector. This item of liabilities grew primarily due to significant increase of the volume of corporate deposits by almost 21%. Rise of individual customers’ deposits rose by approximately 5%. Deposits of customers of mBank and Multibank grew in Q4 by approximately 10%.

Off-Balance Sheet Liabilities

The value of off-balance sheet liabilities related to purchase/sale transactions stated at PLN 223 billion in the accounts as at 31 December 2004 mainly includes the liabilities of the holding company adjusted for inter-Group transactions. It is partly “overstated” (by approximately PLN 86 billion) due to the presentation pursuant to the Instructions for Drafting Banks’ Reports in Conjunction with the Model Chart of Accounts issued by NBP’s General Inspectorate of Banking Supervision. This applies to open swap contracts, and spot forward currency contracts in the “obtuse formation”, i.e., showing the “receipt value” and “pay out value”.

The netted value of off-balance sheet items, i.e., PLN 137 billion, represents the nominal value of derivative transactions and interest streams related to the following instruments:

- a) Spot and forward transactions (PLN and FX to be paid out) – PLN 25 billion;
- b) Forward Rate Agreements (FRA) – PLN 42 billion;
- c) Interest Rate Swaps (IRS) interest paid – PLN 60 billion;
- d) FX options – PLN 6 billion;
- e) Other – PLN 4 billion.

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

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

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

Adjustments for Provisions

At the end of Q4 2004, amounts written off by the Group as specific provisions for loans and guarantees and revaluation of financial assets amounted to PLN 729,244 thousand, including PLN 512,237 thousand written off as specific provisions (for loans, guarantees, and securities acquired in the primary market and recognized under receivables) and PLN 217,007 thousand written off as revaluation of financial assets. Provisions released by the Group at the end of

Q4 2004 were PLN 389,333 thousand, including specific provisions for loans and guarantees and for general risk at PLN 387,248 thousand, and revaluation of financial assets at PLN 2,085 thousand.

At BRE Bank SA at the end of Q4 2004, total write-offs for provisions amounted to PLN 667,212 thousand, including PLN 448,043 thousand written off as specific provisions (for the items listed above) and PLN 219,169 thousand written off as revaluation of financial assets (one time events amounting to write-offs of PLN 185.4 million were described above). Provisions released were PLN 369,004 thousand, including provisions for loans and guarantees at PLN 367,097 thousand and revaluation of financial assets at PLN 1,907 thousand.

Cash Flow Statement

In both the stand-alone and the consolidated cash flow statement, “Other financial expenses” includes the cost of interest paid on liabilities in respect of long-term loans and subordinated liabilities. As a result, the level of 5% of total financial expenses was exceeded by 15.16% at the Bank and by in the Group.

Major Events of Q4 2004

- On 18 October 2004 BRE Finance France SA deposited in BRE Bank a cash security amounting to EUR 224,340,750 (PLN 962,152,608 in accordance with the average NBP exchange rate on 18 October 2004). The funds that constitute the security were raised as a result of issue of Eurobond amounting to EUR 225,000,000 (PLN 964,980,000 in accordance with the average NBP exchange rate on 18 October 2004) by BRE Finance France SA on 18 October 2004. The deposit was made as a guarantee of performance of cash payments related to Eurobond issued by BRE Bank SA. Under the cash security agreement, the security amount shall be held by BRE Banku SA until repayment of the bonds in 2007. BRE Finance France SA that deposited the security shall be entitled to quarterly interests accrued based on 3-months Euribor rate and a redemption premium amounting to EUR 659,250 (PLN 2,827,391 in accordance with the average NBP exchange rate on 18 October 2004.) On 9 December 2004, BRE Finance France SA issued new Eurobond amounting to USD 10,000,000 (PLN 31,369,000). Funds raised as a result of the above-mentioned issue amounting to USD 9,900,000 (PLN 31,055,310) are deposited in BRE Banku as a security for a guarantee issued by BRE Bank. The security shall be held by BRE Banku until redemption of the bond in 2009. The company shall receive interests accrued based on a fixed interest rate and an additional redemption premium amounting to USD 100,000 (PLN 313,690).
- On 29 October 2004, BRE Bank SA sold to Corniche Group Investment Sp. z o.o. shares of BRELBU Sp. z o.o. that constituted 100% capital and votes of the company. The above-mentioned shares were sold for the total amount of PLN 24,061,060. Book value of the shares in the Bank’s books amounted to PLN 28,113,576.
- On 15 December 2004, BRE Bank converted all shares of ITI Holdings SA (the „Company”) held by the Bank and constituting 15.91% of capital of the company, amounting to USD 64,816,533 (the equivalent of PLN 202,648,890) in the BRE Bank’s books. For the above-mentioned shares BRE Bank received shares of TVN SA that constitute 5.01% of capital and votes of TVN S.A. and a cash amount that constitute equivalent of the amount acquired by N-Vision from sale of 3,297,423 shares of TVN SA in public offering, minus transaction costs. In addition TV TECH Investment 1 Sp. z o.o. (a subsidiary of BRE Bank) holds shares of TVN SA that amount to 10% of capital and

votes the company. As a result of the above-mentioned transaction BRE Bank holds (directly and indirectly) 9,877.423 shares of TVN SA that constitute 15.01% of capital and votes of the Company.

- On 28 December 2004 BRE Bank SA sold, under a sales agreement, shares of RHEINHYP-BRE Bank Hipoteczny SA (RHB) that constituted 100% of capital and votes of the company to Atlas-Vermogenverwaltungs-Gesellschaft mbH a company that constituted 100% subsidiary of Commerzbank. Following the transaction BRE Bank holds no shares of RHB. Mortgage banking is a significant element of the strategy of the Commerzbank Group. The transaction results in a different location of RHB in the Commerzbank Group.
- On 31 December 2004 BRE Bank sold, under a sales agreement, shares of Promes Sp. z o.o. that constituted 100% of capital and voters of the company to G&K Properties Sp. z o.o. The sale price amounted to PLN 3,883,465. Value of the sold shares in the books BRE Banku amounted to PLN 1.549,282.

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

On 2-nd February 2005 BRE Bank SA issued subordinated debt securities with an indefinite maturity term with the principles specified in Art. 127 section 3 item 2 letter d) of the Banking Law Act and obtained funds with a total nominal value of Euro 100,000,000 and acquired funds amounting to EUR 100,000,000 (PLN 405,830,000 based on the average fx of the NBP applicable on the issue date).

The whole issue was subscribed by ATBRECOM Limited with its registered office in Great Britain under the Bond Issue Agreement dated 27 January 2005. ATBRECOM Limited is an indirect subsidiary of Commerzbank AG (Commerzbank AG holds 72.16% of share capital of BRE Bank SA). The bonds were issued as registered securities. Each bond has a nominal value of EUR 10,000,000. The issue price of the bonds was set at 100% of the nominal value. The bonds can be redeemed subject to the approval of the Banking Supervision Commission. The interest rate on the bonds is variable, based on the 3M EURIBOR plus a margin. The bonds have no safety instruments neither non-pecuniary benefits. The bonds are not secured and no cash payments are attached to the bonds. Funds raised through the issue will be used to change the structure of the Bank's equity whereby the share of the supplementary capital will be raised. On 2 February 2005, BRE Bank received a decision of the Banking Supervision Commission giving approval for the inclusion into the Bank's supplementary capital cash liabilities of EUR 100,000,000 in respect of funds received from the said issue of securities.

Material Share Packages

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

Change in Stocks and Options Held by Managers and Supervisors

	Bank's Management Board Supervisory Board	
Number of stocks held as at 30 September 2004	90,915	24,034
Number of stocks acquired in Q4	0	0
Number of stocks sold in Q4	0	9,000
Number of stocks held as at 31 December 2004	8,876*)	15,034
Number of options held as at 30 September 2004	186,200	0
Number of options acquired in Q4		0
Number of options sold in Q4		0
Number of options held as at 31 December 2004	132,200*)	0

*) Change of number of shares and options held by members of the Management Board was caused by changes of composition of the Management Board in Q4.

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

The total value of the Bank's receivables or liabilities disputed in proceedings before a court, an arbitration body or a public administration authority is less than 10% of the Bank's equity. As a creditor, the Bank takes part in bankruptcy, restructuring and bill-of-exchange proceedings whose total amount (including interest) is PLN 411,818 thousand.

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

In Q4 2004, there were no transactions with associated entities in excess of the PLN equivalent of EUR 500,000, other than typical and regular transactions at market prices, whose nature or parameters would be unrelated to regular business operations of the Bank.

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

The Bank's exposure under extended guarantees in excess of 10% of the equity at 31 December 2004 relates to:

- A guarantee of the redemption of Eurobonds issued by order of BRE International Finance B.V. (issuer of Eurobonds), a 100%-owned subsidiary of BRE Bank SA, totalling EUR 200 million. The guarantee took effect in June 2000 and its term is indefinite.
- Three guarantees of the redemption of Eurobonds issued by order of BRE Finance France (issuer of Eurobonds), a 100%-owned subsidiary of BRE Bank SA. The first guarantee of EUR 200 million took effect in November 2003 and expires in November 2006; the second guarantee of EUR 225 million took effect in October 2004 and expires in 2007; the third guarantee of USD 10 million took effect in December 2004 and expires in 2009.

Factors Affecting the Results in the Coming Quarter

Due to amendment of the law on accounting and the resolution of the Shareholders' Meeting on preparation of financial reports of BRE Bank in accordance with International Accounting Standards (IAS) from financial reports for reporting periods starting in 2005, dated 27 January

2005, works are underway to assess possible impact of the introduction of IAS on the Group's results in Q1 2005.

BRE Bank S.A. Group
31 December 2004

Selected items of Income Statement by Business Line

PLN '000

	Corporate Banking	Investment Banking	Financial Investments*	Private Banking and Retail Banking	Other	One-time adjustments of the result	Consolidation adjustments - elimination of intragroup transactions	BRE Bank S.A. Group Total
1. Result on banking operations including provisions	628 337	196 500	2 429	157 152	(40 023)	(192 530)	(22 923)	728 943
2. Overhead costs and depreciation	(480 013)	(139 633)	(109 506)	(197 588)	(5 123)	(5 348)	21 989	(915 222)
3. Pre-tax profit (loss)	182 550	70 912	(13 254)	(36 583)	0	(374 329)	(34 736)	(205 440)
4. Income tax								(41 656)
5. Share in the profit (loss) of subsidiaries valued at equity	0		9 192	0	0	(33 690)	15 042	(9 456)
6. Net profit (loss)								(278 430)

* in the past quarters, the item "Financial Investments" was reported as broken down into two separate items: "Strategic Investments" and "Proprietary Investments".