

FINANCIAL SUPERVISION COMMISSION

Annual Report SAB-R 2006

(pursuant to §86, para.1, item 3 of the Ordinance of the Finance Minister dated October 19, 2005 - Journal of Laws No. 209, item 1744)

(for banks)

For the fiscal year of 2006 from January 1, 2006 to December 31, 2006

and the previous fiscal year from January 1, 2005 to December 31, 2005

Submitted on April 20, 2007

(submission date)

FORTIS BANK POLSKA SA

(the Issuer's full name)

FORTISPL

(the Issuer's short name)

02-676

(postcode)

Postępu

(street)

(022) 566 90 00

(phone)

676-007-83-01

(NIP)

(022) 566 90 10

(fax)

P-003915970

(REGON)

Banks (ban)

(sector in the WSE classification)

Warszawa

(place)

15

(No)

info@fortisbank.com.pl

(e-mail)

www.fortisbank.com.pl

(www)

KPMG Polska Audyt Sp. z o.o.

(Auditor)

April 18, 2007

(auditor's opinion date)

Annual report includes:

- Opinion and report of the auditor on the audit of the financial statements
- Statement of the Board of Executives regarding the reliability of making financial statements
- Statement of the Board of Executives regarding the auditor
- Letter of the President of the Board of Executives
- Annual financial report
 - Introduction
 - Balance Sheet Statement
 - Profit and Loss Statement
- Board of Executives' Report (report on the Issuer's activity)
- Movements in Own Equity
- Cash Flow Statement
- Additional Notes

FINANCIAL HIGHLIGHTS	PLN thousand		EUR thousand	
	2006	2005	2006	2005
I. Interest income	383 038	301 694	98 270	74 987
II. Commission and fee income	100 248	87 531	25 719	21 756
III. Result on banking activity	407 949	323 136	104 661	80 316
IV. Net operating income	131 740	122 392	33 799	30 421
V. Gross profit (loss)	131 740	122 392	33 799	30 421
VI. Net profit (loss)	108 266	101 499	27 776	25 228
VII. Net cash flow from operating activity	-344 310	82 867	-88 334	20 597
VIII. Net cash flow from investing activity	-392 273	65 502	-100 640	16 281
IX. Net cash flow from financial activity	1 591 583	-40 946	408 329	-10 177
X. Total net cash flow	855 000	107 423	219 355	26 700
XI. Total assets	10 454 711	6 369 903	2 728 835	1 650 319
XII. Due to the central bank	320 000	-	83 525	-
XIII. Due to other financial institutions	4 450 669	2 178 408	1 161 691	564 384
XIV. Due to customers and the public sector	4 248 686	3 174 609	1 108 970	822 480
XV. Equity capital	798 542	691 785	208 431	179 228
XVI. Share capital	452 331	30 155	118 065	7 813
XVII. Number of sharers	15 077 700	15 077 700		
XVIII. Book value per share (in PLN/EUR)	52,96	45,88	13,82	11,89
XIX. Diluted book value per share (in PLN/EUR)	52,96	45,88	13,82	11,89
XX. Capital adequacy ratio (%)	8,47%	11,11%		
XXI. Profit (loss) per ordinary share (in PLN/EUR)	7,18	6,73	1,84	1,67
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)	7,18	6,73	1,84	1,67
XX. Dividend per share, declared or paid (in PLN/EUR)				

BALANCE-SHEET

	as at	Note	31.12.2006 (current year)	31.12.2005 (prior year)
ASSETS				
I. Cash and due from the Central Bank		1, 13	375 965	231 374
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Receivables due from other financial institutions		2, 13	2 058 890	1 312 398
1. Current			1 283 010	571 842
2. Term			775 880	740 556
IV. Receivables due from customers		3, 13	7 037 593	4 292 479
1. Current			1 299 464	883 959
2. Term			5 738 129	3 408 520
V. Receivables due from budget sector		4, 13	494	531
1. Current				
2. Term			494	531
VI. Securities purchased under resale agreements		5		
VII. Debt securities		6, 13	741 596	311 428
VIII. Shares and investments in subsidiaries		7, 10	16 630	15 360
IX. Shares and investments in sister companies		8, 10		
X. Shares and investments in associated entities		9, 10		
XI. Minority investments		11, 13	43	43
XII. Other securities and other financial assets		12, 13	81 003	52 790
XIII. Intangible fixed assets, incl.		14	23 664	14 522
- goodwill				
XIV. Tangible fixed assets		15	60 275	47 454
XV. Other assets		16	14 521	58 522
1. Seized assets - for sale				5
2. Other			14 521	58 517
XVI. Prepayments and accrued income		17	44 037	33 002
1. Deferred income tax			37 380	29 899
2. Other prepayments and accrued income			6 657	3 103
TOTAL ASSETS			10 454 711	6 369 903
LIABILITIES				
I. Due to the Central Bank			320 000	
II. Due to other financial institutions		20	4 450 669	2 178 408
1. Current			1 313 453	710 999
2. Term			3 137 216	1 467 409
III. Due to customers		21	4 215 466	3 148 567
1. Savings:			2 216	1 571
a. Current				
b. Term			2 216	1 571
2. Others:			4 213 250	3 146 996
a. Current			2 253 402	1 654 830
b. Term			1 959 848	1 492 166
IV. Due to budget sector		22	33 220	26 042
1. Current			19 757	11 600
2. Term			13 463	14 442
V. Securities sold under repurchase agreements		23		
VI. Debt securities issued		20,21, 22,24		
1. Short-term				
2. Long-term				
VII. Other liabilities in respect of financial instruments			87 674	51 939
VIII. Special funds and other liabilities		25	367 975	104 417
IX. Accruals and deferred income		26	123 964	134 101
1. Settlements of accrued expenses			26 864	12 242
2. Negative goodwill				
3. Other accruals and deferred income			97 100	121 859

X. Provisions	27	57 201	34 644
1. Provision for corporate income tax		15 794	10 854
2. Other provisions		41 407	23 790
a. Short-term			
b. Long-term		41 407	23 790
XI. Subordinated debt	28		
XII. Share capital	29	452 331	30 155
XIII. Unpaid contribution to share capital (negative value)			
XIV. Own shares (negative value)	30		
XV. Reserve capital	31	159 999	349 539
XVI. Revaluation reserve	32	3 012	2 415
XVII. Other reserve capital	33	74 934	153 834
XVIII. Retained earnings (or uncovered loss) from prior years			54 343
XIX. Net profit (loss)		108 266	101 499
TOTAL LIABILITIES		10 454 711	6 369 903

Capital Adequacy Ratio (in %)	34	8,47%	11,11%
Net book value		798 542	691 785
Number of shares		15 077 700	15 077 700
Net book value per share (in PLN)	35	52,96	45,88
Diluted number of shares		15 077 700	15 077 700
Diluted book value per share (in PLN)	35	52,96	45,88

OFF-BALANCE SHEET ITEMS

	as at	Note	31.12.2006 (current year)	31.12.2005 (prior year)
I. Contingent liabilities and assets:			4 173 535	3 414 158
1. Contingent liabilities granted:		36	3 650 878	2 519 246
a) lending commitments			2 871 239	1 966 069
b) guarantees			779 639	553 177
2. Contingent assets received:		37	522 657	894 912
a) lending commitments			330 194	737 016
b) guarantees			192 463	157 896
II. Commitments resulting from sale/purchase transactions			5 648 043	5 851 830
III. Other, including:			28 791 486	5 180 442
- speculative derivatives			28 491 486	4 880 442
- hedging derivatives			300 000	300 000
TOTAL off-balance sheet items			38 613 064	14 446 430

PROFIT AND LOSS STATEMENT

	Note	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
I. Interest income	38	383 038	301 694
II. Interest expense	39	175 367	136 780
III. Net interest income (I-II)		207 671	164 914
IV. Commission and fee income	40	100 248	87 531
V. Commission and fee expense		9 561	8 919
VI. Net commission and fee income (IV-V)		90 687	78 612
VII. Income on shares, securities and other financial instruments with variable yield	41		
1. From subsidiaries			
2. From sister companies			
3. From associated entities			
4. From other entities			
VIII. Net result on financial transactions	42	5 825	5 328
IX. Net result on FX differences		103 766	74 282
X. Result on banking activities		407 949	323 136
XI. Other operating income	43	16 228	9 212
XII. Other operating expenses	44	8 141	2 954
XIII. General expenses	45	234 371	160 695
XIV. Depreciation of tangible and intangible fixed assets		25 563	21 129
XV. Charges to provisions and revaluation	46	52 798	51 875
1. Specific provisions and general risk reserve		52 798	51 875
2. Revaluation of financial assets			
XVI. Release of provisions and other decreases in respect of revaluation	47	28 436	26 697
1. Release of specific provisions and general risk reserve		28 436	26 697
2. Revaluation of financial assets			
XVII. Net charges to/release of provisions and revaluation (XV- XVI)		-24 362	-25 178
XVIII. Operating profit		131 740	122 392
XIX. Extraordinary gains/ losses, net			
1. Extraordinary gains	49		
2. Extraordinary losses	50		
XX. Profit (loss) before taxation		131 740	122 392
XXI. Corporate income tax	51	-24 578	-23 062
1. current		-27 261	-21 388
2. deferred		2 683	-1 674
XXII. Other mandatory charges to profit (loss)	52		
XXIII. Share in net profit (loss) of subsidiaries measured by equity method	53	1 104	2 169
XXIV. Net profit (loss)	54	108 266	101 499

Net profit (loss) (for 12 months)		108 266	101 499
Weighted average number of ordinary shares		15 077 700	15 077 700
Net profit (loss) per ordinary share (in PLN)	55	7,18	6,73
Weighted average of estimated number of ordinary shares		15 077 700	15 077 700
Diluted net profit (loss) per ordinary share (in PLN)	55	7,18	6,73

MOVEMENTS IN OWN EQUITY

	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
I. Opening balance of own equity	691 785	595 176
a) Changes in adopted accounting principles (policy)		-7 468
b) Correction of material errors		
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	691 785	587 708
1. Opening balance of share capital	30 155	30 155
1.1. Movements in share capital	422 176	
a) increases (in respect of)	422 176	
- issue of shares		
- transfer of funds from other capitals	422 176	
b) decreases (in respect of)		
- redemption of shares		
1.2. Closing balance of share capital	452 331	30 155
2. Opening balance of unpaid contribution to share capital		
2.1. Movements in unpaid contributions to share capital		
a) increases		
b) decreases		
2.2. Closing balance of unpaid contribution to share capital		
3. Opening balance of own shares		
a) increases		
b) decreases		
3.1 Closing balance of own shares		
4. Opening balance of reserve capital	349 539	349 539
4.1. Movements in reserve capital	-189 540	
a) increases (in respect of)	64 546	
- issuance of shares above their par value		
- profit distribution (mandatory)		
- distribution of profit (voluntary)	64 542	
- sale and liquidation of fixed assets	4	
b) decreases (in respect of)	-254 086	
- covering financial effects of the amendments to the Accounting Act		
- transfer to share capital	-243 887	
- covering of financial losses from previous years (covering of financial results due to changes in accounting standards)	-10 199	
4.2. Closing balance of reserve capital	159 999	349 539
5. Opening balance of revaluation reserve	2 415	-163
5.1. Movements in revaluation reserve	597	2 578
a) increases (in respect of)	9 693	10 275
- valuation of available-for-sale financial instruments	8 274	9 077
- deferred corporate income tax	1 419	1 198
b) decreases (in respect of)	-9 096	-7 697
- sale of fixed assets		
- liquidation of fixed assets	-4	-1
- valuation of available-for-sale financial instruments	-7 531	-5 894
- deferred corporate income tax	-1 561	-1 802
5.2. Closing balance of revaluation reserve	3 012	2 415
6. Opening balance of General Risk Fund	136 816	112 263
6.1. Movements in General Risk Fund	-69 771	24 553
a) increases (in respect of)	41 499	24 553
- profit distribution	41 499	24 553
b) decreases (in respect of)	-111 270	
- transfer of funds to reserve capital	-111 270	
6.2. Closing balance of General Risk Fund	67 045	136 816
7. Opening balance of other reserve capital	17 018	17 018
7.1. Movements in other reserve capital	-9 129	
a) increases (in respect of)	171 270	
- profit distribution	60 000	
- transfer of funds from General Risk Fund	111 270	
b) decreases (in respect of)	-180 399	
- accountring entry transfer to share capital	-178 288	

- paid tax (in respect of capital increase)	-2 111	
7.2. Closing balance of other reserve capital	7 889	17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year	155 842	11 811
8.1. Opening balance of undistributed profit from prior years	166 041	14 542
a) changes in adopted accounting principles (policy)		
b) corrections of material errors		
8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with	166 041	14 542
8.3. Movements in undistributed profit from prior years	-166 041	50 000
a) increases (in respect of)		50 000
- profit distribution		50 000
- changes in adopted accounting principles (policy)		
b) decreases (in respect of)	-166 041	
- profit distribution	-166 041	
8.4. Closing balance of undistributed profit from prior years		64 542
8.5. Opening balance of uncovered loss from prior years	-10 199	-2 731
a) changes in adopted accounting principles (policy)		-7 468
b) corrections of material errors		
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current	-10 199	-10 199
8.7. Movements in uncovered loss from prior years	10 199	
a) increases (in respect of)		
- transfer to uncovered loss from prior years		
b) decreases (in respect of)	10 199	
- accounting entry transfer to reserve capital to cover losses from previous years (covering of negative financial results due to implementation of changes in accounting principles)	10 199	
8.8. Closing balance of uncovered loss from prior years		-10 199
8.9. Closing balance of undistributed profit or uncovered loss from prior years		54 343
9. Net income	108 266	101 499
a) net profit	108 266	101 499
b) net loss		
II. Closing balance of own equity	798 542	691 785
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	798 542	691 785

CASH FLOW STATEMENT

	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method*		
I. Net profit (loss)	108 266	101 499
II. Adjustments for:	-452 576	-18 632
1. Share in net profit (loss) of subsidiaries measured by equity rights	-1 104	-2 169
2. Depreciation	25 563	21 129
3. Foreign exchange gains/(losses)	101 688	-48 385
4. Interest and dividends received and paid	20 950	19 778
5. Profit (loss) on investments	2 988	-2 001
6. Change in other reserves	-10 371	6 097
7. Change in debt securities held	-83 931	4 106
8. Change in amounts due from financial sector	-39 316	10 422
9. Change in amounts due from customers and budget	-2 708 915	-908 595
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield	-28 213	-31 378
12. Change in amounts due to financial sector	865 328	319 387
13. Change in amounts due to customers and budget	1 074 045	523 416
14. Change securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	297 182	92 640
17. Change in prepayments and accrued income	3 445	4 000
18. Change in deferred income	-24 759	8 830
19. Other items	52 844	-35 909
III. Net cash flow from operating activity (I +/- II) - indirect method	-344 310	82 867

B. CASH FLOW FROM INVESTING ACTIVITY (I-II)			
I. Cash inflows from investing activity		353 868	1 470 859
1. Sale of shares in subsidiaries			50 000
2. Sale of shares in sister companies			
3. Sale of shares in associated entities			
4. Sale of other shares, securities and financial assets	343 590		1 410 789
5. Sale of tangible and intangible fixed assets	1 633		1 621
6. Sale of investment in real estates and intangible fixed assets			
7. Other inflows	8 645		8 449
II. Cash outflows from investing activity		-746 141	-1 405 357
1. Purchase of shares in subsidiaries			
2. Purchase of shares in sister companies			
3. Purchase of shares in associated entities			
4. Purchase of other shares, securities and financial assets	-694 309		-1 375 833
5. Purchase of tangible and intangible fixed assets	-21 776		-13 024
6. Investments in real estates and intangible fixed assets	-30 056		-16 500
7. Other outflows			
III. Net cash flow from investing activity (I +/- II)		-392 273	65 502
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)			
I. Cash inflows from financial activity		2 427 694	0
1. Long-term loans from other banks	2 427 694		
2. Long-term loans from other financial institutions			
3. Issue of debt securities			
4. Increase in subordinated debt			
5. Net inflows from issuance of own shares and additional payments to share capital			
6. Other inflows			
II. Cash outflows from financial activity		-836 111	-40 946
1. Repayment of long-term loans contracted from other banks	-773 420		
2. Repayment of long-term loans contracted from other financial institutions	-28 886		-20 471
3. Redemption of debt securities			
4. Other financial liabilities			
5. Payment of liabilities under financial lease agreements			
6. Decrease in subordinated debt			
7. Payment of dividends and other payments to owners			
8. Other payments (not to owners) related to profit distribution			
9. Purchase of own shares			
10. Other outflows	-33 805		-20 475
III. Net cash flow from financial activity (I +/- II)		1 591 583	-40 946
D. NET CASH FLOW (AIII+/-BIII+/-CIII)		855 000	107 423
E. CHANGE IN CASH IN BALANCE-SHEET		855 000	107 423
- including changes in cash arising from FX differences		-70 345	-36 272
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD		802 907	695 484
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)		1 657 907	802 907
- including cash with restricted option of use			

NOTES TO THE BALANCE SHEET**Note 1A**

CASH AND DUE FROM CENTRAL BANK	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current account	375 708	231 153
b. Mandatory reserve		
c. Amounts of Bank Guarantee Fund		
d. Other	257	221
TOTAL of cash and due from Central Bank	375 965	231 374

Between Nov. 30, 2006 to Jan. 1, 2007 the Bank's declared mandatory reserve on the current account with NBP amounted to PLN 143,288 thousand.

Between Dec. 31, 2004 to Jan. 30, 2005 the Bank's declared mandatory reserve on the current account with NBP amounted to PLN 94,354 thousand.

Note 1B

CASH (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty	127 972	107 103
b. in foreign currency (PLN equivalent)	247 993	124 271
b1. unit/currency 1000/EUR	36 442	18 655
in PLN thousand	139 616	72 005
b2. unit/currency 1000/GBP	12 210	5 090
in PLN thousand	69 676	28 630
b3. unit/currency 1000/USD	5 559	4 706
in PLN thousand	16 179	15 348
b4. unit/currency 1000/NOK	17 954	5 726
in PLN thousand	8 327	2 765
b5. other currencies (in PLN thousand)	14 195	5 523
TOTAL CASH	375 965	231 374

Note 2A

RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts	1 282 432	571 451
b. Credits, loans and placements, incl.	749 917	731 916
- placements in other banks and financial institutions	626 645	639 447
c. Purchased receivables		
d. Realized guarantees and commitments		
e. Other receivables (in respect of)	24 225	9 043
- document operations discounts	15 570	
- L/C discounts	8 323	8 666
- VISA cards settlements	328	71
- other	4	306
f. Interest	4 477	2 276
- accrued	4 291	2 110
- overdue	186	166
Total gross receivables due from other financial institutions	2 061 051	1 314 686
g. Provisions for receivables due from other financial institutions (negative value)	-2 161	-2 288
Total receivables due from other financial institutions (net)	2 058 890	1 312 398

Note 2B

GROSS RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts	1 282 436	571 757
b. Term, with maturity from balance sheet date:	774 138	740 653
- up to 1 month	537 638	573 133
- 1 month - 3 months	7 316	1 656
- 3 months - 1 year	33 228	4 108
- 1 year - 5 years	170 499	157 776
- over 5 years	24 626	1 163
- overdue	831	2 817
c. Interest	4 477	2 276
- accrued	4 291	2 110
- overdue	186	166
Total receivables due from other financial institutions (gross)	2 061 051	1 314 686

Note 2C

RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts	1 282 436	571 757
b. Term, with duration:	774 138	740 653
- up to 1 month	42 236	513 316
- 1 month - 3 months	414 240	5 511
- 3 months - 1 year	76 485	3 604
- 1 year - 5 years	187 537	60 055
- over 5 years	53 640	158 167
c. Interest	4 477	2 276
- accrued	4 291	2 110
- overdue	186	166
Total receivables due from other financial institutions (gross)	2 061 051	1 314 686

Note 2D

RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	1 302 771	300 478
b. in foreign currency (PLN equivalent)	758 280	1 014 208
b1. unit/currency 1000/ USD	193 754	64 467
in PLN thousand	563 921	210 245
b2. unit/currency 1000 /EUR	47 778	199 999
in PLN thousand	183 046	771 955
b3. unit/currency 1000 /CHF	3 471	5 428
in PLN thousand	8 274	13 454
b4. unit/currency 1000/ CAD	649	251
in PLN thousand	1 628	705
b5. other receivables (in PLN thousand)	1 411	17 849
Total receivables due from other financial institutions (gross)	2 061 051	1 314 686

Note 2E

RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (GROSS)	31.12.2006 (current year)	31.12.2005 (prior year)
1. Performing loans	2 051 081	1 309 591
2. Watch loans		
3. Non-performing loans, including:	5 493	2 819
- substandard		
- doubtful		
- lost	5 493	2 819
4. Interest:	4 477	2 276
a) accrued	4 291	2 110
b) overdue	186	166
- from performing and watch loans		
- from non-performing loans	186	166
Total receivables due from other financial institutions (gross)	2 061 051	1 314 686

Note 2F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2006 (current year)	31.12.2005 (prior year)
a. Watch loans		
b. Non-performing loans, including:	3 875	853
- substandard		
- doubtful		
- lost	3 875	853
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from other financial institutions	3 875	853

Note 2G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2006 (current year)	31.12.2005 (prior year)
a. Watch loans		
b. Non-performing loans, including:	2 161	2 288
- substandard		
- doubtful		
- lost	2 161	2 288
Total specific provisions for receivables due from other financial institutions	2 161	2 288

Note 2H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2006 (current year)	31.12.2005 (prior year)
1. Opening balance	2 288	1 100
a) Increases (in respect of)		1 382
- creating provision		1 249
- FX differences		133
b) Utilisation (in respect of)		
c) Releases (in respect of)	-127	-194
- repayment of debts	-116	-184
- FX differences	-11	-10
2. Closing balance	2 161	2 288
3. The required amount of specific provisions for receivables due from other financial institutions acc. to the binding law	2 161	2 288

Note 3A

RECEIVABLES DUE FROM CUSTOMERS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Credits and loans	7 030 050	4 298 430
b. Purchased receivables	2 044	3 111
c. Realized guarantees and commitments	3 018	6 504
d. Other receivables (in respect of)	12 901	13 153
- VISA cards settlements	5 456	12 793
- L/C discounts	1 298	360
- other	6 147	
e. Interest	110 124	124 626
- accrued	30 318	22 273
- overdue	79 806	102 353
Total receivables from customers (gross)	7 158 137	4 445 824
f. Provision for receivables from customers (negative value)	-120 544	-153 345
Total receivables due from customers (net)	7 037 593	4 292 479

The Bank has no receivables due related to financial leases.

Note 3B

RECEIVABLES DUE FROM CUSTOMERS (BY MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts	1 293 028	882 535
b. Term, with maturity from balance sheet date:	5 754 985	3 438 663
- up to 1 month	188 491	161 615
- 1 month - 3 months	277 390	213 466
- 3 months - 1 year	1 116 149	784 871
- 1 year - 5 years	2 004 787	1 250 262
- over 5 years	2 073 799	887 253
- overdue	94 369	141 196
c. Interest	110 124	124 626
- accrued	30 318	22 273
- overdue	79 806	102 353
Total receivables due from customers (gross)	7 158 137	4 445 824

Note 3C

RECEIVABLES DUE FROM CUSTOMERS (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts	1 293 028	882 535
b. Term, with duration:	5 754 985	3 438 663
- up to 1 month	1 064 885	85 416
- 1 month - 3 months	224 025	28 501
- 3 months - 1 year	190 853	801 267
- 1 year - 5 years	439 298	744 593
- over 5 years	3 835 924	1 778 886
c. Interest	110 124	124 626
- accrued	30 318	22 273
- overdue	79 806	102 353
Total receivables due from customers (gross)	7 158 137	4 445 824

Note 3D

RECEIVABLES DUE FROM CUSTOMERS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	4 230 678	2 769 828
b. in foreign currencies (PLN equivalent)	2 927 459	1 675 996
b1. Unit/currency 1000 / CHF in PLN thousand	588 037 1 401 999	195 498 484 601
b2. Unit/currency 1000 / EUR in PLN thousand	357 884 1 371 126	244 961 945 501
b3. Unit/currency 1000 / USD in PLN thousand	52 965 154 154	75 222 245 321
b4. Other currencies (in PLN thousand)	180	573
Total receivables due from customers (net)	7 158 137	4 445 824

Note 3E

RECEIVABLES DUE FROM CUSTOMERS (GROSS)	31.12.2006 (current year)	31.12.2005 (prior year)
1. Performing loans	6 680 513	3 998 495
2. Watch loans	143 687	71 298
3. Non-performing loans, including:	223 813	251 405
- substandard	61 134	54 474
- doubtful	47 407	46 809
- lost	115 272	150 122
4. Interest:	110 124	124 626
a) accrued	30 318	22 273
b) overdue	79 806	102 353
- from performing and watch loans	411	79
- from non-performing loans	79 395	102 274
Total receivables due from customers (gross)	7 158 137	4 445 824

Note 3F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2006 (current year)	31.12.2005 (prior year)
1. Performing loans (including interest)		
a. Watch loans	78 344	26 043
b. Non-performing loans, including:	116 366	93 299
- substandard	53 188	33 115
- doubtful	41 250	28 861
- lost	21 928	31 323
Total value of collateral diminishing the base for calculation of specific provisions for receivables due	194 710	119 342

Note 3G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2006 (current year)	31.12.2005 (prior year)
a. Performing loans	4 992	4 941
a. Watch loans	1 148	660
b. Non-performing loans, including:	114 404	147 744
- substandard	3 518	5 350
- doubtful	10 791	15 738
- lost	100 095	126 656
Total specific provisions for receivables due from customers	120 544	153 345

Note 3H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2006 (current year)	31.12.2005 (prior year)
1. Opening balance	153 345	158 458
a) Increases (in respect of)	27 074	44 170
- change in risk category	26 291	17 842
- other (incl. FX differences)	783	26 328
b) Utilisation (in respect of)		
c) Releases (in respect of)	-59 875	-49 283
- repayment / change of category	-17 775	-13 667
- Write-offs against provisions (with transfer to off-balance sheet) and remission of loans	-39 466	-13 715
- other (incl. FX differences)	-2 634	-21 901
2. Closing balance	120 544	153 345
3. The required amount of specific provisions acc. to the binding law	120 544	153 345

Note 4A

RECEIVABLES DUE FROM BUDGET (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Credits and loans	489	525
b. Purchased receivables		
c. Realized guarantees and commitments		
d. Other receivables (in respect of)	3	3
- VISA cards settlements	3	3
e. Interest	2	3
- accrued	2	3
- overdue		
Total receivables due from budget (gross)	494	531
f. Provision for receivables from budget (negative value)		
Total receivables due from budget (net)	494	531

The Bank has no receivables due related to financial leases.

Note 4B

RECEIVABLES DUE FROM BUDGET (BY MATURITY DATE)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts		
b. Term, with maturity from balance sheet date:	492	528
- up to 1 month	6	6
- 1 month - 3 months	6	6
- 3 months - 1 year	28	28
- 1 year - 5 years	147	147
- over 5 years	305	341
- overdue		
c. Interest	2	3
- accrued	2	3
- overdue		
Total receivables due from budget (gross)	494	531

Note 4C

RECEIVABLES DUE FROM BUDGET (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts		
b. Term, with duration:	492	528
- up to 1 month	3	
- 1 month - 3 months		
- 3 months - 1 year		
- 1 year - 5 years		
- over 5 years	489	528
c. Interest	2	3
- accrued	2	3
- overdue		
Total receivables due from budget (gross)	494	531

Note 4D

RECEIVABLES DUE FROM BUDGET (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	494	531
b. in foreign currencies (PLN equivalent)		
b1. Unit/currency 1000 /		
in PLN thousand		
b2. Other currencies (in PLN thousand)		
Total receivables due from budget (net)	494	531

Note 4E

RECEIVABLES DUE FROM BUDGET (GROSS)	31.12.2006 (current year)	31.12.2005 (prior year)
1. Performing loans	492	528
2. Watch loans		
3. Non-performing loans, including:		
- substandard		
- doubtful		
- lost		
4. Interest:	2	3
a) accrued	2	3
b) overdue		
- from performing and watch loans		
- from non-performing loans		
Total due from budget (gross)	494	531

Note 4F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET
not applicable

Note 4G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET
not applicable

Note 4H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET
not applicable

Note 5

SECURITIES PURCHASED UNDER RESALE AGREEMENTS
not applicable

Note 6A

DEBT SECURITIES	31.12.2006 (current year)	31.12.2005 (prior year)
a. Issued by central banks, of which:	25 862	26 277
- bonds denominated in foreign currency		
b. Issued by other banks, of which:		
- denominated in foreign currency		
c. Issued by other financial institutions, of which:		
- denominated in foreign currency		
d. Issued by non-financial institutions, of which:		
- denominated in foreign currency		
e. Issued by State Treasury of which:	715 734	285 151
- denominated in foreign currency		
f. Issued by local authorities, of which:		
- denominated in foreign currency		
g. Repurchased own securities		
Total debt securities	741 596	311 428

Note 6B

DEBT SECURITIES (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
1. Issued by State Treasury, of which:		
a. bonds	715 734	285 151
b. treasury bills	710 737	281 287
c. other (by category)	4 997	3 864
2. Issued by parent entity, of which:		
a. bonds		
b. other (by category)		
3. Issued by major investor, of which:		
a. bonds		
b. other (by category)		
4. Issued by subsidiaries, of which:		
a. bonds		
b. other (by category):		
5. Issued by sister companies, of which:		
a. bonds		
b. other (by category):		
6. Issued by associated entities, of which:		
a. bonds		
b. other (by category):		
7. Issued by others, of which:		
a. bonds	25 862	26 277
b. other (by category):	25 862	26 277
Total debt securities	741 596	311 428

Note 6C

MOVEMENTS IN DEBT SECURITIES	31.12.2006 (current year)	31.12.2005 (prior year)
a. Opening balance	311 428	346 505
b. Increases (in respect of)		
- purchase	5 534 969	3 849 328
- discount	5 522 190	3 841 038
- value adjustments	2 701	6 167
c. Decreases (in respect of)		
- sale	10 078	2 123
- discount/premium	-5 104 801	-3 884 405
- value adjustments	-5 094 844	-3 881 526
- discount/premium	-379	-2 874
- value adjustments	-9 578	-5
d. Closing balance	741 596	311 428

Debt securities securing the Bank's liabilities:

* *securities held as security for the Banking Guarantee Fund:*

- *treasury bills*

- *as at 31.12.2006 - 500 bills at total nominal value of PLN 5,000 thousand,*

- *as at 31.12.2005 - 392 bills at total nominal value of PLN 3,920 thousand,*

- *treasury bonds*

- *as at 31.12.2006 - 3,000 bonds at total nominal value of PLN 3,000 thousand,*

- *as at 31.12.2005 - no bonds were held for BGF*

* *securities blocked against the technical loan granted by NBP; technical loan is granted in 80% of the blocked bills value:*

- *as at 31.12.2006 - total nominal value of PLN 711,000 thousand was blocked in KDPW, out of which PLN 400,000 thousand was actually used as security for technical loan*

- *as at 31.12.2005 - 85,000 units at total nominal value of 85,000 thousand*

Note 7A

SHARES AND INVESTMENTS IN SUBSIDIARIES	31.12.2006 (current year)	31.12.2005 (prior year)
a) in banks		
b) in other financial institutions	16 630	15 360
c) in non-financial institution		
Total shares and investments in subsidiary	16 630	15 360

Note 7B

MOVEMENTS IN SHARES AND INVESTMENTS IN SUBSIDIARIES	31.12.2006 (current year)	31.12.2005 (prior year)
Opening balance	15 360	62 582
a) Increases (in respect of)	1 543	3 329
- revaluation	1 543	3 329
b) Decreases (in respect of)	-273	-50 551
- withdrawal of shares in subsidiary		-50 000
- revaluation	-273	-551
Closing balance	16 630	15 360

Note 7C**SHARES AND INVESTMENTS IN SUBSIDIARIES**

not applicable

Note 7D**MOVEMENTS IN GOODWILL OF SUBSIDIARIES**

not applicable

Note 7E**MOVEMENTS IN NEGATIVE GOODWILL OF SUBSIDIARIES**

not applicable

Note 8A**SHARES AND INVESTMENTS IN SISTER COMPANIES**

not applicable

Note 8B**MOVEMENTS IN SHARES AND INVESTMENTS IN SISTER COMPANIES**

not applicable

Note 8C**SHARES AND INVESTMENTS IN SISTER COMPANIES, INCL. GOODWILL**

not applicable

Note 8D**MOVEMENTS IN GOODWILL OF SISTER COMPANIES**

not applicable

Note 8E**MOVEMENTS IN NEGATIVE GOODWILL OF SISTER COMPANIES**

not applicable

Note 9A**SHARES AND INVESTMENTS IN ASSOCIATED ENTITIES**

not applicable

Note 9B**MOVEMENTS IN SHARES AND INVESTMENTS IN ASSOCIATED ENTITIES**

not applicable

Note 9C**SHARES AND INVESTMENTS IN ASSOCIATED ENTITIES, INCL. GOODWILL**

not applicable

Note 9D**MOVEMENTS IN GOODWILL OF ASSOCIATED ENTITIES**

not applicable

Note 9E**MOVEMENTS IN NEGATIVE GOODWILL OF ASSOCIATED ENTITIES**

not applicable

Note 10A

SHARES AND INVESTMENTS IN SUBSIDIARIES												
No.	a	b	c	d	e	f	g	h	i	j	k	l
	enterprise's name (& legal form)	seat	type of activity	type of capital affiliation (subsidiary, associated company); description of direct or indirect relations	method of consolidation/valuation by equity rights or indication that the unit is not subject to consolidation or valuation by equity rights	date of taking over / date of beginning significant influence	share value at cost	deductions total (incl. depreciation)	shares (balance sheet value)	ownership (%)	% of votes at the Shareholders Meeting	other ownership
1.	Fortis Private Investments Polska S.A.	Poland	brokerage activity	subsidiary	valuation by equity rights	23.12.1999	18 196	1 566	16 630	100%	100%	

Note 10B

SHARES AND INVESTMENT SUBSIDIARIES														
No.	a	m			n		o		p	r	s	t		
		share capital	due to capital (negative value)	reserve capital	other own capital	undistributed profit (uncovered loss) from previous years	net profit (loss)	payables					receivables	short term
1	Fortis Private Investments Polska S.A.	9 048	0	5 164	2 367	0	1 069	1 815	990	0	18 394	4 040	0	0

The above table illustrates financial figures of Fortis Private Investments Polska S.A. as at 31.12.2006. The figures are certified by an auditor.

Note 11A

SHARES AND INVESTMENTS IN OTHER ENTITIES	31.12.2006 (current year)	31.12.2005 (prior year)
a. other financial institutions		
b. non-financial institutions	43	43
Total shares and investments in other entities	43	43

As at Dec. 31, 2006 the Bank owned 7 (seven) shares of EUR at par value of 11,113.41 in S.W.I.F.T., the global banking communication entity.

Note 11B

MOVEMENTS IN SHARES AND INVESTMENTS IN OTHER ENTITIES	31.12.2006 (current year)	31.12.2005 (prior year)
Opening balance	43	45
a) Increases (in respect of)		0
- purchase		
- discount		
- interest		
- other (FX differences)		
b) Decreases (in respect of)		-2
- sale		
- interest		
- premium		
- discount		
- other (FX differences)		-2
Closing balance	43	43

Note 11C

MINORITY INVESTMENTS IN OTHER ENTITIES								
No.	a	b	c	d	e	f	B	h
	enterprise's name (& legal form)	seat	type of activity	shares (balance sheet value)	share in total number of share capital (in percentage)	number of votes at the Shareholders Meeting	own equity, incl. share capital	dividend received or receivable from previous year
1	S.W.I.F.T. s.c.	Belgium	interbank communication	43				

Note 12A

OTHER SECURITIES AND FINANCIAL ASSETS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. pre-emptive rights		
b. derivatives		
c. other (by category)	81 003	52 790
- settlements of financial instruments valuation	81 003	52 790
Total other securities and financial assets (by category)	81 003	52 790

Note 12B

MOVEMENTS IN OTHER SECURITIES AND FINANCIAL ASSETS	31.12.2006 (current year)	31.12.2005 (prior year)
Opening balance	52 790	46 261
a) Increases (in respect of)	39 966	21 669
- financial instruments revaluation	39 966	21 669
b) Decreases (in respect of)	-11 753	-15 140
- financial instruments revaluation	-11 753	-15 140
Closing balance	81 003	52 790

Note 12C

OTHER SECURITIES AND FINANCIAL ASSETS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	63 287	35 964
b. in foreign currencies (PLN equivalent)	17 716	16 826
b1. Unit/currency 1000 / EUR	3 816	2 584
in PLN thousand	14 621	9 973
b2. Unit/currency 1000 / USD	921	2 098
in PLN thousand	2 681	6 842
b3. Other currencies (in PLN thousand)	414	11
Total other securities and financial assets	81 003	52 790

Note 13A

FINANCIAL ASSETS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. cash	378 102	246 808
b. financial assets held for trading	169 674	62 909
c. credits and loans granted by the Bank and own receivables not held for trading	9 094 264	5 588 596
d. held-to-maturity financial assets		
e. available-for-sale financial assets	653 544	302 730
Total financial assets	10 295 584	6 201 043

Note 13B

FINANCIAL ASSETS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	6 383 324	3 426 615
b. in foreign currencies (PLN equivalent)	3 912 260	2 774 428
b1. Unit/currency 1000 / EUR	440 217	457 511
in PLN thousand	1 686 559	1 765 903
b2. Unit/currency 1000 / CHF	590 258	200 271
in PLN thousand	1 407 293	496 431
b3. Unit/currency 1000 / USD	248 711	140 052
in PLN thousand	723 873	456 752
b4. Other currencies (in PLN thousand)	94 535	55 342
Total financial assets	10 295 584	6 201 043

Note 13C

FINANCIAL ASSETS HELD FOR TRADING - TRADING PORTFOLIO (BY MARKETABILITY)	31.12.2006 (current year)	31.12.2005 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	88 671	10 119
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):	88 671	10 119
- fair value		
- market value	88 671	10 119
- value at purchase cost	88 898	10 096
c. other - by category (book value):		
c1. T-bills		
- fair value		
- market value		
- value at purchase cost		
B. Unrestricted marketability, and quoted on OTC market (book value)		
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):		
c1. T-bills		
- fair value		
- market value		
- value at purchase cost		
C. Unrestricted marketability and non-quoted on regulated market (book value)	81 003	52 790
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):	81 003	52 790
c1. financial instruments	81 003	52 790
- fair value	81 003	52 790
- market value		
- value at purchase cost		
D. Restricted marketability (book value)		
a. shares and investments (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):		
c1.		
- fair value		
- market value		
- value at purchase cost		
Total value at purchase cost	88 898	10 096
Total opening balance value	62 909	65 353
Total value adjustments	80 776	52 813
Total book value	169 674	62 909

Note 13D

HELD-TO-MATURITY FINANCIAL ASSETS (BY MARKETABILITY)	31.12.2006 (current year)	31.12.2005 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)		
a. bonds (book value):		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
b. other - by category (book value):		
b1.		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
B. Unrestricted marketability, and quoted on OTC market (book value)		
a. bonds (book value):		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
b. other - by category (book value):		
b1.		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
C. Unrestricted marketability and non-quoted on regulated market (book value)		
a. bonds (book value):		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
b. other - by category (book value):		
b1. participation units in open investment funds		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
- write-off of participation units in investment funds		
D. Restricted marketability (book value)		
a. bonds (book value):		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
b. other - by category (book value):		
b1. participation units in open investment funds		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
Total value at purchase cost		
Total opening balance value		
Total value adjustments		
Total book value		

Note 13E

AVAILABLE-FOR-SALE FINANCIAL ASSETS (BY MARKETABILITY)	31.12.2006 (current year)	31.12.2005 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	622 066	271 168
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):	622 066	271 168
- fair value		
- market value	622 066	271 168
- value at purchase cost	609 242	270 366
c. other - by category (book value):		
c1.		
- fair value		
- market value		
- value at purchase cost		
B. Unrestricted marketability, and quoted on OTC market (book value)	4 997	3 864
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):	4 997	3 864
c1. Treasury bills	4 997	3 864
- fair value		
- market value	4 997	3 864
- value at purchase cost	4 788	3 869
c2. NBP bills		
- fair value		
- market value		
- value at purchase cost		
C. Unrestricted marketability and non-quoted on regulated market (book value)	26 438	27 655
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):	25 862	26 277
- fair value	25 862	26 277
- market value		
- value at purchase cost	24 979	24 979
c. other - by category (book value):	576	1 378
c1. purchased receivables*	576	1 378
- fair value	576	1 378
- market value		
- value at purchase cost	2 044	3 111
D. Restricted marketability (book value)	43	43
a. shares and investments (book value):	43	43
- fair value		
- market value	43	43
- value at purchase cost	43	43
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):		
c1.		
Total value at purchase cost	641 096	302 368
Total opening balance value	302 730	327 458
Total value adjustments	12 448	362
Total book value	653 544	302 730

*In the annual report for 2005, results relating to purchased receivables were presented in 'credits and loans granted by the bank and own receivables, not for sale'. Starting from the semi-annual report for the first half of 2006, the Bank classifies these items as 'available-for-sale financial assets'. In order to facilitate comparability, 2005 data have been modified.

Note 14A

INTANGIBLE FIXED ASSETS	31.12.2006 (current year)	31.12.2005 (prior year)
a. research and development costs		
b. goodwill		
c. patents, licences and related rights, incl.	23 664	14 522
- purchased software	23 664	14 522
d. other intangible fixed assets		
e. prepayments for intangible fixed assets		
Total intangible fixed assets	23 664	14 522

Note 14B**MOVEMENTS IN INTANGIBLE FIXED ASSETS (by category)**

	a research and development costs	b goodwill	c patents, licences and related rights		d other intangible assets	e prepayments for intangible fixed assets	Intangible assets total
				software			
a) Opening balance of intangible assets (gross)			55 611				55 611
b) increases (in respect of)			26 227				26 227
- share capital increase							
- purchase			15 404				15 404
- investment settlement			10 823				10 823
- other							
c) decreases (in respect of)			-11 709				-11 709
- liquidation			-428				-428
- investment settlement			-10 866				-10 866
- other			-415				-415
d) closing balance of intangible assets (gross)			70 129				70 129
e) opening balance of accumulated depreciation			-40 786				-40 786
f) depreciation (in respect to)			-5 679				-5 679
- current period depreciation			-5 894				-5 894
- liquidation			215				215
g) closing balance of accumulated depreciation			-46 465				-46 465
h) opening balance of write-offs for impairment loss							
- increase							
- decrease							
i) closing balance of write-offs for impairment loss							
j) net intangible assets at the end of the period			23 664				23 664

In 2006 the Bank made unplanned depreciation deductions for intangible assets for PLN 214 thousand

Note 14C

INTANGIBLE FIXED ASSETS (by ownership)	31.12.2006 (current year)	31.12.2005 (prior year)
a. own	23 664	14 522
b. used under rental, lease or other agreements, incl. leasing		
Total intangible fixed assets	23 664	14 522

Note 15A

TANGIBLE FIXED ASSETS	31.12.2006 (current year)	31.12.2005 (prior year)
a) Tangible fixed assets, of which:	47 399	43 947
- land (incl. perpetual usufruct right)		
- buildings, premises, ground or water structures		
- technical equipment and machines	10 188	9 820
- vehicles	12 421	8 085
- other fixed assets	24 790	26 042
b) Assets under construction	12 876	3 507
c) Advances for assets under construction		
Total tangible fixed assets	60 275	47 454

Note 15B

CHANGE IN TANGIBLE FIXED ASSETS (BY CATEGORY)						
	land (incl. perpetual usufruct right)	buildings, premises, ground or water structures	technical equipment and machines	vehicles	other fixed assets	Total tangible fixed assets
a. opening balance of fixed assets (gross)			57 487	11 679	63 475	132 641
b. increases (in respect of):			6 665	7 411	6 686	20 762
- purchase			5 094	7 411	210	12 715
- investment settlements			1 571		6 476	8 047
c. decreases (in respect of):			-4 206	-3 598	-3 417	-11 221
- sale			-468	-3 363	-61	-3 892
- liquidation			-2 634	-235	-3 337	-6 206
- other			-1 104		-18	-1 122
d. closing balance of fixed assets (gross)			59 946	15 492	66 744	142 182
e. opening balance of accumulated depreciation			-47 687	-3 594	-37 074	-88 355
f. depreciation for period (in respect of):			-2 071	523	-4 880	-6 428
- current period depreciation			-6 259	-2 471	-7 443	-16 173
- sale			468	2 924	53	3 445
- liquidation			2 616	70	2 492	5 178
- other			1 104		18	1 122
g. closing balance of accumulated depreciation			-49 758	-3 071	-41 954	-94 783
h. opening balance of write-offs in respect of intangible loss						
- increases						
- decreases						
i. closing balance of write-offs in respect of intangible loss						
j. closing balance of fixed assets (net)			10 188	12 421	24 790	47 399

In 2006, the Bank made unplanned write-offs of fixed assets relating to liquidation due to theft or harm in the following groups:

- investments in external fixed assets amounting to PLN 804 thousand
- company vehicles amounting of PLN 604 thousand
- other equipment amounting to PLN 49 thousand

Note 15C

ON-BALANCE FIXED ASSETS (BY OWNERSHIP)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Own	60 275	47 454
b. Used under rental, lease or other agreements, incl. leasing		
- operating leases		
- advances for fixed assets under construction		
Total on-balance sheet fixed assets	60 275	47 454

Note 15D

OFF-BALANCE FIXED ASSETS
not applicable

Note 16A

OTHER ASSETS	31.12.2006 (current year)	31.12.2005 (prior year)
1. Assets seized for sale		5
2. Other, including:	14 521	58 517
- credit intermediary fee settlements	3 871	126
- settlements with suppliers and recipients	3 894	3 490
- contentious claims settlements	1 106	956
- interbank settlements	805	458
- settlements with employees	718	835
- unpaid fees	787	317
- sale of subsidiary shares settlements		50 000
- other settlements	5 496	3 760
- provisions for other assets	-2 156	-1 425
Total other assets	14 521	58 522

Note 16B

ASSETS SEIZED FOR SALE	31.12.2006 (current year)	31.12.2005 (prior year)
a) Fixed assets under construction		
b) Land		
c) Other:		5
Total assets seized for sale		5

Note 16C

MOVEMENTS IN ASSETS SEIZED FOR SALE	31.12.2006 (current year)	31.12.2005 (prior year)
Opening balance	5	5
a) Increases (in respect of)		
- seizure against receivables		
b) Decreases (in respect of)	5	
- value loss	5	
Closing balance	0	5

Note 17A

PREPAYMENTS AND ACCRUED INCOME	31.12.2006 (current year)	31.12.2005 (prior year)
a. Long-term	37 380	29 899
- deferred corporate income tax	37 380	29 899
- other prepayments and accrued income		
b. Short-term	6 657	3 103
- prepaid operational costs	2 164	
- accrued income	1 792	21
- accrued insurance gains/losses	952	646
- accrued advertising and representation gains/losses	358	586
- other short-term accruals	1 391	1 850
Total prepayments and accrued income	44 037	33 002

Note 17B

MOVEMENTS IN ASSETS IN RESPECT OF DEFERRED CORPORATE INCOME TAX	31.12.2006 (current year)	31.12.2005 (prior year)
1. Opening balance	29 899	29 351
a. related to financial result	29 898	29 138
- accrued interest	3 388	5 584
- loan provisions	14 456	15 752
- other provisions	3 997	4 016
- held for trading securities adjustments to market value	3 823	2 284
- other	4 234	1 502
b. related to own equity	1	213
- available-for-sale securities adjustments to market value	1	213
- other		
c. related to goodwill or negative goodwill		
2. Increases	8 119	5 246
a. related to financial result of the period due to negative temporary differences (in respect of)	8 119	4 271
- accrued interest	5 422	
- loan provisions		
- other provisions	2 370	
- held for trading securities adjustments to market value		1 539
- other	327	2 732
b. related to financial result of the period due to income tax losses (in respect of)		
c. related to own equity due to negative temporary differences (in respect of)		975
- available-for-sale securities adjustments to market value		
- other		975
d. related to own equity due to income tax losses (in respect of)		
e. related to goodwill or negative goodwill due to negative temporary differences (in respect of)		
3. Deductions	638	4 698
a. related to financial result of the period due to negative temporary differences (in respect of)	637	3 511
- accrued interest		2 196
- loan provisions	518	1 296
- other provisions		19
- held for trading securities adjustments to market value	119	
- other		
b. related to financial result of the period due to income tax losses (in respect of)		
-		
c. related to own equity due to negative temporary differences (in respect of)	1	1 187
- securities adjustments to fair value	1	212
- other		975
d. related to own equity due to income tax losses (in respect of)		
- available-for-sale securities adjustments to market value		
e. related to goodwill or negative goodwill due to negative temporary differences (in respect of)		
4. Closing balance	37 380	29 899
a. related to financial result	37 380	29 898
- accrued interest	8 810	3 388
- loan provisions	13 938	14 456
- other provisions	6 367	3 997
- held for trading securities adjustments to market value	3 704	3 823
- other	4 561	4 234
b. related to own equity		1
- available-for-sale securities adjustments to market value		1
- other		
c. related to own equity due to tax losses		

Note 17C

OTHER PREPAYMENTS AND ACCRUED INCOME	31.12.2006 (current year)	31.12.2005 (prior year)
a) prepayments and accrued income, of which:	4 865	3 082
- prepaid operational costs	2 164	
- accrued insurance gains/losses	952	646
- accrued advertising and representation gains/losses	358	586
- other short-term accruals	1 391	1 850
b) Other, including:	1 792	21
- fees to be received	1 792	21
Total other prepayments and accrued income	6 657	3 103

Note 18

SUBORDINATED LOANS
not applicable

Note 20A

DUE TO FINANCIAL INSTITUTIONS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts and deposits	1 662 312	1 105 710
- placements of banks and other entities	1 429 942	968 994
b. Loans and borrowings received	2 591 117	1 067 306
c. Promissory notes		
d. Own share issue		
e. Other, in respect of	183 152	1 218
- amounts due in respect of financial collateral	183 151	1 172
- amounts due in respect of VISA cards		45
- others	1	1
f. Interest	14 088	4 174
Total due to other financial institutions	4 450 669	2 178 408

Note 20B

DUE TO FINANCIAL INSTITUTIONS (BY MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current	1 312 964	709 467
b. Term, with maturity from the balance sheet date:	3 123 617	1 464 767
- Up to 1 month	331 657	360 071
- 1 month - 3 months	13 879	792 954
- 3 months - 1 year	27 389	45 345
- 1 year - 5 years	2 101 598	
- 5 years - 10 years	649 094	266 397
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	14 088	4 174
Total due to other financial institutions	4 450 669	2 178 408

Note 20C

DUE TO FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current	1 312 964	709 467
b. Term, with maturity from the balance sheet date:	3 123 617	1 464 767
- Up to 1 month	273 412	340 356
- 1 month - 3 months	53 614	100
- 3 months - 1 year	41 608	53 566
- 1 year - 5 years	1 457 415	804 348
- 5 years - 10 years	1 297 568	266 397
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	14 088	4 174
Total due to other financial institutions	4 450 669	2 178 408

Note 20D

DUE TO FINANCIAL INSTITUTIONS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	2 052 328	975 777
b. in foreign currency (PLN equivalent)	2 398 341	1 202 631
b1. unit/currency 1000 / CHF	500 875	68 326
in PLN thousand	1 194 185	169 368
b2. unit/currency 1000 / EUR	255 931	214 970
in PLN thousand	980 524	829 742
b3. unit/currency 1000 / USD	76 007	61 043
in PLN thousand	221 218	199 081
b4. Other currency (in PLN thousand)	2 414	4 440
Total due to other financial institutions	4 450 669	2 178 408

Note 21A

DUE TO CUSTOMERS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts and deposits	3 975 043	2 936 077
b. Loans and borrowings received		
c. Promissory notes		
d. Own share issue		
e. Other, in respect of	235 654	207 960
- amounts due in respect of financial collateral	234 262	204 043
- VISA settlements	31	9
- term deposit settlements	1 361	3 908
f. Interest	4 769	4 530
Total due to customers	4 215 466	3 148 567

Note 21B

DUE TO CUSTOMERS - SAVINGS (BY MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current		
b. Term, with maturity from the balance sheet date:	2 196	1 558
- Up to 1 month		
- 1 month - 3 months		
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years	2 196	1 558
- overdue		
c. Interest	20	13
Total due to customers - other	2 216	1 571

Note 21C

DUE TO CUSTOMERS - SAVINGS (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current		
b. Term, with duration:	2 196	1 558
- up to 1 month		
- 1 month - 3 months		
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years	2 196	1 558
- overdue		
c. Interest	20	13
Total due to customers - other	2 216	1 571

Note 21D

DUE TO CUSTOMERS - OTHER (BY MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current	2 251 420	1 654 604
b. Term, with maturity from the balance sheet date:	1 957 081	1 487 875
- Up to 1 month	1 269 750	970 750
- 1 month - 3 months	566 250	360 833
- 3 months - 1 year	95 837	128 454
- 1 year - 5 years	24 566	6 688
- 5 years - 10 years	157	21 050
- 10 years - 20 years	492	
- over 20 years	29	100
- overdue		
c. Interest	4 749	4 517
Total due to customers - other	4 213 250	3 146 996

Note 21E

DUE TO CUSTOMERS - OTHER (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current	2 251 420	1 654 604
b. Term, with duration:	1 957 081	1 487 875
- up to 1 month	731 478	439 665
- 1 month - 3 months	936 528	693 684
- 3 months - 1 year	255 316	284 900
- 1 year - 5 years	9 819	18 405
- 5 years - 10 years	8 573	32 280
- 10 years - 20 years	15 347	17 284
- over 20 years	20	1 657
- overdue		
c. Interest	4 749	4 517
Total due to customers - other	4 213 250	3 146 996

Note 21F

DUE TO CUSTOMERS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	3 145 170	2 342 827
b. in foreign currencies (in respect of)	1 070 296	805 740
b1. Unit/currency 1000 / EUR	197 875	136 967
in PLN thousand	758 100	528 665
b2. Unit/currency 1000 / USD	97 459	79 948
in PLN thousand	283 655	260 733
b3. Unit/currency 1000 / GBP	2 460	1 570
in PLN thousand	14 036	8 831
b4. Unit/currency 1000 / CHF	3 993	2 336
in PLN thousand	9 520	5 791
b5. Other currencies (in PLN thousand)	4 985	1 720
Total due to customers	4 215 466	3 148 567

Note 22A

DUE TO BUDGET (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current accounts and deposits	33 202	25 861
b. Loans and borrowings received		
c. Promissory notes		
d. Own share issue		
e. Other, in respect of		150
- amounts due in respect of financial collateral		150
f. Interest	18	31
Total due to budget	33 220	26 042

Note 22B

DUE TO BUDGET - SAVINGS (BY MATURITY)
not applicable

Note 22C**DUE TO BUDGET - SAVINGS (BY CONTRACTUAL MATURITY)**

not applicable

Note 22D

DUE TO BUDGET - OTHER (BY MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current	19 754	11 598
b. Term, with maturity from the balance sheet date:	13 448	14 413
- Up to 1 month	13 433	12 843
- 1 month - 3 months	15	1 570
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	18	31
Total due to budget - other	33 220	26 042

Note 22E

DUE TO BUDGET- OTHER (BY CONTRACTUAL MATURITY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. Current	19 754	11 598
b. Term, with duration:	13 448	14 413
- up to 1 month	23	1 458
- 1 month - 3 months	13 425	12 955
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	18	31
Total due to budget - other	33 220	26 042

Note 22F

DUE TO BUDGET (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	32 042	24 972
b. in foreign currencies (in respect of)	1 178	1 070
b1. Unit/currency 1000 / EUR	297	277
in PLN thousand	1 136	1 070
b2. Unit/currency 1000 / CHF	18	
in PLN thousand	42	
b3. Other currencies (in PLN thousand)		
Total due to budget	33 220	26 042

Note 23**SECURITIES SOLD UNDER REPURCHASE AGREEMENTS**

not applicable

Note 24A**DEBT SECURITIES ISSUED**

not applicable

Note 24B**MOVEMENTS IN DEBT SECURITIES ISSUED**

not applicable

Note 24C**LONG-TERM LIABILITIES FROM DEBT SECURITIES ISSUED**

not applicable

The Bank does not have liabilities secured on the Issuer assets.

Note 25

SPECIAL FUNDS AND OTHER LIABILITIES	31.12.2006 (current year)	31.12.2005 (prior year)
1. Special funds	980	1 280
- social benefit fund	666	814
- other	314	466
2. Other liabilities	366 995	103 137
- settlement arising from paid-in and unregistered capital*	200 000	
- interbank and interbranch settlements	127 658	53 073
- liabilities arising from other transactions with customers	17 292	4 767
- tax settlements	8 197	25 046
- settlements arising from loan insurance	7 272	3 974
- settlements arising from purchase of receivables		5 133
- other	6 576	11 144
Total special funds and other liabilities	367 975	104 417

*Detailed information regarding paid-in and unregistered capital can be found in Note 29.

Note 26A

ACCRUALS AND DEFERRED INCOME	31.12.2006 (current year)	31.12.2005 (prior year)
a. Short-term, of which:	26 864	12 242
- provision for variable part of remuneration	16 700	8 021
- provision for unused leave of absence	4 452	3 306
- provisions for marketing and advertising	1 169	15
- provision for sub-lease agreements	1 110	542
- other interperiod settlements	3 433	358
b. Long-term, of which:		
Total accruals and deferred income	26 864	12 242

Note 26B**CHANGE IN NEGATIVE GOODWILL**

not applicable

Note 26C

OTHER ACCRUALS AND DEFERRALS	31.12.2006 (current year)	31.12.2005 (prior year)
a. Short-term, incl.	12 819	13 900
- prepayments	12 819	10 900
- fees to be settled		3 000
b. Long-term, incl.	84 281	107 959
- deferred income	84 281	107 959
Total other accruals and deferrals	97 100	121 859

Note 27A

MOVEMENTS IN DEFERRED CORPORATE INCOME TAX PROVISION	31.12.2006 (current year)	31.12.2005 (prior year)
1. Opening balance	10 854	9 778
a. related to financial result	10 406	9 724
- accrued interest on securities	7 626	8 034
- held for trading securities adjustments to market value	638	450
- investment relief, net	492	531
- difference between balance-sheet and tax depreciation	234	709
- other revenues	1 416	
b. related to own equity	448	54
- securities adjustments to fair value	448	54
c. related to goodwill or negative goodwill		
2. Increases	6 806	2 944
a. related to financial result of the period due to positive temporary differences (in respect of)	6 664	2 550
- accrued interest on securities	6 245	933
- held for trading securities adjustments to market value	368	201
- investment relief, net		
- difference between balance-sheet and tax depreciation	51	
- other revenues		1 416
b. related to own equity due to positive temporary differences (in respect of)	142	394
- available-for-sale securities adjustments to market value	142	394
c. related to own equity due to negative temporary differences (in respect of)		
3. Deductions	1 866	1 868
a. related to financial result of the period due to positive temporary differences (in respect of)	1 866	1 868
- accrued interest on securities		1 341
- held for trading securities adjustments to market value		13
- investment relief, net	462	39
- difference between balance-sheet and tax depreciation		475
- other revenues	1 404	
b. related to own equity due to positive temporary differences (in respect of)		
- available-for-sale securities adjustments to market value		
c. related to goodwill or negative goodwill due to positive temporary differences (in respect of)		
-		
4. Closing balance	15 794	10 854
a. related to financial result	15 204	10 406
- accrued interest on securities	13 871	7 626
- held for trading securities adjustments to market value	1 006	638
- investment relief, net	30	492
- difference between balance-sheet and tax depreciation	285	234
- other revenues	12	1 416
b. related to own equity	590	448
- available-for-sale securities adjustments to market value	590	448
c. related to goodwill or negative goodwill		

Note 27B

DEFERRED INCOME TAX PROVISION (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	15 794	10 854
b. in foreign currencies (in respect of)		
b1. Unit/currency 1000 / USD		
in PLN thousand		
b2. Unit/currency 1000 / EUR		
in PLN thousand		
b3. Other currencies (in PLN thousand)		
Total deferred income tax provision	15 794	10 854

Note 27C

OTHER PROVISIONS (BY CATEGORY)	31.12.2006 (current year)	31.12.2005 (prior year)
- off-balance sheet commitments provision	7 220	1 235
- provision for future liabilities	528	1 157
- provision for future liabilities in respect of legal risk	2 916	488
- general risk reserve	30 743	20 910
- provision for employee benefits		
Total other provisions	41 407	23 790

Note 27D

OTHER PROVISIONS	31.12.2006 (current year)	31.12.2005 (prior year)
a. Short-term		
b. Long-term	41 407	23 790
- off-balance sheet commitments provision	7 220	1 235
- provision for future liabilities	528	1 157
- provision for future liabilities in respect of legal risk	2 916	488
- general risk reserve	30 743	20 910
Total other provisions	41 407	23 790

Note 27E

OTHER PROVISIONS (BY CURRENCY)	31.12.2006 (current year)	31.12.2005 (prior year)
a. in Polish zloty (PLN)	38 132	23 599
b. in foreign currencies (in respect of)	3 275	191
b1. Unit/currency 1000 / EUR	837	42
in PLN thousand	3 205	162
b2. Unit/currency 1000 / USD	21	9
in PLN thousand	61	29
b3. Other currencies (in PLN thousand)	9	
Total deferred income tax provision	41 407	23 790

Note 27F**MOVEMENTS IN OTHER SHORT-TERM PROVISIONS**

not applicable

Note 27G

MOVEMENTS IN OTHER LONG-TERM PROVISIONS	31.12.2006 (current year)	31.12.2005 (prior year)
Opening balance	23 790	14 656
- off-balance sheet commitments provision	1 235	1 175
- provision for future liabilities	1 157	1 003
- provision for future liabilities in respect of legal risk	488	478
- general risk reserve	20 910	12 000
a) Increases (in respect of)	24 854	14 419
- creating provision for off-balance sheet commitments	10 006	4 703
- provision for future liabilities		788
- provision for future liabilities in respect of legal risk	2 855	15
- creating general risk reserve	11 993	8 910
- creating provision for FX differences		3
b) utilisation (in respect of)		
c) releases (in respect of)	-7 237	-5 285
- release of off-balance sheet commitments provision	-3 971	-4 609
- provision for future liabilities	-629	-634
- of provision for future liabilities in respect of legal risk	-427	-5
- general risk reserve	-2 160	
- release of provision for FX differences	-50	-37
Closing balance	41 407	23 790
- off-balance sheet commitments provision	7 220	1 235
- provision for future liabilities	528	1 157
- provision for future liabilities in respect of legal risk	2 916	488
- general risk reserve	30 743	20 910
Total other long-term provisions	41 407	23 790

Note 28A**SUBORDINATED DEBT**

not applicable

Note 28B**MOVEMENTS IN SUBORDINATED DEBT**

not applicable

Note 29**SHARE CAPITAL**

Series/ issue	Type of shares	Type of preference	Type of a restriction on the rights to shares	Number of shares	Issue value	Type of capital covering	Date of registration	Eligibility for dividend
A	bearer share	common shares	none	634 060	19 021 800	cash	19.12.1990	from full payment
B	bearer share	common shares	none	1 115 940	33 478 200	cash	30.04.1991	from full payment
C	bearer share	common shares	none	2 000 000	60 000 000	cash	14.07.1994	01.01.1994
D	bearer share	common shares	none	1 250 000	37 500 000	cash	11.07.1996	01.01.1995
E	bearer share	common shares	none	1 250 000	37 500 000	cash	11.04.1997	01.01.1996
F	bearer share	common shares	none	625 000	18 750 000	cash	04.06.1998	01.01.1997
G	bearer share	common shares	none	740 000	22 200 000	cash	04.06.1998	01.01.1997
H	bearer share	common shares	none	761 500	22 845 000	cash	08.10.1999	01.01.1999
I	bearer share	common shares	none	1 675 300	50 259 000	cash	03.07.2000	01.01.1999
J	bearer share	common shares	none	5 025 900	150 777 000	cash	28.06.2001	01.01.2000
Total number of shares				15 077 700				
Total share capital					452 331 000			
Par value of one share = PLN 30								

As at 31.12.2006 the following shareholders owned stock representing at least 5% of the Bank's share capital or 5% of the votes in the General Meeting of Shareholders (AGM):

Fortis Bank: 99.10% of share capital. However, pursuant to Article 26 of the Banking Law Act dated August 29, 1997 (Journal of Laws Nr 140, item 939 as amended) with reference to the resolution No. 159/KNB/99 of the Banking Supervision Commission dated August 16, 1999 relating to the permit granted to Fortis Bank to purchase shares of PPABank SA, Fortis Bank can exercise only up to 75% of the total voting rights at the AGM, i.e. 11,308,275 votes.

Detailed information regarding paid-in and unregistered capital in the amount of PLN 200 million can be found in Note 29. This capital has been represented in Note 25 as 'settlements arising from paid-in and unregistered capital'.

Note 30A**OWN SHARES**

not applicable

Note 30B**BANK SHARES OWNED BY SUBSIDIARIES**

not applicable

Note 31

RESERVE CAPITAL	31.12.2006 (current year)	31.12.2005 (prior year)
a. Share premium	159 999	349 539
b. Mandatory reserve		
c. Statutory		
d. Contribution from shareholders		
e. Other		
Total reserve capital	159 999	349 539

Note 32

REVALUATION RESERVE	31.12.2006 (current year)	31.12.2005 (prior year)
a. fixed assets revaluation	506	510
b. deferred income tax	-593	-447
c. FX differences from foreign branches		
d. Other	3 099	2 352
- value adjustment of available-for-sale securities	3 099	2 352
Total revaluation capital	3 012	2 415

Note 33

OTHER RESERVE CAPITAL (BY PURPOSE)	31.12.2006 (current year)	31.12.2005 (prior year)
- General Risk Fund	67 045	136 816
- Other	7 889	17 018
Total other reserve capital	74 934	153 834

Note 34

Capital Adequacy Ratio calculation	31.12.2006 (current year)	31.12.2005 (prior year)
Risk weighted assets	7 426 853	4 576 388
Risk weighted contingent liabilities	815 464	448 345
Total weighed assets and contingent liabilities	8 242 317	5 024 733
Share capital	452 331	30 155
Additional capital	159 999	349 539
Reserve capital	7 889	17 018
General Risk Fund	67 045	136 816
Fixed assets revaluation capital	506	510
Financial assets revaluation capital	2 506	1 905
Undistributed profit (uncovered loss) from previous years	0	54 343
Net profit form current period (verified by an auditor)	58 423	
Deductions of core funds and supplementary own funds	40 294	29 882
capital exposure in financail institutions	16 630	15 360
100% of net intangible assets	23 664	14 522
Net equity for the purpose of capital adequacy calculation	708 405	560 404
Short-term capital		5 253
Credit risk	659 385	401 979
Interest rate risk	6 768	3 294
Delivery settlement and counterparty risk	2 765	1 958
Total capital adequacy requirement	668 918	407 232
Capital Adequacy Ratio	8,47%	11,11%

Note 35

Book value per share	31.12.2006 (current year)	31.12.2005 (prior year)
Share capital	452 331	30 155
Additional capital	159 999	349 539
Reserve capital	7 889	17 018
General Risk Fund	67 045	136 816
Revaluation reserve	3 012	2 415
Undistributed profit (uncovered loss) from previous years	0	54 343
Net profit	108 266	101 499
Total	798 542	691 785
Number of shares	15 077 700	15 077 700
Book value per share (in PLN)	52,96	45,88

Diluted book value per share	31.12.2006 (current year)	31.12.2005 (prior year)
Share capital	452 331	30 155
Additional capital	159 999	349 539
Reserve capital	7 889	17 018
General Risk Fund	67 045	136 816
Revaluation reserve	3 012	2 415
Undistributed profit (uncovered loss) from previous years	0	54 343
Net profit	108 266	101 499
Total	798 542	691 785
Number of shares	15 077 700	15 077 700
Diluted book value per share (in PLN)	52,96	45,88

Note 36

CONTINGENT LIABILITIES GRANTED TO AFFILIATED ENTITIES	31.12.2006 (current year)	31.12.2005 (prior year)
a. Guarantees and sureties granted to:	29 862	44 129
- subsidiaries		
- sister companies	29 469	43 734
- associated entities		
- major investor		
- controlling entity	393	395
b. Other, incl.	136 968	43 740
confirmed export L/Cs	1 926	500
- subsidiaries		
- sister companies	1 926	500
- associated entities		
- major investor		
- controlling entity		
Visa card limits granted to	100	70
- subsidiaries	49	47
- sister companies	51	23
- associated entities		
- major investor		
- controlling entity		
credit lines granted to	127 414	42 570
- subsidiaries		
- sister companies	127 414	42 570
- associated entities		
- major investor		
- controlling entity		
open import LCs	7 528	600
- subsidiaries		
- sister companies	7 528	600
- associated entities		
- major investor		
- controlling entity		
Total guarantees and sureties granted to affiliated entities	166 830	87 869

Note 37

CONTINGENT LIABILITIES RECEIVED FROM AFFILIATED ENTITIES	31.12.2006 (current year)	31.12.2005 (prior year)
a. Guarantees and sureties received from:	12 165	54 224
- subsidiaries		
- sister companies	10 144	47 412
- associated entities		
- major investor		
- controlling entity	2 021	6 812
b. Other, incl.	134 702	581 182
Counter-guarantees received from:	65 534	70 630
- subsidiaries		
- sister companies	65 534	59 842
- associated entities		
- major investor		
- controlling entity		10 788
Credit lines received from:	69 168	510 552
- subsidiaries		
- sister companies	69 168	510 552
- associated entities		
- major investor		
- controlling entity		
Total guarantees and sureties received from affiliated entities	146 867	635 406

NOTES TO PROFIT AND LOSS STATEMENT

Note 38

INTEREST INCOME	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Interest income from financial institutions	37 400	38 524
b. Interest income from customers	307 638	232 288
c. Interest income from budget	99	22
d. Fixed income securities	37 901	30 860
e. Other		
Total interest income	383 038	301 694

Note 39

INTEREST EXPENSE	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Interest expense on transactions with financial institutions	94 559	57 244
b. Interest expense on transactions with customers	78 987	77 547
c. Interest expense on transactions with budget	1 203	1 360
d. Other	618	629
Total interest income	175 367	136 780

Note 40

COMMISSION AND FEE INCOME	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Commission and fee income on banking activity	100 248	87 531
b. Commission and fee income on brokerage activity		
Total commission and fee income	100 248	87 531

Note 41

INCOME ON SHARES, SECURITIES AND OTHER FINANCIAL INSTRUMENTS WITH VARIABLE YIELD

not applicable

Note 42

NET INCOME FROM FINANCIAL OPERATIONS	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Transactions with securities and other financial instruments	5 825	5 328
- income	146 874	93 015
- expense	141 049	87 687
b. Other financial transactions		
Total net income from financial operations	5 825	5 328

Note 43

OTHER OPERATING INCOME	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	1 637	1 626
c. Recovered past-due, written-off, uncollectible debts	1 262	962
d. Compensation, penalties, fines received	213	303
e. Donations		
f. Other	13 116	6 321
- income on agency in customer acquisition	2 492	1 230
- income on loan insurance	2 231	200
- income on distribution of life insurance policies	1 977	32
- income on rendering financial services	1 760	1 412
- income on rents and leases	1 331	1 613
- income on release of legal risk provision	472	20
- provision for cash differences settlement	165	170
- other	2 688	1 644
Total other operating income	16 228	9 212

Note 44

OTHER OPERATING EXPENSES	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	1 688	86
c. Recovered past-due, written-off, uncollectible debts	368	471
d. Compensation, penalties, fines paid	420	266
e. Donations	1 216	105
f. Other	4 449	2 026
- legal risk provision expenses	2 900	31
- debt recovery expenses	262	443
- provision for cash differences settlement	168	165
- provision for contentious liabilities		737
- other	1 119	650
Total other operating expenses	8 141	2 954

Note 45

GENERAL EXPENSES	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Remuneration	103 912	70 199
b. Social security premium and other employee benefits	20 576	14 656
c. Material losses	107 968	74 461
d. Taxes and levies	714	508
e. Bank Guarantee Fund charges	1 201	871
f. Other general expenses		
Total general expenses	234 371	160 695

Note 46

CHARGES TO PROVISIONS AND REVALUATION	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Charges to provisions for::	52 798	51 875
- performing loans	4 533	3 678
- watch loans	2 121	803
- non-performing loans	24 145	33 587
- general risk reserve	11 993	8 910
- contingent liabilities	10 006	4 703
- other		194
b. Revaluation:		
- of financial assets		
- other		
Total charges to provisions and revaluation	52 798	51 875

Note 47

RELEASE OF PROVISIONS AND DECREASE IN RESPECT OF REVALUATION	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
a. Releases of provisions for:	28 436	26 697
- performing loans	4 373	3 563
- watch loans	1 505	589
- non-performing loans	16 442	17 936
- contingent liabilities	3 956	4 609
- general risk reserve	2 160	
- other		
b. Revaluation:		
- financial assets		
- other		
Total releases of provisions and decrease in respect of revaluation	28 436	26 697

Note 49**EXTRAORDINARY GAINS**

not applicable

Note 50**EXTRAORDINARY LOSSES**

not applicable

Note 51A

CURRENT CORPORATE INCOME TAX	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
1. Gross profit before tax	131 740	122 392
2. Differences between gross profit before taxation and taxable income	11 738	-9 825
- permanent	334	-6 449
- temporary	12 528	-3 292
- other	-1 124	-84
3. Taxable income	143 478	112 567
4. Corporate Income Tax 19%	27 261	21 388
5. Increases, exemptions, deductions and abatements		
6. Corporate Income Tax payable as shown in CIT declaration	27 261	21 388
- as shown in the profit&loss statement	27 261	21 388
- on items which increased/decreased the Bank's equity		
- on items which increased/decreased the Bank's goodwill or negative goodwill		

Note 51B

DEFERRED INCOME TAX AS SHOWN IN PROFIT&LOSS STATEMENT	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
- decrease/increase due to arising and reversing the temporary differences	2 683	-1 674
- decrease/increase due to changes in tax rates		
- decrease/increase due to carryover of tax loss, tax allowances or temporary differences		
- decrease/increase due to write-off of assets for income tax or no possibility to use the provision for deferred income tax		
- other deferred tax items		
Total deferred income	2 683	-1 674

Detailed information on the differences between corporate income tax charge as shown in profit&loss statement and the corporate income tax declaration:

	31.12.2006	31.12.2005
	in thousands PLN	in thousands PLN
Gross profit (taxable income)	131 740	122 392
Current tax rate	19%	19%
other accrued interest	25 031	23 254
Expected tax obligation	-663	-604
Tax exempt income	-1 850	-1 850
Non-deductible costs	1 913	453
Correction of current tax relating to previous years	0	0
Effect of decrease in tax liability in accordance with article 38 a) of CIT Act	54	120
Donations	-214	-16
Other	-566	689
Actual tax expense as in Profit and Loss Statement	24 368	22 650

Note 51C

TOTAL DEFFERED INCOME TAX	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
- included in equity	-589	-447
- included in goodwill and negative goodwill		

Note 51D**INCOME TAX AS SHOWN IN PROFIT&LOSS STATEMENT**

not applicable

Note 52**OTHER OBLIGATORY CHARGES TO PROFIT (LOSS)**

not applicable

Note 53

SHARE IN NET PROFIT (LOSS) OF SUBSIDIARIES MEASURED BY EQUITY RIGHTS	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
- write-off of subordinates goodwill		
- write-off of subordinates negative goodwill		
- write-off of difference in net assets valuation	1 104	2 169

Note 54**ALLOCATION OF NET PROFIT**

The Board of Executives will recommend the Shareholders' Meeting to allocate the 2006 entire net profit to increase the Bank's own funds.

Note 55

PROFIT / LOSS PER ORDINARY SHARE	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
Net profit / loss	108 266	101 499
Weighted average ordinary shares	15 077 700	15 077 700
Profit / loss per ordinary share (in PLN)	7,18	6,73

Diluted profit per share	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
Net profit / loss	108 266	101 499
Weighted average ordinary shares	15 077 700	15 077 700
Profit / loss per ordinary share (in PLN)	7,18	6,73

NOTES TO CASH FLOW STATEMENT

Structure of cash (ref. to balance-sheet movements of cash)	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
Cash	299 087	156 894
Travellers checks and valuable stamps	55	52
Current account with NBP	55 620	46 259
Nostro accounts with foreign banks	911	15 434
Debit balances on vostro accounts	1 226	
O/N deposits of Polish banks	150 481	28 000
O/N deposits of foreign banks	1 149 757	555 811
Current receivables from financial institutions		200
Interest receivable from performing debit balances	770	257
Total cash	1 657 907	802 907

Other items - operating activity	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
Donations granted	94	-379
Change in balance of accrued income from securities	8 102	-7 449
Change in balance of other assets	44 001	-21 001
Other differences	647	-7 080
Total	52 844	-35 909

Other inflow - investment activity	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
Realised interest on securities, accrued in previous periods	-2 995	7 857
Realised and accrued interest on securities in current period	11 640	592
Total	8 645	8 449

Other outflow - financial activity	01.01.2006- 31.12.2006 (current year)	01.01.2005- 31.12.2005 (prior year)
Donations granted	-1 216	-105
Interest on long-term bank loans	-32 016	-19 621
Interest on long-term loans from other financial institutions	-573	-749
Total	-33 805	-20 475

Operating activity includes the Bank's core activity that generates income. The funds generated from operating activity are intended to maintain operating capacity, making new investments, repayment of debts without employing external financing, and the amount of the funds is used as a basis for assessment of the effectiveness of the Bank's particular operations. The operating activity refers primarily to core banking activity such as:

- maintaining banking accounts,
- granting credits and cash loans,
- accepting deposits.

In addition, the Bank includes the following items into the operating activity: income tax payments, revenues from income tax surplus payments,

adjustments of the net financial result by depreciation and all non-cash items related to investment and financial activity.

The investment activity is connected with purchasing and sale of long-term assets that allow the Bank to generate future profits, specifically the following:

- receipts and expenses related to sale / purchase of fixed tangible and intangible assets,
- receipts and expenses related to sale / purchase of shares and stakes in companies,
- receipts and expenses related to sale / purchase of debt securities.

The financial activity involves changes in the volume and relations of own capital to outside capital invested in the Bank, specifically the following:

- contracting and repaying long-term loans towards banks,
- receipts from own share issues,
- expenses related to the dividend paid to owners,
- expenses for social purposes (donations).