

**BALANCE-SHEET**

	as at	Note	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
<b>ASSETS</b>					
I. Cash and due from the Central Bank		1	70 185	185 908	166 463
II. Treasury bills and other bills eligible for refinancing with the Central Bank					
III. Receivables due from other financial institutions		2	<b>898 998</b>	<b>372 932</b>	<b>743 271</b>
1. Current			627 899	147 250	351 881
2. Term			271 099	225 682	391 390
IV. Receivables due from customers		3	<b>3 396 465</b>	<b>3 243 325</b>	<b>2 614 312</b>
1. Current			742 442	608 686	537 821
2. Term			2 654 023	2 634 639	2 076 491
V. Receivables due from budget sector		4	<b>77</b>	<b>89</b>	<b>4</b>
1. Current					
2. Term			77	89	4
VI. Securities purchased under resale agreements		5			
VII. Debt securities		6	617 671	572 342	397 683
VIII. Shares and investments in subsidiaries		7, 10	59 272	58 084	57 061
IX. Shares and investments in sister companies		8, 10			
X. Shares and investments in associated entities		9, 10			
XI. Minority investments		11	50	52	50
XII. Other securities and other financial assets		12	11 215	1 579	
XIII. Intangible fixed assets, incl.		14	9 621	12 587	14 556
- goodwill					
XIV. Tangible fixed assets		15	46 260	51 086	55 128
XV. Other assets		16	<b>19 597</b>	<b>63 256</b>	<b>71 003</b>
1. Seized assets - for sale					
2. Other			19 597	63 256	71 003
XVI. Prepayments and accrued income		17	<b>32 425</b>	<b>24 734</b>	<b>41 483</b>
1. Deferred income tax			26 815	18 621	35 360
2. Other prepayments and accrued income			5 610	6 113	6 123
<b>TOTAL ASSETS</b>			<b>5 161 836</b>	<b>4 585 974</b>	<b>4 161 014</b>
<b>LIABILITIES</b>					
I. Due to the Central Bank					
II. Due to other financial institutions		20	<b>1 813 187</b>	<b>1 398 993</b>	<b>1 242 870</b>
1. Current			491 924	523 833	435 470
2. Term			1 321 263	875 160	807 400
III. Due to customers		21	<b>2 566 570</b>	<b>2 473 541</b>	<b>2 105 766</b>
1. Savings:					
a. Current					
b. Term					
2. Others:			<b>2 566 570</b>	<b>2 473 541</b>	<b>2 105 766</b>
a. Current			1 337 969	1 158 846	916 914
b. Term			1 228 601	1 314 695	1 188 852
IV. Due to budget sector		22	<b>37 745</b>	<b>21 242</b>	<b>26 338</b>
1. Current			8 827	9 577	6 389
2. Term			28 918	11 665	19 949
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			13 414	1 093	5 593
VIII. Special funds and other liabilities		25	58 110	65 223	162 750
IX. Accruals and deferred income		26	<b>115 013</b>	<b>102 831</b>	<b>103 451</b>
1. Settlements of accrued expenses			12 400	10 524	10 491
2. Negative goodwill					
3. Other accruals and deferred income			102 613	92 307	92 960

X. Provisions	27	11 061	6 875	7 947
1. Provision for corporate income tax		7 441	5 083	7 462
2. Other provisions		3 620	1 792	485
a. Short-term				
b. Long-term		3 620	1 792	485
XI. Subordinated debt	28			
XII. Share capital	29	30 155	30 155	30 155
XIII. Unpaid contribution to share capital (negative value)				
XIV. Own shares (negative value)	30			
XV. Reserve capital	31	349 539	349 534	349 528
XVI. Revaluation reserve	32	(12 100)	(7 336)	1 564
XVII. Other reserve capital	33	129 281	97 281	97 281
XVIII. Retained earnings (or uncovered loss) from prior years		11 811	10 521	10 521
XIX. Net profit (loss)		38 050	36 021	17 250
<b>TOTAL LIABILITIES</b>		<b>5 161 836</b>	<b>4 585 974</b>	<b>4 161 014</b>

<b>Capital Adequacy Ratio</b>	34	12.89%	12.78%	14.99%
<b>Net book value</b>		546 736	516 176	506 299
<b>Number of shares</b>		15 077 700	15 077 700	15 077 700
<b>Net book value per share (in PLN)</b>	35	36.26	34.23	33.58
<b>Diluted number of shares</b>				
<b>Diluted book value per share (in PLN)</b>	35			

## OFF-BALANCE SHEET ITEMS

	as at	Note	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
I. Contingent liabilities and assets:			2 818 383	1 924 276	1 416 780
1. Contingent liabilities granted:		36	1 218 766	1 190 715	996 750
a) lending commitments			997 778	1 025 886	865 768
b) guarantees			220 988	164 829	130 982
2. Contingent assets received:		37	1 599 617	733 561	420 030
a) lending commitments			1 067 552	538 324	298 222
b) guarantees			532 065	195 237	121 808
II. Commitments resulting from sale/purchase transactions			2 289 612	4 628 496	2 866 009
III. Other, including:			1 371 653	462 954	55 261
- FC deposit transactions			45 422	11 222	55 261
- speculative derivatives			1 026 231	151 732	
- hedging derivatives			300 000	300 000	
<b>TOTAL off-balance sheet items</b>			<b>6 479 648</b>	<b>7 015 726</b>	<b>4 338 050</b>

**PROFIT AND LOSS STATEMENT**

	Note	01.01.2004- 30.06.2004 (current year)	01.01.2003- 30.06.2003 (prior year)
I. Interest income	38	128 419	108 315
II. Interest expense	39	52 176	51 518
<b>III. Net interest income (I-II)</b>		<b>76 243</b>	<b>56 797</b>
IV. Commission and fee income	40	38 932	36 888
V. Commission and fee expense		5 769	5 802
<b>VI. Net commission and fee income (IV-V)</b>		<b>33 163</b>	<b>31 086</b>
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			
<b>VIII. Net result on financial transactions</b>	42	(240)	588
IX. Net result on FX differences		29 633	21 413
<b>X. Result on banking activities</b>		<b>138 799</b>	<b>109 884</b>
XI. Other operating income	43	3 141	3 160
XII. Other operating expenses	44	1 891	2 668
XIII. General expenses	45	73 112	69 383
XIV. Depreciation of tangible and intangible fixed assets		11 914	13 756
XV. Charges to provisions and revaluation	46	20 040	33 998
1. Specific provisions and general risk reserve		20 040	33 998
2. Revaluation of financial assets			
XVI. Release of provisions and other decreases in respect of revaluation	47	8 720	28 068
1. Release of specific provisions and general risk reserve		8 720	28 068
2. Revaluation of financial assets			
XVII. Net charges to/release of provisions and revaluation (XV-XVI)		(11 320)	(5 930)
<b>XVIII. Operating profit</b>		<b>43 703</b>	<b>21 307</b>
XIX. Extraordinary gains/ losses, net			
1. Extraordinary gains	49		
2. Extraordinary losses	50		
<b>XX. Profit (loss) before taxation</b>		<b>43 703</b>	<b>21 307</b>
XXI. Corporate income tax	51	7 705	4 414
1. current		11 554	3 733
2. deferred		(3 849)	681
XXII. Other mandatory charges to profit (loss)	52		
XXIII. Share in net profit (loss) of subsidiaries measured by equity method	53	2 052	357
<b>XXIV. Net profit (loss)</b>	<b>54</b>	<b>38 050</b>	<b>17 250</b>

<b>Net profit (loss) (for 12 months)</b>		<b>56 821</b>	<b>29 617</b>
<b>Weighted average number of ordinary shares</b>		<b>15 077 700</b>	<b>15 077 700</b>
<b>Net profit (loss) per ordinary share (in PLN)</b>	55	<b>3.77</b>	<b>1.96</b>
<b>Weighted average of estimated number of ordinary shares</b>			
<b>Diluted net profit (loss) per ordinary share (in PLN)</b>	55		

**MOVEMENTS IN OWN EQUITY**

	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
<b>I. Opening balance of own equity</b>	<b>516 176</b>	<b>519 652</b>	<b>519 652</b>
a) Changes in adopted accounting principles (policy)	(2 731)		
b) Correction of material errors			
<b>I.a. Opening balance of own equity after reclassification to confirm with current year presentation</b>	<b>513 445</b>	<b>519 652</b>	<b>519 652</b>
<b>1. Opening balance of share capital</b>	<b>30 155</b>	<b>30 155</b>	<b>30 155</b>
1.1. Movements in share capital			
a) increases (in respect of)			
- issue of shares			
b) decreases (in respect of)			
- redemption of shares			
<b>1.2. Closing balance of share capital</b>	<b>30 155</b>	<b>30 155</b>	<b>30 155</b>
<b>2. Opening balance of unpaid contribution to share capital</b>			
2.1. Movements in unpaid contributions to share capital			
a) increases			
b) decreases			
<b>2.2. Closing balance of unpaid contribution to share capital</b>			
<b>3. Opening balance of own shares</b>			
a) increases			
b) decreases			
<b>3.1 Closing balance of own shares</b>			
<b>4. Opening balance of reserve capital</b>	<b>349 534</b>	<b>352 244</b>	<b>352 244</b>
4.1. Movements in reserve capital	5	(2 710)	(2 716)
a) increases (in respect of)	5	6	
- issuance of shares above their par value			
- profit distribution (mandatory)			
- distribution of profit (voluntary)			
- sale and liquidation of fixed assets	5	6	
b) decreases (in respect of)		(2 716)	(2 716)
- covering financial effects of the amendments to the Accounting Act		(2 716)	(2 716)
- sale and liquidation of fixed assets			
<b>4.2. Closing balance of reserve capital</b>	<b>349 539</b>	<b>349 534</b>	<b>349 528</b>
<b>5. Opening balance of revaluation reserve</b>	<b>(7 336)</b>	<b>2 011</b>	<b>2 011</b>
5.1. Movements in revaluation reserve	(4 764)	(9 347)	(447)
a) increases (in respect of)	4 649	11 925	989
- sale and liquidation of fixed assets	2 646		
- valuation of securities available for sale	194	7 908	661
- deferred corporate income tax	1 809	4 017	328
b) decreases (in respect of)	(9 413)	(21 272)	(1 436)
- sale of fixed assets			
- liquidation of fixed assets	(5)	(6)	
- valuation of securities available for sale	(7 888)	(18 431)	(1 273)
- valuation of shares in subsidiaries	(1 057)	(981)	
- deferred corporate income tax	(463)	(1 854)	(163)
<b>5.2. Closing balance of revaluation reserve</b>	<b>(12 100)</b>	<b>(7 336)</b>	<b>1 564</b>
<b>6. Opening balance of General Risk Fund</b>	<b>80 263</b>	<b>79 044</b>	<b>79 044</b>
6.1. Movements in General Risk Fund	32 000	1 219	1 219
a) increases (in respect of)	32 000	1 219	1 219
- profit distribution	32 000	1 219	1 219
b) decreases (in respect of)			
<b>6.2. Closing balance of General Risk Fund</b>	<b>112 263</b>	<b>80 263</b>	<b>80 263</b>
<b>7. Opening balance of other reserve capital</b>	<b>17 018</b>	<b>17 018</b>	<b>17 018</b>
7.1. Movements in other reserve capital			
a) increases (in respect of)			
b) decreases (in respect of)			
<b>7.2. Closing balance of other reserve capital</b>	<b>17 018</b>	<b>17 018</b>	<b>17 018</b>
<b>8. Opening balance of undistributed profit (uncovered loss) from prior year</b>	<b>46 542</b>	<b>39 180</b>	<b>39 180</b>
<b>8.1. Opening balance of undistributed profit from prior years</b>	<b>46 542</b>	<b>41 896</b>	<b>41 896</b>
a) changes in adopted accounting principles (policy)			
b) corrections of material errors			
<b>8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation</b>	<b>46 542</b>	<b>41 896</b>	<b>41 896</b>
<b>8.3. Movements in undistributed profit from prior years</b>	<b>(32 000)</b>	<b>(31 375)</b>	<b>(31 375)</b>

a) increases (in respect of)			
- profit distribution			
- changes in adopted accounting principles (policy)			
b) decreases (in respect of)	(32 000)	(31 375)	(31 375)
- profit distribution	(32 000)	(31 375)	(31 375)
<b>8.4. Closing balance of undistributed profit from prior years</b>	14 542	10 521	10 521
<b>8.5. Opening balance of uncovered loss from prior years</b>		(2 716)	(2 716)
a) changes in adopted accounting principles (policy)	(2 731)		
b) corrections of material errors			
<b>8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation</b>	(2 731)	(2 716)	(2 716)
<b>8.7. Movements in uncovered loss from prior years</b>		2 716	2 716
a) increases (in respect of)			
b) decreases (in respect of)		2 716	2 716
- profit distribution			
- loss coverage from the reserve capital		2 716	2 716
<b>8.8. Closing balance of uncovered loss from prior years</b>	(2 731)		
<b>8.9. Closing balance of undistributed profit or uncovered loss from prior years</b>	11 811	10 521	10 521
<b>9. Net income</b>	38 050	36 021	17 250
a) net profit	38 050	36 021	17 250
b) net loss			
<b>II. Closing balance of own equity</b>	546 736	516 176	506 299
<b>III. Closing balance of own equity, including the proposed profit distribution (loss covering)</b>	546 736	516 176	506 299

## CASH FLOW STATEMENT

	01.01.2004- 30.06.2004 (current year)	01.01.2003- 31.12.2003 (prior year)	01.01.2003- 30.06.2003 (prior year)
<b>A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method*</b>	(242 711)	11 490	(212 544)
<b>I. Net profit (loss)</b>	38 050	36 021	17 250
<b>II. Adjustments for:</b>	(280 761)	(24 531)	(229 794)
1. Share in net profit (loss) of subsidiaries measured by equity rights	(2 052)	(2 019)	(357)
2. Depreciation	11 914	26 402	13 756
3. Foreign exchange gains/(losses)	(58 621)	(66 355)	(62 157)
4. Interest and dividends received and paid	7 126	3 875	2 631
5. Profit (loss) on investments	(52)	(7 885)	(10 301)
6. Change in other reserves	11 184	(9 491)	(13 672)
7. Change in debt securities held	92 660	15 733	11 099
8. Change in amounts due from financial sector	(45 415)	28 325	(137 369)
9. Change in amounts due from customers and budget	(160 128)	(1 065 354)	(430 675)
10. Change in securities purchased under resale agreements			
11. Change in shares, securities and other financial instruments with variable yield	(9 634)	1 830	3 411
12. Change in amounts due to financial sector	(301 565)	870 545	527 172
13. Change in amounts due to customers and budget	109 532	187 581	(175 098)
14. Change securities sold under repurchase agreements			
15. Change in securities issued			
16. Change in other liabilities	2 787	7 151	70 875
17. Change in prepayments and accrued income	(5 375)	20 807	4 025
18. Change in deferred income	7 485	15 012	15 665
19. Other items	59 393	(50 688)	(48 799)
<b>III. Net cash flow from operating activity (I +/- II) - indirect method</b>	(242 711)	11 490	(212 544)
<b>B. CASH FLOW FROM INVESTING ACTIVITY (I-II)</b>			
<b>I. Cash inflows from investing activity</b>	549 765	4 224 126	2 060 609
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	548 574	4 198 676	2 042 846
5. Sale of tangible and intangible fixed assets	33	1 252	577
6. Sale of investments in real estates and intangible fixed assets			
7. Other inflows	1 158	24 198	17 186
<b>II. Cash outflows from investing activity</b>	(709 153)	(4 182 555)	(1 831 300)
1. Purchase of shares in subsidiaries		(50 000)	(50 000)
2. Purchase of shares in sister companies			
3. Purchase of shares in associated entities			

4. Purchase of other shares, securities and financial assets	(704 897)	(4 120 211)	(1 775 795)
5. Purchase of tangible and intangible fixed assets	(2 709)	(12 344)	(5 505)
6. Investments in real estates and intangible fixed assets	(1 547)		
7. Other outflows			
<b>III. Net cash flow from investing activity (I +/- II)</b>	<b>(159 388)</b>	<b>41 571</b>	<b>229 309</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)</b>			
<b>I. Cash inflows from financial activity</b>	<b>1 289 130</b>	<b>20 368</b>	<b>17 913</b>
1. Long-term loans from other banks	1 289 130	20 368	
2. Long-term loans from other financial institutions			17 913
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			
<b>II. Cash outflows from financial activity</b>	<b>(522 105)</b>	<b>(231 577)</b>	<b>(7 640)</b>
1. Repayment of long-term loans contracted from other banks	(502 954)	(185 508)	
2. Repayment of long-term loans contracted from other financial institutions	(11 751)		
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		(27 159)	
8. Other payments (not to owners) related to profit distribution		(2 996)	
9. Purchase of own shares			
10. Other outflows	(7 400)	(15 914)	(7 640)
<b>III. Net cash flow from financial activity (I +/- II)</b>	<b>767 025</b>	<b>(211 209)</b>	<b>10 273</b>
<b>D. NET CASH FLOW (AIII+/-BIII+/-CIII)</b>	<b>364 926</b>	<b>(158 148)</b>	<b>27 038</b>
<b>E. CHANGE IN CASH IN BALANCE-SHEET</b>	<b>364 926</b>	<b>(158 148)</b>	<b>27 038</b>
- including changes in cash arising from FX rate differences	(6 743)	4 690	4 499
<b>F. CASH AT THE BEGINNING OF THE REPORTING PERIOD</b>	<b>333 158</b>	<b>491 306</b>	<b>491 306</b>
<b>G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)</b>	<b>698 084</b>	<b>333 158</b>	<b>518 344</b>
- including cash with restricted option of use			

## NOTES TO THE BALANCE SHEET

### Note 1A

CASH AND DUE FROM CENTRAL BANK	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
a. Current account	70 056	185 864	166 413
b. Mandatory reserve			
c. Amounts of Bank Guarantee Fund			
d. Other	129	44	50
<b>TOTAL of cash and due from Central Bank</b>	<b>70 185</b>	<b>185 908</b>	<b>166 463</b>

As at June 30, 2004, the Bank's mandatory reserve on the current account with NBP amounted to PLN 90,571 thousand.  
As at Dec. 31 of 2003, the Bank's mandatory reserve on the current account with NBP amounted to PLN 81,047 thousand.  
As at June 30, 2003, the Bank's mandatory reserve on the current account with NBP amounted to PLN 97,239 thousand.

### Note 1B

CASH (BY CURRENCY)	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
	25 377	147 063	129 654
b. in foreign currency (PLN equivalent)	44 808	38 845	36 809
b1. unit /currency 1000/EUR	5 967	6 976	5 268
in thousand PLN	27 104	32 907	23 479
b2. unit/currency 1000/USD	4 168	1 098	3 259
in thousand PLN	15 618	4 108	12 697
b3. unit/ currency 1000/CAD	245		84
in thousand PLN	681		242
b4. unit/ currency 1000/SEK	987	268	27
in thousand PLN	491	139	13
b5. other currencies (in PLN thousand)	914	1 691	378
<b>TOTAL CASH</b>	<b>70 185</b>	<b>185 908</b>	<b>166 463</b>

**Note 2A**

<b>RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts	627 847	147 231	351 844
b. Credits, loans and placements, incl.	<b>236 895</b>	<b>200 673</b>	<b>362 299</b>
- placements in other banks and financial institutions	165 227	151 208	324 140
c. Purchased receivables			
d. Realized guarantees and commitments			
e. Other receivables (in respect of)	<b>27 813</b>	<b>23 678</b>	<b>26 622</b>
- documentary transactions	14 100	21 215	24 085
- L/C discounts	13 674	2 463	2 537
- VISA cards settlements	39		
f. Interest	<b>6 528</b>	<b>1 437</b>	<b>2 588</b>
- accrued	6 492	1 404	2 561
- overdue	36	33	27
<b>Total gross receivables due from other financial institutions</b>	<b>899 083</b>	<b>373 019</b>	<b>743 353</b>
g. Provisions for receivables due from other financial institutions (negative value)	(85)	(87)	(82)
<b>Total receivables due from other financial institutions (net)</b>	<b>898 998</b>	<b>372 932</b>	<b>743 271</b>

**Note 2B**

<b>GROSS RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts	627 847	147 231	351 844
b. Term, with maturity from balance sheet date:	<b>264 708</b>	<b>224 351</b>	<b>388 921</b>
- up to 1 month	99 520	49 252	236 020
- 1 month - 3 months	16 260	2 385	90 655
- 3 months - 1 year	2 561	21 216	24 294
- 1 year - 5 years			37 269
- over 5 years	146 282	151 208	
- overdue	85	290	683
c. Interest	<b>6 528</b>	<b>1 437</b>	<b>2 588</b>
- accrued	6 492	1 404	2 561
- overdue	36	33	27
<b>Total receivables due from other financial institutions (gross)</b>	<b>899 083</b>	<b>373 019</b>	<b>743 353</b>

**Note 2C**

<b>RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts	627 847	147 231	351 844
b. Term, with duration:	<b>264 708</b>	<b>224 351</b>	<b>388 921</b>
- up to 1 month	27 642		65 470
- 1 month - 3 months	3 506	2 227	215 000
- 3 months - 1 year	15 611	21 451	70 486
- 1 year - 5 years	71 667	49 465	37 965
- over 5 years	146 282	151 208	
c. Interest	<b>6 528</b>	<b>1 437</b>	<b>2 588</b>
- accrued	6 492	1 404	2 561
- overdue	36	33	27
<b>Total receivables due from other financial institutions (gross)</b>	<b>899 083</b>	<b>373 019</b>	<b>743 353</b>

**Note 2D**

<b>RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	469 144	305 336	483 898
b. in foreign currency (PLN equivalent)	<b>429 939</b>	<b>67 683</b>	<b>259 455</b>
b1. unit/currency 1000/ USD	63 782	13 661	38 515
in PLN thousand	238 992	51 097	150 079
b2. unit/currency 1000 /EUR	36 782	1 989	23 956
in PLN thousand	167 069	9 384	106 769
b3. unit/currency 1000 /CHF	3 628	1 322	90
in PLN thousand	10 784	4 003	259
b4. unit/currency 1000/ GBP	1 122	54	68
in PLN thousand	7 602	362	234
b5. other receivables (in PLN thousand )	5 492	2 837	2 114
<b>Total receivables due from other financial institutions (gross)</b>	<b>899 083</b>	<b>373 019</b>	<b>743 353</b>

**Note 2E**

<b>RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (GROSS)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Performing loans	892 470	371 292	740 082
2. Loans on watch-list			
3. Non-performing loans, including:	<b>85</b>	<b>290</b>	<b>683</b>
- substandard			
- doubtful		203	601
- lost	85	87	82
4. Interest:	<b>6 528</b>	<b>1 437</b>	<b>2 588</b>
a) accrued	6 492	1 404	2 561
b) overdue	36	33	27
- from performing and loans on watch-list			
- from non-performing loans	36	33	27
<b>Total receivables due from other financial institutions (gross)</b>	<b>899 083</b>	<b>373 019</b>	<b>743 353</b>

**Note 2F**

<b>VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Loans on watch-list			
b. Non-performing loans, including:		203	601
- substandard			
- doubtful		203	601
- lost			
<b>Total value of collateral diminishing the base for calculation of specific provisions for receivables due from other financial institutions</b>		<b>203</b>	<b>601</b>

**Note 2G**

<b>SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Loans on watch-list			
b. Non-performing loans, including:	<b>85</b>	<b>87</b>	<b>82</b>
- substandard			
- doubtful			
- lost	85	87	82
<b>Total specific provisions for receivables due from other financial institutions</b>	<b>85</b>	<b>87</b>	<b>82</b>

**Note 2H**

<b>MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Opening balance	87	99	99
a) Increases (in respect of)	2	13	8
- creating provision	2		
- FX differences		13	8
b) Utilisation (in respect of)			
c) Releases (in respect of)	(4)	(25)	(25)
- repayment of debts		(25)	(25)
- FX differences	(4)		
<b>2. Closing balance</b>	<b>85</b>	<b>87</b>	<b>82</b>
<b>3. The required amount of specific provisions for receivables due from other financial institutions acc. to the binding law</b>	<b>85</b>	<b>87</b>	<b>82</b>

**Note 3A**

<b>RECEIVABLES DUE FROM CUSTOMERS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Credits and loans	3 425 940	3 270 225	2 647 896
b. Purchased receivables	5 008	6 314	8 602
c. Realized guarantees and commitments	4 061	3 721	3 779
d. Other receivables (in respect of)	<b>12 447</b>	<b>11 507</b>	<b>10 488</b>
- VISA cards settlements	10 979	11 507	10 488
- documentary transactions	1 427		
- L/C discounts	41		
e. Interest	<b>108 300</b>	<b>103 849</b>	<b>101 438</b>
- accrued	17 883	19 187	18 427



- overdue	90 417	84 662	83 011
<b>Total receivables from customers (gross)</b>	<b>3 555 756</b>	<b>3 395 616</b>	<b>2 772 203</b>
f. Provision for receivables from customers (negative value)	(159 291)	(152 291)	(157 891)
<b>Total receivables due from customers (net)</b>	<b>3 396 465</b>	<b>3 243 325</b>	<b>2 614 312</b>

The Bank has no loans related to financial leases.

### Note 3B

RECEIVABLES DUE FROM CUSTOMERS (BY MATURITY)	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
a. Current accounts	741 061	557 116	519 962
b. Term, with maturity from balance sheet date:	<b>2 706 395</b>	<b>2 734 651</b>	<b>2 150 803</b>
- up to 1 month	44 692	128 614	118 814
- 1 month - 3 months	102 353	121 788	94 239
- 3 months - 1 year	510 047	468 651	419 438
- 1 year - 5 years	655 554	587 092	516 142
- over 5 years	1 053 521	981 329	611 665
- overdue	340 228	447 177	390 505
c. Interest	<b>108 300</b>	<b>103 849</b>	<b>101 438</b>
- accrued	17 883	19 187	18 427
- overdue	90 417	84 662	83 011
<b>Total receivables due from customers (gross)</b>	<b>3 555 756</b>	<b>3 395 616</b>	<b>2 772 203</b>

### Note 3C

RECEIVABLES DUE FROM CUSTOMERS (BY CONTRACTUAL MATURITY)	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
a. Current accounts	741 061	557 116	519 962
b. Term, with duration:	<b>2 706 395</b>	<b>2 734 651</b>	<b>2 150 803</b>
- up to 1 month	88 433	49 343	10 498
- 1 month - 3 months	33 045	92 869	90 795
- 3 months - 1 year	730 444	743 853	667 481
- 1 year - 5 years	625 912	683 920	627 087
- over 5 years	1 228 561	1 164 666	754 942
c. Interest	<b>108 300</b>	<b>103 849</b>	<b>101 438</b>
- accrued	17 883	19 187	18 427
- overdue	90 417	84 662	83 011
<b>Total receivables due from customers (gross)</b>	<b>3 555 756</b>	<b>3 395 616</b>	<b>2 772 203</b>

### Note 3D

RECEIVABLES DUE FROM CUSTOMERS (BY CURRENCY)	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (prior year)
a. in Polish zloty (PLN)	1 889 073	1 618 965	1 377 832
b. in foreign currencies (PLN equivalent)	<b>1 666 683</b>	<b>1 776 651</b>	<b>1 394 371</b>
b1. Unit/currency 1000 / EUR	253 263	257 179	222 560
in PLN thousand	1 150 372	1 213 112	991 951
b2. Unit/currency 1000 / USD	85 376	113 582	94 153
in PLN thousand	319 905	424 853	366 875
b3. Unit/currency 1000 / CHF	65 726	45 409	11 709
in PLN thousand	195 376	137 504	33 636
b4. Other currencies (in PLN thousand )	1 030	1 182	1 909
<b>Total receivables due from customers (net)</b>	<b>3 555 756</b>	<b>3 395 616</b>	<b>2 772 203</b>

**Note 3E**

<b>RECEIVABLES DUE FROM CUSTOMERS (GROSS)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Performing loans	3 049 448	2 797 372	2 196 468
2. Loans on watch-list	57 549	47 218	83 792
3. Non-performing loans, including:	<b>340 459</b>	<b>447 177</b>	<b>390 505</b>
- substandard	44 526	104 146	82 056
- doubtful	110 045	120 009	69 280
- lost	185 888	223 022	239 169
4. Interest:	<b>108 300</b>	<b>103 849</b>	<b>101 438</b>
a) accrued	17 883	19 187	18 427
b) overdue	90 417	84 662	83 011
- from performing and loans on watch-list	1 312	85	308
- from non-performing loans	89 105	84 577	82 703
<b>Total receivables due from customers (gross)</b>	<b>3 555 756</b>	<b>3 395 616</b>	<b>2 772 203</b>

**Note 3F**

<b>VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Performing loans (including interest)			
a. Loans on watch-list	37 039	32 126	43 104
b. Non-performing loans, including:	<b>275 291</b>	<b>284 971</b>	<b>240 404</b>
- substandard	41 947	78 481	63 803
- doubtful	87 530	102 698	54 323
- lost	145 814	103 792	122 278
<b>Total value of collateral diminishing the base for calculation of specific provisions for receivables due from customers</b>	<b>312 330</b>	<b>317 097</b>	<b>283 508</b>

**Note 3G**

<b>SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Performing loans	3 786	1 617	1 240
a. Loans on watch-list	435	345	987
b. Non-performing loans, including:	<b>155 070</b>	<b>150 329</b>	<b>155 664</b>
- substandard	4 071	6 218	4 523
- doubtful	14 053	10 902	8 753
- lost	136 946	133 209	142 388
<b>Total specific provisions for receivables due from customers</b>	<b>159 291</b>	<b>152 291</b>	<b>157 891</b>

**Note 3H**

<b>MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Opening balance	152 291	147 735	147 735
a) Increases (in respect of)	19 962	65 482	37 765
- change in risk category	19 962	56 834	33 754
- FX differences		8 648	3 976
- other			35
b) Utilisation (in respect of)			
c) Releases (in respect of)	(12 962)	(60 926)	(27 609)
- repayment	(6 498)	(27 695)	(21 955)
- change in risk category	(3 790)	(6 655)	(3 440)
- write off	(1 016)	(23 618)	(2 214)
- other (incl. foreign exchange differences)	(1 658)	(2 958)	
2. Closing balance	<b>159 291</b>	<b>152 291</b>	<b>157 891</b>
<b>3. The required amount of specific provisions acc. to the binding law</b>	<b>159 291</b>	<b>152 291</b>	<b>157 891</b>

**Note 4A**

<b>RECEIVABLES DUE FROM BUDGET (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Credits and loans	72	88	
b. Purchased receivables			
c. Realized guarantees and commitments			
d. Other receivables (in respect of)	5		
- VISA cards settlements	5		
e. Interest		1	4
- accrued		1	4
- overdue			
<b>Total receivables due from budget (gross)</b>	<b>77</b>	<b>89</b>	<b>4</b>
f. Provision for receivables from budget (negative value)			
<b>Total receivables due from budget (net)</b>	<b>77</b>	<b>89</b>	<b>4</b>

The Bank has no loans related to financial leases.

**Note 4B**

<b>RECEIVABLES DUE FROM BUDGET (BY MATURITY DATE)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts			
b. Term, with maturity from balance sheet date:	77	88	-
- up to 1 month	5		
- 1 month - 3 months			
- 3 months - 1 year			
- 1 year - 5 years	72	88	
- over 5 years			
- overdue			
c. Interest		1	4
- accrued		1	4
- overdue			
<b>Total receivables due from budget (gross)</b>	<b>77</b>	<b>89</b>	<b>4</b>

**Note 4C**

<b>RECEIVABLES DUE FROM BUDGET (BY CONTRACTUAL MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts			
b. Term, with duration:	77	88	-
- up to 1 month	5		
- 1 month - 3 months			
- 3 months - 1 year			
- 1 year - 5 years	72	88	
- over 5 years			
c. Interest		1	4
- accrued		1	4
- overdue			
<b>Total receivables due from budget (gross)</b>	<b>77</b>	<b>89</b>	<b>4</b>

**Note 4D**

<b>RECEIVABLES DUE FROM BUDGET (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	77	89	4
b. in foreign currencies (PLN equivalent)			
b1. Unit/currency 1000 / EUR in PLN thousand			
b2. Other currencies (in PLN thousand )			
<b>Total receivables due from budget (net)</b>	<b>77</b>	<b>89</b>	<b>4</b>

**Note 4E**

<b>RECEIVABLES DUE FROM BUDGET (GROSS)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Performing loans	77	88	
2. Loans on watch-list			
3. Non-performing loans, including:			
- substandard			
- doubtful			
- lost			
4. Interest:		1	4
a) accrued		1	4
b) overdue			
- from performing and loans on watch-list			
- from non-performing loans			
<b>Total due from budget (gross)</b>	<b>77</b>	<b>89</b>	<b>4</b>

**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**

<b>DEBT SECURITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Issued by central banks, of which:	92 038	146 206	111 955
- 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:	525 633	426 136	285 728
- denominated in foreign currency			
f. Issued by local authorities, of which:			
- denominated in foreign currency			
g. Repurchased own securities			
<b>Total debt securities</b>	<b>617 671</b>	<b>572 342</b>	<b>397 683</b>

**Note 6B**

<b>DEBT SECURITIES (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Issued by State Treasury, of which:	525 633	426 136	285 728
a) bonds	192 053	171 788	181 949
b) treasury bills	333 580	254 348	103 779
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:	92 038	146 206	111 955
a) bonds	25 476	26 218	25 475
- NBP bonds against mandatory reserve	25 476	26 218	25 475
b) other (by category):	66 562	119 988	86 480
- NBP bills	66 562	119 988	86 480
<b>Total debt securities</b>	<b>617 671</b>	<b>572 342</b>	<b>397 683</b>

**Note 6C**

<b>MOVEMENTS IN DEBT SECURITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a) Opening balance	572 342	679 744	679 744
b) Increases (in respect of)	1 396 319	4 122 391	1 778 729
- purchase	1 388 571	4 120 164	1 775 796
- discount	7 748	2 227	2 823
- interest			
- premium			
- value adjustments			110
c) Decreases (in respect of)	(1 350 990)	(4 229 793)	(2 060 790)
- sale	(1 342 645)	(4 212 813)	(2 053 877)
- interest	(1 629)	(927)	(5 548)
- discount	(1 208)	(4 824)	
- premium			
- value adjustments	(5 508)	(11 229)	(1 365)
<b>d) Closing balance</b>	<b>617 671</b>	<b>572 342</b>	<b>397 683</b>

Debt securities securing the Bank's liabilities:

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

- as at 30.06.2004 - 1,300 bills at total nominal value of PLN 13,000 thousand,
- as at 31.12.2003 - 1,200 bills at total nominal value of PLN 12,000 thousand,
- as at 30.06.2003 - 1,100 bills at total nominal value of PLN 11,000 thousand,

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

- as at 30.06.2004 - total nominal value of PLN 310,000 thousand,
- as at 31.12.2003 - total nominal value of PLN 194,000 thousand,
- as at 30.06.2003 - total nominal value of PLN 78,000 thousand,

\* available-for-sale NBP bonds converted by NBP in February 2002 related to lowering the mandatory reserve rate:

- as at 30.06.2004 - total nominal value of PLN 24,979 thousand,
- as at 31.12.2003 - total nominal value of PLN 24,979 thousand,
- as at 30.06.2003 - total nominal value of PLN 24,979 thousand,

**Note 7A**

<b>SHARES AND INVESTMENTS IN SUBSIDIARIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a) in banks			
b) in other financial institutions	59 272	58 084	57 061
c) in non-financial institution			
<b>Total shares and investments in subsidiary</b>	<b>59 272</b>	<b>58 084</b>	<b>57 061</b>

**Note 7B**

<b>MOVEMENTS IN SHARES AND INVESTMENTS IN SUBSIDIARIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Opening balance	58 084	6 572	6 572
a) Increases (in respect of)	2 248	53 476	50 489
- acquisition of share issue		50 000	50 000
- release of provision	2 248	3 476	489
b) Decreases (in respect of)	(1 060)	(1 964)	
- creating of specific provision	(1 060)	(1 964)	
<b>Closing balance</b>	<b>59 272</b>	<b>58 084</b>	<b>57 061</b>

**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 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 Securities Polska S.A.	Poland	brokerage activity	subsidiary	valuation by equity rights	23.12.1999	68 196	8 924	59 272	100%	100%	

**Note 10B**

SHARES AND INVESTMENTS IN AFFILIATES																
No.	a enterprise's name (&legal form)	m Own equity						n payables			o receivables		p assets	r sales revenue	s value of unpaid shares by issuer	t dividends received/taking part in profits from last year
		share capital	due to capital (negative value)	reserve capital	other own capital:		short term	long term	short term	long term						
					undistributed profit (uncovered loss) from previous years	net profit (loss)										
1.	Fortis Securities Polska S.A.	59 813	53 036	5 778	999	2 111	149	149	782	452	330	60 302	2 124			

The unaudited financial data of Fortis Securities Polska SA are presented as at June 30, 2004.



**Note 11A**

<b>SHARES AND INVESTMENTS IN OTHER ENTITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. other financial institutions			
b. non-financial institutions	50	52	50
<b>Total shares and investments in other entities</b>	<b>50</b>	<b>52</b>	<b>50</b>

As at June 30, 2004 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**

<b>MOVEMENTS IN SHARES AND INVESTMENTS IN OTHER ENTITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Opening balance	52	45	45
a) Increases (in respect of)		7	5
- purchase			
- discount			
- interest			
- other (FX differences)		7	5
b) Decreases (in respect of)	(2)		
- sale			
- interest			
- premium			
- discount			
- other (FX differences)	(2)		
<b>Closing balance</b>	<b>50</b>	<b>52</b>	<b>50</b>

## 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	50					

**Note 12A**

<b>OTHER SECURITIES AND FINANCIAL ASSETS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. pre-emptive rights			
b. derivatives			
c. other (by category)	11 215	1 579	
- settlements of financial instruments valuation	11 215	1 579	
<b>Total other securities and financial assets (by category)</b>	<b>11 215</b>	<b>1 579</b>	

**Note 12B**

<b>MOVEMENTS IN OTHER SECURITIES AND FINANCIAL ASSETS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Opening balance	1 579	3 416	3 416
a) Increases (in respect of)	39 612	12 229	
- purchase			
- financial instruments valuation	39 612	12 229	
b) Decreases (in respect of)	(29 976)	(14 066)	(3 416)
- financial instruments valuation	(29 976)	(14 066)	(3 416)
<b>Closing balance</b>	<b>11 215</b>	<b>1 579</b>	

**Note 12C**

<b>OTHER SECURITIES AND FINANCIAL ASSETS (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	11 129	1 579	
b. in foreign currencies (PLN equivalent)	86		
b1. Unit/currency 1000 / EUR	19		
in PLN thousand	86		
b2. Other currencies (in PLN thousand )			
<b>Total other securities and financial assets</b>	<b>11 215</b>	<b>1 579</b>	

**Note 13A**

<b>FINANCIAL ASSETS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. cash	109 428	189 322	173 395
b. financial assets held for trading	39 334	141 972	73 182
c. credits and loans granted by the Bank and own receivables not held for trading	4 256 297	3 612 932	3 350 655
d. held-to-maturity financial assets			
e. available-for-sale financial assets	589 602	432 001	324 551
<b>Total financial assets</b>	<b>4 994 661</b>	<b>4 376 227</b>	<b>3 921 783</b>

**Note 13B**

<b>FINANCIAL ASSETS (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	2 917 184	2 553 668	2 293 767
b. in foreign currencies (PLN equivalent)	<b>2 077 477</b>	<b>1 822 559</b>	<b>1 628 016</b>
b1. Unit/currency 1000 / EUR	286 544	257 839	243 017
in PLN thousand	1 301 542	1 216 227	1 083 125
b2. Unit/currency 1000 / USD	148 122	123 328	130 237
in PLN thousand	555 012	461 309	507 481
b3. Unit/currency 1000 / CHF	68 909	46 277	11 337
in PLN thousand	204 837	140 131	32 567
b4. Other currencies (in PLN thousand )	16 086	4 892	4 843
<b>Total financial assets</b>	<b>4 994 661</b>	<b>4 376 227</b>	<b>3 921 783</b>

## Note 13C

<b>FINANCIAL ASSETS HELD FOR TRADING - TRADING PORTFOLIO (ACC. TO MARKETABILITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
A. Unrestricted marketability, quoted on Stock Exchange (book value)	28 119	140 393	73 182
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):	23 571	10 816	47 162
- fair value	23 571	10 816	47 162
- market value			
- value at purchase cost	25 027	11 724	47 122
c. other - by category (book value):	4 548	129 577	26 020
c1. T-bills	4 548	129 577	26 020
- fair value	4 548	129 577	26 020
- market value			
- value at purchase cost	4 466	128 189	25 566
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)	11 215	1 579	
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):	11 215	1 579	
c1. financial instruments	11 215	1 579	
- fair value	11 215	1 579	
- 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.			
<b>Total value at purchase cost</b>	<b>29 493</b>	<b>139 913</b>	<b>72 688</b>
<b>Total opening balance value</b>	<b>141 972</b>	<b>155 620</b>	<b>155 620</b>
<b>Total value adjustments</b>	<b>(1 374)</b>	<b>480</b>	<b>494</b>
<b>Total book value</b>	<b>39 334</b>	<b>141 972</b>	<b>73 182</b>

## Note 13D

HELD-TO-MATURITY FINANCIAL ASSETS (BY MARKETABILITY)	30.06.2004 (current year)	31.12.2003 (prior year)	30.06.2003 (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		16 764	16 764
- 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			
<b>Total value at purchase cost</b>			
<b>Total opening balance value</b>		16 764	16 764
<b>Total value adjustments</b>			
<b>Total book value</b>			

**Note 13E**

<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS (BY MARKETABILITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
<b>A. Unrestricted marketability, quoted on Stock Exchange (book value)</b>	168 482	187 190	134 787
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):	168 482	187 190	134 787
- fair value	168 482	187 190	134 787
- market value			
- value at purchase cost	180 742	194 551	131 937
c. other - by category (book value):			
c1.			
- fair value			
- market value			
- value at purchase cost			
<b>B. Unrestricted marketability, and quoted on OTC market (book value)</b>	395 594	244 759	164 239
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):	395 594	244 759	164 239
c1. Treasury bills	329 032	124 771	77 759
- fair value	329 032	124 771	77 759
- market value			
- value at purchase cost	321 681	122 907	74 242
c2. NBP bills	66 562	119 988	86 480
- fair value	66 562	119 988	86 480
- market value			
- value at purchase cost	66 504	119 935	86 335

C. Unrestricted marketability and non-quoted on regulated 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.			
- fair value			
- market value			
- value at purchase cost			
D. Restricted marketability (book value)	25 526	52	25 525
a. shares and investments (book value):	50	52	50
- fair value			
- market value	50	52	50
- value at purchase cost	50	52	50
b. bonds (book value):	25 476		25 475
- fair value	25 476		25 475
- market value			
- value at purchase cost	24 979		24 979
c. other - by category (book value):			
c1.			
- fair value			
- market value			
- value at purchase cost			
<b>Total value at purchase cost</b>	<b>593 956</b>	<b>437 445</b>	<b>317 543</b>
<b>Total opening balance value</b>	<b>432 001</b>	<b>510 821</b>	<b>535 800</b>
<b>Total value adjustments</b>	<b>(4 354)</b>	<b>(5 444)</b>	<b>7 008</b>
<b>Total book value</b>	<b>589 602</b>	<b>432 001</b>	<b>324 551</b>

**Note 14A**

<b>INTANGIBLE FIXED ASSETS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. research and development costs			
b. goodwill			
c. patents, licences and related rights, incl.	9 621	12 587	14 556
- purchased software	9 621	12 587	14 556
d. other intangible fixed assets			
e. prepayments for intangible fixed assets			
<b>Total intangible fixed assets</b>	<b>9 621</b>	<b>12 587</b>	<b>14 556</b>

**Note 14B**

<b>MOVEMENTS IN INTANGIBLE FIXED ASSETS (by category)</b>							
	a research and development costs	b goodwill	c		d other intangible assets	e prepayments for intangible fixed assets	<b>Intangible assets total</b>
			patents, licences and related rights	software			
a) Opening balance of intangible assets (gross)			<b>41 704</b>	<b>41 704</b>			41 704
b) increases (in respect of)			2 099	2 099			2 099
- share capital increase							
- purchase			1 334	1 334			1 334
- investment settlement			765	765			765
- other							
c) decreases (in respect of)			(811)	(811)			(811)
- liquidation							
- other			(811)	(811)			(811)
d) closing balance of intangible assets (gross)			<b>42 992</b>	<b>42 992</b>			<b>42 992</b>
e) opening balance of accumulated depreciation			<b>(29 117)</b>	<b>(29 117)</b>			<b>(29 117)</b>
f) depreciation (in respect to)			(4 254)	(4 254)			(4 254)
- cost of obtaining share capital							-
- purchase			(4 254)	(4 254)			(4 254)
- liquidation							
- other							
g) closing balance of accumulated depreciation			<b>(33 371)</b>	<b>(33 371)</b>			<b>(33 371)</b>
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			<b>9 621</b>	<b>9 621</b>			<b>9 621</b>

In 1H2004, there was no unplanned depreciation of intangible assets.



**Note 14C**

<b>INTANGIBLE FIXED ASSETS (by ownership)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. own	9 621	12 587	14 556
b. used under rental, lease or other agreements, incl. leasing			
<b>Total intangible fixed assets</b>	<b>9 621</b>	<b>12 587</b>	<b>14 556</b>

**Note 15A**

<b>TANGIBLE FIXED ASSETS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Tangible fixed assets			
a) Tangible fixed assets, of which:	45 194	50 381	53 988
- land (incl. perpetual usufruct right)			
- buildings, premises, ground or water structures			
- technical equipment and machines	9 408	11 916	13 105
- vehicles	3 771	3 893	4 332
- other fixed assets	32 015	34 572	36 551
b) Assets under construction	1 066	705	1 140
c) Advances for assets under construction			
<b>Total tangible fixed assets</b>	<b>46 260</b>	<b>51 086</b>	<b>55 128</b>

In 1H2004, there was no unplanned depreciation of fixed assets.

**Note 15B**

<b>TABLE OF MOVEMENT OF TANGIBLE FIXED ASSETS (by category)</b>						
	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)			<b>50 945</b>	<b>8 538</b>	<b>58 537</b>	<b>118 020</b>
b) increases (in respect to)			1 153	882	430	2 465
- purchase			573	882	94	1 549
- investment settlements			411		336	747
- other			169			169
c) decrease (in respect to)			(588)	(127)	(3)	(718)
- sale			(356)	(38)	(3)	(397)
- liquidation			(131)	(89)		(220)
- other			(101)			(101)
d) closing balance of fixed assets value (gross)			<b>51 510</b>	<b>9 293</b>	<b>58 964</b>	<b>119 767</b>
e) opening balance of accumulated depreciation			<b>(39 029)</b>	<b>(4 644)</b>	<b>(23 966)</b>	<b>(67 639)</b>
f) depreciation for period (in respect to)			(3 073)	(878)	(2 983)	(6 934)
- calculation			(3 659)	(949)	(2 986)	(7 594)
- sale			354	29	3	386
- liquidation			157	42		199
- other			75			75
g) closing balance of accumulated depreciation			<b>(42 102)</b>	<b>(5 522)</b>	<b>(26 949)</b>	<b>(74 573)</b>
h) opening balance of write-offs due to impairment loss						
i) closing balance of write-offs due to impairment loss						
j) closing balance of net fixed assets			<b>9 408</b>	<b>3 771</b>	<b>32 015</b>	<b>45 194</b>

**Note 15C**

<b>ON-BALANCE FIXED ASSETS (BY OWNERSHIP)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Own	46 260	51 086	55 118
b. Used under rental, lease or other agreements, incl. leasing			10
- operating leases			10
- advances for fixed assets under construction			
<b>Total on-balance sheet fixed assets</b>	<b>46 260</b>	<b>51 086</b>	<b>55 128</b>

**Note 15D****OFF-BALANCE FIXED ASSETS**

not applicable

**Note 16A**

<b>OTHER ASSETS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Assets seized for sale			
2. Other, including:	19 597	63 256	71 003
- interbank settlements	2 076	48 818	51 267
- settlements with suppliers and customers	3 030	1 980	2 716
- settlements with employees	1 209	752	1 092
- disputed claims			
- tax settlements	9 097	9 097	945
- other settlements	5 268	3 737	16 541
- provisions for other assets	(1 083)	(1 128)	(1 558)
<b>Total other assets</b>	<b>19 597</b>	<b>63 256</b>	<b>71 003</b>

**Note 16B****ASSETS SEIZED FOR SALE**

not applicable

**Note 16C****MOVEMENTS IN ASSETS SEIZED FOR SALE**

not applicable

**Note 17A**

<b>PREPAYMENTS AND ACCRUED INCOME</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Long-term	30 760	21 844	39 728
- deferred corporate income tax	26 815	18 621	35 360
- other prepayments and accrued income	3 945	3 223	4 368
b. Short-term	1 665	2 890	1 755
- capital acquisition costs settlement	938	1 346	1 755
- interperiod settlements of rents	727	1 544	
<b>Total prepayments and accrued income</b>	<b>32 425</b>	<b>24 734</b>	<b>41 483</b>

## Note 17B

<b>MOVEMENTS IN ASSETS IN RESPECT OF DEFERRED CORPORATE INCOME TAX</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Opening balance	18 621	37 050	37 050
a. related to financial result	17 009	37 050	37 050
- accrued interest	1 392	3 094	3 094
- prepayments	36	70	70
- provision for non-performing loans	11 338	28 312	28 312
- other provisions	4 227	5 574	5 574
- securities adjustments to fair value	2		
- derivatives adjustments to fair value	14		
- settlement of commissions on a straight-line basis			
b. related to own equity	1 612		
- securities adjustments to fair value	1 612		
c. related to goodwill or negative goodwill			
2. Increases	8 194	1 628	2 239
a. related to financial result of the period due to negative temporary differences (in respect of)	6 208	16	2 239
- accrued interest	2 515		
- prepayments	8		
- provision for non-performing loans	2 704		
- other provisions	239		713
- securities adjustments to fair value	129	2	1 510
- derivatives adjustments to fair value	51	14	16
- settlement of commissions on a straight-line basis	562		
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)	1 986	1 612	
- securities adjustments to fair value	1 346	1 612	
- retrospective valuation of commissions on a straight-line basis	640		
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		20 057	3 929
a. related to financial result of the period due to negative temporary differences (in respect of)		20 057	3 929
- accrued interest		1 702	900
- prepayments		34	41
- provision for non-performing loans		16 974	2 988
- other provisions		1 347	
- securities adjustments to fair value			
- derivatives adjustments to fair value			
- settlement of commissions on a straight-line basis			
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)			
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	26 815	18 621	35 360
a. related to financial result	23 217	17 009	35 360
- accrued interest	3 907	1 392	2 194
- prepayments	44	36	29
- provision for non-performing loans	14 042	11 338	25 324
- other provisions	4 466	4 227	6 287
- securities adjustments to fair value	131	2	1 510
- derivatives adjustments to fair value	65	14	16
- settlement of commissions on a straight-line basis	562		
b. related to own equity	3 598	1 612	
- securities adjustments to fair value	2 958	1 612	
- retrospective valuation of commissions on a straight-line basis	640		
c. related to own equity due to tax losses			

**Note 17C**

<b>OTHER PREPAYMENTS AND ACCRUED INCOME</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a) prepayments and accrued income, of which:	4 743	4 260	4 109
- settlements of capital acquisition costs	938	1 346	1 755
- Bank Guarantee Fund costs	591		544
- rent	727	1 544	38
- Social Benefit Fund	357		402
- insurance	365	779	268
- other	1 765	591	1 102
b) Other, including:	867	1 853	2 014
- income to be received	867	1 853	2 014
<b>Total other prepayments and accrued income</b>	<b>5 610</b>	<b>6 113</b>	<b>6 123</b>

**Note 18****SUBORDINATED LOANS**

not applicable

**Note 20A**

<b>DUE TO OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts and deposits	497 241	813 478	496 829
- placements of banks and other entities	459 157	289 702	62 402
b. Loans and borrowings received	1 291 120	575 361	743 379
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	21 162	7 841	10
- amounts due in respect of insurance policies	20 674	7 631	
- amounts due in respect of cash collateral	488	210	10
f. Interest	3 664	2 313	2 652
<b>Total due to other financial institutions</b>	<b>1 813 187</b>	<b>1 398 993</b>	<b>1 242 870</b>

**Note 20B**

<b>DUE TO OTHER FINANCIAL INSTITUTIONS (BY MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current	491 842	523 777	435 426
b. Term, with maturity from the balance sheet date:	1 317 681	872 903	804 792
- Up to 1 month	5 661	312 484	61 379
- 1 month - 3 months	147	534	
- 3 months - 1 year	43 401	7 631	34
- 1 year - 5 years	953 925	552 254	743 379
- 5 years - 10 years	314 547		
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	3 664	2 313	2 652
<b>Total due to other financial institutions</b>	<b>1 813 187</b>	<b>1 398 993</b>	<b>1 242 870</b>

**Note 20C**

<b>DUE TO OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current	491 842	523 777	435 426
b. Term, with maturity from the balance sheet date:	1 317 681	872 903	804 792
- Up to 1 month	5 452	28 375	2 620
- 1 month - 3 months	356	261 302	36 473
- 3 months - 1 year	20 753	7 865	22 319
- 1 year - 5 years	976 573	105 655	297 879
- 5 years - 10 years	314 547	469 706	445 501
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	3 664	2 313	2 652
<b>Total due to other financial institutions</b>	<b>1 813 187</b>	<b>1 398 993</b>	<b>1 242 870</b>

**Note 20D**

<b>DUE TO OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a.in Polish zloty (PLN)	516 948	412 058	257 866
b. in foreign currency (PLN equivalent)	1 296 239	986 935	985 004
b1. unit/currency 1000/ EUR	215 676	177 351	197 914
in PLN thousand	979 644	836 563	882 101
b2. unit/currency 1000 /CHF	68 046	1 400	7 501
in PLN thousand	202 275	4 240	21 547
b3. unit/currency 1000 /USD	30 510	39 067	20 879
in PLN thousand	114 320	146 131	81 356
b4. Other currency (in PLN thousand)		1	
<b>Total due to other financial institutions</b>	<b>1 813 187</b>	<b>1 398 993</b>	<b>1 242 870</b>

**Note 21A**

<b>DUE TO CUSTOMERS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts and deposits	2 341 767	2 250 587	1 896 426
b. Loans and borrowings received			
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	219 205	217 965	203 905
- amounts due in respect of cash collateral	217 823	216 992	201 864
- VISA settlements	1 296	908	2 041
- term deposit settlements	86	65	
f. Interest	5 598	4 989	5 435
<b>Total due to customers</b>	<b>2 566 570</b>	<b>2 473 541</b>	<b>2 105 766</b>

**Note 21B****DUE TO CUSTOMERS - SAVINGS (BY MATURITY)**

not applicable

**Note 21C****DUE TO CUSTOMERS - SAVINGS (BY CONTRACTUAL MATURITY)**

not applicable

**Note 21D**

<b>DUE TO CUSTOMERS - OTHER (BY MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current	1 337 896	1 158 779	916 845
b. Term, with maturity from the balance sheet date:	1 223 076	1 309 773	1 183 486
- Up to 1 month	591 015	591 541	584 585
- 1 month - 3 months	371 435	376 001	390 041
- 3 months - 1 year	218 877	296 206	129 081
- 1 year - 5 years	27 654	28 509	57 112
- 5 years - 10 years	13 995	17 516	22 507
- 10 years - 20 years			
- over 20 years	100		160
- overdue			
c. Interest	5 598	4 989	5 435
<b>Total due to customers - other</b>	<b>2 566 570</b>	<b>2 473 541</b>	<b>2 105 766</b>

**Note 21E**

<b>DUE TO CUSTOMERS - OTHER (BY CONTRACTUAL MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current	1 337 896	1 158 779	916 845
b. Term, with duration:	1 223 076	1 309 773	1 183 486
- up to 1 month	386 726	402 781	381 291
- 1 month - 3 months	452 141	474 256	483 847
- 3 months - 1 year	313 338	354 074	207 220
- 1 year - 5 years	54 211	58 384	86 430
- 5 years - 10 years	15 110	16 649	20 462
- 10 years - 20 years	1 450	3 629	4 076
- over 20 years	100		160
- overdue			
c. Interest	5 598	4 989	5 435
<b>Total due to customers - other</b>	<b>2 566 570</b>	<b>2 473 541</b>	<b>2 105 766</b>

**Note 21F**

<b>DUE TO CUSTOMERS (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	1 875 252	2 030 421	1 691 268
b. in foreign currencies (in respect of)	691 318	443 120	414 498
b1. Unit/currency 1000 / USD	109 816	68 600	63 842
in PLN thousand	411 480	256 598	248 767
b2. Unit/currency 1000 / EUR	59 990	39 061	36 290
in PLN thousand	272 484	184 251	161 743
b3. Unit/currency 1000 / GBP	586	123	266
in PLN thousand	3 971	817	1 707
b4. Unit/currency 1000 / CHF	564		589
in PLN thousand	1 677		1 693
b5. Other currencies (in PLN thousand)	1 706	1 454	588
<b>Total due to customers</b>	<b>2 566 570</b>	<b>2 473 541</b>	<b>2 105 766</b>

**Note 22A**

<b>DUE TO BUDGET (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current accounts and deposits	37 696	21 217	24 969
b. Loans and borrowings received			
c. Promissory notes			
d. Own share issue			
e. Other, in respect of			1 330
- amounts due in respect of cash collateral			1 330
f. Interest	49	25	39
<b>Total due to budget</b>	<b>37 745</b>	<b>21 242</b>	<b>26 338</b>

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

not applicable

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

not applicable

**Note 22D**

<b>DUE TO BUDGET - OTHER (BY MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current	8 826	9 576	6 385
b. Term, with maturity from the balance sheet date:	28 870	11 641	19 914
- Up to 1 month	27 404	11 340	19 914
- 1 month - 3 months	1 459	301	
- 3 months - 1 year	7		
- 1 year - 5 years			
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	49	25	39
<b>Total due to budget - other</b>	<b>37 745</b>	<b>21 242</b>	<b>26 338</b>

**Note 22E**

<b>DUE TO BUDGET- OTHER (BY CONTRACTUAL MATURITY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Current	8 826	9 576	6 385
b. Term, with duration:	28 870	11 641	19 914
- up to 1 month	27 420	6 299	15 469
- 1 month - 3 months	1 450	5 342	4 445
- 3 months - 1 year			
- 1 year - 5 years			
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	49	25	39
<b>Total due to budget - other</b>	<b>37 745</b>	<b>21 242</b>	<b>26 338</b>

**Note 22F**

<b>DUE TO BUDGET (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	36 372	20 398	25 568
b. in foreign currencies (in respect of)	1 373	844	770
b1. Unit/currency 1000 /EUR	302	179	173
in PLN thousand	1 373	844	770
b2. Unit/currency 1000 / USD			
in PLN thousand			
b3. Other currencies (in PLN thousand)			
<b>Total due to budget</b>	<b>37 745</b>	<b>21 242</b>	<b>26 338</b>

**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**

<b>SPECIAL FUNDS AND OTHER LIABILITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Special funds	1 942	1 051	1 674
- social benefit fund	1 146	714	1 043
- other	796	337	631
2. Other liabilities	56 168	64 172	161 076
- interbank settlements	31 428	50 691	101 254
- tax settlements	7 604	2 906	2 826
- settlements arising from L/Cs	6 252		
- settlements arising from purchase of debts	3 431	3 279	2 835
- liabilities arising from other transactions with customers	1 952	795	15 178
- settlements with suppliers and customers	1 028	3 689	1 907
- settlements with employees	60	56	52
- settlements with shareholders			30 155
- other	4 413	2 756	6 869
<b>Total special funds and other liabilities</b>	<b>58 110</b>	<b>65 223</b>	<b>162 750</b>

**Note 26A**

<b>ACCRUALS AND DEFERRED INCOME</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Short-term, of which:	12 400	10 524	10 491
- provision for sub-lease agreements	1 631	3 362	3 916
- provision for variable part of remuneration	3 583	4 418	1 841
- provision for unused leave of absence	2 230	2 230	1 836
- provision for rents	612	92	884
- provision for payables to software suppliers	1 220		
- provision for promotion	1 726		233
- provision for legal consultation and audit	385	380	391
- provision for employee trainings	92		98
- other interperiod settlements	921	42	1 292
b. Long-term, of which:			
<b>Total accruals and deferred income</b>	<b>12 400</b>	<b>10 524</b>	<b>10 491</b>

**Note 26B****CHANGE IN NEGATIVE GOODWILL**

not applicable

**Note 26C**

<b>OTHER ACCRUALS AND DEFERRALS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Short-term, incl.	6 564	189	109
- prepayments	6 564	189	109
b. Long-term, incl.	96 049	92 118	92 851
- deferred income	96 049	92 118	92 851
<b>Total other accruals and deferrals</b>	<b>102 613</b>	<b>92 307</b>	<b>92 960</b>

**Note 27A**

<b>MOVEMENTS IN DEFERRED CORPORATE INCOME TAX PROVISION</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
1. Opening balance	5 083	8 505	8 505
a. related to financial result	5 083	7 954	7 954
- accrued interest on securities	987	1 052	1 052
- other accrued interest	2 241	2 573	2 573
- derivative measurement	24	922	922
- unpaid discount	705	2 249	2 249
- investment relief, net	583	988	988
- difference between balance-sheet and tax depreciation	543		
- securities adjustments to fair value		170	170



b. related to own equity		551	551
- securities adjustments to fair value		551	551
c. related to goodwill or negative goodwill			
<b>2. Increases</b>	3 372	543	1 030
a. related to financial result of the period due to positive temporary differences (in respect of)	3 372	543	1 030
- accrued interest on securities			
- other accrued interest	1 173		403
- derivatives measurement	175		
- unpaid discount	1 335		
- investment relief, net	555		
- difference of balance-sheet and tax depreciation	134	543	627
- securities adjustments to fair value			
b. related to own equity due to positive temporary differences (in respect of)			
- securities adjustments to fair value (revaluation capital)			
c. related to own equity due to negative temporary differences (in respect of)			
<b>3. Deductions</b>	1 014	3 965	2 073
a. related to financial result of the period due to positive temporary differences (in respect of)	1 014	3 414	1 908
- accrued interest on securities	309	65	75
- other accrued interest		332	
- derivative measurement		898	922
- unpaid discount	122	1 544	663
- investment relief, net	583	405	92
- difference of balance-sheet and tax depreciation			
- securities adjustments to fair value		170	156
b. related to own equity due to positive temporary differences (in respect of)		551	165
- securities adjustments to fair value (revaluation capital)		551	165
c. related to goodwill or negative goodwill due to positive temporary differences (in respect of)			
- securities adjustments to fair value			
<b>4. Closing balance</b>	7 441	5 083	7 462
a. related to financial result	7 441	5 083	7 076
- accrued interest on securities	678	987	977
- other accrued interest	3 414	2 241	2 976
- derivative measurement	199	24	-
- unpaid discount	1 918	705	1 586
- investment relief, net	555	583	896
- difference of balance-sheet and tax depreciation			14
- securities adjustments to fair value	677	543	627
b. related to own equity			386
- securities adjustments to fair value (revaluation capital)			386
c. related to goodwill or negative goodwill			

**Note 27B**

<b>DEFERRED INCOME TAX PROVISION (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	7 441	5 083	7 462
b. in foreign currencies (in respect of)			
b1. Unit/currency 1000 / EUR in PLN thousand			
b2. Unit/currency 1000 / USD in PLN thousand			
b3. Other currencies (in PLN thousand)			
<b>Total deferred income tax provision</b>	<b>7 441</b>	<b>5 083</b>	<b>7 462</b>

**Note 27C**

<b>OTHER PROVISIONS (BY CATEGORY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
- off-balance sheet commitments provision	3 214	1 628	460
- provision for future liabilities	406	164	
- provision for employees benefits			
- provision for legal risk			25
<b>Total other provisions</b>	<b>3 620</b>	<b>1 792</b>	<b>485</b>

**Note 27D**

<b>OTHER PROVISIONS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Short-term			
b. Long-term	3 620	1 792	485
- off-balance sheet commitments provision	3 214	1 628	460
- provision for legal risk	406	164	25
<b>Total other provisions</b>	<b>3 620</b>	<b>1 792</b>	<b>485</b>

**Note 27E**

<b>OTHER PROVISIONS (BY CURRENCY)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. in Polish zloty (PLN)	1 888	1 414	319
b. in foreign currencies (in respect of)	1 732	378	166
b1. Unit/currency 1000 / EUR	381	60	37
in PLN thousand	1 732	282	166
b2. Unit/currency 1000 / USD		26	
in PLN thousand		96	
b3. Other currencies (in PLN thousand)			
<b>Total deferred income tax provision</b>	<b>3 620</b>	<b>1 792</b>	<b>485</b>

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

not applicable

**Note 27G**

<b>MOVEMENTS IN OTHER LONG-TERM PROVISIONS</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Opening balance	1 792	2 843	2 843
- off-balance sheet commitments provision	1 628	2 843	2 843
- provision for legal risk	164		
a) Increases (in respect of)	3 166	1 889	282
- creating provision for off-balance sheet commitments	2 619	1 700	244
- creating provision for legal risk	242	164	25
- creating provision for FX differences	305	25	13
b) utilisation (in respect of)			
c) releases (in respect of)	(1 338)	(2 940)	(2 640)
- release of off-balance sheet commitments provision	(1 040)	(2 933)	(2 640)
- release of provision for employees benefits			
- release of provision for FX differences	(298)	(7)	
Closing balance	3 620	1 792	485
- off-balance sheet commitments provision	3 214	1 628	460
- provision for legal risk	406	164	25
<b>Total other long-term provisions</b>	<b>3 620</b>	<b>1 792</b>	<b>485</b>

**Note 28A****SUBORDINATED DEBT**

not applicable

**Note 28B****MOVEMENTS IN SUBORDINATED DEBT**

not applicable

**Note 29**

<b>SHARE CAPITAL</b>							
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
<b>Total number of shares</b>			15 077 700				
<b>Total share capital</b>				30 155 400			

Series A-J shares are all common bearer shares.

As at June 30, 2004 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, 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 give it up to 75% of the total voting rights at the AGM.

**Note 30A****OWN SHARES**

not applicable

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

not applicable

**Note 31**

<b>RESERVE CAPITAL</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Share premium	349 539	349 534	349 528
b. Mandatory reserve			
c. Statutory			
d. Contribution from shareholders			
e. Other			
<b>Total reserve capital</b>	<b>349 539</b>	<b>349 534</b>	<b>349 528</b>

**Note 32**

<b>REVALUATION RESERVE</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. fixed assets revaluation	511	515	521
b. deferred income tax	2 958	1 612	(386)
c. FX differences from foreign branches			
d. Other	(15 569)	(9 463)	1 429
- value adjustment of available-for-sale securities	(13 724)	(8 482)	1 429
- valuation of shares in subsidiaries	(1 845)	(981)	
<b>Total revaluation capital</b>	<b>(12 100)</b>	<b>(7 336)</b>	<b>1 564</b>

**Note 33**

<b>OTHER RESERVE CAPITAL (BY PURPOSE)</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
- general risk fund	112 263	80 263	80 263
- other	17 018	17 018	17 018
<b>Total other reserve capital</b>	<b>129 281</b>	<b>97 281</b>	<b>97 281</b>

**Note 34**

<b>Capital Adequacy Ratio calculation</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Risk weighted assets	3 291 699	3 053 077	2 584 900
Risk weighted contingent liabilities	190 454	211 533	212 370
<b>Total weighed assets and contingent liabilities</b>	<b>3 482 153</b>	<b>3 264 610</b>	<b>2 797 270</b>
Equity capital	30 155	30 155	30 155
Additional capital	349 539	349 534	349 528
Reserve capital	17 018	17 018	17 018
General Risk Fund	112 263	80 263	80 263
Fixed assets revaluation capital	511	515	521
Financial assets revaluation capital	(1 845)	(981)	-
Undistributed profit (uncovered loss) from previous years	11 811	10 521	10 521
<b>Deductions of core funds and supplementary own funds</b>	<b>68 893</b>	<b>64 651</b>	<b>65 795</b>
capital exposure in financail institutions	59 272	58 084	57 061
100%/60% of net intangible assets in 2004/2003	9 621	6 567	8 734
<b>Equity total for the purpose of the capital adequacy ratio calculation</b>	<b>450 559</b>	<b>422 374</b>	<b>422 211</b>
<b>Short-term capital</b>	<b>2 789</b>		
<b>Credit risk</b>	<b>278 572</b>		
<b>Interest rate risk</b>	<b>1 805</b>	<b>3 141</b>	
<b>Delivery settlement and counterparty risk</b>	<b>984</b>		
<b>Total capital adequacy requirement</b>	<b>281 361</b>	<b>264 310</b>	<b>225 273</b>
<b>Capital Adequacy Ratio</b>	<b>12.89%</b>	<b>12.78%</b>	<b>14.99%</b>

**Note 35**

<b>Book value per share</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
Equity capital	30 155	30 155	30 155
Additional capital	349 539	349 534	349 528
Reserve capital	17 018	17 018	17 018
General Risk Fund	112 263	80 263	80 263
Revaluation reserve	(12 100)	(7 336)	1 564
Undistributed profit (uncovered loss) from previous years	11 811	10 521	10 521
Net profit	38 050	36 021	17 250
<b>Total</b>	<b>546 736</b>	<b>516 176</b>	<b>506 299</b>
Number of shares	15 077 700	15 077 700	15 077 700
<b>Book value per share (in PLN)</b>	<b>36.26</b>	<b>34.23</b>	<b>33.58</b>

**Diluted book value per share**

not applicable

**Note 36**

<b>CONTINGENT LIABILITIES GRANTED TO AFFILIATED ENTITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Guarantees and sureties granted to:	2 952	2 038	1 211
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity	2 501	2 038	887
b. Other, incl.	15 287	50 683	18 372
confirmed export L/C			5 518
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity			
Visa card limits granted to	57	8	85
- subsidiaries	49		75
- sister companies			
- associated entities			
- major investor			
- controlling entity			
credit lines granted to	12 530	37 764	5 785
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity			
import L/C	2 700	12 911	6 984
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity			
<b>Total guarantees and sureties granted to affiliated entities</b>	<b>18 239</b>	<b>52 721</b>	<b>19 583</b>

**Note 37**

<b>CONTINGENT LIABILITIES RECEIVED FROM AFFILIATED ENTITIES</b>	<b>30.06.2004 (current year)</b>	<b>31.12.2003 (prior year)</b>	<b>30.06.2003 (prior year)</b>
a. Guarantees and sureties received from:	148 516	144 289	93 323
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity	129 802	133 173	79 261
b. Other, incl.	601 629	7 753	11 329
Credit lines received from:	601 629	7 753	11 329

- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity			
<b>Total guarantees and sureties received from affiliated entities</b>	<b>750 145</b>	<b>152 042</b>	<b>104 652</b>

## NOTES TO PROFIT AND LOSS STATEMENT

### Note 38

<b>INTEREST INCOME</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Interest income from financial institutions	12 329	19 363
b. Interest income from customers	98 288	74 413
c. Interest income from budget	4	41
d. Fixed income securities	17 798	14 497
e. Other		1
<b>Total interest income</b>	<b>128 419</b>	<b>108 315</b>

### Note 39

<b>INTEREST EXPENSE</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Interest expense on transactions with financial institutions	19 125	15 071
b. Interest expense on transactions with customers	31 994	35 736
c. Interest expense on transactions with budget	636	687
d. Other	421	24
<b>Total interest income</b>	<b>52 176</b>	<b>51 518</b>

### Note 40

<b>COMMISSION AND FEE INCOME</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Commission and fee income on banking activity	38 932	36 888
b. Commission and fee income on brokerage activity		
<b>Total commission and fee income</b>	<b>38 932</b>	<b>36 888</b>

### Note 41

<b>INCOME ON SHARES, SECURITIES AND OTHER FINANCIAL INSTRUMENTS WITH VARIABLE YIELD</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Subsidiaries		
b. Sister companies		
c. Associated entities		
d. Other		
<b>Total income on shares, securities and other financial instruments with variable</b>		

### Note 42

<b>NET INCOME FROM FINANCIAL OPERATIONS</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Transactions with securities and other financial instruments	(240)	588
- income	56 669	5 759
- expense	56 909	5 171
b. Other financial transactions		
<b>Total net income from financial operations</b>	<b>(240)</b>	<b>588</b>

### Note 43

<b>OTHER OPERATING INCOME</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	33	592
c. Recovered past-due, written-off, uncollectible debts	601	2
d. Compensation, penalties, fines received	96	495
e. Donations		
f. Other	2 411	2 071
- income on rents and leases	877	800
- release of provision for public&legal dues	500	
- income on agency in customer acquisition	472	200

- income on returned court and bailiff fees	92	242
- provision for cash differences settlement	181	181
- other	289	648
<b>Total other operating income</b>	<b>3 141</b>	<b>3 160</b>

**Note 44**

<b>OTHER OPERATING EXPENSES</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	57	927
c. Recovered past-due, written-off, uncollectible debts	173	281
d. Compensation, penalties, fines paid	96	32
e. Donations	30	45
f. Other	1 535	1 383
- provision for public&legal dues	500	
- debt recovery expenses	395	303
- provision for legal risk	242	25
- provision for disputed liabilities	99	543
- other	299	512
<b>Total other operating expenses</b>	<b>1 891</b>	<b>2 668</b>

**Note 45**

<b>GENERAL EXPENSES</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Remuneration	29 682	27 869
b. Social security premium and other employee benefits	6 740	6 582
c. Material losses	35 886	34 271
d. Taxes and levies	216	114
e. Bank Guarantee Fund charges	588	547
f. Other general expenses		
<b>Total general expenses</b>	<b>73 112</b>	<b>69 383</b>

**Note 46**

<b>CHARGES TO PROVISIONS AND REVALUATION</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Charges to provisions for::	20 040	33 998
- performing loans	2 671	489
- loans on watch-list	196	598
- non-performing loans	14 511	32 667
- contingent liabilities	2 596	244
- general risk reserve		
- other	66	
b. Revaluation:		
- of financial assets		
- other		
<b>Total charges to provisions and revaluation</b>	<b>20 040</b>	<b>33 998</b>

**Note 47**

<b>RELEASE OF PROVISIONS AND DECREASE IN RESPECT OF REVALUATION</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
a. Releases of provisions for:	8 720	28 068
- performing loans	501	499
- loans on watch-list	59	53
- non-performing loans	7 119	24 843
- contingent liabilities	1 040	2 628
- general risk reserve		
- other	1	45
b. Revaluation:		
- financial assets		
- other		
<b>Total releases of provisions and decrease in respect of revaluation</b>	<b>8 720</b>	<b>28 068</b>



**Note 49****EXTRAORDINARY GAINS**

not applicable

**Note 50****EXTRAORDINARY LOSSES**

not applicable

**Note 51A**

<b>CURRENT CORPORATE INCOME TAX</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
1. Gross profit before tax	43 703	21 307
2. Differences between gross profit before taxation and taxable income	17 106	(7 482)
- permanent	(3 716)	(4 832)
- temporary	20 842	(2 605)
- other	(20)	(45)
3. Taxable income	60 809	13 825
4. Corporate Income Tax 19%2004 / 27%2003	11 554	3 733
5. Increases, exemptions, deductions and abatements		
6. Corporate Income Tax payable as shown in CIT declaration	8 523	5 611
- as shown in the profit&loss statement	11 554	3 733
- on items which increased/decreased the Bank's equity		
- on items which increased/decreased the Bank's goodwill or negative goodwill		

**Note 51B**

<b>DEFERRED INCOME TAX AS SHOWN IN PROFIT&amp;LOSS STATEMENT</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
- decrease/increase due to arising and reversing the temporary differences	(3 849)	681
- 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	(3 849)	681

Detailed information on the differences between corporate income tax charge as shown in profit&loss statement and the corporate income tax declaration:	<b>30.06.2004</b>	<b>30.06.2003</b>
a) there was neither investment tax allowance nor investment premium claimed as at 30.06.2004 (in PLN thousand) or		
b) tax deductible donations granted (in PLN thousand)	20	40
c) there were not any discontinuance of payment, exemptions, deductions or abatements		
d) deferred tax liabilities as at 30.06.2004 and as at 30.06.2003 (in PLN thousand) divided into categories:	<b>30.06.2004</b>	<b>30.06.2003</b>
accrued interest on securities	3 567	3 619
other accrued interest	17 971	11 020
derivatives measurement	1 047	-
unpaid discount	10 096	5 875
net investment tax allowance	2 922	3 319
difference between balance-sheet and tax depreciation	3 561	2 325
securities measurement	-	1 480
deferred tax liability base	39 164	27 638
tax	7 441	7 462
tax rates	19%	27%

e) deferred tax assets as at 30.06.2004 and as at 30.06.2003 (in PLN thousand) divided into categories:	<b>30.06.2004</b>	<b>30.06.2003</b>
interest payable	20 562	8 126
deffered income	234	108
provision for non-performing loans	60 905	93 792
derivatives measurement	691	5 593
other provisions	23 502	23 285
other	3 299	58
deferred tax asset base	109 193	130 962
tax rates	19%	27%
tax after correction	20 747	35 360
provision for lost&doubtful loans 2002	9 147	
tax rates	27%	
tax	2 470	
total tax	23 217	35 360
difference between liabilities and receivables	(15 776)	(27 898)
f) changes resulting from the change of tax rates did not occur		
g) the Bank did not release any deffered tax assets due to the inability of claiming the future tax receivables		
h) income tax on extraordinary gains amounts to 0		

**Note 51C**

<b>TOTAL DEFFERED INCOME TAX</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
- included in equity	3 598	386
- included in goodwill and negative goodwill		

**Note 51D**

<b>INCOME TAX AS SHOWN IN PROFIT&amp;LOSS STATEMENT</b>
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not applicable

**Note 52**

<b>OTHER OBLIGATORY CHARGES TO PROFIT (LOSS)</b>
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not applicable

**Note 53**

<b>SHARE IN NET PROFIT (LOSS) OF SUBSIDIARIES MEASURED BY EQUITY RIGHTS</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
- write-off of subordinates goodwill		
- write-off of subordinates negative goodwill		
- write-off of difference in net assets valuation		357

**Note 54**

<b>ALLOCATION OF NET PROFIT</b>
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The Board of Executive will recommend the Shareholders' Meeting to allocate the 2004 net profit for an increase of the Bank's own funds.

**Note 55**

<b>PROFIT PER ORDINARY SHARE</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
Net profit	56 821	29 617
Weighted average ordinary shares	15 077 700	15 077 700
<b>Profit per ordinary share (in PLN)</b>	<b>3.77</b>	<b>1.96</b>

<b>Diluted profit per share</b>		
Net profit		
Projected weighted average ordinary shares		
<b>Diluted profit per ordinary share (in PLN)</b>		

**NOTES TO CASH FLOW STATEMENT**

<b>Structure of cash (ref. to balance-sheet movements of cash)</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
Cash	67 247	66 839
Travellers checks and valuable stamps	55	50
Current account with NBP	2 808	99 574
Nostro accounts with Polish banks	316	353
Nostro accounts with foreign banks	9 848	6 580
O/N deposits of Polish banks	29 079	
O/N deposits of foreign banks	80 026	118 966
Debit balances on vostro accounts	508 366	225 880
Current receivables from financial institutions	211	64
Interest receivable from performing debit balances	128	38
<b>Total cash</b>	<b>698 084</b>	<b>518 344</b>

<b>Other items - operating activity</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
Donations granted	30	44
Change in balance of accrued income from securities	13 357	1 897
Change in balance of other assets	46 006	(50 740)
<b>Total</b>	<b>59 393</b>	<b>(48 799)</b>

<b>Other inflow - investment activity</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
Realised interest on securities in 2004/2003, accrued in 2003/2002	914	12 222
Realised and accrued interest on securities in 2004/2003	244	4 964
<b>Total</b>	<b>1 158</b>	<b>17 186</b>

<b>Other outflow - financial activity</b>	<b>01.01.2004- 30.06.2004 (current year)</b>	<b>01.01.2003- 30.06.2003 (prior year)</b>
Donations granted	(30)	(44)
Interest on long-term bank loans	(7 192)	(7 596)
Interest on long-term loans granted by non-bank financial institutions	(178)	
<b>Total</b>	<b>(7 400)</b>	<b>(7 640)</b>

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).