

MOVEMENTS IN OWN EQUITY

	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
I. Opening balance of own equity	691 785	595 176	595 176
a) Changes in adopted accounting principles (policy)		-7 468	-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	587 708
1. Opening balance of share capital	30 155	30 155	30 155
1.1. Movements in share capital			
a) increases (in respect of)			
- issue of shares			
b) decreases (in respect of)			
- redemption of shares			
1.2. Closing balance of share capital	30 155	30 155	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	349 539
4.1. Movements in reserve capital	54 343		
a) increases (in respect of)	64 542		
- issuance of shares above their par value			
- profit distribution (mandatory)			
- distribution of profit (voluntary)	64 542		
- sale and liquidation of fixed assets			
b) decreases (in respect of)	-10 199		
- covering financial effects of the amendments to the Accounting Act	-10 199		
4.2. Closing balance of reserve capital	403 882	349 539	349 539
5. Opening balance of revaluation reserve	2 415	-163	-163
5.1. Movements in revaluation reserve	-3 254	2 578	5 246
a) increases (in respect of)	4 507	10 275	8 407
- valuation of securities available for sale	3 146	9 077	8 062
- deferred corporate income tax	1 361	1 198	345
b) decreases (in respect of)	-7 761	-7 697	-3 161
- sale of fixed assets			
- liquidation of fixed assets		-1	
- valuation of securities available for sale	-7 164	-5 894	-1 687
- deferred corporate income tax	-597	-1 802	-1 474
5.2. Closing balance of revaluation reserve	-839	2 415	5 083
6. Opening balance of General Risk Fund	136 816	112 263	112 263
6.1. Movements in General Risk Fund	-69 770	24 553	24 553
a) increases (in respect of)	41 500	24 553	24 553
- profit distribution	41 500	24 553	24 553
b) decreases (in respect of)	-111 270		
- transfer of funds to other reserve capital	-111 270		
6.2. Closing balance of General Risk Fund	67 046	136 816	136 816
7. Opening balance of other reserve capital	17 018	17 018	17 018
7.1. Movements in other reserve capital	169 159		
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)	-2 111		
- paid tax on share capital increase	-2 111		
7.2. Closing balance of other reserve capital	186 177	17 018	17 018

8. Opening balance of undistributed profit (uncovered loss) from prior year	155 842	11 811	11 811
8.1. Opening balance of undistributed profit from prior years	166 041	14 542	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 current year presentation	166 041	14 542	14 542
8.3. Movements in undistributed profit from prior years	-166 041	50 000	50 000
a) increases (in respect of)		50 000	50 000
- profit distribution		50 000	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	0	64 542	64 542
8.5. Opening balance of uncovered loss from prior years	-10 199	-2 731	-2 731
a) changes in adopted accounting principles (policy)		-7 468	-7 468
b) corrections of material errors			
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation	-10 199	-10 199	-10 199
8.7. Movements in uncovered loss from prior years	10 199		
a) increases (in respect of)			
b) decreases (in respect of)	10 199		
- loss coverage from the reserve capital	10 199		
8.8. Closing balance of uncovered loss from prior years		-10 199	-10 199
8.9. Closing balance of undistributed profit or uncovered loss from prior years		54 343	54 343
9. Net income	58 423	101 499	48 702
a) net profit	58 423	101 499	48 702
b) net loss			
II. Closing balance of own equity	744 844	691 785	641 656
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	744 844	691 785	641 656

CASH FLOW STATEMENT

	01.01.06 -30.06.06	01.01.05 -30.06.05
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method*		
I. Net profit (loss)	58 423	48 702
II. Adjustments for:	-262 479	145 409
1. Share in net profit (loss) of subsidiaries measured by equity rights	-461	-1 452
2. Depreciation	11 389	9 123
3. Foreign exchange gains/(losses)	-13 791	57
4. Interest and dividends received and paid	5 379	5 893
5. Profit (loss) on investments	-58	-1 158
6. Change in other reserves	4 850	12 986
7. Change in debt securities held	-46 477	4 524
8. Change in amounts due from financial sector	434 320	361 082
9. Change in amounts due from customers and budget	-1 417 616	-373 564
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield	-14 418	-3 909
12. Change in amounts due to financial sector	300 640	-180 817
13. Change in amounts due to customers and budget	413 919	233 890
14. Change securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	4 932	46 344
17. Change in prepayments and accrued income	-5 174	-3 492
18. Change in deferred income	-121	1 150
19. Other items	60 478	34 752
III. Net cash flow from operating activity (I +/- II) - indirect method	-204 056	194 111

B. CASH FLOW FROM INVESTING ACTIVITY (I-II)		
I. Cash inflows from investing activity	100 562	1 160 648
1. Sale of shares in subsidiaries		
2. Sale of shares in sister companies		
3. Sale of shares in associated entities		
4. Sale of other shares, securities and financial assets	99 690	1 157 236
5. Sale of tangible and intangible fixed assets	511	410
6. Sale of investments in real estates and intangible fixed assets		
7. Other inflows	361	3 002
II. Cash outflows from investing activity	-498 308	-1 110 874
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	-481 837	-1 096 956
5. Purchase of tangible and intangible fixed assets	-8 328	-8 703
6. Investments in real estates and intangible fixed assets	-8 143	-1 668
7. Other outflows		-3 547
III. Net cash flow from investing activity (I +/- II)	-397 746	49 774
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)		
I. Cash inflows from financial activity	935 599	
1. Long-term loans from other banks	935 599	
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	-750 653	-18 069
1. Repayment of long-term loans contracted from other banks	-735 370	
2. Repayment of long-term loans contracted from other financial institutions	-9 575	-10 126
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	-5 708	-7 943
III. Net cash flow from financial activity (I +/- II)	184 946	-18 069
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	-416 856	225 816
E. CHANGE IN CASH IN BALANCE-SHEET	-416 856	225 816
- including changes in cash arising from FX rate differences	3 352	-836
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	802 907	695 484
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	386 051	921 300
- including cash with restricted option of use		

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

CASH AND DUE FROM CENTRAL BANK	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current account	331 305	231 153	77 860
b. Mandatory reserve			
c. Amounts of Bank Guarantee Fund			
d. Other	82	221	2
TOTAL of cash and due from Central Bank	331 387	231 374	77 862

In period from June 30, 2006 to July 31, 2006 the Bank's mandatory reserve on the current account with NBP amounted to PLN 123,758 thousand.

In period from November 30, 2005 to January 1, 2006 the Bank's mandatory reserve on the current account with NBP amounted to PLN 106,482 thousand.

In period from June 30, 2005 to July 31, 2005 the Bank's mandatory reserve on the current account with NBP amounted to PLN 98,317 thousand.

Note 1B

CASH (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. in polish currency	236 174	107 103	46 650
b. in foreign currency (PLN equivalent)	95 213	124 271	31 212
b1. unit /currency 1000/EUR	12 746	18 655	4 707
in thousand PLN	51 537	72 005	19 016
b2. unit/currency 1000/USD	7 406	4 706	2 902
in thousand PLN	23 562	15 348	9 709
b3. jednostka/waluta tys. / GBP	2 286	5 090	139
tys. zł	13 330	28 630	837
b4. jednostka/waluta tys. / SEK	4 789	8 511	1 353
tys. zł	2 099	3 487	580
b5. other currencies (in PLN thousand)	4 685	4 801	1 070
TOTAL CASH	331 387	231 374	77 862

Note 2A

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts	54 723	571 446	843 545
b. Credits, loans and placements, incl.	284 876	729 173	367 919
- placements in other banks and financial institutions	154 874	648 185	160 000
c. Purchased receivables			
d. Realized guarantees and commitments			
e. Other receivables (in respect of)	13 879	9 043	19 447
- L/C discounts	13 472	8 666	19 247
- VISA cards settlements	193	71	55
- other	214	306	145
f. Interest	6 658	1 663	1 371
- accrued	6 612	1 623	1 332
- overdue	46	40	39
Total gross receivables due from other financial institutions	360 136	1 311 325	1 232 282
g. Provisions for receivables due from other financial institutions (negative value)	-74	-71	-74
Total receivables due from other financial institutions (net)	360 062	1 311 254	1 232 208

Note 2B

GROSS RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts	54 723	571 752	843 690
b. Term, with maturity from balance sheet date:	298 755	737 910	387 221
- up to 1 month	31 199	573 133	167 725
- 1 month - 3 months	6 090	1 656	7 738
- 3 months - 1 year	73 645	4 108	44 245
- 1 year - 5 years	163 419	158 939	167 439
- over 5 years	24 328		
- overdue	74	74	74
c. Interest	6 658	1 663	1 371
- accrued	6 612	1 623	1 332
- overdue	46	40	39
Total receivables due from other financial institutions (gross)	360 136	1 311 325	1 232 282

Note 2C

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts	54 723	571 752	843 690
b. Term, with duration:	298 755	737 910	387 221
- up to 1 month	3 836	513 316	3 762
- 1 month - 3 months	6 652	4 743	164 836
- 3 months - 1 year	100 101	3 604	11 129
- 1 year - 5 years	155 943	216 247	207 494
- over 5 years	32 223		
c. Interest	6 658	1 663	1 371
- accrued	6 612	1 623	1 332
- overdue	46	40	39
Total receivables due from other financial institutions (gross)	360 136	1 311 325	1 232 282

Note 2D

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a.in Polish zloty (PLN)	261 982	299 216	870 853
b. in foreign currency (PLN equivalent)	98 154	1 012 109	361 429
b1. unit/currency 1000/ EUR	10 990	199 455	76 974
in PLN thousand	44 436	769 856	310 985
b2. unit/currency 1000 /USD	8 543	64 467	8 050
in PLN thousand	27 179	210 245	26 936
b3. unit/currency 1000 /GBP	1 588	777	1 342
in PLN thousand	9 261	4 373	8 088
b4. unit/currency 1000/ CHF	2 998	5 428	4 592
in PLN thousand	7 735	13 454	11 971
b5. unit/currency 1000/ JPY	180 828	410 664	9 045
in PLN thousand	5 014	11 412	274
b6. other receivables (in PLN thousand)	4 529	2 769	3 175
Total receivables due from other financial institutions (gross)	360 136	1 311 325	1 232 282

Note 2E

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (GROSS)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1.Performing loans	353 404	1 309 591	1 230 837
2. Loans on watch-list			
3. Non-performing loans, including:	74	71	74
- substandard			
- doubtful			
- lost	74	71	74
4.Interest:	6 658	1 663	1 371
a) accrued	6 612	1 623	1 332
b) overdue	46	40	39
- from performing and loans on watch-list			
- from non-performing loans	46	40	39
Total receivables due from other financial institutions (gross)	360 136	1 311 325	1 232 282

Note 2F

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Loans on watch-list			
b. Non-performing loans, including:			74
- substandard			
- doubtful			
- lost			74
Total specific provisions for receivables due from other financial institutions			74

Note 2G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Loans on watch-list			
b. Non-performing loans, including:	74	71	74
- substandard			
- doubtful			
- lost	74	71	74
Total specific provisions for receivables due from customers	74	71	74

Note 2H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2004 (prior year)
1. Opening balance	71	75	75
a) Increases (in respect of)	3		
- creating provision			
- FX differences	3		
b) Utilisation (in respect of)			
c) Releases (in respect of)		-4	-1
- repayment of debts			
- FX differences		-4	-1
2. Closing balance	74	71	74
3. The required amount of specific provisions for receivables due from other financial institutions acc. to the binding law	74	71	74

Note 3A

RECEIVABLES DUE FROM CUSTOMERS (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Credits and loans	5 715 587	4 301 178	3 767 584
b. Purchased receivables	2 665	3 111	3 420
c. Realized guarantees and commitments	6 466	6 504	4 161
d. Other receivables (in respect of)	11 862	13 153	13 552
- VISA cards settlements	8 010	12 793	13 337
- L/C discounts	1 715	360	95
- others	2 137		120
e. Interest	130 243	125 239	126 338
- accrued	26 545	22 760	21 304
- overdue	103 698	102 479	105 034
Total receivables from customers (gross)	5 866 823	4 449 185	3 915 055
f. Provision for receivables from customers (negative value)	-150 656	-155 562	-159 913
Total receivables due from customers (net)	5 716 167	4 293 623	3 755 142

The Bank has no receivables related to financial leases.

Note 3B

RECEIVABLES DUE FROM CUSTOMERS (BY MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts	1 114 100	882 540	786 720
b. Term, with maturity from balance sheet date:	4 622 480	3 441 406	3 001 997
- up to 1 month	152 217	161 615	126 040
- 1 month - 3 months	228 889	213 466	98 235
- 3 months - 1 year	975 652	784 871	617 231
- 1 year - 5 years	1 620 275	1 250 262	810 330
- over 5 years	1 518 499	887 253	1 180 883
- overdue	126 948	143 939	169 278
c. Interest	130 243	125 239	126 338
- accrued	26 545	22 760	21 304
- overdue	103 698	102 479	105 034
Total receivables due from customers (gross)	5 866 823	4 449 185	3 915 055

Note 3C

RECEIVABLES DUE FROM CUSTOMERS (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts	1 114 100	882 540	786 720
b. Term, with duration:	4 622 480	3 441 406	3 001 997
- up to 1 month	958 460	85 416	919 094
- 1 month - 3 months	163 219	29 269	246 909
- 3 months - 1 year	158 449	801 267	121 345
- 1 year - 5 years	462 879	746 568	418 950
- over 5 years	2 879 473	1 778 886	1 295 699
c. Interest	130 243	125 239	126 338
- accrued	26 545	22 760	21 304
- overdue	103 698	102 479	105 034
Total receivables due from customers (gross)	5 866 823	4 449 185	3 915 055

Note 3D

RECEIVABLES DUE FROM CUSTOMERS (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. in Polish zloty (PLN)	3 387 411	2 771 090	2 414 238
b. in foreign currencies (PLN equivalent)	2 479 412	1 678 095	1 500 817
b1. Unit/currency 1000 / EUR	310 552	245 505	123 423
in PLN thousand	1 255 685	947 600	1 043 069
b2. Unit/currency 1000 / CHF	400 428	195 498	82 274
in PLN thousand	1 033 224	484 601	214 505
b3. Unit/currency 1000 / USD	59 749	75 222	72 500
in PLN thousand	190 096	245 321	242 592
b4. Other currencies (in PLN thousand)	407	573	651
Total receivables due from customers (net)	5 866 823	4 449 185	3 915 055

Note 3E

RECEIVABLES DUE FROM CUSTOMERS (GROSS)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Performing loans	5 351 082	3 998 495	3 448 580
2. Loans on watch-list	153 009	71 298	61 484
3. Non-performing loans, including:	232 489	254 153	278 653
- substandard	28 762	54 474	53 736
- doubtful	53 739	46 809	51 147
- lost	149 988	152 870	173 770
4. Interest:	130 243	125 239	126 338
a) accrued	26 545	22 760	21 304
b) overdue	103 698	102 479	105 034
- from performing and loans on watch-list	281	79	119
- from non-performing loans	103 417	102 400	104 915
Total receivables due from customers (gross)	5 866 823	4 449 185	3 915 055

Note 3F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Performing loans (including interest)			
a. Loans on watch-list	57 870	26 043	20 549
b. Non-performing loans, including:	92 026	94 152	129 037
- substandard	20 725	33 115	34 484
- doubtful	43 982	28 861	41 254
- lost	27 319	32 176	53 299
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from customers	149 896	120 195	149 586

Note 3G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Performing loans	4 815	4 941	4 880
a. Loans on watch-list	1 501	660	624
b. Non-performing loans, including:	144 340	149 961	154 409
- substandard	2 582	5 350	4 843
- doubtful	12 632	15 738	12 134
- lost	129 126	128 873	137 432
Total specific provisions for receivables due from customers	150 656	155 562	159 913

Note 3H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Opening balance	155 562	159 483	159 483
a) Increases (in respect of)	13 091	44 170	19 460
- change in risk category	8 925	17 842	13 217
- other	4 166	26 328	6 243
b) Utilisation (in respect of)			
c) Releases (in respect of)			
- repayment	-17 997	-48 091	-19 030
- change in risk category	-9 831	-13 851	-10 103
- write off	-7 330	-13 715	-4 350
- other (incl. foreign exchange differences)	-836	-20 525	-4 577
2. Closing balance	150 656	155 562	159 913
3. The required amount of specific provisions acc. to the binding law	150 656	155 562	159 913

Note 4A

RECEIVABLES DUE FROM BUDGET (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Credits and loans	507	525	588
b. Purchased receivables			
c. Realized guarantees and commitments			
d. Other receivables (in respect of)		3	7
- VISA cards settlements		3	7
e. Interest	2	3	1
- accrued	2	3	1
- overdue			
Total receivables due from budget (gross)	509	531	596
f. Provision for receivables from budget (negative value)			-26
Total receivables due from budget (net)	509	531	570

The Bank has no receivables related to financial leases.

Note 4B

RECEIVABLES DUE FROM BUDGET (BY MATURITY DATE)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts			
b. Term, with maturity from balance sheet date:	507	528	595
- up to 1 month	3	6	11
- 1 month - 3 months	6	6	13
- 3 months - 1 year	28	28	61
- 1 year - 5 years	147	147	141
- over 5 years	323	341	369
- overdue			
c. Interest	2	3	1
- accrued	2	3	1
- overdue			
Total receivables due from budget (gross)	509	531	596

Note 4C

RECEIVABLES DUE FROM BUDGET (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts			
b. Term, with duration:	507	528	595
- up to 1 month			7
- 1 month - 3 months			
- 3 months - 1 year			
- 1 year - 5 years			48
- over 5 years	507	528	540
c. Interest	2	3	1
- accrued	2	3	1
- overdue			
Total receivables due from budget (gross)	509	531	596

Note 4D

RECEIVABLES DUE FROM BUDGET (BY CURRENCY)	30.06.2006 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	509	531	596
b. in foreign currencies (PLN equivalent)			
b1. Unit/currency 1000 / EUR in PLN thousand			
b2. Other currencies (in PLN thousand)			
Total receivables due from budget (net)	509	531	596

Note 4E

RECEIVABLES DUE FROM BUDGET (GROSS)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Performing loans	507	528	547
2. Loans on watch-list			
3. Non-performing loans, including:			48
- substandard			
- doubtful			48
- lost			
4. Interest:	2	3	1
a) accrued	2	3	1
b) overdue			
- from performing and loans on watch-list			
- from non-performing loans			
Total due from budget (gross)	509	531	596

Note 4G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Performing loans			
a. Loans on watch-list			
b. Non-performing loans, including:			26
- substandard			
- doubtful			26
- lost			
Total specific provisions for receivables due from budget			26

Note 4H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Opening balance			
a) Increases (in respect of)			26
b) Utilisation (in respect of)			
c) Releases (in respect of)			
2. Closing balance			26
3. The required amount of specific provisions acc. to the binding law			26

Note 6A

DEBT SECURITIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Issued by central banks, of which:	25 334	26 277	25 499
- 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:	692 955	285 151	251 936
- denominated in foreign currency			
f. Issued by local authorities, of which:			
- denominated in foreign currency			
g. Repurchased own securities			
Total debt securities	718 289	311 428	277 435

Note 6B

DEBT SECURITIES (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Issued by State Treasury, of which:	692 955	285 151	251 936
a) bonds	684 106	281 287	211 772
b) treasury bills	8 849	3 864	40 164
c) other (by category)			
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:	25 334	26 277	25 499
a) bonds	25 334	26 277	25 499
b) other (by category):			
Total debt securities	718 289	311 428	277 435

Note 6C

MOVEMENTS IN DEBT SECURITIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a) Opening balance	311 428	346 505	346 505
b) Increases (in respect of)	3 262 798	3 849 328	1 729 034
- purchase	3 256 449	3 841 038	1 719 740
- discount	2 673	6 167	3 425
- value adjustments	3 676	2 123	5 869
c) Decreases (in respect of)	-2 855 937	-3 884 405	-1 798 104
- sale	-2 845 488	-3 881 526	-1 796 879
- discount/premium	-1 558	-2 874	-1 225
- value adjustments	-8 891	-5	
d) Closing balance	718 289	311 428	277 435

Debt securities securing the Bank's liabilities:

* treasury bills held as security for the Banking Guarantee Fund:

- as at 30.06.2006 - 892 bills at total nominal value of PLN 8,920 thousand,
- as at 31.12.2005 - 392 bills at total nominal value of PLN 3,920 thousand,
- as at 30.06.2005 - 1,310 bills at total nominal value of PLN 13,100 thousand,

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

- as at 30.06.2006 and 31.12.2005 there were no bills blocked against the technical loan in the Bank's portfolio.
- as at 30.06.2005 - total nominal value of PLN 26,900 thousand,

* treasury bills blocked against the technical loan granted by NBP (80% of the blocked bills value):

- as at 30.06.2006 - 243,000 bills at total nominal value of PLN 243,000 thousand,
- as at 31.12.2005 - 85,000 bills at total nominal value of PLN 85,000 thousand,
- as at 30.06.2006 there were no bills blocked against the lombard loan.

Note 7A

SHARES AND INVESTMENTS IN SUBSIDIARIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a) in banks			
b) in other financial institutions	15 970	15 360	64 515
c) in non-financial institution			
Total shares and investments in subsidiary	15 970	15 360	64 515

Note 7B

MOVEMENTS IN SHARES AND INVESTMENTS IN SUBSIDIARIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
Opening balance	15 360	62 582	62 582
a) Increases (in respect of)	701	3 329	1 933
- measurement	701	3 329	1 933
b) Decreases (in respect of)	-91	-50 551	
- withdrawal of shares in subsidiary		-50 000	
- measurement	-91	-551	
Closing balance	15 970	15 360	64 515

Note 11A

SHARES AND INVESTMENTS IN OTHER ENTITIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. other financial institutions			
b. non-financial institutions	45	43	45
Total shares and investments in other entities	45	43	45

As at June 30, 2006 the Bank owned 7 (seven) share 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	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
Opening balance	43	45	45
a) Increases (in respect of)	2		
- purchase			
- discount			
- interest			
- other (FX differences)	2		
b) Decreases (in respect of)		-2	
- sale			
- interest			
- premium			
- discount			
- other (FX differences)		-2	
Closing balance	45	43	45

Note 12A

OTHER SECURITIES AND FINANCIAL ASSETS (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. pre-emptive rights			
b. derivatives			
c. other (by category)	67 206	52 790	43 472
- settlements of financial instruments valuation	67 206	52 790	43 472
Total other securities and financial assets (by category)	67 206	52 790	43 472

Note 12B

MOVEMENTS IN OTHER SECURITIES AND FINANCIAL ASSETS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
Opening balance	52 790	46 261	21 410
a) Increases (in respect of)	21 078	21 669	34 654
- financial instruments valuation	21 078	21 669	34 654
b) Decreases (in respect of)	-6 662	-15 140	-12 592
- financial instruments valuation	-6 662	-15 140	-12 592
Closing balance	67 206	52 790	43 472

Note 12C

OTHER SECURITIES AND FINANCIAL ASSETS (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. in Polish zloty (PLN)	45 507	35 964	31 042
b. in foreign currencies (PLN equivalent)	21 699	16 826	12 430
b1. Unit/currency 1000 / EUR	3 760	2 584	1 542
in PLN thousand	15 201	9 973	6 230
b2. Unit/currency 1000 / USD	1 795	2 098	1 758
in PLN thousand	5 711	6 842	5 881
b3. Other currencies (in PLN thousand)	787	11	319
Total other securities and financial assets	67 206	52 790	43 472

Note 13A

FINANCIAL ASSETS (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. cash	385 468	246 808	110 567
b. financial assets held for trading	106 458	62 909	44 070
c. credits and loans granted by the Bank and own receivables not held for trad	6 021 658	5 588 596	4 953 378
d. held-to-maturity financial assets			
e. available-for-sale financial assets	680 081	302 730	278 719
Total financial assets	7 193 665	6 201 043	5 386 734

Note 13B

FINANCIAL ASSETS (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	4 552 256	3 426 615	3 542 293
b. in foreign currencies (PLN equivalent)	2 641 409	2 774 428	1 844 441
b1. Unit/currency 1000 / EUR	330 260	457 511	196 903
in PLN thousand	1 335 372	1 765 903	1 339 936
b2. Unit/currency 1000 / CHF	402 561	200 271	86 082
in PLN thousand	1 038 725	496 431	224 431
b3. Unit/currency 1000 / USD	71 645	140 052	79 224
in PLN thousand	227 942	456 752	265 087
b4. Other currencies (in PLN thousand)	39 370	55 342	14 987
Total financial assets	7 193 665	6 201 043	5 386 734

Note 13C

FINANCIAL ASSETS HELD FOR TRADING - TRADING PORTFOLIO (ACC. TO MARKETABILITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	39 252	10 119	598
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):	39 252	10 119	
- fair value	39 252	10 119	
- market value	39 252	10 119	
- value at purchase cost	39 187	10 096	
c. other - by category (book value):			598
c1. T-bills			598
- fair value			598
- market value			598
- value at purchase cost			582
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.			
C. Unrestricted marketability and non-quoted on regulated market (book value)	67 206	52 790	43 472
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):	67 206	52 790	43 472
c1. derivatives	67 206	52 790	43 472
- fair value	67 206	52 790	43 472
- market value			
- value at purchase cost			
D. Restricted marketability (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.			
Total value at purchase cost	39 187	10 096	582
Total opening balance value	62 909	65 353	65 353
Total value adjustments	67 271	52 813	43 488
Total book value	106 458	62 909	44 070

Note 13E

AVAILABLE-FOR-SALE FINANCIAL ASSETS (BY MARKETABILITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	644 854	271 168	211 772
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):	644 854	271 168	211 772
- fair value	644 854	271 168	211 772
- market value	644 854	271 168	211 772
- value at purchase cost	636 746	270 366	199 170
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)	8 849	3 864	39 566
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):	8 849	3 864	39 566
c1. Treasury bills	8 849	3 864	39 566
- fair value	8 849	3 864	39 566
- market value	8 849	3 864	39 566
- value at purchase cost	8 623	3 869	37 230
c2. NBP bills			
- fair value			
- market value			
- value at purchase cost			
C. Unrestricted marketability and non-quoted on regulated market (book value)	26 333	27 655	27 336
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):	25 334	26 277	25 499
- fair value	25 334	26 277	25 499
- market value			
- value at purchase cost	24 979	24 979	24 979
c. other - by category (book value):	999	1 378	1 837
c1. purchased debts	999	1 378	1 837
- fair value	999	1 378	1 837
- market value			
- value at purchase cost	2 665	3 111	3 420

D. Restricted marketability (book value)	45	43	45
a. shares and investments (book value):	45	43	45
- fair value			
- market value			
- value at purchase cost	45	43	45
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	673 058	302 368	264 844
Total opening balance value	302 730	327 458	327 458
Total value adjustments	7 023	362	13 875
Total book value	680 081	302 730	278 719

Note 14A

INTANGIBLE FIXED ASSETS	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
a. research and development costs			
b. goodwill			
c. patents, licences and related rights, incl.	17 156	14 522	11 756
- purchased software	17 156	14 522	11 756
d. other intangible fixed assets			
e. prepayments for intangible fixed assets			
Total intangible fixed assets	17 156	14 522	11 756

Note 14C

INTANGIBLE FIXED ASSETS (by ownership)	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
a. own	17 156	14 522	11 756
b. used under rental, lease or other agreements, incl. leasing			
Total intangible fixed assets	17 156	14 522	11 756

Note 15A

TANGIBLE FIXED ASSETS	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
a) Tangible fixed assets, of which:	41 736	43 947	42 386
- land (incl. perpetual usufruct right)			
- buildings, premises, ground or water structures			
- technical equipment and machines	8 970	9 820	8 920
- vehicles	10 344	8 085	5 004
- other fixed assets	22 422	26 042	28 462
b) Assets under construction	7 175	3 507	4 944
c) Advances for assets under construction			
Total tangible fixed assets	48 911	47 454	47 330

Note 15B

TABLE OF MOVEMENT OF 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 fixed assets
a) opening balance of fixed assets value (gross)			57 508	11 679	63 117	132 304
b) increases (in respect to)			2 849	3 651	201	6 701
- purchase			2 165	3 651	86	5 902
- investment settlements			684		115	799
- other						
c) decrease (in respect to)			-2 097	-1 444	-141	-3 682
- sale			-139	-1 361	-49	-1 549
- liquidation			-1 784	-83	-92	-1 959
- other			-174			-174
d) closing balance of fixed assets value (gross)			58 260	13 886	63 177	135 323
e) opening balance of accumulated depreciation			-47 688	-3 594	-37 075	-88 357
f) depreciation for period (in respect to)			-1 602	52	-3 680	-5 230
- calculation			-3 686	-1 154	-3 804	-8 644
- sale			139	1 196	42	1 377
- liquidation			1 771	10	82	1 863
- other			174			174
g) closing balance of accumulated depreciation			-49 290	-3 542	-40 755	-93 587
h) opening balance of write-offs due to impairment loss						
- increase						
- decrease						
i) closing balance of write-offs due to impairment loss						
j) closing balance of net fixed assets			8 970	10 344	22 422	41 736

In 1H2006 the Bank made the unplanned depreciation of tangible assets in the amount of PLN 43 thousand.

Note 15C

ON-BALANCE FIXED ASSETS (BY OWNERSHIP)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Own	48 911	47 454	47 330
b. Used under rental, lease or other agreements, incl. leasing			
Total on-balance sheet fixed assets	48 911	47 454	47 330

Note 16A

OTHER ASSETS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Assets seized for sale	5	5	5
2. Other, including:	16 174	58 517	11 376
- settlements of credit agency fees	7 458	126	
- interbank settlements	3 205	458	3 227
- settlements with suppliers and customers	2 977	3 490	3 204
- settlements with employees	1 529		1 294
- unpaid commissions&fees	787	317	861
- settlement of subsidiary shares' sale		50 000	
- tax settlements			556
- other settlements	2 021	5 551	4 068
- provisions for other assets	-1 803	-1 425	-1 834
Total other assets	16 179	58 522	11 381

NIE MA 16b

Note 16B

MOVEMENTS IN ASSETS SEIZED FOR SALE	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
Opening balance	5	5	5
a) Increases (in respect of)			
- take-over for debts			
a) Decreases (in respect of)			
- sale			
Closing balance	5	5	5

Note 17A

PREPAYMENTS AND ACCRUED INCOME	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Long-term	34 603	29 899	31 538
- deferred corporate income tax	34 603	29 899	31 538
- other prepayments and accrued income			
b. Short-term	6 451	3 103	3 551
- interperiod settlements of promotion&entertainment costs	1 324	586	
- Banking Guarantee Fund costs	599		509
- Social Benefit Fund costs	532		405
- interperiod settlements of insurances	234	646	293
- capital aquisition costs settlement	30	211	391
- other short-term interperiod settlements	3 732	1 660	1 953
Total prepayments and accrued income	41 054	33 002	35 089

Note 17B

MOVEMENTS IN ASSETS IN RESPECT OF DEFERRED CORPORATE INCOME TAX	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Opening balance	29 899	29 351	29 351
a. related to financial result	29 898	29 138	29 138
- accrued interest	3 388	5 584	5 584
- prepayments	35	25	25
- provision for non-performing loans	14 456	15 348	15 348
- provision for non-performing loans 2002		404	404
- other provisions	3 997	4 016	4 016
- derivatives adjustments to fair value	3 823	2 284	2 284
- securities adjustments to fair value			
- settlement of commissions on a straight-line basis	2 036	1 477	1 477
- settlement of commissions on an effective basis	2 163		
b. related to own equity	1	213	213
- securities adjustments to fair value	1	146	146
- retrospective valuation of commissions on a straight-line basis			
- securities adjustments of subsidiaries		67	67
c. related to goodwill or negative goodwill			
2. Increases	4 869	5 246	4 765
a. related to financial result of the period due to negative temporary differences (in respect of)	4 477	4 271	4 765
- accrued interest	1 074		
- prepayments	48	10	82
- provision for non-performing loans	81		1 302
- other provisions			
- derivatives adjustments to fair value	1 959	1 539	636
- securities adjustments to fair value			
- settlement of commissions on a straight-line basis	268	559	407
- settlement of commissions on an effective basis	1 037	2 163	526
- IRS costs -income in 2005	10		60
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)	392	975	
- securities adjustments to fair value	392		
- retrospective valuation of effective commissions		975	
- retrospective valuation of commissions on a straight-line basis			
- securities adjustments of subsidiaries			
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	-165	-4 698	-2 578
a. related to financial result of the period due to negative temporary differences (in respect of)	-165	-3 511	-1 687
- accrued interest		-2 196	-873
- prepayments			
- provision for non-performing loans		-892	
- provision for lost and doubtful loans 2002		-404	
- other provisions	-165	-19	-805
- derivatives adjustments to fair value			
- securities adjustments to fair value			
- retrospective settlement of commissions on a straight-line basis (created for funds, settled in the financial result)			-9

- retrospective settlement of commissions on an effective basis (created for funds, settled in the financial result)			-702
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)		-1 187	-189
- securities adjustments to fair value		-145	-146
- securities adjustments of subsidiaries		-67	-43
- retrospective settlement of commissions on a straight-line basis (created for funds, settled in the financial result)		-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)			
4. Closing balance	34 603	29 899	31 538
a. related to financial result	34 210	29 898	30 464
- accrued interest	4 462	3 388	4 711
- prepayments	83	35	107
- provision for non-performing loans	14 537	14 456	16 650
- provision for lost and doubtful loans 2002			404
- other provisions	3 832	3 997	3 211
- derivatives adjustments to fair value	5 782	3 823	2 920
- securities adjustments to fair value			
- settlement of commissions on a straight-line basis	2 304	2 036	1 884
- retrospective settlement of commissions on a straight-line basis (created for funds, settled in the financial result)			-9
- settlement of commissions on an effective basis	3 200	2 163	526
- IRS costs -income in 2005	10		60
b. related to own equity	393	1	1 074
- securities adjustments to fair value	393	1	
- retrospective valuation of commissions on a straight-line basis			
- retrospective valuation of commissions on an effective basis			1 050
- securities adjustments of subsidiaries			24
c. related to own equity due to tax losses			

Note 17C

OTHER PREPAYMENTS AND ACCRUED INCOME	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a) prepayments and accrued income, of which:	6 427	3 082	3 055
- interperiod settlements of promotion&entertainment costs	1 324	586	
- Bank Guarantee Fund costs	599		509
- Social Benefit Fund	532		405
- insurance	234	646	293
- settlements of capital aquisition costs	30	211	391
- other	3 708	1 639	1 457
b) Other, including:	24	21	496
- income to be received	24	21	496
Total other prepayments and accrued income	6 451	3 103	3 551

Note 20A

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts and deposits	1 376 925	1 105 678	604 488
- placements of banks and other entities	325 979	968 994	111 538
b. Loans and borrowings received	1 271 720	1 067 306	1 126 094
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	1 555	1 218	1 010
- amounts due in respect of cash collateral	1 555	1 172	1 010
- amounts due in respect of VISA cards		45	
- other	1	1	
f. Interest	5 711	4 174	5 367
Total due to other financial institutions	2 655 911	2 178 376	1 736 959

Note 20B

DUE TO OTHER FINANCIAL INSTITUTIONS (BY MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current	1 009 593	709 435	492 064
b. Term, with maturity from the balance sheet date:	1 640 607	1 464 767	1 239 528
- Up to 1 month	294 599	360 071	30 341
- 1 month - 3 months	67 014	792 954	31 126
- 3 months - 1 year	27 491	45 345	859 911
- 1 year - 5 years	966 818		40 476
- 5 years - 10 years	284 685	266 397	277 674
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	5 711	4 174	5 367
Total due to other financial institutions	2 655 911	2 178 376	1 736 959

Note 20C

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current	1 009 593	709 435	492 064
b. Term, with maturity from the balance sheet date:	1 640 607	1 464 767	1 239 528
- Up to 1 month	238 288	340 356	10 125
- 1 month - 3 months	89 683	100	10 000
- 3 months - 1 year	38 886	53 566	88 644
- 1 year - 5 years	285 068	804 348	812 684
- 5 years - 10 years	988 682	266 397	318 075
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	5 711	4 174	5 367
Total due to other financial institutions	2 655 911	2 178 376	1 736 959

Note 20D

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. in Polish zloty (PLN)	719 117	975 745	591 274
b. in foreign currency (PLN equivalent)	1 936 794	1 202 631	1 145 685
b1. unit/currency 1000/CHF	364 285	68 326	68 194
in PLN thousand	939 963	169 368	177 795
b2. unit/currency 1000/EUR	145 128	214 970	214 333
in PLN thousand	586 811	829 742	865 926
b3. unit/currency 1000/USD	128 752	61 043	30 473
in PLN thousand	409 638	199 081	101 964
b4. Other currency (in PLN thousand)	382	4 440	
Total due to other financial institutions	2 655 911	2 178 376	1 736 959

Note 21A

DUE TO CUSTOMERS (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts and deposits	3 294 686	2 936 109	2 536 843
b. Loans and borrowings received			
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	244 932	207 960	302 190
- amounts due in respect of cash collateral	230 780	204 043	295 817
- VISA cards settlements	22	9	303
- other	14 130	3 908	6 070
f. Interest	3 454	4 530	6 943
Total due to customers	3 543 072	3 148 599	2 845 976

Note 21B

DUE TO CUSTOMERS - SAVINGS (BY MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current			
b. Term, with maturity from the balance sheet date:	1 903	1 558	1 196
- 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	1 903	1 558	1 196
- overdue			
c. Interest		13	
Total due to customers - savings (by maturity)	1 903	1 571	1 196

Note 21C

DUE TO CUSTOMERS - SAVINGS (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current			
b. Term, with maturity from the balance sheet date:	1 903	1 558	1 196
- 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	1 903	1 558	1 196
- overdue			
c. Interest		13	
Total due to other financial institutions	1 903	1 571	1 196

Note 21D

DUE TO CUSTOMERS - OTHER (BY MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current	1 895 885	1 654 636	1 498 695
b. Term, with maturity from the balance sheet date:	1 641 830	1 487 875	1 339 142
- Up to 1 month	1 105 906	970 750	788 208
- 1 month - 3 months	358 457	360 833	296 984
- 3 months - 1 year	150 390	128 454	178 668
- 1 year - 5 years	5 929	6 688	49 595
- 5 years - 10 years	20 693	21 050	25 687
- 10 years - 20 years	455		
- over 20 years		100	
- overdue			
c. Interest	3 454	4 517	6 943
Total due to customers - other	3 541 169	3 147 028	2 844 780

Note 21E

DUE TO CUSTOMERS - OTHER (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current	1 895 885	1 654 636	1 488 920
b. Term, with duration:	1 641 830	1 487 875	1 348 917
- up to 1 month	809 392	439 665	477 445
- 1 month - 3 months	441 675	693 684	158 040
- 3 months - 1 year	315 460	284 900	486 875
- 1 year - 5 years	13 215	18 405	118 976
- 5 years - 10 years	44 553	32 280	83 400
- 10 years - 20 years	17 535	17 284	24 181
- over 20 years		1 657	
- overdue			
c. Interest	3 454	4 517	6 943
Total due to customers - other	3 541 169	3 147 028	2 844 780

Note 21F

DUE TO CUSTOMERS (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. in Polish zloty (PLN)	2 648 825	2 342 859	2 227 847
b. in foreign currencies (in respect of)	894 247	805 740	618 129
b1. Unit/currency 1000 / EUR	153 223	136 967	89 243
in PLN thousand	619 541	528 665	360 551
b2. Unit/currency 1000 / USD	81 694	79 948	72 854
in PLN thousand	259 917	260 733	243 775
b3. Unit/currency 1000 / GBP	1 235	1 570	1 291
in PLN thousand	7 198	8 831	7 776
b4. Unit/currency 1000 / CHF	1 299	2 336	933
in PLN thousand	3 352	5 791	2 433
b5. Other currencies (in PLN thousand)	4 239	1 720	3 594
Total due to customers	3 543 072	3 148 599	2 845 976

Note 22A

DUE TO BUDGET (BY CATEGORY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current accounts and deposits	45 406	25 861	41 236
b. Loans and borrowings received			
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	50	150	
- amounts due in respect of cash collateral	50	150	
f. Interest	32	31	65
Total due to budget	45 488	26 042	41 301

Note 22D

DUE TO BUDGET - OTHER (BY MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current	13 928	11 598	15 647
b. Term, with maturity from the balance sheet date:	31 528	14 413	25 589
- Up to 1 month	29 469	12 843	24 546
- 1 month - 3 months	2 059	1 570	168
- 3 months - 1 year			875
- 1 year - 5 years			
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	32	31	65
Total due to budget - other	45 488	26 042	41 301

Note 22E

DUE TO BUDGET- OTHER (BY CONTRACTUAL MATURITY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Current	13 928	11 598	15 647
b. Term, with duration:	31 528	14 413	25 589
- up to 1 month	26 419	1 458	22 908
- 1 month - 3 months	5 109	12 955	1 078
- 3 months - 1 year			1 598
- 1 year - 5 years			5
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	32	31	65
Total due to budget - other	45 488	26 042	41 301

Note 22F

DUE TO BUDGET (BY CURRENCY)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2006 (prior year)
a. in Polish zloty (PLN)	44 273	24 972	40 065
b. in foreign currencies (in respect of)	1 215	1 070	1 236
b1. Unit/currency 1000 /EUR	291	277	306
in PLN thousand	1 175	1 070	1 236
b2. Unit/currency 1000 / CHF	16		
in PLN thousand	40		
b3. Other currencies (in PLN thousand)			
Total due to budget	45 488	26 042	41 301

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	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Special funds	2 568	1 280	2 131
- social benefit fund	1 442	814	1 228
- other	1 126	466	903
2. Other liabilities	86 866	103 137	66 343
- interbank settlements	60 259	53 073	34 865
- tax settlements	9 805	25 046	14 938
- settlement of insurances	5 453	3 974	482
- liabilities arising from other transactions with customers	4 461	4 767	8 064
- settlements arising from purchase of debts	3 421	5 133	4 964
- liabilities arising from financial activity	1 849	1 835	36
- other	1 618	9 309	2 994
Total special funds and other liabilities	89 434	104 417	68 474

Note 26A

ACCRUALS AND DEFERRED INCOME	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Short-term, of which:	14 357	12 242	10 037
- provision for variable part of remuneration	6 000	8 021	4 334
- provision for unused leave of absence	3 306	3 306	2 860
- provision for promotion	2 000	15	1 197
- provision for legal consultation and audit	728	542	373
- other interperiod settlements	2 323	358	1 273
b. Long-term, of which:			
Total accruals and deferred income	14 357	12 242	10 037

Note 26B

OTHER ACCRUALS AND DEFERRALS	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Short-term, incl.	12 563	13 900	10 434
- prepayments	12 563	10 900	10 434
- commissions to be settled		3 000	
b. Long-term, incl.	109 175	107 959	111 170
- deferred income	109 175	107 959	111 170
Total other accruals and deferrals	121 738	121 859	121 604

Note 27A

MOVEMENTS IN DEFERRED CORPORATE INCOME TAX PROVISION	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
1. Opening balance	10 854	9 778	9 778
a. related to financial result	10 406	9 724	9 724
- accrued interest on securities	936	652	652
- other accrued interest	4 645	5 986	5 986
- derivative measurement	634	437	437
- unpaid discount	2 045	1 396	1 396
- investment relief, net	492	531	531
- securities adjustments to fair value	4	13	13
- difference between balance-sheet and tax depreciation	234	709	709
- unrealized FX differences	1 416		
b. related to own equity	448	54	54
- securities adjustments to fair value	399	54	54
- subsidiary measurement	49		
c. related to goodwill or negative goodwill			
2. Increases	2 422	2 944	2 188
a. related to financial result of the period due to positive temporary differences (in respect of)	2 394	2 550	1 205
- accrued interest on securities		284	
- other accrued interest	1 261		
- derivatives measurement	640	197	138
- unpaid discount	483	649	656
- investment relief, net			
- difference of balance-sheet and tax depreciation	9		
- unrealized foreign exchange differences		1 416	319
- other income			92
- securities adjustments to fair value	1	4	
b. related to own equity due to positive temporary differences (in respect of)	28	394	983
- securities adjustments to fair value (revaluation capital)		345	983
- subsidiary measurement	28	49	
c. related to own equity due to negative temporary differences (in respect of)			

3. Deductions	2 144	1 868	1 730
a. related to financial result of the period due to positive temporary differences (in respect of)	1 745	1 868	1 730
- accrued interest on securities	236		233
- other accrued interest		1 341	1 382
- derivative measurement			
- unpaid discount			
- investment relief, net	14	39	20
- difference of balance-sheet and tax depreciation	96	475	83
- securities adjustments to fair value		13	12
- unrealized FX differences	1 399		
b. related to own equity due to positive temporary differences (in respect of)	399		0
- securities adjustments to fair value (revaluation capital)	399		
c. related to goodwill or negative goodwill due to positive temporary differences (in respect of)			
4. Closing balance	11 132	10 854	10 236
a. related to financial result	11 055	10 406	9 199
- accrued interest on securities	700	936	419
- other accrued interest	5 906	4 645	4 604
- derivative measurement	1 274	634	575
- unpaid discount	2 528	2 045	2 052
- investment relief, net	478	492	511
- securities adjustments to fair value	5	4	1
- difference of balance-sheet and tax depreciation	147	234	626
- unrealized foreign exchange differences	17	1 416	319
- other income			92
b. related to own equity	77	448	1 037
- securities adjustments to fair value (revaluation capital)		399	1 037
- subsidiary measurement	77	49	
c. related to goodwill or negative goodwill			

Note 27B

DEFERRED INCOME TAX PROVISION (BY CURRENCY)	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
a. in Polish zloty (PLN)	11 132	10 854	10 236
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	11 132	10 854	10 236

Note 27C

OTHER PROVISIONS (BY CATEGORY)	31.06.2006 (current year)	31.12.2006 (prior year)	31.06.2005 (prior year)
- off-balance sheet commitments provision	2 094	1 235	4 341
- provision for onerous contracts	887	1 157	798
- provision for legal risk	16	488	477
- provision for general risk	29 998	20 910	20 910
- provision for employees benefits			
Total other provisions	32 995	23 790	26 526

Note 27D

OTHER PROVISIONS	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
a. Short-term			
-			
b. Long-term	32 995	23 790	26 526
- off-balance sheet commitments provision	2 094	1 235	4 341
- provision for onerous contracts	887	1 157	798
- provision for future liabilities	16	488	477
- provision for general risk	29 998	20 910	20 910
- provision for legal risk			
Total other provisions	32 995	23 790	26 526

Note 27E

OTHER PROVISIONS (BY CURRENCY)	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
a. in Polish zloty (PLN)	32 729	23 599	23 789
b. in foreign currencies (in respect of)	266	191	2 737
b1. Unit/currency 1000 / EUR	51	42	670
in PLN thousand	204	162	2 707
b2. Unit/currency 1000 / USD	17	9	9
in PLN thousand	54	29	30
b3. Other currencies (in PLN thousand)	8		
Total deferred income tax provision	32 995	23 790	26 526

Note 27G

MOVEMENTS IN OTHER LONG-TERM PROVISIONS	31.06.2006 (current year)	31.12.2005 (prior year)	31.06.2005 (prior year)
Opening balance	23 790	14 656	14 656
- off-balance sheet commitments provision	1 235	1 175	1 175
- provision for onerous contracts	1 157	1 003	1 003
- provision for future liabilities	488	478	478
- provision for general risk	20 910	12 000	12 000
a) Increases (in respect of)	11 269	14 419	12 985
- creating provision for off-balance sheet commitments	2 181	4 703	4 002
- creating provision for onerous contracts		788	72
- creating provision for future liabilities		15	
- creating provision for general risk	9 088	8 910	8 909
- creating provision for FX differences		3	2
b) utilisation (in respect of)			
c) releases (in respect of)	-2 064	-5 285	-1 115
- release of off-balance sheet commitments provision	-1 309	-4 609	-787
- release of provision for onerous contracts	-270	-634	-277
- release of provision for employees benefits			
- release of provision for legal risk	-472	-5	
- release of provision for FX differences	-13	-37	-51
Closing balance	32 995	23 790	26 526
- off-balance sheet commitments provision	2 094	1 235	4 341
- provision for onerous contracts	887	1 157	798
- provision for future liabilities	16	488	478
- provision for general risk	29 998	20 910	20 909
Total other long-term provisions	32 995	23 790	26 526

Note 29

SHARE CAPITAL							
par value of 1 share = 2PLN							
Series/ issue	Type of shares	Type of preference	Number of shares	Issue value	Type of capital covering	Date of registration	Eligibility for dividend
A	bearer share	common shares	634 060	1 268 120	cash	19.12.1990	from full payment
B	bearer share	common shares	1 115 940	2 231 880	cash	30.04.1991	from full payment
C	bearer share	common shares	2 000 000	4 000 000	cash	14.07.1994	01.01.1994
D	bearer share	common shares	1 250 000	2 500 000	cash	11.07.1996	01.01.1995
E	bearer share	common shares	1 250 000	2 500 000	cash	11.04.1997	01.01.1996
F	bearer share	common shares	625 000	1 250 000	cash	04.06.1998	01.01.1997
G	bearer share	common shares	740 000	1 480 000	cash	04.06.1998	01.01.1997
H	bearer share	common shares	761 500	1 523 000	cash	08.10.1999	01.01.1999
I	bearer share	common shares	1 675 300	3 350 600	cash	03.07.2000	01.01.1999
J	bearer share	common shares	5 025 900	10 051 800	cash	28.06.2001	01.01.2000
Total number of shares			15 077 700				
Total share capital				30 155 400			

As at June 30, 2006 the following shareholders owned stock representing at least 5% of the Bank's share capital or 5% of the votes in the Annual General Meeting of Shareholders (AGM):

Fortis Bank: 99.10% of share capital, with the right of 11,308,275 votes at the General Meeting of Shareholders or 99.10% of total votes at AGM. However, in accordance with Article 26 of the Bill dated 29.08.1997 r. Banking Law (Dz. U. Nr 140, item 939 as amended) with reference to the resolution No. 159/KNB/99 of Banking Supervision Commission as of 16.08.1999 r. relating to permission granted to Fortis Bank to purchase shares of PPABank SA, Fortis Bank has permission only to acquire shares which entitles it to 75% of the total voting rights at the AGM.

Note 31

RESERVE CAPITAL	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Share premium	349 539	349 539	349 539
b. Mandatory reserve			
c. Statutory	54 344		
d. Contribution from shareholders			
e. Other			
Total reserve capital	403 883	349 539	349 539

Note 32

REVALUATION RESERVE	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. fixed assets revaluation	510	510	510
b. deferred income tax	317	-447	-1 037
c. FX differences from foreign branches			
d. Other	-1 666	2 352	5 610
- value adjustment of available-for-sale securities	-2 070	2 096	5 457
- valuation of shares in subsidiaries	404	256	153
Total revaluation capital	-839	2 415	5 083

Note 33

OTHER RESERVE CAPITAL (BY PURPOSE)	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
- general risk fund	67 045	136 816	136 816
- other	186 177	17 018	17 018
Total other reserve capital	253 222	153 834	153 834

Note 34

CAPITAL ADEQUACY RATIO CALCULATION	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
Risk weighted assets	5 798 926	4 576 388	4 045 167
Risk weighted contingent liabilities	535 300	448 345	354 914
Total weighed assets and contingent liabilities	6 334 226	5 024 733	4 400 081
Equity capital	30 155	30 155	30 155
Additional capital	403 883	349 539	349 539
Reserve capital	186 177	17 018	17 018
General Risk Fund	67 045	136 816	136 816
Fixed assets revaluation capital	510	510	510
Financial assets revaluation capital	-1 349	1 905	4 573
Undistributed profit (uncovered loss) from previous years	0	54 343	54 343
Deductions of core funds and supplementary own funds	33 126	29 882	76 271
Capital exposure in financial institutions	15 970	15 360	64 515
100% of net intangible assets	17 156	14 522	11 756
Equity total for the purpose of the capital adequacy ratio calculation	653 295	560 404	516 683
Short-term capital	6 131	5 253	2 670
Credit risk	506 738	401 979	352 006
Interest rate risk	3 496	3 294	576
Delivery settlement and counterparty risk	2 635	1 958	2 094
Total capital adequacy requirement	512 869	407 231	354 676
Capital Adequacy Ratio	10,29%	11,11%	11,71%

Note 35

Book value per share	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
Equity capital	30 155	30 155	30 155
Additional capital	403 883	349 539	349 539
Reserve capital	186 177	17 018	17 018
General Risk Fund	67 045	136 816	136 816
Revaluation reserve	-839	2 415	5 083
Undistributed profit (uncovered loss) from previous years		54 343	54 343
Net profit	58 423	101 499	48 702
Total	744 844	691 785	641 656
Number of shares	15 077 700	15 077 700	15 077 700
Book value per share (in PLN)	49,40	45,88	42,56

Note 36

CONTINGENT LIABILITIES GRANTED TO AFFILIATED ENTITIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Guarantees and sureties granted to:	31 942	44 129	20 755
- subsidiaries			
- sister companies	31 528	43 734	20 341
- associated entities			
- major investor			
- controlling entity	414	395	414
b. Other, incl.	39 289	43 240	40 965
confirmed export L/C	3 369		
- subsidiaries			
- sister companies	131		
- associated entities			
- major investor			
- controlling entity	3 238		
Visa card limits granted to	90	70	63
- subsidiaries	46	47	44
- sister companies	44	23	19
- associated entities			
- major investor			
- controlling entity			
credit lines in credit account	35 330	42 570	40 402
- subsidiaries			
- sister companies	35 330	42 570	40 402
- associated entities			
- major investor			
- controlling entity			
credit line in current account	500	500	500
- subsidiaries			
- sister companies	500	500	500
- associated entities			
- major investor			
- controlling entity			
import L/C		600	
- subsidiaries			
- sister companies		600	
- associated entities			
- major investor			
- controlling entity			
Total guarantees and sureties granted to affiliated entities	71 231	87 369	61 720

Note 37

CONTINGENT LIABILITIES RECEIVED FROM AFFILIATED ENTITIES	30.06.2006 (current year)	31.12.2005 (prior year)	30.06.2005 (prior year)
a. Guarantees and sureties received from:	24 780	54 224	166 724
- subsidiaries			
- sister companies	21 974	47 412	52 651
- associated entities			
- major investor			
- controlling entity	2 806	6 812	114 073
b. Other, incl.	425 694	581 182	533 874
Counter quarantees received from:	73 028	70 630	
- subsidiaries			
- sister companies	73 028	59 842	
- associated entities			
- major investor			
- controlling entity		10 788	
Credit lines received from:	352 666	510 552	533 874
- subsidiaries			
- sister companies	352 666	510 552	533 874
- associated entities			
- major investor			
- controlling entity			
Total guarantees and sureties received from affiliated entities	450 474	635 406	700 598

NOTES TO PROFIT AND LOSS STATEMENT

Note 38

INTEREST INCOME	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Interest income from financial institutions	13 783	28 347
b. Interest income from customers	136 335	117 490
c. Interest income from budget	76	2
d. Fixed income securities	15 317	11 609
e. Other		
Total interest income	165 511	157 448

Note 39

INTEREST EXPENSE	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Interest expense on transactions with financial institutions	34 631	30 381
b. Interest expense on transactions with customers	36 001	42 909
c. Interest expense on transactions with budget	622	822
d. Other	306	29
Total interest income	71 560	74 141

Note 40

COMMISSION AND FEE INCOME	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Commission and fee income on banking activity	45 916	42 831
b. Commission and fee income on brokerage activity		
Total commission and fee income	45 916	42 831

Note 42

NET INCOME FROM FINANCIAL OPERATIONS	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Transactions with securities and other financial instruments	3 824	3 637
- income	80 973	64 825
- expense	77 149	61 188
b. Other financial transactions		
Total net income from financial operations	3 824	3 637

Note 43

OTHER OPERATING INCOME	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	511	413
c. Recovered past-due, written-off, uncollectible debts	157	759
d. Compensation, penalties, fines received	90	223
e. Donations		
f. Other	4 642	2 675
- income on loan insurances	796	93
- income on financial services	688	483
- income on rents and leases	661	766
- release of provision for legal risk	472	15
- income on agency in customer acquisition	410	336
- provision for cash differences settlement	165	170
- other	1 450	812
Total other operating income	5 400	4 070

Note 44

OTHER OPERATING EXPENSES	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	269	14
c. Recovered past-due, written-off, uncollectible debts	221	222
d. Compensation, penalties, fines paid	100	95
e. Donations	54	58
f. Other	917	1 430
- debt recovery costs	126	121
- provision for disputed liabilities		733
- provision for cash differences	83	82
- other	708	494
Total other operating expenses	1 561	1 819

Note 45

GENERAL EXPENSES	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Remuneration	45 597	31 707
b. Social security premium and other employee benefits	10 617	7 869
c. Material losses	41 687	36 244
d. Taxes and levies	327	241
e. Bank Guarantee Fund charges	602	435
f. Other general expenses		
Total general expenses	98 830	76 496

Note 46

CHARGES TO PROVISIONS AND REVALUATION	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Charges to provisions for:	24 360	27 901
- performing loans	1 896	1 546
- loans on watch-list	1 352	523
- non-performing loans	9 843	12 719
- general risk reserve	9 088	8 910
- contingent liabilities	2 181	4 002
- other		201
b. Revaluation:		
- of financial assets		
- other		
Total charges to provisions and revaluation	24 360	27 901

Note 47

RELEASE OF PROVISIONS AND DECREASE IN RESPECT OF REVALUATION	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
a. Releases of provisions for:	13 185	12 419
- performing loans	2 029	1 470
- loans on watch-list	608	393
- non-performing loans	9 239	9 750
- contingent liabilities	1 309	787
- general risk reserve		
- other		19
b. Revaluation:		
- financial assets		
- other		
Total releases of provisions and decrease in respect of revaluation	13 185	12 419

Note 51A

CURRENT CORPORATE INCOME TAX	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
1. Gross profit before tax	71 273	58 219
2. Differences between gross profit before taxation and taxable income	18 060	4 103
- permanent	-2 458	-3 623
- temporary	20 566	7 765
- other	-48	-39
3. Taxable income	89 333	63 774
4. Corporate Income Tax 19% 2005	16 973	12 117
5. Increases, exemptions, deductions and abatements	-1 142	
6. Corporate Income Tax payable as shown in CIT declaration	11 078	748
- as shown in the profit&loss statement	16 973	12 117
- 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- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
- decrease/increase due to arising and reversing the temporary differences	-3 662	-1 148
- 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	-3 662	-1 148
Detailed information on the differences between corporate income tax charge as shown in profit&loss statement and the corporate income tax declaration:	30.06.2006	30.06.2005
a) there was neither investment tax allowance nor investment premium claimed as at 30.06.2006 (in PLN thousand) or 30.06.2005		
b) tax deductible donations granted (in PLN thousand)	48	39
c) there were not any discontinuance of payment, exemptions, deductions or abatements		
d) deferred tax liabilities as at 30.06.2006 and as at 30.06.2005 (in PLN thousand) divided into categories:		
accrued interest on securities	3 684	2 207
other accrued interest	31 084	24 234
derivatives measurement	6 702	3 028
unpaid discount	13 303	10 800
net investment tax allowance	2 519	2 688
difference between balance-sheet and tax depreciation	777	3 295
securities measurement	26	1
unrealized FX differences	91	1 679
income on cross-border settlement services		482
deferred tax calculation base	58 186	48 414
tax	11 055	9 199
tax rates	19%	19%
e) deferred tax assets as at 30.06.2006 and as at 30.06.2005 (in PLN thousand) divided into categories:		
interest payable	23 486	24 794
prepayments and accrued income	435	564
provision for non-performing loans	71 765	87 627
derivatives measurement	30 487	15 366
other provisions	20 169	16 900
other	28 968	18 484
deferred tax asset base	175 310	163 732
tax rates	19%	19%
tax after correction	33 309	31 109
provision for lost&doubtful loans 2002	3 336	5 055
tax rates	27%	8%
tax	901	404
total tax	34 210	31 514
difference between liabilities and receivables	-23 155	-22 315
f) changes resulting from the change of tax rates did not occur		
g) the Bank did not release any deferred tax assets due to the inability of claiming the future tax receivables		
h) income tax on extraordinary gains amounts to 0		

Note 51C

	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
TOTAL DEFFERED INCOME TAX		
- included in equity	-316	1 012
- included in goodwill and negative goodwill		

Note 53

	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
SHARE IN NET PROFIT (LOSS) OF SUBSIDIARIES MEASURED BY EQUITY RIGHTS		
- write-off of difference in net assets valuation	461	1 452

Note 54

ALLOCATION OF NET PROFIT
<p>The entire last year's net profit of PLN 101.5 million was earmarked for the Bank's equity increase, whereas negative financial effects related to the implementation of necessary changes to accounting principles in the Bank, which in total exceeded PLN 10 million, were covered in full with the Bank's additional capital. The Board of Executives will recommend the Shareholders' Meeting to allocate the 2006 entire net profit to increase the Bank's own funds.</p>

Note 55

	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
PROFIT PER ORDINARY SHARE		
Net profit (annualized)	111 220	85 205
Weighted average ordinary shares	15 077 700	15 077 700
Profit per ordinary share (in PLN)	7,38	5,65

NOTES TO CASH FLOW STATEMENT

Structure of cash (ref. to balance-sheet movements of cash)	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
Cash	165 194	63 110
Travellers checks and valuable stamps	75	44
Nostro accounts with NBP	166 111	14 706
Nostro accounts with foreign banks	50 566	19 850
O/N deposits of Polish banks	583	180 000
O/N deposits of foreign banks		630 642
Debit balances on vostro accounts	3 515	12 853
Interest receivable from performing debit balances	7	95
Total cash	386 051	921 300

Other items - operating activity	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
Donations granted	-121	56
Interest on lombard credit		
Change in balance of accrued income from securities	17 511	9 522
Change in balance of other assets	43 088	25 173
Total	60 478	34 751

Other inflow - investment activity	01.01.2006- 30.06.2006 (current year)	01.01.2005- 30.06.2005 (prior year)
Realised interest on securities received in current year	85	1 994
Realised and accrued interest on securities	276	1 008
Total	361	3 002

Other outflow - financial activity	01.01.2006- 30.06.2006 (current year)	01.01.2005- 31.06.2005 (prior year)
Donations granted	-54	-56
Interest on long-term bank loans	-5 595	-7 779
Interest on long-term loans granted by non-bank financial institutions	-59	-108
Total	-5 708	-7 943

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 to the operating activity the following items: 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).

Note 10A

SHARES AND INVESTMENTS IN AFFILIATES												
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. depreciaton)	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	2 226	15 970	100%	100%	

Note 10B

SHARES AND INVESTMENTS IN AFFILIATES																	
No.	a	m							n		o		p	r	s	t	
		Own equity							payables		receivables						
		share capital	due to capital (negative value)	reserve capital	other own capital:				short term	long term	short term	long term					assets
	enterprise's name (&legal form)							undistributed profit (uncovered loss) from previous years					net profit (loss)				
1.	Fortis Private Investments Polska S.A.	15 989	9 048		3 221	3 720	2 159	476	262	262		473	473	16 712	1 946		

The unaudited financial data of Fortis Private Investments Polska S.A.SA are presented as at June 30, 2006.

Note 11C

MINORITY INVESTMENTS IN OTHER ENTITIES									
No.	a	b	c	d	e	f	g		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.	unpaid shares by issuer	dividend received or receivable from previous year
							share capital		
1	S.W.I.F.T. s.c.	Belgium	interbank communication	45					

As at June 30, 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 14B							
MOVEMENTS IN INTANGIBLE FIXED ASSETS (by category)							
	a	b	c		d	e	Intangible assets total
			research and development costs	goodwill			
a) Opening balance of intangible assets (gross)			55 370	55 370			55 370
b) increases (in respect of)			9 176	9 176			9 176
- purchase			4 940	4 940			4 940
- investment settlement			4 236	4 236			4 236
- other							
c) decreases (in respect of)			-4 276	-4 276			-4 276
- liquidation			-4 276	-4 276			-4 276
- other							
d) closing balance of intangible assets (gross)			60 270	60 270			60 270
e) opening balance of accumulated depreciation			-40 786	-40 786			-40 786
f) depreciation (in respect to)			-2 328	-2 328			-2 328
- calculation			-2 328	-2 328			-2 328
- liquidation							
- other							
g) closing balance of accumulated depreciation			-43 114	-43 114			-43 114
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			17 156	17 156			17 156

In 1H2006, the Bank made no unplanned depreciation of intangible assets.