



**BNP PARIBAS**

# Abbreviated Interim Separate Financial Statements of BNP Paribas Bank Polska SA for the first half of 2011



**BNP Paribas Bank Polska SA**

with its registered office in Warsaw at ul. Suwak 3, registered with the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register, under KRS no. 6421, VAT PL: 6760078301 (NIP), holding paid-up share capital of PLN 1,206,175,300. | [www.bnpparibas.pl](http://www.bnpparibas.pl)

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## 1. Financial Highlights

FINANCIAL HIGHLIGHTS (SEPARATE)	in PLN thousand		in EUR thousand	
	30 June 2011 (YTD)	30 June 2010 (YTD)	30 June 2011 (YTD)	30 June 2010 (YTD)
<b>Income Statement</b>				
Interest income	458,563	453,927	115,586	113,363
Fee and commission income	89,352	105,132	22,522	26,255
Total income, net	377,225	426,034	95,084	106,397
Gross profit/loss	15,385	22,463	3,878	5,610
Net profit/loss	10,410	15,291	2,624	3,819
<b>Ratios</b>				
Number of shares	24,123,506	24,123,506	-	-
Basic Earnings/Loss Per Share (PLN/EUR)	0.43	0.63	0.11	0.16
Diluted Earnings/Loss Per Share (PLN/EUR)	0.43	0.63	0.11	0.16
<b>Cash Flow Statement</b>				
Net cash provided by operating activities	-68,402	-1,035,636	-17,241	-258,637
Net cash provided by investing activities	-999,900	87,440	-252,035	21,837
Net cash provided by (used in) financing activities	251,270	568,666	63,335	142,017
Total net cash flow	-817,032	-379,530	-205,942	-94,783
<b>Balance Sheet</b>	<b>Balance as at 30 June 2011</b>	<b>Balance as at 31 December 2010</b>	<b>Balance as at 30 June 2011</b>	<b>Balance as at 31 December 2010</b>
Total assets	19,765,505	18,556,229	4,957,986	4,685,561
Loans to customers	14,243,526	13,151,131	3,572,851	3,320,741
Due to banks	2,201,464	745,774	552,216	188,313
Due to customers	7,621,336	8,211,775	1,911,738	2,073,523
Loans and credit facilities received	7,635,046	7,163,459	1,915,177	1,808,817
Own equity	1,366,179	1,335,101	342,693	337,121
<b>Ratios</b>				
Number of shares	<b>24,123,506</b>	<b>24,123,506</b>	-	-
Book value per share (in PLN / EUR)	56.63	55.34	14.21	13.97
Diluted book value per share (in PLN / EUR)	56.63	55.34	14.21	13.97
<b>Capital adequacy</b>				
Capital adequacy ratio	12.86%	13.52%	-	-

Key items in the balance sheet, income statement likewise cash flow statement in the financial statements for the first half of 2011 and the corresponding financial figures for the first half of 2010 and for 2010 have been converted into EUR according to the following rules:

- particular assets and liabilities items in the balance sheet and book value per share as at the end of the first half of 2011 have been converted into EUR at the mid-rate binding as at 30 June 2011 published by the National Bank of Poland on 30 June 2011, i.e. EUR 1 = PLN 3.9866; comparative financial figures as at the end of 2010 have been converted into EUR at the mid-rate binding as at 31 December 2010, published by the National Bank of Poland on 31 December 2010, i.e. EUR 1 = PLN 3.9603;
- particular items in the income statement and cash flow statement, and earnings per share as at the end of the first half of 2010 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through June 2011, i.e. EUR 1 = PLN 3.9673, whereas comparative data as at the end of the first half of 2010 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through June 2010, i.e. EUR 1 = PLN 4.0042.

## 2. Separate financial statements of BNP Paribas Bank Polska SA

Income Statement (in PLN thousand)	1 January 2011 - 30 June 2011	1 January 2010 - 30 June 2010
Interest income	458,563	453,927
Interest expense	-179,499	-163,408
<b>Net interest income</b>	<b>279,064</b>	<b>290,519</b>
Fee and commission income	89,352	105,132
Fee and commission expense	-20,695	-27,965
<b>Net fee and commission income</b>	<b>68,657</b>	<b>77,167</b>
Dividend and other investment income	-	-
Net trading income	20,396	49,129
Net profit (loss) on hedging transactions	-596	-
Net profit/loss on the hedged item	596	-
Net profit/loss on available-for-sale financial assets	-439	1,310
Other revenues	9,547	7,909
<b>Total income, net</b>	<b>377,225</b>	<b>426,034</b>
Personnel expenses	-132,418	-117,059
Depreciation of fixed assets and intangible fixed assets	-33,055	-40,096
Other expenses	-143,999	-136,128
Net impairment losses	-52,368	-110,288
<b>Gross profit/loss</b>	<b>15,385</b>	<b>22,463</b>
Income tax expense	-4,975	-7,172
<b>Net profit/loss</b>	<b>10,410</b>	<b>15,291</b>
<b>Earnings per Share</b>		
Net profit/loss (in PLN thousand)	10,410	15,291
Weighted average number of ordinary shares	24,123,506	24,123,506
EPS ratio (in PLN)	0.43	0.63
Weighted average diluted number of ordinary shares	24,123,506	24,123,506
Diluted earnings per ordinary share ratio (in PLN)	0.43	0.63

Separate report of total income (in PLN thousand)	1 January 2011 - 30 June 2011	1 January 2010 - 30 June 2010
<b>Net profit (loss) for the year</b>	<b>10,410</b>	<b>15,291</b>
Including:		
Profits / losses recognised in the income statement (investments available for sale) - net	499	-1,284
<b>Profits/losses not recognised in the income statement (investments available for sale) - net</b>	<b>5,507</b>	<b>8,415</b>
Profits / losses not recognised in the income statement (investments available for sale)	6,799	10,390
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-1,292	-1,975
<b>Total income</b>	<b>15,917</b>	<b>23,706</b>

Notes published on the following pages constitute an integral part of the abbreviated interim separate financial statements.

Balance sheet (in PLN thousand)	30 June 2011	31 December 2010	30 June 2010
<b>ASSETS</b>			
Cash and cash equivalents	355,994	1,172,860	454,021
Financial assets held for trading	166,808	194,290	494,806
Due from banks	157,334	159,013	602,977
Loans to customers	14,243,526	13,151,131	13,814,460
Hedging instruments	1,355	-	-
Investments - Available for Sale	4,234,307	3,247,825	2,687,015
Other investments	18,208	18,208	18,208
Property, Plant and Equipment	151,722	157,814	179,176
Intangible assets	23,712	23,659	28,415
Non-current assets held for sale	4,785	4,785	-
Settlements on account of income tax	715	84,015	22,772
Deferred tax assets	222,705	215,222	232,481
Other assets	184,334	127,407	143,268
<b>Total assets</b>	<b>19,765,505</b>	<b>18,556,229</b>	<b>18,677,599</b>
<b>LIABILITIES</b>			
Financial liabilities held for trading	74,913	97,699	135,178
Due to banks	2,201,464	745,774	1,597,582
Due to customers	7,621,336	8,211,775	7,485,440
Loans and credit facilities received	7,635,046	7,163,459	7,084,114
Hedging instruments	74	-	-
Adjustment of the hedged item to fair value	-532	-	-
Liabilities related to issuance of debt securities	-	30,000	30,000
Subordinated liabilities	538,392	565,236	587,496
Current tax liabilities	-	-	-
Other liabilities	305,665	385,766	303,941
Provisions	22,968	21,419	61,308
<b>Total liabilities</b>	<b>18,399,326</b>	<b>17,221,128</b>	<b>17,285,059</b>
<b>EQUITY CAPITAL</b>			
Share capital	1,206,175	1,206,175	1,206,175
Additional capital	129,157	125,745	125,745
Transfer from BNP Paribas SA Branch	15,161	-78,010	-
Other capital	6,873	45,639	45,639
Revaluation reserve	-1,597	-7,104	-310
Retained earnings	-	-	-
Net profit (loss) for the year	10,410	42,656	15,291
<b>Total equity</b>	<b>1,366,179</b>	<b>1,335,101</b>	<b>1,392,540</b>
<b>Total liabilities and equity</b>	<b>19,765,505</b>	<b>18,556,229</b>	<b>18,677,599</b>

Notes published on the following pages constitute an integral part of the abbreviated interim separate financial statements.

<b>Statement of Changes in Shareholders' Equity in the first half of 2010 (in PLN thousand)</b>							
	Share capital	Additional capital	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 1 Jan 2010</b>	<b>1,206,175</b>	<b>554,415</b>	<b>-428,670</b>	-	<b>45,639</b>	<b>-8,725</b>	<b>1,368,834</b>
Total income for the first half of 2010	-	-	-	15,291	-	8,415	23,706
Distribution of retained earnings	-	-428,670	428,670	-	-	-	-
<b>Balance as at 30 June 2010</b>	<b>1,206,175</b>	<b>125,745</b>	-	<b>15,291</b>	<b>45,639</b>	<b>-310</b>	<b>1,392,540</b>

<b>Statement of Changes in Shareholders' Equity in 2010 (in PLN thousand)</b>								
	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 1 Jan 2010</b>	<b>1,206,175</b>	<b>554,415</b>	-	<b>-428,670</b>	-	<b>45,639</b>	<b>-8,725</b>	<b>1,368,834</b>
Total income in 2010	-	-	-	-	42,656	-	1,621	44,277
Distribution of retained earnings	-	-428,670	-	428,670	-	-	-	-
Others	-	-	-78,010	-	-	-	-	-78,010
<b>Balance as at 31 Dec 2010</b>	<b>1,206,175</b>	<b>125,745</b>	<b>-78,010</b>	-	<b>42,656</b>	<b>45,639</b>	<b>-7,104</b>	<b>1,335,101</b>

<b>Statement of Changes in Shareholders' Equity in the first half of 2011 (in PLN thousand)</b>								
	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 1 Jan 2011</b>	<b>1,206,175</b>	<b>125,745</b>	<b>-78,010</b>	<b>42,656</b>	-	<b>45,639</b>	<b>-7,104</b>	<b>1,335,101</b>
Total income for the first half of 2011	-	-	-	-	10,410	-	5,507	15,917
Distribution of retained earnings	-	3,412	-	-42,656	-	39,244	-	-
Others	-	-	93,171	-	-	-78,010	-	15,161
<b>Balance as at 30 June 2011</b>	<b>1,206,175</b>	<b>129,157</b>	<b>15,161*</b>	-	<b>10,410</b>	<b>6,873</b>	<b>-1,597</b>	<b>1,366,179</b>

Notes published on the following pages constitute an integral part of the abbreviated interim separate financial statements.

\*The amount of PLN 15,161 thousand is the asset value on account of a deferred tax concerning tax goodwill that occurred as a result of the purchase of an organised part of an enterprise of BNP Paribas SA Branch in Poland. The value of a deferred tax on goodwill was recognised in the Bank's equity; it will be settled according to a five-year depreciation period decreasing the Bank's result.

The tax settlement of the transaction of a purchase of an enterprise organised part took place in March 2011, then the asset on this account was recognised as well.

<b>Cash flow statement (in PLN thousand)</b>	<b>1 January 2011 - 30 June 2011</b>	<b>1 January 2010 - 30 June 2010</b>
<b>Cash and cash equivalents, gross, opening balance</b>	<b>1,173,597</b>	<b>833,802</b>
<b>Gross profit/loss</b>	<b>15,385</b>	<b>22,463</b>
<b>Adjustments for:</b>	<b>-83,787</b>	<b>-1,058,099</b>
Depreciation	33,055	40,096
Impairment losses	53,146	105,550
Profits/losses on investing activities	2,762	14,712
Changes in operational assets and liabilities:	-258,753	-1,232,285
- financial assets and liabilities held for trading	4,696	133,203
- due from banks	1,679	970,277
- loans to customers	-1,142,815	-113,373
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	-1,813	-
- change in the balance of available-for-sale investments	-11,794	-2,425
- change in other investments	-	-
- due to banks	1,455,689	-413,572
- due to customers	-590,439	-1,758,645
- liabilities due on account of credit facilities and loans received	160,317	-45,445
- liabilities due on account of a subordinated loan	3,156	4,512
- other assets and liabilities	-137,429	-6,817
Income tax expense	86,003*	13,828
<b>Net operating cash flows</b>	<b>-68,402</b>	<b>-1,035,636</b>
Purchase of available-for-sale investments	-35,886,922	-19,837,753
Purchase of property, plant and equipment and intangible fixed assets	-30,658	-21,459
Proceeds from sales of available-for-sale investments	34,917,742	19,947,379
Proceeds from sales of property, plant and equipment	217	193
Other investment expenses	-279	-920
<b>Net cash provided by investing activities</b>	<b>-999,900</b>	<b>87,440</b>
Issuance of subordinated liabilities	-	-
Payment of subordinated liabilities	-60,000	-
Loans and credit facilities taken	2,175,100	5,854,683
Repayment of loans and credit facilities	-1,863,830	-5,286,017
<b>Net cash provided by (used in) financing activities</b>	<b>251,270</b>	<b>568,666</b>
<b>Cash and cash equivalents, gross, ending balance</b>	<b>356,565</b>	<b>454,272</b>
<b>Change in cash and cash equivalents, net</b>	<b>-817,032</b>	<b>-379,530</b>

Cash Flow Statement is prepared using an indirect method.

Notes published on the following pages constitute an integral part of the abbreviated interim separate financial statements.

\*The most significant element in the balance change of the settlements on account of income tax was a refund of excess payment of income tax for 2010, in the amount of PLN 85,426 thousand.

### 3. Information on Related Party Transactions

Information on transactions of the Bank with its parent company, its subsidiary and entities affiliated by management is presented below. These transactions refer to banking operations performed within a standard business activity; the terms and conditions of transactions presented correspond to market conditions.

#### Note 3.1

<b>30 June 2011 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
Cash and cash equivalents	33,641	-	20,059	53,700
Financial assets held for trading	25,175	-	14,580	39,755
Due from banks and Loans to customers	57,928	-	20,250	78,178
Hedging instruments	1,355	-	-	1,355
Other assets	3,628	281	1,823	5,732
<b>Total</b>	<b>121,727</b>	<b>281</b>	<b>56,712</b>	<b>178,720</b>
Financial liabilities held for trading	47,902	-	16,038	63,940
Due to banks and customers	473,988	23,170	1,409,511	1,906,669
Loans and credit facilities received	100,000	-	7,455,046	7,555,046
Hedging instruments	74	-	-	74
Adjustment of the hedged item to fair value	-532	-	-	-532
Subordinated liabilities	60,000	-	478,392	538,392
Other liabilities	1,899	10	30,336	32,245
<b>Total</b>	<b>683,331</b>	<b>23,180</b>	<b>9,389,323</b>	<b>10,095,834</b>

<b>31 Dec 2010 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
Cash and cash equivalents	181,610	-	3,565	185,175
Financial assets held for trading	30,418	-	5,568	35,986
Due from banks and Loans to customers	-	1	87,876	87,877
Other assets	4,486	240	2,611	7,337
<b>Total</b>	<b>216,514</b>	<b>241</b>	<b>99,620</b>	<b>316,375</b>
Financial liabilities held for trading	62,185	-	10,486	72,671
Due to banks and customers	126,974	16,507	340,872	484,353
Loans and credit facilities received	390,000	-	6,693,459	7,083,459
Subordinated liabilities	60,000	-	475,236	535,236
Other liabilities	3,864	62	9,119	13,045
<b>Total</b>	<b>643,023</b>	<b>16,569</b>	<b>7,529,172</b>	<b>8,188,764</b>

<b>30 June 2010 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
Cash and cash equivalents	75,348	-	5,420	80,768
Financial assets held for trading	28,039	-	61,915	89,954
Due from banks and Loans to customers	256,049	3	36,863	292,915
Other assets	2,299	323	2,605	5,227
<b>Total</b>	<b>361,735</b>	<b>326</b>	<b>106,803</b>	<b>468,864</b>
Financial liabilities held for trading	100,346	-	1,448	101,794
Due to banks and customers	412,295	17,479	1,045,274	1,475,048
Loans and credit facilities received	390,000	-	6,694,114	7,084,114
Subordinated liabilities	60,000	-	497,496	557,496
Other liabilities	3,818	65	3,767	7,650
<b>Total</b>	<b>966,459</b>	<b>17,544</b>	<b>8,242,099</b>	<b>9,226,102</b>



## Note 3.2

<b>1 January 2011 - 30 June 2011 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
<b>Income Statement</b>				
Interest income	338	-	499	837
Interest expense	-11,608	-268	-60,482	-72,358
Fee and commission income	1,609	657	290	2,556
Fee and commission expense	-524	-	-12,689	-13,213
Net trading income	3,618	-	15,826	19,444
Other revenues	701	-	-101	600
Other costs	-	-	-37	-37

<b>1 January 2010 - 30 June 2010 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
<b>Income Statement</b>				
Interest income	1,471	-	209	1,680
Interest expense	-12,111	-360	-23,396	-35,867
Fee and commission income	2,163	617	535	3,315
Fee and commission expense	-594	-	-16	-610
Net trading income	24,827	-	111,956	136,783

## Note 3.3

<b>30 June 2011 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
<b>Contingent liabilities and transactions in derivative instruments</b>				
Contingent liabilities granted:	10,227	50	317,997	328,274
- items related to financing	-	50	212,706	212,756
- guarantees	10,227	-	105,291	115,518
Contingent liabilities received:	20,621	-	1,389,037	1,409,658
- items related to financing	-	-	1,254,152	1,254,152
- guarantees	20,621	-	134,885	155,506
Transactions in derivative instruments*	9,794,814	-	4,791,054	14,585,868

<b>31 Dec 2010 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
<b>Contingent liabilities and transactions in derivative instruments</b>				
Contingent liabilities granted:	13,441	50	364,360	377,851
- items related to financing	-	50	187,054	187,104
- guarantees	13,441	-	177,306	190,747
Contingent liabilities received:	20,569	-	141,411	161,980
- items related to financing	-	-	-	-
- guarantees	20,569	-	141,411	161,980
Transactions in derivative instruments*	8,358,494	-	5,355,720	13,714,214

<b>30 June 2010 (in PLN thousand)</b>	<b>Parent entity</b>	<b>Subsidiary</b>	<b>Entities affiliated by management</b>	<b>Total</b>
<b>Contingent liabilities and transactions in derivative instruments</b>				
Contingent liabilities granted:	24,604	47	170,752	195,403
- items related to financing	-	47	160,335	160,382
- guarantees	24,604	-	10,417	35,021
Contingent liabilities received:	33,604	-	103	33,707
- items related to financing	-	-	-	-
- guarantees	33,604	-	103	33,707
Transactions in derivative instruments*	7,687,824	-	2,663,906	10,351,730

\*In the item "Transactions in derivative instruments", the derivative instrument purchase and sale transactions are presented.

## 4. Abbreviated additional information

### 4.1. Statement on consistency

The abbreviated interim separate financial statements of the Bank have been prepared pursuant to the International Accounting Standard 34 *Interim Financial Reporting* (IAS 34), approved by the EU, and other binding provisions. This financial report does not contain all information required for annual separate financial statements and therefore, it should be read together with the separate financial statements of Fortis Bank Polska SA for the year ended on 31 December 2010. The Separate Financial Statements of Fortis Bank Polska SA for the year ended on 31 December 2010 is available on the Bank's website: [www.bnpparibas.pl](http://www.bnpparibas.pl).

Pursuant to the Ministry of Finance Ordinance dated 19 February 2009 regarding current and periodical information submitted by issuers of securities and conditions of recognising as equivalent the information required by law provisions of a country that is not a EU Member State (Journal of Laws No. 33/2009, item 259) ("the Ordinance"), the Bank shall publish its financial performance for the period of six months ending on 30 June 2011, which is considered a current interim reporting period.

These abbreviated separate financial statements of the Bank were approved for publishing by the Bank's Board of Executives on 26 August 2011.

### 4.2. Principles applied in the preparation of the financial statements

The abbreviated interim separate financial statements of the Bank for the period ending on 30 June 2011 have been prepared pursuant to requirements laid down in the Ordinance under which the issuer being the parent entity is not required to publish separate interim financial statements provided that along with the consolidated financial statements, abbreviated interim financial statements are published, including: balance sheet and income statement, statement of changes in equity, cash flow statement and additional information including information and data relevant to assess assets, financial standing and financial performance of the issuer and which have not been considered in the interim consolidated financial statements. The Ordinance referred to above requires that the abbreviated interim financial statements be prepared pursuant to accounting standards applicable to the annual financial statements.

Standards adopted in these abbreviated interim separate financial statements of the Bank are compliant with accounting standards adopted and described in the annual separate financial statements of the Bank for the period ending on 31 December 2010.

### 4.3. Statements of the Bank's Board of Executives

#### **Correctness and reliability of reports presented**

To the best knowledge of the Board of Executives of the Bank, the interim financial data and comparative data presented in the abbreviated interim separate financial statements of BNP Paribas Bank Polska SA for the period ending on 30 June 2011 were prepared pursuant to the binding accounting policies and they accurately, reliably and clearly reflect the property and financial situation of the Bank and its financial performance.

#### **Selection of an entity authorised to audit the financial statements**

Mazars Audyt Sp. z o.o., an entity authorised to audit financial statements, which has reviewed the abbreviated interim separate financial statements of BNP Paribas Bank Polska SA for the period ending on 30 June 2011, was chosen pursuant to the provisions of law. The above entity and statutory auditors have met the conditions necessary to issue an impartial and independent review report, in accordance with the respective provisions of Polish law.

**Signatures of the Members of the Board of Executives (on the Polish original):**

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26 August 2011	Frédéric Amoudru President of the Board of Executives	..... signature
26 August 2011	Jan Bujak Senior Vice President of the Board of Executives Chief Financial Officer	..... signature
26 August 2011	Jaromir Pelczarski Vice President of the Board of Executives	..... signature
26 August 2011	Michel Thebault Vice President of the Board of Executives	..... signature
26 August 2011	Wojciech Kemblowski Member of the Board of Executives	..... signature
26 August 2011	Marta Oracz Member of the Board of Executives	..... signature
26 August 2011	Stephane Rodes Member of the Board of Executives	..... signature

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