

SECURITIES AND EXCHANGE COMMISSION

Consolidated quarterly report Qsr 1 / 2005

Pursuant to § 93 section 2 and § 94 section 1 of the Regulation of the Council of Ministers of March 21, 2005
(Journal of Laws No. 49, item 463)

(for banks)

for the 1st quarter of the 2005 financial year, which covers the period from 2005-01-01 to 2005-03-31
including abbreviated financial statements prepared in accordance with International Accounting Standards

in the currency : PLN

and abbreviated financial statements prepared in accordance with International Accounting Standards

in the currency : PLN

submission date : May 16, 2005

Bank Handlowy w Warszawie Spółka Akcyjna		
(Issuer's full name)		
Bank Handlowy w Warszawie SA		
(Issuer's short name)		
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(zip code)		(city)
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SELECTED FINANCIAL DATA	in PLN '000		in EUR '000	
	1st quarter year-to-date period from 01/01/05 to 03/31/05	1st quarter year-to-date period from 01/01/04 to 03/31/04	1st quarter year-to-date period from 01/01/05 to 03/31/05	1st quarter year-to-date period from 01/01/04 to 03/31/04
<i>data from the abbreviated consolidated financial statements</i>				
I. Interest income	443 422	387 326	110 433	80 797
II. Fee and commission income	166 817	160 962	41 545	33 577
III. Profit / (loss) on banking activity	546 691	509 855	136 152	106 357
IV. Operating profit / (loss)	166 270	118 427	41 409	24 704
V. Profit / (loss) before tax	166 595	118 961	41 490	24 816
VI. Net profit / (loss)	138 522	92 314	34 499	19 257
VII. Change in cash	879 078	(523 947)	215 265	(110 409)
VIII. Total assets	33 798 531		8 276 448	
IX. Due to NBP	723		177	
X. Due to financial sector	4 432 215		1 085 343	
XI. Due to non-financial sector and public sector	16 140 945		3 952 530	
XII. Shareholders' equity	6 396 840	6 070 250	1 566 432	1 279 159
XIII. Share capital	522 638	522 638	127 981	110 133
XIV. Number of shares	130 659 600	130 659 600	130 659 600	130 659 600
XV. Book value per share (PLN / EUR)	48,96	46,46	11,99	9,79
XVI. Capital adequacy ratio (%)	22,42		22,42	
XVII. Earning per ordinary share (PLN / EUR)	4,14	2,85	0,96	0,62
<i>data from the abbreviated financial statements</i>				
XVIII. Interest income	435 420	373 145	108 440	77 839
XIX. Fee and commission income	141 688	148 245	35 287	30 924
XX. Profit / (loss) on banking activity	517 732	485 001	128 940	101 173
XXI. Operating profit / (loss)	146 768	104 956	36 552	21 894
XXII. Profit / (loss) before tax	146 768	104 956	36 552	21 894
XXIII. Net profit / (loss)	118 984	81 464	29 633	16 994
XXIV. Change in cash	879 130	(523 929)	215 278	(110 405)
XXV. Total assets	33 375 617		8 172 887	
XXVI. Due to NBP	723		177	
XXVII. Due to financial sector	4 865 909		1 191 544	
XXVIII. Due to non-financial sector and public sector	16 069 463		3 935 025	

XXIX. Shareholders' equity	6 299 176	6 008 352	1 542 517	1 266 116
XXX. Share capital	522 638	522 638	127 981	110 133
XXXI. Number of shares	130 659 600	130 659 600	130 659 600	130 659 600
XXXII. Book value per share (PLN/ EUR)	48,21	45,98	11,81	9,69
XXXIII. Capital adequacy ratio (%)	21,89		21,89	
XXXIV. Earnings per ordinary share (PLN/ EUR)	3,72	2,51	0,86	0,55
XXXV. Declared or distributed dividends per ordinary share (PLN/ EUR)*	11,97	1,85	2,93	0,39

* The presented ratios are related to, respectively: declared dividends from the appropriation of the 2004 profit and from retained earnings as well as from dividends distributed in 2004 from the appropriation of the 2003 profit.

CONSOLIDATED BALANCE SHEET

	03/31/05 end of quarter (current year)	12/31/04 end of quarter (current year)
ASSETS		
I. Cash and due from NBP	1 348 314	841 114
II. Financial assets for trading	5 334 849	5 317 395
1. equity instruments	1 209	151
2. debt instruments	1 721 867	1 212 121
3. derivative instruments	3 611 773	4 105 123
III. Financial assets available for sale	6 027 314	6 119 271
1. equity instruments	27 748	28 077
2. debt instruments	5 999 566	6 091 194
IV. Loans and other receivables (including financial leases)	18 422 057	18 788 787
1. from financial sector	8 338 839	8 363 780
of which: from other monetary financial institutions	7 383 190	7 298 580
2. from non-financial sector	10 083 067	10 423 700
of which: from corporate customers	7 089 436	7 546 192
3. from central and local government sector	151	1 307
V. Financial assets held to maturity	-	-
VI. Interest receivable on financial assets	75 587	64 305
VII. Tangible fixed assets	743 697	747 651
1. real estate and equipment	694 259	700 176
2. Investment properties	49 438	47 475
VIII. Intangible assets, of which:	1 327 223	1 309 766
1. goodwill	1 244 839	1 243 645
IX. Investments in undertakings accounted for under the equity method	82 635	86 955
X. Income tax assets	219 749	227 558
1. current	3 503	-
2. deferred	216 246	227 558
XI. Other assets	217 106	401 124
XII. Non-current assets held for sale	-	-
Total assets	33 798 531	33 903 926
LIABILITIES		
I. Due to NBP	723	718
II. Financial liabilities for trading	3 602 693	4 194 290
1. liabilities from short sale of securities	-	268 117
2. derivative instruments	3 602 693	3 926 173
3. other liabilities	-	-
III. Financial liabilities at amortized cost	22 096 758	22 065 757
1. deposits	20 573 160	20 245 389
a) financial sector	4 432 215	3 333 241
of which: other monetary financial institutions	2 440 145	1 859 091
b) non-financial sector	15 731 613	16 381 140
c) central and local self-government sector	409 332	531 008
2. liabilities from own issues	-	-
of which: bonds	-	-
3. other liabilities	1 523 598	1 820 368
IV. Financial liabilities from transfers of financial assets	789 851	751 277
V. Interest payable on financial liabilities	71 230	57 423
VI. Provisions	50 226	53 724
1. Disputes	15 166	14 456
2. Off-balance sheet commitments	35 060	39 268
VII. Income tax liabilities	-	13 611
1. current	-	13 611
2. deferred	-	-
VIII. Other liabilities	790 210	528 216
Total liabilities	27 401 691	27 665 016

EQUITY		
I. Share capital	522 638	522 638
II. Unpaid contributions to share capital (negative value)	-	-
III. Equity reserves	3 077 176	3 077 176
of which: issue premium	2 485 534	2 485 534
IV. Revaluation reserve	33 089	19 651
1. differences from valuation of financial assets available for sale	9 101	(9 371)
2. differences from valuation of tangible fixed assets	23 988	29 022
3. foreign exchange gains and losses	-	-
4. other	-	-
V. Other reserves, of which:	2 625 415	2 124 516
1. retained earnings (losses brought forward)	488 921	(6 944)
2. general risk fund	390 000	390 000
VI. Profit / (loss) - current year	138 522	494 929
VII. Dividends distributed during the financial year (negative value)		
VIII. Minority interests		
Total equity	6 396 840	6 238 910

Total liabilities and equity	33 798 531	33 903 926
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Capital adequacy ratio (in %)	22,42	20,07
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Book value	6 396 840	6 238 910
Number of shares	130 659 600	130 659 600
Book value per share (in PLN)	48,96	47,75

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

OFF-BALANCE SHEET ITEMS

	03/31/05 end of quarter (current year)	12/31/04 end of quarter (current year)
I. Contingent liabilities granted and received	13 796 518	13 963 927
1. Contingent liabilities granted	10 874 361	11 011 586
a) financial	8 481 841	8 643 172
- import letters of credit issued	127 319	168 073
- lines of credit granted	8 268 804	8 353 740
- deposits to be distributed	85 718	121 359
b) guarantees	2 392 520	2 368 414
- guarantees	2 376 011	2 351 306
- export letters of credit confirmed	16 509	17 108
2. Contingent liabilities received	2 922 157	2 952 341
a) financial	-	335 975
b) guarantees	2 922 157	2 616 366
- guarantees received	2 922 157	2 616 366
II. Current off-balance sheet transactions	3 468 494	453 050
III. Term off-balance sheet transactions	251 638 707	191 454 555
IV. Other (of which)	5 660 101	5 267 673
- collateral received	5 660 101	5 267 673
Total off-balance sheet items	274 563 820	211 139 205

CONSOLIDATED INCOME STATEMENT

	1st quarter (current year) period from 01/01/05 to 03/31/05	1st quarter (current year) period from 01/01/04 to 03/31/04
I. Interest income and equivalent income	443 422	387 326
II. Interest expense and equivalent expense	(183 046)	(164 966)
III. Net interest income	260 376	222 360
IV. Dividends		
V. Fee and commission income	166 817	160 962
VI. Fee and commission expense	(22 278)	(17 833)
VII. Net fee and commission income	144 539	143 129
VIII. Net income realized on assets and financial liabilities other than valued at fair value through the p&l account	29 626	5 053
IX. Net profit on assets and financial liabilities for trading	3 715	34 020

X. Net profit on foreign exchange (revaluation)	108 435	105 293
XI. Profit / (loss) on banking activity	546 691	509 855
XII. Other operating income	15 061	16 642
XIII. Other operating expenses	(13 940)	(6 460)
XIV. Profit / (loss) on other operating income/expenses	1 121	10 182
XV. General administrative expenses	(342 372)	(366 292)
XVI. Depreciation & amortization	(34 585)	(37 189)
XVII. Profit / (loss) on sale of assets other than assets for sale	(305)	(32)
XVIII. Net (charges to) / releases of provisions	1 377	37 153
XIX. (Net) charges for diminution in value	(5 826)	(35 427)
1. (Net) charges for diminution in value of financial asset that are not valued at fair value through p&l account	(5 826)	(35 427)
a) financial assets available for sale		
b) loans valued at amortized cost (including financial leases)	(5 826)	(35 427)
c) assets held to maturity and valued at amortized cost		
2. (Net) charges for diminution in value	-	-
a) tangible fixed assets		
b) investments in real estate		
c) intangible assets		
of which: goodwill		
XX. Profit / (loss) on fixed assets and assets for disposal for sale	169	177
XXI. Operating profit	166 270	118 427
XXII. Share in profits / (losses) of undertakings accounted for under the equity method	325	534
XXIII. Profit / (loss) before tax	166 595	118 961
XXIV. Corporate income tax	(28 073)	(26 647)
1. current	(68 380)	(94 380)
2. deferred	40 307	67 733
XXV. Net profit / (loss) (excluding minority shareholders)		
XXVI. Profit / (loss) of minority shareholders		
XXVII. Net profit / (loss)	138 522	92 314

Net profit / (loss) (annualized)	541 137	372 415
Weighted average number of ordinary shares	130 659 600	130 659 600
Net profit / (loss) per ordinary shares (in PLN)	4,14	2,85
Diluted weighted average number of ordinary shares	-	-
Diluted profit / (loss) per ordinary share (in PLN)	-	-

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Attributable to the Company's shareholders					Net profit / (loss) (current year)
	Share capital	Equity reserves	Revaluation reserve	Other reserves	Retained earnings / (losses brought forward)	
Opening balance as of January 1, 2004	522 638	3 068 974	(13 212)	2 082 580	286 543	
- changes in adopted accounting principles		3 199		44 835	(42 688)	
- corrections of fundamental errors						
Adjusted opening balance as of January 1, 2004	522 638	3 072 173	(13 212)	2 127 415	243 855	
Differences from current valuation at fair value of financial assets available for sale			30 946			
Adjustments in respect of deferred income tax on valuation of financial assets available for sale			(5 879)			
Disposal of fixed assets			(100)	100		
Foreign exchange gains / (losses)						
Other increases / decreases in capital (specify title of change)						
Net profit / (loss) for 1st quarter of 2004						92 314
Dividends distributed						
Transfers to capital						
Closing balance as of March 31, 2004	522 638	3 072 173	11 755	2 127 515	243 855	92 314
Opening balance as of January 1, 2005	522 638	3 077 176	19 651	2 131 460	487 985	
- changes in adopted accounting principles			2 479		936	
- corrections of fundamental errors						
Adjusted opening balance as of January 1, 2005	522 638	3 077 176	22 130	2 131 460	488 921	

Differences from current valuation at fair value of financial assets available for sale			19 744			
Adjustments in respect of deferred income tax on valuation of financial assets available for sale			(3 752)			
Disposal of fixed assets			(5 033)	5 033		
Foreign exchange gains / (losses)						
Other increases / decreases in capital (specify title of change)						
Net profit / (loss) for 1st quarter of 2004						138 522
Dividends distributed						
Transfers to capital						
Closing balance as of March 31, 2005	522 638	3 077 176	33 089	2 136 494	488 921	138 522

CONSOLIDATED CASH FLOWS STATEMENT

	1st quarter year- to-date period from 01/01/05 to 03/31/05	1st quarter year- to-date period from 01/01/04 to 03/31/04
I. Cash at the beginning of the reporting period	972 156	1 211 882
II. Net cash flows from operating activities	943 345	(577 343)
III. Net cash flows from investing activities	(44 088)	(23 022)
IV. Net cash flows from financing activities	(20 178)	76 418
V. Cash at the end of the reporting period	1 851 235	687 935
Total net cash flows	879 078	(523 947)

ABBREVIATED FINANCIAL STATEMENTS**BALANCE SHEET**

	03/31/05 end of quarter (current year)	12/31/04 end of quarter (current year)
ASSETS		
I. Cash and due from NBP	1 348 314	841 114
II. Financial assets for trading	5 333 324	5 316 962
1. equity instruments	-	-
2. debt instruments	1 721 612	1 211 839
3. derivative instruments	3 611 712	4 105 123
III. Financial assets available for sale	6 327 687	6 423 705
1. equity instruments	328 121	332 511
2. debt instruments	5 999 566	6 091 194
IV. Loans and other receivables (including financial leases)	17 793 648	18 315 271
1. from financial sector	8 430 607	8 675 599
of which: from other monetary financial institutions	7 383 190	7 298 580
2. from non-financial sector	9 362 979	9 638 395
of which: from corporate customers	7 085 799	7 373 709
3. from central and local government sector	62	1 277
V. Financial assets held to maturity	-	-
VI. Interest receivable on financial assets	75 587	64 305
VII. Tangible fixed assets	732 815	735 490
1. real estate and equipment	683 377	688 015
2. investment properties	49 438	47 475
VIII. Intangible assets, of which:	1 326 892	1 309 578
1. goodwill	1 244 839	1 243 645
IX. Income tax assets	221 337	237 205
1. current	-	-
2. deferred	221 337	237 205
X. Other assets	216 013	401 435
XI. Non-current assets held for sale	-	-
Total assets	33 375 617	33 645 065

LIABILITIES		
I. Due to NBP	723	718
II. Financial liabilities for trading	3 602 693	4 194 290
1. liabilities from short sale of securities		268 117
2. derivative instruments	3 602 693	3 926 173
3. other liabilities	-	-
III. Financial liabilities at amortized cost	21 781 355	21 916 608
1. deposits	20 935 372	20 667 770

a) financial sector	4 865 909	3 814 669
of which: other monetary financial institutions	2 440 145	1 859 091
b) non-financial sector	15 660 140	16 322 099
c) central and local self-government sector	409 323	531 002
2. liabilities from own issues	-	-
of which: bonds	-	-
3. other liabilities	845 983	1 248 838
IV. Financial liabilities from transfers of financial assets	789 851	751 277
V. Interest payable on financial liabilities	71 152	57 720
VI. Provisions	49 135	52 633
1. Disputes	14 075	13 365
2. off-balance sheet commitments	35 060	39 268
VII. Income tax liabilities	6 841	23 509
1. current	6 841	23 509
2. deferred	-	-
VIII. Other liabilities	774 691	506 326
Total liabilities	27 076 441	27 503 081
EQUITY		
I. Share capital	522 638	522 638
II. Unpaid contributions to share capital (negative value)	-	-
III. Equity reserves	3 044 585	3 044 585
of which: issue premium	2 485 534	2 485 534
IV. Revaluation reserve	33 089	19 651
1. differences from valuation of financial assets available for sale	9 101	(9 371)
2. differences from valuation of tangible fixed assets	23 988	29 022
3. other	-	-
V. Other reserves, of which:	2 579 880	2 106 588
1. retained earnings (losses brought forward)	458 285	(9 973)
2. general risk fund	390 000	390 000
VI. Profit / (loss) - current year	118 984	448 522
VII. Dividends distributed during the financial year (negative value)		
Total equity	6 299 176	6 141 984
Total liabilities and equity	33 375 617	33 645 065
Capital adequacy ratio (in %)	21,89	19,28
Book value	6 299 176	6 141 984
Number of shares	130 659 600	130 659 600
Book value per share (in PLN)	48,21	47,01
Diluted number of shares	-	-
Diluted book value per share (in PLN)	-	-

OFF-BALANCE SHEET ITEMS

	03/31/05 end of quarter (current year)	12/31/04 end of quarter (current year)
I. Contingent liabilities granted and received	13 796 518	13 963 927
1. Contingent liabilities granted	10 874 361	11 011 586
a) financial	8 481 841	8 643 172
- import letters of credit issued	127 319	168 073
- lines of credit granted	8 268 804	8 353 740
- deposits to be distributed	85 718	121 359
b) guarantees	2 392 520	2 368 414
- guarantees	2 376 011	2 351 306
- export letters of credit confirmed	16 509	17 108
2. Contingent liabilities received	2 922 157	2 952 341
a) financial	-	335 975
b) guarantees	2 922 157	2 616 366
- guarantees received	2 922 157	2 616 366
II. Current off-balance sheet transactions	3 468 494	453 050
III. Term off-balance sheet transactions	251 653 353	191 473 315
IV. Other (of which)	5 660 101	5 267 673
- collateral received	5 660 101	5 267 673
Total off-balance sheet items	274 578 466	211 157 965

INCOME STATEMENT

	1st quarter (current year) period from 01/01/05 to 03/31/05	1st quarter (current year) period from 01/01/04 to 03/31/04
I. Interest income and equivalent income	435 420	373 145
II. Interest expense and equivalent expense	(183 969)	(165 064)
III. Net interest income	251 451	208 081
IV. Dividends	583	
V. Fee and commission income	141 688	148 245
VI. Fee and commission expense	(17 790)	(15 593)
VII. Net fee and commission income	123 898	132 652
VIII. Net income realized on assets and financial liabilities other than valued at fair value through the p&l account	29 626	5 053
IX. Net profit on assets and financial liabilities for trading	3 301	33 729
X. Net profit on foreign exchange (revaluation)	108 873	105 486
XI. Profit / (loss) on banking activity	517 732	485 001
XII. Other operating income	12 680	15 418
XIII. Other operating expenses	(12 125)	(5 936)
XIV. Profit / (loss) on other operating income/expenses	555	9 482
XV. General administrative expenses	(329 961)	(355 606)
XVI. Depreciation & amortization	(34 443)	(37 021)
XVII. Profit / (loss) on sale of assets other than assets for sale	(305)	(32)
XVIII. Net (charges to) / releases of provisions	1 394	37 011
XIX. (Net) charges for diminution in value	(8 204)	(33 879)
1. (Net) charges for diminution in value of financial asset that are not valued at fair value through p&l account	(8 204)	(33 879)
a) financial assets available for sale		1 548
b) loans valued at amortized cost (including financial leases)	(8 204)	(35 427)
c) assets held to maturity and valued at amortized cost		
2. (Net) charges for diminution in value	-	-
a) tangible fixed assets		
b) investments in real estate		
c) intangible assets		
of which: goodwill		
XX. Profit / (loss) on fixed assets and assets for disposal for sale		
XXI. Operating profit	146 768	104 956
XXII. Profit / (loss) before tax	146 768	104 956
XXIII. Corporate income tax	(27 784)	(23 492)
1. current	(65 626)	(92 034)
2. deferred	37 842	68 542
XXIV. Net profit / (loss) (excluding minority shareholders)	118 984	81 464
Net profit / (loss) (annualized)	486 042	327 794
Weighted average number of ordinary shares	130 659 600	130 659 601
Net profit / (loss) per ordinary shares (in PLN)	3,72	2,51
Diluted weighted average number of ordinary shares	-	-
Diluted profit / (loss) per ordinary share (in PLN)	-	-

CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Equity reserves	Revaluation reserve	Other reserves	Retained earnings / (losses brought forward)	Net profit / (loss) (current year)
Opening balance as of January 1, 2004	522 638	3 044 585	(13 212)	2 115 273	277 646	
- changes in adopted accounting principles					(45 109)	
- corrections of fundamental errors						
Adjusted opening balance as of January 1, 2004	522 638	3 044 585	(13 212)	2 115 273	232 537	
Differences from current valuation at fair value of financial assets available for sale			30 946			
Adjustments in respect of deferred income tax on valuation of financial assets available for sale			(5 879)			
Disposal of fixed assets			(100)	100		
Foreign exchange gains / (losses)						
Other increases / decreases in capital (specify title of change)						

Net profit / (loss) for 1st quarter of 2004						81 464
Dividends distributed						
Transfers to capital						
Closing balance as of March 31, 2004	522 638	3 044 585	11 755	2 115 373	232 537	81 464

Opening balance as of January 1, 2005	522 638	3 044 585	19 651	2 116 561	438 549	
- changes in adopted accounting principles			2 479		19 736	
- corrections of fundamental errors						
Adjusted opening balance as of January 1, 2005	522 638	3 044 585	22 130	2 116 561	458 285	
Differences from current valuation at fair value of financial assets available for sale			19 744			
Adjustments in respect of deferred income tax on valuation of financial assets available for sale			(3 752)			
Disposal of fixed assets			(5 033)	5 033		
Foreign exchange gains / (losses)						
Other increases / decreases in capital (specify title of change)						
Net profit / (loss) for 1st quarter of 2004						118 984
Dividends distributed						
Transfers to capital						
Closing balance as of March 31, 2005	522 638	3 044 585	33 089	2 121 595	458 285	118 984

CASH FLOWS STATEMENT

	1st quarter year- to-date period from 01/01/05 to 03/31/05	1st quarter year- to-date period from 01/01/04 to 03/31/04
I. Cash at the beginning of the reporting period	972 013	1 211 861
II. Net cash flows from operating activities	941 199	(476 567)
III. Net cash flows from investing activities	(43 906)	(22 424)
IV. Net cash flows from financing activities	(18 163)	(24 938)
V. Cash at the end of the reporting period	1 851 143	687 932
Total net cash flows	879 130	(523 929)