



CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL STATEMENTS  
OF BANK HANDLOWY W WARSZAWIE S.A.  
FOR THE PERIOD ENDED 30 JUNE 2012

AUGUST 2012



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**Condensed income statement**

	For a period	01.01. - 30.06. 2012	01.01. - 30.06. 2011
<i>PLN '000</i>			
Interest and similar income		1,032,382	913,606
Interest expense and similar charges		(282,218)	(233,662)
<b>Net interest income</b>		<b>750,164</b>	<b>679,944</b>
Fee and commission income		331,237	332,741
Fee and commission expense		(44,816)	(33,915)
<b>Net fee and commission income</b>		<b>286,421</b>	<b>298,826</b>
Dividend income		38,565	26,271
<b>Net income on financial instruments and revaluation</b>		<b>218,196</b>	<b>135,501</b>
<b>Net gain on debt investment securities</b>		<b>119,068</b>	<b>11,334</b>
Other operating income		20,788	20,350
Other operating expenses		(26,086)	(18,364)
<b>Net other operating income</b>		<b>(5,298)</b>	<b>1,986</b>
General administrative expenses		(730,355)	(664,945)
Depreciation of tangible and intangible assets		(28,949)	(25,763)
Profit / (loss) on sale of non-financial assets		62	2,276
Impairment of financial assets value and provisions for off-balance sheet liabilities		(32,715)	(54,654)
<b>Profit before tax</b>		<b>615,159</b>	<b>410,776</b>
<b>Income tax expense</b>		<b>(117,334)</b>	<b>(79,569)</b>
<b>Net profit</b>		<b>497,825</b>	<b>331,207</b>
Weighted average number of ordinary shares		130,659,600	130,659,600
Net earnings per share (in PLN)		3.81	2.53
Diluted net earnings per share (in PLN)		3.81	2.53

Supplementary notes on page 8 are integral part of the condensed interim unconsolidated financial statements.

**Condensed statement of comprehensive income**

	For period	01.01. - 30.06. 2012	01.01. - 30.06. 2011
<i>PLN '000</i>			
<b>Net profit</b>		<b>497,825</b>	<b>331,207</b>
Other comprehensive income:			
Net valuation of financial assets available-for-sale		118,575	20,249
<b>Total comprehensive income</b>		<b>616,400</b>	<b>351,456</b>

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**Condensed statement of financial position**

<i>PLN '000</i>	State as at	30.06.2011	31.12.2010
<b>ASSETS</b>			
Cash and balances with Central Bank		646,256	979,616
Amounts due from banks		999,950	548,182
Financial assets held-for-trading		6,932,026	5,801,713
Debt securities available-for-sale		15,608,249	17,625,355
Equity investments		263,604	303,626
Amounts due from customers		14,214,093	14,049,241
Tangible fixed assets		398,607	406,632
Intangible assets		1,308,363	1,290,296
Income tax assets		274,684	318,015
deferred		274,684	318,015
Other assets		265,337	193,676
Non-current assets held-for-sale		25,662	25,662
<b>Total assets</b>		<b>40,936,831</b>	<b>41,542,014</b>
<b>LIABILITIES</b>			
Amounts due to banks		8,320,446	5,543,891
Financial liabilities held-for-trading		3,643,835	4,840,447
Amounts due to customers		21,213,854	24,130,225
Liabilities due to debt securities issuance		23,054	25,336
Provisions		73,004	34,857
Income tax liabilities		22,081	72,919
current		22,081	72,919
Other liabilities		1,029,191	538,752
<b>Total liabilities</b>		<b>34,325,465</b>	<b>35,186,427</b>
<b>EQUITY</b>			
Share capital		522,638	522,638
Share premium		2,944,585	2,944,585
Revaluation reserve		36,090	(82,485)
Other reserves		2,610,228	2,249,555
Retained earnings		497,825	721,294
<b>Total equity</b>		<b>6,611,366</b>	<b>6,355,587</b>
<b>Total liabilities and equity</b>		<b>40,936,831</b>	<b>41,542,014</b>

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**Condensed statement of changes in equity**

<i>PLN '000</i>	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2012	522,638	2,944,585	(82,485)	2,249,555	721,294	6,355,587
Total comprehensive income	-	-	118,575	-	497,825	616,400
Dividends to be paid	-	-	-	-	(360,621)	(360,621)
Transfer to capital	-	-	-	360,673	(360,673)	-
Balance as at 30 June 2012	522,638	2,944,585	36,090	2,610,228	497,825	6,611,366

<i>PLN '000</i>	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2011	522,638	2,944,585	(44,848)	2,251,691	748,026	6,422,092
Total comprehensive income	-	-	20,249	-	331,207	351,456
Valuation of capital rewards program, including:	-	-	-	(2,789)	-	(2,789)
change in valuation	-	-	-	(5,900)	-	(5,900)
deferred income tax	-	-	-	3,111	-	3,111
Dividends to be paid	-	-	-	-	(747,373)	(747,373)
Transfer to capital	-	-	-	653	(653)	-
Balance as at 30 June 2011	522,638	2,944,585	(24,599)	2,249,555	331,207	6,023,386

<i>PLN '000</i>	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2011	522,638	2,944,585	(44,848)	2,251,691	748,026	6,422,092
Total comprehensive income	-	-	(37,637)	-	721,294	683,657
Valuation of capital rewards program, including:	-	-	-	(2,789)	-	(2,789)
change in valuation	-	-	-	(5,900)	-	(5,900)
deferred income tax	-	-	-	3,111	-	3,111
Dividends paid	-	-	-	-	(747,373)	(747,373)
Transfer to capital	-	-	-	653	(653)	-
Balance as at 31 December 2011	522,638	2,944,585	(82,485)	2,249,555	721,294	6,355,587

Supplementary notes on page 8 are integral part of the condensed interim unconsolidated financial statements.

## Condensed statement of cash flows

	For a period	01.01. – 30.06. 2012	01.01. – 30.06. 2011
<i>PLN '000</i>			
<b>A. Cash flows from operating activities</b>			
I. Net profit		497,825	331,207
II. Adjustments to reconcile net profit or loss to net cash provided by operating activities:		(530,294)	(2,219,194)
Current and deferred income tax recognized in income statement		117,334	79,569
Depreciation expense		28,949	25,763
Impairment		32,927	69,276
Net provisions (recoveries)		47,353	(14,622)
Net interest income		(750,164)	(679,944)
Profit/loss on investing activities		(61)	(1,120)
Interest received		812,791	620,829
Interest paid		(279,377)	(235,723)
Other adjustments		(30,040)	(50,812)
<b>Cash flows from operating income before changes in operating assets and liabilities</b>		<b>(20,288)</b>	<b>(186,784)</b>
<b>Increase / decrease in operating assets (excl. cash and cash equivalents)</b>		<b>695,201</b>	<b>(3,424,845)</b>
Increase/decrease in amounts due from banks		(322,903)	441,223
Increase/decrease in amounts due from customers		(201,148)	(385,537)
Increase/decrease in assets available-for-sale		2,370,594	(3,328,344)
Increase/decrease in equity investments		1,793	(2,269)
Increase/decrease in financial assets held-for-trading		(1,119,468)	(140,851)
Increase/decrease in other assets		(33,667)	(9,067)
<b>Increase/decrease in operating liabilities (excl. cash and cash equivalents)</b>		<b>(1,205,207)</b>	<b>1,392,435</b>
Increase/decrease in amounts due to banks		2,791,848	3,604,198
Increase/decrease in amounts due to customers		(2,919,066)	(2,623,842)
Increase/decrease in debt securities issuance		(2,297)	29,401
Increase/decrease in liabilities held-for-trading		(1,196,658)	255,714
Increase/decrease in other liabilities		120,966	126,964
<b>Cash flows from operating activities</b>		<b>(32,469)</b>	<b>(1,887,987)</b>
<b>Income tax paid</b>		<b>(153,008)</b>	<b>(132,888)</b>
<b>III. Net cash flows from operating activities</b>		<b>(185,477)</b>	<b>(2,020,875)</b>
<b>B. Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(23,472)	(23,260)
Disposal of tangible fixed assets		692	4,822
Purchase of intangible assets		(15,696)	(8,152)
Other investing inflows/ outflows		42,355	-
<b>Net cash flows from investing activities</b>		<b>3,879</b>	<b>(26,590)</b>
<b>C. Cash flows from financing activities</b>			
Inflows due to long-term loans from financial sector		-	10,365
Repayment of long-term loans from financial sector		(17,756)	(21,795)
<b>Net cash flows from financing activities</b>		<b>(17,756)</b>	<b>(11,430)</b>
<b>D. Exchange rates differences resulting from cash and cash equivalent calculation</b>		<b>(5,059)</b>	<b>(3,078)</b>
<b>E. Net (increase)/ decrease in cash and cash equivalent</b>		<b>(204,413)</b>	<b>(2,061,973)</b>
<b>F. Cash and cash equivalent at the beginning of reporting period</b>		<b>1,044,107</b>	<b>3,301,549</b>
<b>G. Cash and cash equivalent at the end of reporting period</b>		<b>839,694</b>	<b>1,239,576</b>

Supplementary notes on page 8 are integral part of the condensed interim unconsolidated financial statements.

## Supplementary notes

### 1. Declaration of conformity

These condensed unconsolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 '*Interim Financial Reporting*', adopted by European Union and with other applicable regulations. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the unconsolidated financial statements of the Bank as at and for the year ended 31 December 2011 and condensed interim consolidated financial statement of the Capital Group of Bank Handlowy w Warszawie S.A. as at and the period ended 30 June 2012.

In accordance with Decree of the Ministry of Finance dated 19 February 2009 regarding current and periodic information provided by issuers of securities and the requirements for recognition of information required by the law of a non-Member State as equivalent (Official Journal from 2009, No 33, item 259 with further changes) the Bank is obliged to publish its financial results for the six-month period ended 30 June 2012 which is deemed to be the current interim financial reporting period.

These condensed unconsolidated interim financial statements were approved by the Board of Directors on 24 August 2012.

### 2. Principles accepted at the composition of the report

Condensed interim unconsolidated financial statements of the Bank for the period ended 30 June 2012 have been prepared in accordance with the Decree by virtue of which the issuer, being a parent entity, is not obliged to provide separate interim unconsolidated financial statements, on condition that it includes in the interim consolidated financial statements the condensed interim unconsolidated financial statements consisting of balance sheet, profit and loss account, statement of changes in equity, cash flow statement and condensed supplementary notes, comprising of information and data significant for the assessment of the issuer's financial standing and its profit or loss, but not presented in the interim consolidated financial statement. In addition, it is required to prepare the condensed interim financial statements in accordance with accounting principles adopted in the preparation process of the annual financial statements.

Principles adopted in the preparation process of these condensed interim unconsolidated financial statements are consistent with the principles described in the annual unconsolidated financial statements of the Bank as at 31 December 2011.

The additional information to these condensed interim consolidated financial statements of the Group contains all information and explanatory data essential for these condensed interim unconsolidated financial statements of the Bank.



## Signatures of Management Board Members

24.08.2012	Sławomir S. Sikora	President of the Management Board	
..... Date	..... Name	..... Position / function	..... Signature
24.08.2012	Brendan Carney	Vice-President of the Management Board	
..... Date	..... Name	..... Position / function	..... Signature
24.08.2012	Robert Daniel Massey JR	Vice-President of the Management Board	
..... Date	..... Name	..... Position / function	..... Signature
24.08.2012	Misbah Ur-Rahman-Shah	Vice-President of the Management Board	
..... Date	..... Name	..... Position / function	..... Signature
24.08.2012	Witold Zieliński	Vice- President of the Management Board Chief Financial Officer	
..... Date	..... Name	..... Position / function	..... Signature
24.08.2012	Iwona Dudzińska	Member of the Management Board	
..... Date	..... Name	..... Position / function	..... Signature