

PROFIT AND LOSS STATEMENT

	Note	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
I. Interest income	38	215 374	304 506
II. Interest expense	39	99 335	174 041
III. Net interest income (I-II)		116 039	130 465
IV. Commission and fee income	40	80 449	71 895
V. Commission and fee expense		13 012	10 984
VI. Net commission and fee income (IV-V)		67 437	60 911
VII. Income on shares, securities and other financial instruments with variable yield	41		1 405
1. From subsidiaries			
2. From sister companies			
3. From associated entities			
4. From other entities			1 405
VIII. Net result on financial transactions	42	(35)	19 976
IX. Net result on FX differences		55 906	52 620
X. Result on banking activities		239 347	265 377
XI. Other operating income	43	5 991	5 678
XII. Other operating expenses	44	4 458	5 516
XIII. General expenses	45	140 542	140 766
XIV. Depreciation of tangible and intangible fixed assets		26 402	27 772
XV. Charges to provisions and revaluation	46	58 534	111 218
1. Specific provisions and general risk reserve		58 534	111 218
2. Revaluation of financial assets			
XVI. Release of provisions and other decreases in respect of revaluation	47	37 423	59 351
1. Release of specific provisions and general risk reserve		37 423	59 351
2. Revaluation of financial assets			
XVII. Net charges to/release of provisions and revaluation (XV-XVI)		(21 111)	(51 867)
XVIII. Operating profit		52 825	45 134
XIX. Extraordinary gains/ losses, net			
1. Extraordinary gains	49		
2. Extraordinary losses	50		
XX. Profit (loss) before taxation		52 825	45 134
XXI. Corporate income tax	51	18 823	10 135
1. current		2 126	24 202
2. deferred		16 697	(14 067)
XXII. Other mandatory charges to profit (loss)	52		
XXIII. Share in net profit (loss) of subsidiaries measured by equity method	53	2 019	(3 624)
XXIV. Net profit (loss)	54	36 021	31 375

Net profit (loss) (for 12 months)		36 021	31 375
Weighted average number of ordinary shares		15 077 700	15 077 700
Net profit (loss) per ordinary share (in PLN)	55	2.39	2.08
Weighted average of estimated number of ordinary shares			
Diluted net profit (loss) per ordinary share (in PLN)	55		

MOVEMENTS IN OWN EQUITY

	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
I. Opening balance of own equity	519 652	489 503
a) Changes in adopted accounting principles (policy)		764
b) Correction of material errors		
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	519 652	490 267
1. Opening balance of share capital	30 155	30 155
1.1. Movements in share capital		
a) increases (in respect of)		
- issue of shares		
b) decreases (in respect of)		
- redemption of shares		
1.2. Closing balance of share capital	30 155	30 155
2. Opening balance of unpaid contribution to share capital		
2.1. Movements in unpaid contributions to share capital		
a) increases		
b) decreases		
2.2. Closing balance of unpaid contribution to share capital		
3. Opening balance of own shares		
a) increases		
b) decreases		
3.1 Closing balance of own shares		
4. Opening balance of reserve capital	352 244	352 220
4.1. Movements in reserve capital	(2 710)	24
a) increases (in respect of)	6	24
- issuance of shares above their par value		
- profit distribution (mandatory)		
- distribution of profit (voluntary)		
- sale and liquidation of fixed assets	6	24
b) decreases (in respect of)	(2 716)	
- covering financial effects of the amendments to the Accounting Act	(2 716)	
- sale and liquidation of fixed assets		
4.2. Closing balance of reserve capital	349 534	352 244
5. Opening balance of revaluation reserve	2 011	4 025
5.1. Movements in revaluation reserve	(9 347)	(2 014)
a) increases (in respect of)	11 925	2 041
- valuation of securities available for sale	7 908	2 041
- deferred corporate income tax	4 017	
b) decreases (in respect of)	(21 272)	(4 055)
- sale of fixed assets		
- liquidation of fixed assets	(6)	(24)
- valuation of securities available for sale	(18 431)	(3 480)
- valuation of shares in subsidiaries	(981)	
- deferred corporate income tax	(1 854)	(551)
5.2. Closing balance of revaluation reserve	(7 336)	2 011
6. Opening balance of General Risk Fund	79 044	79 044
6.1. Movements in General Risk Fund	1 219	
a) increases (in respect of)	1 219	
- profit distribution	1 219	
b) decreases (in respect of)		
6.2. Closing balance of General Risk Fund	80 263	79 044
7. Opening balance of other reserve capital	17 018	17 018
7.1. Movements in other reserve capital		
a) increases (in respect of)		
b) decreases (in respect of)		
7.2. Closing balance of other reserve capital	17 018	17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year	39 180	7 805
8.1. Opening balance of undistributed profit from prior years	41 896	10 521
a) changes in adopted accounting principles (policy)		
b) corrections of material errors		
8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation	41 896	10 521
8.3. Movements in undistributed profit from prior years	(31 375)	
a) increases (in respect of)		

- profit distribution		
b) decreases (in respect of)	(31 375)	
- profit distribution	(31 375)	
8.4. Closing balance of undistributed profit from prior years	10 521	10 521
8.5. Opening balance of uncovered loss from prior years	(2 716)	(2 716)
a) changes in adopted accounting principles (policy)		
b) corrections of material errors		
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation	(2 716)	(2 716)
8.7. Movements in uncovered loss from prior years	2 716	
a) increases (in respect of)		
b) decreases (in respect of)	2 716	
- profit distribution		
- loss coverage from the reserve capital	2 716	
8.8. Closing balance of uncovered loss from prior years		(2 716)
8.9. Closing balance of undistributed profit or uncovered loss from prior years	10 521	7 805
9. Net income	36 021	31 375
a) net profit	36 021	31 375
b) net loss		
II. Closing balance of own equity	516 176	519 652
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	516 176	489 497

CASH FLOW STATEMENT

	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method*	11 490	196 019
I. Net profit (loss)	36 021	31 375
II. Adjustments for:	(24 531)	164 644
1. Share in net profit (loss) of subsidiaries measured by equity rights	(2 019)	3 624
2. Depreciation	26 402	27 772
3. Foreign exchange gains/(losses)	(66 355)	71 952
4. Interest and dividends received and paid	3 875	(31 480)
5. Profit (loss) on investments	(7 885)	(42 401)
6. Change in other reserves	(9 491)	(38 361)
7. Change in debt securities held	15 733	207 190
8. Change in amounts due from financial sector	28 325	389 060
9. Change in amounts due from customers and budget	(1 065 354)	(27 730)
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield	1 830	
12. Change in amounts due to financial sector	870 545	(256 979)
13. Change in amounts due to customers and budget	187 581	(197 903)
14. Change securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	7 151	(37 599)
17. Change in prepayments and accrued income	20 807	8 483
18. Change in deferred income	15 012	20 722
19. Other items	(50 688)	68 294
III. Net cash flow from operating activity (I +/- II) - indirect method	11 490	196 019
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)		
I. Cash inflows from investing activity	4 224 126	1 661 935
1. Sale of shares in subsidiaries		70 230
2. Sale of shares in sister companies		
3. Sale of shares in associated entities		
4. Sale of other shares, securities and financial assets	4 198 676	1 546 325
5. Sale of tangible and intangible fixed assets	1 252	425
6. Other inflows	24 198	44 955
II. Cash outflows from investing activity	(4 182 555)	(2 156 098)
1. Purchase of shares in subsidiaries	(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	(4 120 211)	(2 140 212)
5. Purchase of tangible and intangible fixed assets	(12 344)	(15 772)
6. Investments in real estates and intangible fixed assets		

7. Other outflows		(114)
III. Net cash flow from investing activity (I +/- II)	41 571	(494 163)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)		
I. Cash inflows from financial activity	20 368	32 729
1. Long-term loans from other banks	20 368	32 729
2. Long-term loans from other financial institutions		
3. Issue of debt securities		
4. Increase in subordinated debt		
5. Net inflows from issuance of own shares and additional payments to share capital		
6. Other inflows		
II. Cash outflows from financial activity	(231 577)	(39)
1. Repayment of long-term loans contracted from other banks	(185 508)	
2. Repayment of long-term loans contracted from other financial institutions		
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	(15 914)	(39)
III. Net cash flow from financial activity (I +/- II)	(211 209)	32 690
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	(158 148)	(265 454)
E. CHANGE IN CASH IN BALANCE-SHEET	(158 148)	(265 454)
- including changes in cash arising from FX rate differences	4 690	9 292
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	491 306	756 760
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	333 158	491 306
- including cash with restricted option of use		

NOTES TO THE BALANCE SHEET

Note 1A

CASH AND DUE FROM CENTRAL BANK	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current account	185 864	248 950
b. Mandatory reserve		
c. Amounts of Bank Guarantee Fund		
d. Other	44	37
TOTAL of cash and due from Central Bank	185 908	248 987

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 Dec.31 of 2002, the Bank's mandatory reserve on the current account with NBP amounted to PLN 103,403 thousand.

Note 1B

CASH (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty	147 063	207 628
b. in foreign currency (PLN equivalent)	38 845	41 359
b1. unit /currency 1000/EUR	6 976	8 175
in thousand PLN	32 907	32 864
b2. unit/currency 1000/USD	1 098	1 851
in thousand PLN	4 108	7 104
b3. unit/ currency 1000/GBP	109	60
in thousand PLN	727	370
b4. unit/ currency 1000/CHF	84	146
in thousand PLN	255	403
b5. other currencies (in PLN thousand)	848	618
TOTAL CASH	185 908	248 987

Note 2A

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts	147 231	242 280
b. Credits, loans and placements, incl.	200 673	252 839
- placements in other banks and financial institutions	151 208	207 000
c. Purchased receivables		

d. Realized guarantees and commitments		
e. Other receivables (in respect of)	23 678	693
- documentary transactions	21 215	
- L/C discounts	2 463	693
f. Interest	1 437	646
- accrued	1 404	625
- overdue	33	21
Total gross receivables due from other financial institutions	373 019	496 458
g. Provisions for receivables due from other financial institutions (negative value)	(87)	(99)
Total receivables due from other financial institutions (net)	372 932	496 359

Note 2B

GROSS RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts	147 231	242 280
b. Term, with maturity from balance sheet date:	224 351	253 532
- up to 1 month	49 252	207 709
- 1 month - 3 months	2 385	
- 3 months - 1 year	21 216	221
- 1 year - 5 years		43 670
- over 5 years	151 208	
- overdue	290	1 932
c. Interest	1 437	646
- accrued	1 404	625
- overdue	33	21
Total receivables due from other financial institutions (gross)	373 019	496 458

Note 2C

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts	147 231	242 280
b. Term, with duration:	224 351	253 532
- up to 1 month		207 693
- 1 month - 3 months	2 227	
- 3 months - 1 year	21 451	217
- 1 year - 5 years	49 465	45 622
- over 5 years	151 208	
c. Interest	1 437	646
- accrued	1 404	625
- overdue	33	21
Total receivables due from other financial institutions (gross)	373 019	496 458

Note 2D

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	305 336	392 757
b. in foreign currency (PLN equivalent)	67 683	103 701
b1. unit/currency 1000/ USD	13 661	7 030
in PLN thousand	51 097	26 987
b2. unit/currency 1000 /EUR	1 989	18 130
in PLN thousand	9 384	72 888
b3. unit/currency 1000 /CHF	1 322	59
in PLN thousand	4 003	165
b4. unit/currency 1000/ GBP	54	308
in PLN thousand	362	1 906
b5. other receivables (in PLN thousand)	2 837	1 755
Total receivables due from other financial institutions (gross)	373 019	496 458

Note 2E

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (GROSS)	31.12.2003 (current year)	31.12.2002 (prior year)
1. Performing loans	371 292	493 880
2. Loans on watch-list		
3. Non-performing loans, including:	290	1 932
- substandard		
- doubtful	203	1 858

- lost	87	74
4. Interest:	1 437	646
a) accrued	1 404	625
b) overdue	33	21
- from performing and loans on watch-list		
- from non-performing loans	33	21
Total receivables due from other financial institutions (gross)	373 019	496 458

Note 2F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2003 (current year)	31.12.2002 (prior year)
a. Loans on watch-list		
b. Non-performing loans, including:	203	1 858
- substandard		
- doubtful	203	1 858
- lost		
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from other financial institutions	203	1 858

Note 2G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2003 (current year)	31.12.2002 (prior year)
a. Loans on watch-list		
b. Non-performing loans, including:	87	99
- substandard		
- doubtful		25
- lost	87	74
Total specific provisions for receivables due from other financial institutions	87	99

Note 2H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2003 (current year)	31.12.2002 (prior year)
1. Opening balance	99	103
a) Increases (in respect of)	13	1 303
- creating provision		1 015
- FX differences	13	288
b) Utilisation (in respect of)		
c) Releases (in respect of)	(25)	(1 307)
- repayment of debts	(25)	(1 145)
- FX differences		(162)
2. Closing balance	87	99
3. The required amount of specific provisions for receivables due from other financial institutions acc. to the binding law	87	74

Note 3A

RECEIVABLES DUE FROM CUSTOMERS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Credits and loans	3 270 225	2 217 783
b. Purchased receivables	6 314	2 249
c. Realized guarantees and commitments	3 721	3 616
d. Other receivables (in respect of)	11 507	10 520
-VISA cards settlements	11 507	10 520
e. Interest	103 849	85 742
- accrued	19 187	17 441
- overdue	84 662	68 301
Total receivables from customers (gross)	3 395 616	2 319 910
f. Provision for receivables from customers (negative value)	(152 291)	(147 735)
Total receivables due from customers (net)	3 243 325	2 172 175

The Bank has no loans related to financial leases.

Note 3B

RECEIVABLES DUE FROM CUSTOMERS (BY MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts	557 116	419 553

b. Term, with maturity from balance sheet date:	2 734 651	1 814 615
- up to 1 month	128 614	64 384
- 1 month - 3 months	121 788	120 431
- 3 months - 1 year	468 651	288 421
- 1 year - 5 years	587 092	502 401
- over 5 years	981 329	422 656
- overdue	447 177	416 322
c. Interest	103 849	85 742
- accrued	19 187	17 441
- overdue	84 662	68 301
Total receivables due from customers (gross)	3 395 616	2 319 910

Note 3C

RECEIVABLES DUE FROM CUSTOMERS (BY CONTRACTUAL MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts	557 116	419 553
b. Term, with duration:	2 734 651	1 814 615
- up to 1 month	49 343	28 209
- 1 month - 3 months	92 869	77 662
- 3 months - 1 year	743 853	530 345
- 1 year - 5 years	683 920	596 390
- over 5 years	1 164 666	582 009
c. Interest	103 849	85 742
- accrued	19 187	17 441
- overdue	84 662	68 301
Total receivables due from customers (gross)	3 395 616	2 319 910

Note 3D

RECEIVABLES DUE FROM CUSTOMERS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	1 618 965	1 179 584
b. in foreign currencies (PLN equivalent)	1 776 651	1 140 326
b1. Unit/currency 1000 / EUR	257 179	193 416
in PLN thousand	1 213 112	777 567
b2. Unit/currency 1000 / USD	113 582	93 620
in PLN thousand	424 853	359 390
b3. Unit/currency 1000 / CHF	45 409	1 218
in PLN thousand	137 504	3 369
b4. Other currencies (in PLN thousand)	1 182	
Total receivables due from customers (net)	3 395 616	2 319 910

Note 3E

RECEIVABLES DUE FROM CUSTOMERS (GROSS)	31.12.2003 (current year)	31.12.2002 (prior year)
1. Performing loans	2 797 372	1 817 846
2. Loans on watch-list	47 218	62 583
3. Non-performing loans, including:	447 177	353 739
- substandard	104 146	75 473
- doubtful	120 009	57 914
- lost	223 022	220 352
4. Interest:	103 849	85 742
a) accrued	19 187	17 441
b) overdue	84 662	68 301
- from performing and loans on watch-list	85	129
- from non-performing loans	84 577	68 172
Total receivables due from customers (gross)	3 395 616	2 319 910

Note 3F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2003 (current year)	31.12.2002 (prior year)
1. Performing loans (including interest)		
a. Loans on watch-list	32 126	28 018
b. Non-performing loans, including:	284 971	210 525
- substandard	78 481	49 479
- doubtful	102 698	49 670
- lost	103 792	111 376
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from customers	317 097	238 543

Note 3G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2003 (current year)	31.12.2002 (prior year)
a. Performing loans	1 617	1 249
a. Loans on watch-list	345	593
b. Non-performing loans, including:	150 329	145 893
- substandard	6 218	6 437
- doubtful	10 902	7 393
- lost	133 209	132 063
Total specific provisions for receivables due from customers	152 291	147 735

Note 3H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2003 (current year)	31.12.2002 (prior year)
1. Opening balance	147 735	115 673
a) Increases (in respect of)	65 482	109 484
- change in risk category	56 834	106 891
- FX differences	8 648	2 593
- other		
b) Utilisation (in respect of)		
c) Releases (in respect of)	(60 926)	(77 422)
- repayment	(27 695)	(10 564)
- change in risk category	(6 655)	(46 162)
- write off	(23 618)	(18 347)
- other (incl. foreign exchange differences)	(2 958)	(2 349)
2. Closing balance	152 291	147 735
3. The required amount of specific provisions acc. to the binding law	134 904	120 065

Note 4A

RECEIVABLES DUE FROM BUDGET (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Credits and loans	88	1 300
b. Purchased receivables		
c. Realized guarantees and commitments		
d. Other receivables (in respect of)		
-VISA cards settlements		
e. Interest	1	8
- accrued	1	8
- overdue		
Total receivables due from budget (gross)	89	1 308
f. Provision for receivables from budget (negative value)		
Total receivables due from budget (net)	89	1 308

The Bank has no loans related to financial leases.

Note 4B

RECEIVABLES DUE FROM BUDGET (BY MATURITY DATE)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts		
b. Term, with maturity from balance sheet date:	88	1 300
- up to 1 month		
- 1 month - 3 months		
- 3 months - 1 year		1 300
- 1 year - 5 years	88	
- over 5 years		
- overdue		
c. Interest	1	8
- accrued	1	8
- overdue		
Total receivables due from budget (gross)	89	1 308

Note 4C

RECEIVABLES DUE FROM BUDGET (BY CONTRACTUAL MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts		
b. Term, with duration:	88	1 300
- up to 1 month		
- 1 month - 3 months		
- 3 months - 1 year		1 300
- 1 year - 5 years	88	
- over 5 years		
c. Interest	1	8
- accrued	1	8
- overdue		
Total receivables due from budget (gross)	89	1 308

Note 4D

RECEIVABLES DUE FROM BUDGET (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	89	1 308
b. in foreign currencies (PLN equivalent)		
b1. Unit/currency 1000 / EUR		
in PLN thousand		
b2. Other currencies (in PLN thousand)		
Total receivables due from budget (net)	89	1 308

Note 4E

RECEIVABLES DUE FROM BUDGET (GROSS)	31.12.2003 (current year)	31.12.2002 (prior year)
1. Performing loans	88	1 300
2. Loans on watch-list		
3. Non-performing loans, including:		
- substandard		
- doubtful		
- lost		
4. Interest:	1	8
a) accrued	1	8
b) overdue		
- from performing and loans on watch-list		
- from non-performing loans		
Total due from budget (gross)	89	1 308

Note 4F**VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET**

not applicable

Note 4G**SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET**

not applicable

Note 4H**MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET**

not applicable

Note 5**SECURITIES PURCHASED UNDER RESALE AGREEMENTS**

not applicable

Note 6A

DEBT SECURITIES	31.12.2003 (current year)	31.12.2002 (prior year)
a. Issued by central banks, of which:	146 206	299 441
- 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:	426 136	380 303
- denominated in foreign currency		
f. Issued by local authorities, of which:		
- denominated in foreign currency		
g. Repurchased own securities		
Total debt securities	572 342	679 744

Note 6B

DEBT SECURITIES (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
1. Issued by State Treasury, of which:	426 136	380 303
a) bonds	171 788	57 398
b) treasury bills	254 348	322 905
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:	146 206	299 441
a) bonds	26 218	43 797
- NBP bonds against mandatory reserve	26 218	43 797
b) other (by category):	119 988	255 644
- NBP bills	119 988	255 644
Total debt securities	572 342	679 744

Note 6C

MOVEMENTS IN DEBT SECURITIES	31.12.2003 (current year)	31.12.2002 (prior year)
a) Opening balance	679 744	265 471
b) Increases (in respect of)	4 122 391	2 143 579
- purchase	4 120 164	2 139 426
- discount		
- interest	2 227	3 418
- premium		
- value adjustments		735
c) Decreases (in respect of)	(4 229 793)	(1 729 306)
- sale	(4 212 813)	(1 721 091)
- interest	(927)	(6 671)
- discount	(4 824)	
- premium		
- value adjustments	(11 229)	(1 544)
d) Closing balance	572 342	679 744

Debt securities securing the Bank's liabilities:

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

- as at 31.12.2003 - 1,200 bills at total nominal value of PLN 12,000 thousand,

- as at 31.12.2002 - 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 31.12.2003 - total nominal value of PLN 194,000 thousand,

- as at 31.12.2002 - total nominal value of PLN 120,000 thousand,

* available-for-sale NBP bonds converted by NBP in February 2002 related to lowering the mandatory reserve rate amounted to PLN 24 979 thousand as at 31.12.2003

Note 7A

SHARES AND INVESTMENTS IN SUBSIDIARIES	31.12.2003 (current year)	31.12.2002 (prior year)
a) in banks		
b) in other financial institutions	58 084	6 572
c) in non-financial institution		
Total shares and investments in subsidiary	58 084	6 572

Note 7B

MOVEMENTS IN SHARES AND INVESTMENTS IN SUBSIDIARIES	31.12.2003 (current year)	31.12.2002 (prior year)
Opening balance	6 572	10 196
a) Increases (in respect of)	53 476	378
- acquisition of share issue	50 000	
- purchase of shares		
- release of provision	3 476	378
b) Decreases (in respect of)	(1 964)	(4 002)
- creating of specific provision	(1 964)	(4 002)
Closing balance	58 084	6 572

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
	enterprise's name (& legal form)	seat	type of activity	type of capital affiliation (subsidiary, associated company); description of direct or indirect relations	method of consolidation/valuation by equity rights or indication that the unit is not subject to consolidation or valuation by equity rights	date of taking over / date of beginning significant influence	share value at cost	deductions total (incl. depreciation)	shares (balance sheet value)	ownership (%)	% of votes at the Shareholders Meeting
1.	Fortis Securities Polska S.A.	Poland	brokerage activity	subsidiary	valuation by equity rights	23.12.1999	68 196	10 112	58 084	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.	58 105	53 036		6 701	(1 632)	(3 324)	2 392	367	367		503	503	58 703	3 498		

The financial data of Fortis Securities Polska SA are presented as at December 31, 2003, currently under audit.

Note 11A

SHARES AND INVESTMENTS IN OTHER ENTITIES	31.12.2003 (current year)	31.12.2002 (prior year)
a. other financial institutions		
b. non-financial institutions	52	45
Total shares and investments in other entities	52	45

As at Dec. 31, 2003 the Bank owned 1 (one) share of EUR at par value of 11,113.41 in S.W.I.F.T., the global banking communication entity.

Note 11B

MOVEMENTS IN SHARES AND INVESTMENTS IN OTHER ENTITIES	31.12.2003 (current year)	31.12.2002 (prior year)
Opening balance	45	39
a) Increases (in respect of)	7	6
- purchase		
- discount		
- interest		
- other (FX differences)	7	6
b) Decreases (in respect of)		
- sale		
- interest		
- premium		
- discount		
- other (FX differences)		
Closing balance	52	45

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	52					

As at Dec. 31, 2003 the Bank owned 1 (one) share of EUR at par value of 11,113.41 in S.W.I.F.T., the global banking communication entity.

Note 12A

OTHER SECURITIES AND FINANCIAL ASSETS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. pre-emptive rights		
b. derivatives		
c. other (by category)	1 579	3 416
- settlements of financial instruments valuation	1 579	3 416
Total other securities and financial assets (by category)	1 579	3 416

Note 12B

MOVEMENTS IN OTHER SECURITIES AND FINANCIAL ASSETS	31.12.2003 (current year)	31.12.2002 (prior year)
Opening balance	3 416	74 774
a) Increases (in respect of)	12 229	
- purchase		
- financial instruments valuation	12 229	
b) Decreases (in respect of)	(14 066)	(71 358)
- redemption of participation units		(62 101)
- financial instruments valuation	(14 066)	(9 257)
Closing balance	1 579	3 416

Note 12C

OTHER SECURITIES AND FINANCIAL ASSETS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	1 579	3 416
b. in foreign currencies (PLN equivalent)		
b1. Unit/currency 1000 / in PLN thousand		
b2. Other currencies (in PLN thousand)		
Total other securities and financial assets	1 579	3 416

Note 13A

FINANCIAL ASSETS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. cash	189 322	254 949
b. financial assets held for trading	141 972	155 620
c. credits and loans granted by the Bank and own receivables not held for trading	3 612 932	2 663 880
d. held-to-maturity financial assets		16 764
e. available-for-sale financial assets	432 001	510 821
Total financial assets	4 376 227	3 602 034

Note 13B

FINANCIAL ASSETS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	2 553 668	2 374 700
b. in foreign currencies (PLN equivalent)	1 822 559	1 227 334
b1. Unit/currency 1000 / EUR in PLN thousand	257 839	211 916
	1 216 227	851 942
b2. Unit/currency 1000 / USD in PLN thousand	123 328	96 031
	461 309	368 644
b3. Unit/currency 1000 / CHF in PLN thousand	46 277	946
	140 131	2 620
b4. Other currencies (in PLN thousand)	4 892	4 128
Total financial assets	4 376 227	3 602 034

Note 13C

FINANCIAL ASSETS HELD FOR TRADING - TRADING PORTFOLIO (ACC. TO MARKETABILITY)	31.12.2003 (current year)	31.12.2002 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	140 393	152 204
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):	10 816	
- fair value	10 816	
- market value		
- value at purchase cost	11 724	
c. other - by category (book value):	129 577	152 204
c1. T-bills	129 577	152 204
- fair value	129 577	152 204
- market value		
- value at purchase cost	128 189	148 462
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)	1 579	3 416
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):	1 579	3 416
c1. financial instruments	1 579	3 416
- fair value	1 579	3 416
- market value		
- value at purchase cost		
D. Restricted marketability (book value)		
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):		
c1.		
Total value at purchase cost	139 913	148 462
Total opening balance value	155 620	12 673
Total value adjustments	480	3 742
Total book value	141 972	155 620

Note 13D

HELD-TO-MATURITY FINANCIAL ASSETS (BY MARKETABILITY)	31.12.2003 (current year)	31.12.2002 (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		62 101
- value at purchase cost		
- write-off of participation units in investment funds		62 101
D. Restricted marketability (book value)		16 764
a. bonds (book value):		16 764
- value adjustments (for a given period)		
- opening balance value	16 764	16 839
- value at purchase cost		16 652
b. other - by category (book value):		
b1. participation units in open investment funds		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
Total value at purchase cost		16 652
Total opening balance value	16 764	78 940
Total value adjustments		112
Total book value		16 764

Note 13E

AVAILABLE-FOR-SALE FINANCIAL ASSETS (BY MARKETABILITY)	31.12.2003 (current year)	31.12.2002 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	187 190	84 431
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):	187 190	84 431
- fair value	187 190	84 431
- market value		
- value at purchase cost	194 551	80 142
c. other - by category (book value):		
c1.		
- fair value		
- market value		
- value at purchase cost		
B. Unrestricted marketability, and quoted on OTC market (book value)	244 759	426 345
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):	244 759	426 345
c1. Treasury bills	124 771	170 701
- fair value	124 771	170 701
- market value		
- value at purchase cost	122 907	166 023
c2. NBP bills	119 988	255 644
- fair value	119 988	255 644
- market value		
- value at purchase cost	119 935	254 762

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)	52	45
a. shares and investments (book value):	52	45
- fair value		
- market value	52	45
- value at purchase cost	52	45
b. bonds (book value):		
- fair value		
- market value		
- value at purchase cost		
c. other - by category (book value):		
c1.		
- fair value		
- market value		
- value at purchase cost		
Total value at purchase cost	437 445	500 972
Total opening balance value	510 821	248 671
Total value adjustments	(5 444)	9 849
Total book value	432 001	510 821

Note 14A

INTANGIBLE FIXED ASSETS	31.12.2003 (current year)	31.12.2002 (prior year)
a. research and development costs		
b. goodwill		
c. patents, licences and related rights, incl.	12 587	14 459
- purchased software	12 587	14 459
d. other intangible fixed assets		
e. prepayments for intangible fixed assets		
Total intangible fixed assets	12 587	14 459

Note 14B

MOVEMENTS IN INTANGIBLE FIXED ASSETS (by category)							
	a research and development costs	b goodwill	c patents, licences and related rights		d other intangible assets	e prepayments for intangible fixed assets	Intangible assets total
				software			
a) Opening balance of intangible assets (gross)			34 900	34 900			34 900
b) increases (in respect of)			6 646	6 646		1 211	7 857
- share capital increase							
- purchase			3 208	3 208			3 208
- investment settlement			3 438	3 438			3 438
- other						1 211	1 211
c) decreases (in respect of)			(1 053)	(1 053)			(1 053)
- liquidation			(7)	(7)			(7)
- investment settlement			(1 042)	(1 042)			(1 042)
- other			(4)	(4)			(4)
d) closing balance of intangible assets (gross)			40 493	40 493		1 211	41 704
e) opening balance of accumulated depreciation			(20 441)	(20 441)			(20 441)
f) depreciation (in respect to)			(8 676)	(8 676)			(8 676)
- cost of obtaining share capital							
- purchase			(8 683)	(8 683)			(8 683)
- liquidation			7	7			7
- other							
g) closing balance of accumulated depreciation			(29 117)	(29 117)			(29 117)
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			11 376	11 376		1 211	12 587

In 2003, there was no unplanned depreciation of intangible assets.

Note 14C

INTANGIBLE FIXED ASSETS (by ownership)	31.12.2003 (current year)	31.12.2002 (prior year)
a. own	12 587	14 459
b. used under rental, lease or other agreements, incl. leasing		
Total intangible fixed assets	12 587	14 459

Note 15A

TANGIBLE FIXED ASSETS	31.12.2003 (current year)	31.12.2002 (prior year)
Tangible fixed assets		
a) Tangible fixed assets, of which:	50 381	58 273
- land (incl. perpetual usufruct right)		
- buildings, premises, ground or water structures		
- technical equipment and machines	11 916	14 382
- vehicles	3 893	3 920
- other fixed assets	34 572	39 971
b) Assets under construction	705	6 024
c) Advances for assets under construction		114
Total tangible fixed assets	51 086	64 411

In 2003, there was no unplanned depreciation of fixed assets.

Note 15B

TABLE OF MOVEMENT OF TANGIBLE FIXED ASSETS (by category)						
	land (incl. perpetual usufruct right)	buildings, premises, ground or water structures	technical equipment and machines	vehicles	other fixed assets	total fixed assets
a) opening balance of fixed assets value (gross)			46 012	9 621	58 171	113 804
b) increases (in respect to)			7 110	2 320	1 281	10 711
- purchase			1 497	2 320	630	4 447
- investment settlements			5 613		651	6 264
- other						
c) decrease (in respect to)			(2 177)	(3 404)	(914)	(6 495)
- sale			(511)	(3 259)	(176)	(3 946)
- liquidation			(1 441)	(145)	(691)	(2 277)
- other			(225)		(47)	(272)
d) closing balance of fixed assets value (gross)			50 945	8 537	58 538	118 020
e) opening balance of accumulated depreciation			(31 630)	(5 700)	(18 200)	(55 530)
f) depreciation for period (in respect to)			(7 398)	1 056	(5 766)	(12 108)
- purchase			(9 494)	(1 988)	(6 025)	(17 507)
- sale			461	3 006	110	3 577
- liquidation			1 414	38	106	1 558
- other			221		43	264
g) closing balance of accumulated depreciation			(39 029)	(4 644)	(23 966)	(67 639)
h) unplanned write-offs						
i) closing balance of net fixed assets			11 916	3 893	34 572	50 381

Note 15C

ON-BALANCE FIXED ASSETS (BY OWNERSHIP)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Own	51 086	64 280
b. Used under rental, lease or other agreements, incl. leasing		131
- operating leases		17
- advances for fixed assets under construction		114
Total on-balance sheet fixed assets	51 086	64 411

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

not applicable

Note 16A

OTHER ASSETS	31.12.2003 (current year)	31.12.2002 (prior year)
1. Assets seized for sale		
2. Other, including:	63 256	15 022
- interbank settlements	48 818	6 022
- tax settlements	9 097	6 232
- settlements with suppliers and recipients	1 980	2 330
- settlements with employees	752	633
- other settlements	3 737	1 130
- provisions for other assets	(1 128)	(1 325)
Total other assets	63 256	15 022

Note 16B**ASSETS SEIZED FOR SALE**

not applicable

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

not applicable

Note 17A

PREPAYMENTS AND ACCRUED INCOME	31.12.2003 (current year)	31.12.2002 (prior year)
a. Long-term	21 844	40 465
- deferred corporate income tax	18 621	37 050
- other prepayments and accrued income	3 223	3 415
b. Short-term	2 890	2 200
- capital acquisition costs settlement	1 346	2 200
- settlement of rents	1 544	
- assets due from deferred tax		
- release of provisions for deferred tax		
Total prepayments and accrued income	24 734	42 665

Note 17B

MOVEMENTS IN ASSETS IN RESPECT OF DEFERRED CORPORATE INCOME TAX	31.12.2003 (current year)	31.12.2002 (prior year)
1. Opening balance	37 050	31 666
a. related to financial result	37 050	31 666
- accrued interest	3 094	8 087
- prepayments	70	134
- provision for non-performing loans	28 312	21 472
- other provisions	5 574	1 816
- securities adjustments to fair value		
- derivatives adjustments to fair value		157
b. related to own equity		
c. related to goodwill or negative goodwill		
2. Increases	1 628	10 598
a. related to financial result of the period due to negative temporary differences (in respect of)	16	10 598
- accrued interest		
- prepayments		
- provision for non-performing loans		6 840
- other provisions		3 758
- securities adjustments to fair value	14	
- derivatives adjustments to fair value	2	
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)	1 612	
- securities adjustments to fair value	1 612	
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	5 214
a. related to financial result of the period due to negative temporary differences (in respect of)	20 057	5 214
- accrued interest	1 702	4 993
- prepayments	34	64
- provision for non-performing loans	16 974	
- other provisions	1 347	
- securities adjustments to fair value		
- derivatives adjustments to fair value		157
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	18 621	37 050
a. related to financial result	17 009	37 050
- accrued interest	1 392	3 094
- prepayments	36	70
- provision for non-performing loans	11 338	28 312
- other provisions	4 227	5 574
- securities adjustments to fair value	14	
- derivatives adjustments to fair value	2	
b. related to own equity		
c. related to own equity due to tax losses	1 612	
- securities adjustments to fair value	1 612	

Note 17C

OTHER PREPAYMENTS AND ACCRUED INCOME	31.12.2003 (current year)	31.12.2002 (prior year)
a) prepayments and accrued income, of which:	4 260	3 515
- settlements of capital acquisition costs	1 346	2 200
- rent	1 544	518
- insurance	779	124
- other	591	673
b) Other, including:	1 853	2 100
- income to be received	1 853	1 720
- interest on discount placements		380
Total other prepayments and accrued income	6 113	5 615

Note 18

SUBORDINATED LOANS

not applicable

Note 20A

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts and deposits	813 478	91 696
- placements of banks and other entities	289 702	77 716
b. Loans and borrowings received	575 361	663 305
c. Promissory notes		
d. Own share issue		
e. Other, in respect of	7 841	
- amounts due in respect of insurance policies	7 631	
- amounts due in respect of financial collateral	210	
f. Interest	2 313	4 945
Total due to other financial institutions	1 398 993	759 946

Note 20B

DUE TO OTHER FINANCIAL INSTITUTIONS (BY MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current	523 777	13 981
b. Term, with maturity from the balance sheet date:	872 903	741 020
- Up to 1 month	312 484	77 691
- 1 month - 3 months	534	24
- 3 months - 1 year	7 631	
- 1 year - 5 years	552 254	663 305
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	2 313	4 945
Total due to other financial institutions	1 398 993	759 946

Note 20C

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current	523 777	13 981
b. Term, with maturity from the balance sheet date:	872 903	741 020
- Up to 1 month	28 375	58 497
- 1 month - 3 months	261 302	19 194
- 3 months - 1 year	7 865	24
- 1 year - 5 years	105 655	259 958
- 5 years - 10 years	469 706	403 347
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	2 313	4 945
Total due to other financial institutions	1 398 993	759 946

Note 20D

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a.in Polish zloty (PLN)	412 058	41 329
b. in foreign currency (PLN equivalent)	986 935	718 617
b1. unit/currency 1000/ EUR	177 351	163 093
in PLN thousand	836 563	655 665
b2. unit/currency 1000 /USD	39 067	10 984
in PLN thousand	146 131	42 166
b3. unit/currency 1000 /CHF	1 400	7 511
in PLN thousand	4 240	20 786
b4. Other currency (in PLN thousand)	1	
Total due to other financial institutions	1 398 993	759 946

Note 21A

DUE TO CUSTOMERS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts and deposits	2 250 587	2 046 574
b. Loans and borrowings received		
c. Promissory notes		
d. Own share issue		
e. Other, in respect of	217 965	226 850
- amounts due in respect of financial collateral	216 992	225 064
- VISA settlements	908	1 786
- term deposit settlements	65	
f. Interest	4 989	6 865
Total due to customers	2 473 541	2 280 289

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

not applicable

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

not applicable

Note 21D

DUE TO CUSTOMERS - OTHER (BY MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current	1 158 779	923 867
b. Term, with maturity from the balance sheet date:	1 309 773	1 349 557
- Up to 1 month	591 541	989 133
- 1 month - 3 months	376 001	145 535
- 3 months - 1 year	296 206	129 937
- 1 year - 5 years	28 509	61 016
- 5 years - 10 years	17 516	23 936
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	4 989	6 865
Total due to customers - other	2 473 541	2 280 289

Note 21E

DUE TO CUSTOMERS - OTHER (BY CONTRACTUAL MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current	1 158 779	923 867
b. Term, with duration:	1 309 773	1 349 557
- up to 1 month	402 781	537 559
- 1 month - 3 months	474 256	495 097
- 3 months - 1 year	354 074	202 580
- 1 year - 5 years	58 384	88 258
- 5 years - 10 years	16 649	26 063
- 10 years - 20 years	3 629	
- over 20 years		
- overdue		
c. Interest	4 989	6 865
Total due to customers - other	2 473 541	2 280 289

Note 21F

DUE TO CUSTOMERS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	2 030 421	1 830 402
b. in foreign currencies (in respect of)	443 120	449 887
b1. Unit/currency 1000 / USD	68 600	70 558
in PLN thousand	256 598	270 859
b2. Unit/currency 1000 / EUR	39 061	43 956
in PLN thousand	184 251	176 713
b3. Unit/currency 1000 / GBP	123	290
in PLN thousand	817	1 789
b4. Unit/currency 1000 / SEK	750	40
in PLN thousand	389	91
b5. Other currencies (in PLN thousand)	1 065	435
Total due to customers	2 473 541	2 280 289

Note 22A

DUE TO BUDGET (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current accounts and deposits	21 217	25 519
b. Loans and borrowings received		
c. Promissory notes		
d. Own share issue		
e. Other, in respect of		1 365
- amounts due in respect of financial collateral		1 365
f. Interest	25	29
Total due to budget	21 242	26 913

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

not applicable

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

not applicable

Note 22D

DUE TO BUDGET - OTHER (BY MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current	9 576	10 849
b. Term, with maturity from the balance sheet date:	11 641	16 035
- Up to 1 month	11 340	16 035
- 1 month - 3 months	301	
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	25	29
Total due to budget - other	21 242	26 913

Note 22E

DUE TO BUDGET- OTHER (BY CONTRACTUAL MATURITY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. Current	9 576	10 849
b. Term, with duration:	11 641	16 035
- up to 1 month	6 299	12 067
- 1 month - 3 months	5 342	3 968
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	25	29
Total due to budget - other	21 242	26 913

Note 22F

DUE TO BUDGET (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	20 398	26 345
b. in foreign currencies (in respect of)	844	568
b1. Unit/currency 1000 /EUR	179	141
in PLN thousand	844	568
b2. Unit/currency 1000 / USD		
in PLN thousand		
b3. Other currencies (in PLN thousand)		
Total due to budget	21 242	26 913

Note 23**SECURITIES SOLD UNDER REPURCHASE AGREEMENTS**

not applicable

Note 24A**DEBT SECURITIES ISSUED**

not applicable

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

not applicable

Note 24C**LONG-TERM LIABILITIES FROM DEBT SECURITIES ISSUED****not applicable**

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

Note 25

SPECIAL FUNDS AND OTHER LIABILITIES	31.12.2003 (current year)	31.12.2002 (prior year)
1. Special funds	1 051	807
- social benefit fund	714	606
- other	337	201
2. Other liabilities	64 172	61 265
- interbank settlements	50 691	48 844
- settlements with suppliers and customers	3 689	4 226
- settlements arising from purchase of debts	3 279	
- tax settlements	2 906	3 835
- liabilities arising from other transactions with customers	795	815
- settlements with employees	56	65
- other	2 756	3 480
Total special funds and other liabilities	65 223	62 072

Note 26A

ACCRUALS AND DEFERRED INCOME	31.12.2003 (current year)	31.12.2002 (prior year)
a. Short-term, of which:	10 524	7 648
- provision for variable part of remuneration	4 418	1 038
- provision for sub-lease agreements	3 362	4 487
- provision for unused leave of absence	2 230	1 836
- provision for legal consultation and audit	380	224
- provision for rents	92	
- other interperiod settlements	42	63
b. Long-term, of which:		
Total accruals and deferred income	10 524	7 648

Note 26B**CHANGE IN NEGATIVE GOODWILL****not applicable****Note 26C**

OTHER ACCRUALS AND DEFERRALS	31.12.2003 (current year)	31.12.2002 (prior year)
a. Short-term, incl.	189	260
- prepayments	189	260
b. Long-term, incl.	92 118	77 035
- deferred income	92 118	77 035
Total other accruals and deferrals	92 307	77 295

Note 27A

MOVEMENTS IN DEFERRED CORPORATE INCOME TAX PROVISION	31.12.2003 (current year)	31.12.2002 (prior year)
1. Opening balance	8 505	16 635
a. related to financial result	7 954	15 661
- accrued interest on securities	1 052	2 001
- other accrued interest	2 573	6 797
- derivative measurement	922	3 593
- unpaid discount	2 249	1 735
- investment relief, net	988	1 347
- difference between balance-sheet and tax depreciation		188
- securities adjustments to fair value	170	

b. related to own equity	551	974
- securities adjustments to fair value	551	974
c. related to goodwill or negative goodwill		
2. Increases	543	1 235
a. related to financial result of the period due to positive temporary differences (in respect of)	543	684
- accrued interest on securities		
- other accrued interest		
- derivatives measurement		
- unpaid discount		514
- unrealized FX differences		
- investment relief, net		
- securities adjustments to fair value	543	
- difference of balance-sheet and tax depreciation		170
b. related to own equity due to positive temporary differences (in respect of)		551
- securities adjustments to fair value (revaluation capital)		551
c. related to own equity due to negative temporary differences (in respect of)		
3. Deductions	3 965	9 365
a. related to financial result of the period due to positive temporary differences (in respect of)	3 414	8 391
- accrued interest on securities	65	949
- other accrued interest	332	4 224
- derivative measurement	898	2 671
- unpaid discount	1 544	
- investment relief, net	405	359
- difference of balance-sheet and tax depreciation		188
- securities adjustments to fair value	170	
b. related to own equity due to positive temporary differences (in respect of)	551	974
- securities adjustments to fair value (revaluation capital)	551	974
c. related to goodwill or negative goodwill due to positive temporary differences (in respect of)		
- securities adjustments to fair value		
4. Closing balance	5 083	8 505
a. related to financial result	5 083	7 954
- accrued interest on securities	987	1 052
- other accrued interest	2 241	2 573
- derivative measurement	24	922
- unpaid discount	705	2 249
- investment relief, net	583	988
- difference of balance-sheet and tax depreciation	543	
- securities adjustments to fair value		170
b. related to own equity		551
- securities adjustments to fair value (revaluation capital)		551
c. related to goodwill or negative goodwill		

Note 27B

DEFERRED INCOME TAX PROVISION (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	5 083	8 505
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)		
Total deferred income tax provision	5 083	8 505

Note 27C

OTHER PROVISIONS (BY CATEGORY)	31.12.2003 (current year)	31.12.2002 (prior year)
- off-balance sheet commitments provision	1 628	2 843
- provision for future liabilities	164	
Total other provisions	1 792	2 843

Note 27D

OTHER PROVISIONS	31.12.2003 (current year)	31.12.2002 (prior year)
a. Short-term		
b. Long-term	1 792	2 843
- off-balance sheet commitments provision	1 628	2 843
- provision for future liabilities	164	
Total other provisions	1 792	2 843

Note 27E

OTHER PROVISIONS (BY CURRENCY)	31.12.2003 (current year)	31.12.2002 (prior year)
a. in Polish zloty (PLN)	1 414	2 734
b. in foreign currencies (in respect of)	378	109
b1. Unit/currency 1000 / EUR	60	27
in PLN thousand	282	109
b2. Unit/currency 1000 / USD	26	
in PLN thousand	96	
b3. Other currencies (in PLN thousand)		
Total deferred income tax provision	1 792	2 843

Note 27F

MOVEMENTS IN OTHER SHORT-TERM PROVISIONS
not applicable

Note 27G

MOVEMENTS IN OTHER LONG-TERM PROVISIONS	31.12.2003 (current year)	31.12.2002 (prior year)
Opening balance	2 843	1 016
- off-balance sheet commitments provision	2 843	516
- provision for future liabilities		
- provision for employees benefits		500
a) Increases (in respect of)	1 889	3 781
- creating provision for off-balance sheet commitments	1 700	3 781
- creating provision for future liabilities	164	
- creating provision for FX differences	25	
b) utilisation (in respect of)		
c) releases (in respect of)	(2 940)	(1 954)
- release of off-balance sheet commitments provision	(2 933)	(1 454)
- release of provision for future liabilities		
- release of provision for FX differences	(7)	
- release of provision for employees benefits		(500)
Closing balance	1 792	2 843
- off-balance sheet commitments provision	1 628	2 843
- provision for future liabilities	164	
- general risk provision		
Total other long-term provisions	1 792	2 843

Note 28A**SUBORDINATED DEBT**

not applicable

Note 28B**MOVEMENTS IN SUBORDINATED DEBT**

not applicable

Note 29

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

Series A-J shares are all common bearer shares.

As at Dec. 31, 2003 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

RESERVE CAPITAL	31.12.2003 (current year)	31.12.2002 (prior year)
a. Share premium	349 534	351 853
b. Mandatory reserve		391
c. Statutory		
d. Contribution from shareholders		
e. Other		
Total reserve capital	349 534	352 244

Note 32

REVALUATION RESERVE	31.12.2003 (current year)	31.12.2002 (prior year)
a. fixed assets revaluation	515	521
b. deferred income tax	1 612	(551)
c. FX differences from foreign branches		
d. Other	(9 463)	2 041
- value adjustment of available-for-sale securities	(8 482)	2 041
- valuation of shares in subsidiaries	(981)	
Total revaluation capital	(7 336)	2 011

Note 33

OTHER RESERVE CAPITAL (BY PURPOSE)	31.12.2003 (current year)	31.12.2002 (prior year)
- General Risk Fund	80 263	79 044
- Other	17 018	17 018
Total other reserve capital	97 281	96 062

Note 34

Capital Adequacy Ratio calculation	31.12.2003 (current year)	31.12.2002 (prior year)
Risk weighted assets	3 053 077	2 108 029
Risk weighted contingent liabilities	211 533	158 308
Total weighed assets and contingent liabilities	3 264 610	2 266 337
Equity capital	30 155	30 155
Additional capital	349 534	352 244
Reserve capital	17 018	17 018
General Risk Fund	80 263	79 044
Fixed assets revaluation capital	515	521
Financial assets revaluation capital	(981)	
Undistributed profit (uncovered loss) from previous years	10 521	7 805
Subordinated debt		
Deductions of core funds and supplementary own funds	64 651	10 910
capital exposure in financial institutions	58 084	6 572
60%/30% of net intangible assets in 2003/2002	6 567	4 338
Equity total for the purpose of the capital adequacy ratio calculation	422 374	475 877
Interest rate risk	3 141	
Total capital adequacy requirement	264 310	183 925
Capital Adequacy Ratio	12.78%	20.70%

Note 35

Book value per share	31.12.2003 (current year)	31.12.2002 (prior year)
Equity capital	30 155	30 155
Additional capital	349 534	352 244
Reserve capital	17 018	17 018
General Risk Fund	80 263	79 044
Revaluation reserve	(7 336)	2 011
Undistributed profit (uncovered loss) from previous years	10 521	7 805
Net profit	36 021	31 375
Total	516 176	519 652
Number of shares	15 077 700	15 077 700
Book value per share (in PLN)	34.23	34.46

Diluted book value per share

not applicable

Note 36

CONTINGENT LIABILITIES GRANTED TO AFFILIATED ENTITIES	31.12.2003 (current year)	31.12.2002 (prior year)
a. Guarantees and sureties granted to:	2 038	
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity	2 038	
b. Other, incl.	50 683	11 085
credit lines granted to	37 764	75
- subsidiaries		75
- sister companies		
- associated entities		
- major investor		
- controlling entity		
import L/C	12 911	
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity		
Visa card limits granted to	8	
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity		
Total guarantees and sureties granted to affiliated entities	52 721	11 085

Note 37

CONTINGENT LIABILITIES RECEIVED FROM AFFILIATED ENTITIES	31.12.2003 (current year)	31.12.2002 (prior year)
a. Guarantees and sureties received from:	144 289	92 241
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity	133 173	79 838
b. Other, incl.	7 753	
Credit lines received from:	7 753	
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity		
Total guarantees and sureties received from affiliated entities	152 042	92 241

NOTES TO PROFIT AND LOSS STATEMENT

Note 38

INTEREST INCOME	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Interest income from financial institutions	28 209	69 481
b. Interest income from customers	159 127	189 241
c. Interest income from budget	66	18
d. Fixed income securities	27 971	45 765
e. Other	1	1
Total interest income	215 374	304 506

Note 39

INTEREST EXPENSE	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Interest expense on transactions with financial institutions	31 835	39 850
b. Interest expense on transactions with customers	65 609	131 926
c. Interest expense on transactions with budget	1 265	2 247
d. Other	626	18
Total interest expense	99 335	174 041

Note 40

COMMISSION AND FEE INCOME	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Commission and fee income on banking activity	80 449	71 895
b. Commission and fee income on brokerage activity		
Total commission and fee income	80 449	71 895

Note 41

INCOME ON SHARES, SECURITIES AND OTHER FINANCIAL INSTRUMENTS WITH VARIABLE YIELD	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Subsidiaries		
b. Sister companies		
c. Associated entities		
d. Other		1 405
Total income on shares, securities and other financial instruments with variable		1 405

Note 42

NET INCOME FROM FINANCIAL OPERATIONS	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Transactions with securities and other financial instruments	(35)	19 976
- income	22 762	20 685
- expense	22 797	709
b. Other financial transactions		
Total net income from financial operations	(35)	19 976

Note 43

OTHER OPERATING INCOME	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	1 270	425
c. Recovered past-due, written-off, uncollectible debts	17	301
d. Compensation, penalties, fines received	704	1 232
e. Donations		
f. Other	4 000	3 720
- income on rents and leases	1 611	1 132
- income on agency in customer acquisition	849	398

- income on returned court and bailiff fees	380	263
- income on purchase of debts	330	31
- provision for cash differences settlement	181	191
- other	649	1 705
Total other operating income	5 991	5 678

Note 44

OTHER OPERATING EXPENSES	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	1 091	496
c. Recovered past-due, written-off, uncollectible debts	609	462
d. Compensation, penalties, fines paid	97	331
e. Donations	67	39
f. Other	2 594	4 188
- provision for contentious liabilities	596	385
- debt recovery expenses	594	827
- improperly paid-out deposits		790
- provision for employee benefits		178
- other	1 404	2 008
Total other operating expenses	4 458	5 516

Note 45

GENERAL EXPENSES	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Remuneration	57 408	54 773
b. Social security premium and other employee benefits	11 944	12 376
c. Material losses	69 873	72 692
d. Taxes and levies	226	12
e. Bank Guarantee Fund charges	1 091	913
f. Other general expenses		
Total general expenses	140 542	140 766

Note 46

CHARGES TO PROVISIONS AND REVALUATION	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Charges to provisions for::	58 534	111 218
- performing loans	1 277	1 307
- loans on watch-list	965	2 206
- non-performing loans	54 592	103 393
- contingent liabilities	1 700	3 781
- general risk reserve		
- other		531
b. Revaluation:		
- of financial assets		
- other		
Total charges to provisions and revaluation	58 534	111 218

Note 47

RELEASE OF PROVISIONS AND DECREASE IN RESPECT OF REVALUATION	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
a. Releases of provisions for:	37 423	59 351
- performing loans	910	4 354
- loans on watch-list	541	1 693
- non-performing loans	32 924	51 824
- contingent liabilities	2 921	1 453
- general risk reserve		
- other	127	27
b. Revaluation:		
Total releases of provisions and decrease in respect of revaluation	37 423	59 351

Note 49**EXTRAORDINARY GAINS**

not applicable

Note 50**EXTRAORDINARY LOSSES**

not applicable

Note 51A

CURRENT CORPORATE INCOME TAX	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
1. Gross profit before tax	55 318	41 510
2. Differences between gross profit before taxation and taxable income	(47 446)	48 210
- permanent	(3 576)	7 395
- temporary	(43 807)	40 854
- other	(63)	(39)
3. Taxable income	7 872	89 720
4. Corporate Income Tax 27%2003 / 28%2002	2 125	25 122
5. Increases, exemptions, deductions and abatements		
6. Corporate Income Tax payable as shown in CIT declaration	2 125	25 122
- as shown in the profit&loss statement	2 125	24 202
- on items which increased/decreased the Bank's equity		
- on items which increased/decreased the Bank's goodwill or negative goodwill		

Note 51B

DEFERRED INCOME TAX AS SHOWN IN PROFIT&LOSS STATEMENT	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
- decrease/increase due to arising and reversing the temporary differences	11 705	(10 849)
- decrease/increase due to changes in tax rates	4 992	(1 058)
- decrease/increase due to carryover of tax loss, tax allowances or temporary differences		(2 160)
- 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	16 697	(14 067)

Detailed information on the differences between corporate income tax charge as shown in profit&loss statement and the corporate income tax declaration:	31.12.2003	31.12.2002
a) there was neither investment tax allowance nor investment premium claimed as at 31.12.2003 (in PLN thousand)	0	0
b) tax deductible donations granted (in PLN thousand)	63	39
c) there were not any discontinuance of payment, exemptions, deductions or abatements	0	0
d) deferred tax liabilities as at 31.12.2003 and as at 31.12.2002 (in PLN thousand) divided into categories:	31.12.2003	31.12.2002
accrued interest on securities	5 196	3 896
other accrued interest	11 792	9 528
derivatives measurement	127	3 416
unpaid discount	3 712	8 329
net investment tax allowance	3 068	3 681
difference between balance-sheet and tax depreciation	2 856	(23)
securities measurement	0	2 672
deferred tax liability base	26 751	31 499
tax	5 082	8 505
tax rates	19%	27%

e) deferred tax assets as at 31.12.2003 and as at 31.12.2002 (in PLN thousand) divided into categories:	31.12.2003	31.12.2002
interest payable	7 327	11 459
deffered income	189	260
provision for non-performing loans	59 674	104 861
derivatives measurement	10	0
other provisions	21 962	20 410
derivatives measurement	75	0
other	284	234
deferred tax asset base	89 521	137 224
tax after correction	17 009	37 050
difference between liability and receivable	(11 927)	(28 545)
tax rates	19%	27%
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

TOTAL DEFERRED INCOME TAX	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
- included in equity	(1 612)	551
- included in goodwill and negative goodwill		

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

not applicable

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

not applicable

Note 53

SHARE IN NET PROFIT (LOSS) OF SUBSIDIARIES MEASURED BY EQUITY RIGHTS	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
- write-off of subordinates goodwill		
- write-off of subordinates negative goodwill		
- write-off of difference in net assets valuation	2 019	(3 624)

Note 54**ALLOCATION OF NET PROFIT**

The Board of Executive will recommend the Shareholders' Meeting to allocate the 2003 net profit in the amount of PLN 36,021,431.24 to the general risk fund.

Note 55

PROFIT PER ORDINARY SHARE	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Net profit	36 021	31 375
Weighted average ordinary shares	15 077 700	15 077 700
Profit per ordinary share (in PLN)	2.39	2.08

Diluted profit per share	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Net profit		
Projected weighted average ordinary shares		
Diluted profit per ordinary share (in PLN)		

NOTES TO CASH FLOW STATEMENT

Structure of cash (ref. to balance-sheet movements of cash)	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Cash	66 047	63 882
Travellers checks and valuable stamps	44	37
Current account with NBP	119 817	185 068
Nostro accounts with Polish banks	357	254
Nostro accounts with foreign banks	3 052	5 708
O/N deposits of Polish banks	121 000	165 000
O/N deposits of foreign banks	22 817	70 966
Debit balances on vostro accounts	6	
Current receivables from financial institutions		353
Interest receivable from performing debit balances	18	38
Total cash	333 158	491 306

Other items - operating activity	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Donations granted	63	39
Change in balance of accrued income from securities	122	(6 557)
Change in balance of other assets	(50 853)	74 812
Total	(50 668)	68 294

Other inflow - investment activity	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Realised interest on securities in 2003/2002, accrued in 2002/2001	12 221	13 475
Realised and accrued interest on securities in 2003/2002	11 977	31 480
Total	24 198	44 955

Other outflow - investment activity	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Advances for investments		(114)
Total		(114)

Other outflow - financial activity	01.01.2003- 31.12.2003 (current year)	01.01.2002- 31.12.2002 (prior year)
Interest on long-term bank loans	(15 851)	
Donations granted	(63)	(39)
Total	(15 914)	(39)

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).

Cash flow statement is prepared according to the indirect method.