

PROFIT AND LOSS STATEMENT

	as at	Note	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
I. Interest income		38	304 506	436 035
II. Interest expense		39	174 041	311 331
III. Net interest income (I-II)			130 465	124 704
IV. Commission and fee income		40	71 895	61 225
V. Commission and fee expense			10 984	3 892
VI. Net commission and fee income (IV-V)			60 911	57 333
VII. Income on shares, securities and other financial instruments with variable yield		41	1 405	6 725
1. From subsidiaries				
2. From sister companies				
3. From associated entities				
4. From other entities			1 405	6 725
VIII. Net income from financial operations		42	19 976	13 307
IX. Net result on FX differences			52 620	49 992
X. Result on banking activities			265 377	252 061
XI. Other operating income		43	5 678	7 788
XII. Other operating expenses		44	5 516	4 598
XIII. General expenses		45	140 766	144 341
XIV. Depreciation of tangible and intangible fixed assets			27 772	26 072
XV. Charges to provisions and value adjustments		46	111 218	117 784
1. Specific provisions and general risk reserve			111 218	109 784
2. Revaluation of financial assets				8 000
XVI. Release of provisions and value adjustments		47	59 351	48 709
1. Release of specific provisions and general risk reserve			59 351	48 709
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and value adjustments (XV- XVI)			(51 867)	(69 075)
XVIII. Operating profit			45 134	15 763
XIX. Extraordinary gains/ losses, net				
1. Extraordinary gains		49		181
2. Extraordinary losses		50		181
XX. Profit (loss) before taxation			45 134	15 763
XXI. Corporate income tax		51	10 135	5 242
1. current			24 202	11 223
2. deferred			(14 067)	(5 981)
XXII. Other mandatory charges to profit (loss)		52		
XXIII. Share in net profit (loss) of subsidiaries measured by equity method		53	(3 624)	
XXIV. Net profit (loss)		54	31 375	10 521

Net profit (loss) (for 12 months)		31 375	10 521
Weighted average number of ordinary shares		15 077 700	15 077 700
Net profit (loss) per ordinary share (in PLN)	55	2.08	0.70

MOVEMENTS IN OWN EQUITY

	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
I. Opening balance of own equity	489 503	278 952
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	490 267	278 952
1. Opening balance of share capital	30 155	20 104
1.1. Movements in share capital		10 051
a) increases (in respect of)		10 051
- issue of shares		10 051
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	352 220	162 234
4.1. Movements in reserve capital	24	189 986
a) increases (in respect of)	24	189 986
- issuance of shares above their par value		189 979
- profit distribution (mandatory)		
- distribution of profit (voluntary)		
- sale and liquidation of fixed assets	24	7
b) decreases (in respect of)		
- covering prior period losses		
- sale and liquidation of fixed assets		
4.2. Closing balance of reserve capital	352 244	352 220
5. Opening balance of revaluation reserve	4 025	552
5.1. Movements in revaluation reserve	(2 014)	3 473
a) increases (in respect of)	1 490	3 480
- valuation of available-for-sale securities	1 490	3 480
b) decreases (in respect of)	(3 504)	(7)
- sale of fixed assets		(7)
- liquidation of fixed assets	(24)	
- valuation of available-for-sale securities	(3 480)	
5.2. Closing balance of revaluation reserve	2 011	4 025
6. Opening balance of General Risk Fund	79 044	58 012
6.1. Movements in General Risk Fund		21 032
a) increases (in respect of)		21 032
- profit distribution		21 032
b) decreases (in respect of)		
6.2. Closing balance of General Risk Fund	79 044	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	10 521	21 032
8.1. Opening balance of undistributed profit from prior years	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	10 521	21 032
8.3. Movements in undistributed profit from prior years		(21 032)
a) increases (in respect of)		
- profit distribution		
b) decreases (in respect of)		(21 032)
- profit distribution		(21 032)
- changes in adopted accounting principles (policy)		
8.4. Closing balance of undistributed profit from prior years	10 521	
8.5. Opening balance of uncovered loss from prior years	(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)	
8.7. Movements in uncovered loss from prior years		(2 716)
a) increases (in respect of)		(2 716)
- changes in adopted accounting principles (policy)		
- loss for covering		(2 716)
b) decreases (in respect of)		
8.8. Closing balance of uncovered loss from prior years	(2 716)	(2 716)
8.9. Closing balance of undistributed profit or uncovered loss from prior years	7 805	
9. Net income	31 375	10 521
a) net profit	31 375	10 521
b) net loss		
II. Closing balance of own equity	519 652	490 267
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	488 277	490 267

CASH FLOW STATEMENT

	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
A. CASH FLOW FROM OPERATING ACTIVITIES (I +/- II) - indirect method*	196 019	36 485
I. Net profit (loss)	31 375	10 521
II. Adjustments for:	164 644	25 964
1. Share in net profit (loss) of subsidiaries measured by equity rights	3 624	
2. Depreciation	27 772	26 072
3. Foreign exchange gains/(losses)	71 952	
4. Interest and dividends received and paid	(31 480)	(6 924)
5. Profit (loss) on investments	(42 401)	(1 046)
6. Change in other reserves	(38 361)	(5 270)
7. Change in debt securities held	207 190	(703)

8. Change in amounts due from financial sector	389 060	190 600
9. Change in amounts due from customers and budget	(27 730)	(267 990)
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield		
12. Change in amounts due to financial sector	(256 979)	(22 034)
13. Change in amounts due to customers and budget	(197 903)	128 290
14. Change securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	(37 599)	28 082
17. Change in interperiod settlements	8 483	(17 554)
18. Change in deferred income	20 722	34 412
19. Other items	68 294	(59 971)
III. Net cash flow from operating activity (I +/- II)	196 019	36 485
B. CASH FLOW FROM INVESTING ACTIVITIES (I-II)		
I. Cash inflows from investing activity	1 661 935	4 193 648
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	1 546 325	4 176 488
5. Sale of tangible and intangible fixed assets	425	878
6. Other inflows	44 955	16 282
II. Cash outflows from investing activity	(2 156 098)	(4 140 182)
1. Purchase of shares in subsidiaries		
2. Purchase of shares in sister companies		
3. Purchase of shares in associated entities		
4. Purchase of other shares, securities and financial assets	(2 140 212)	(4 095 996)
5. Purchase of tangible and intangible fixed assets	(15 772)	(44 186)
6. Investments in real estates and intangible assets		
7. Other outflows	(114)	
III. Net cash flow from investing activity (I +/- II)	(494 163)	53 466
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)		
I. Cash inflows from financial activity	32 729	454 100
1. Long-term loans from other banks	32 729	254 070
2. Long-term loans from other financial institution		
3. Issue of debt securities		
4. Increase in subordinated debt		
5. Net inflows from issuance of own shares and additional payments to share capital		200 030
6. Other inflows		
II. Cash outflows from financial activity	(39)	(533)
1. Repayment of long-term loans contracted from other banks		
2. Repayment of long-term loans contracted from non-bank 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		
8. Other payments (not to owners) related to profit distribution		
9. Purchase of own shares		
10. Other outflows	(39)	(533)
III. Net cash flow from financial activity (I +/- II)	32 690	453 567
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	(265 454)	543 518
E. CHANGE IN CASH IN BALANCE-SHEET	(265 454)	543 518

- including changes in cash arising from exchange rate differences	9 292	(7 535)
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	756 760	213 242
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	491 306	756 760
- including cash with restricted option of use		

NOTES TO THE BALANCE SHEET

Note 1A

CASH AND DUE FROM CENTRAL BANK	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current account	248 950	407 584
b. Mandatory reserve		
c. Amounts of Bank Guarantee Fund		
d. Other	37	60
TOTAL of cash and due from Central Bank	248 987	407 644

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

- nostro account in NBP - PLN 110,269 thousand,
- cash in hand - PLN 12,252 thousand.

Note 1B

CASH (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty	207 628	382 356
b. in foreign currency (PLN equivalent)	41 359	25 288
b1. unit /currency 1000/EUR	8 175	430
in thousand PLN	32 864	1 515
b2. unit/currency 1000/USD	1 851	1 123
in thousand PLN	7 104	4 477
b3. unit/ currency 1000/CHF	146	38
in thousand PLN	403	89
b4. unit/ currency 1000/GBP	60	30
in thousand PLN	370	174
b5. other currencies (in PLN thousand)	618	19 033
TOTAL cash	248 987	407 644

Note 2A

DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts	242 280	349 009
b. Credits, loans and placements, incl.	252 765	638 985
- deposits placed in other banks and financial institutions	207 000	613 890
c. Purchased receivables		
d. Realized guarantees and commitments		
e. Other receivables (in respect of)	693	
- L/C discounts	693	
f. Interest	625	4 176
- accrued	625	4 176
- overdue		
Total gross receivables due from other financial institutions	496 363	992 170
g. Provisions for receivables due from other financial institutions (negative value)	(25)	

Total receivables due from other financial institutions (net)	496 338	992 170
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Note 2B

DUE FROM OTHER FINANCIAL INSTITUTIONS (BY MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts	242 280	349 009
b. Term, with maturity from balance sheet date:	253 458	638 985
- up to 1 month	207 709	328 890
- 1month - 3 months		225 000
- 3 months - 1 year	221	62 810
- 1 year - 5 years	43 670	22 285
- over 5 years		
- overdue	1 858	
c. Interest	625	4 176
- accrued	625	4 176
- overdue		
Total receivables due from other financial institutions (gross)	496 363	992 170

Note 2C

DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts	242 280	349 009
b. Term, with duration:	253 458	638 985
- up to 1 month	207 693	268 959
- 1month - 3 months		284 932
- 3 months - 1 year	217	60 357
- 1 year - 5 years	45 548	24 737
- over 5 years		
c. Interest	625	4 176
- accrued	625	4 176
- overdue		
Total receivables due from other financial institutions (gross)	496 363	992 170

Note 2D

DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a.in Polish zloty (PLN)	392 757	846 359
b. in foreign currency (PLN equivalent)	103 606	145 811
b1. unit/currency 1000/ EUR	18 107	21 941
in PLN thousand	72 793	77 274
b2. unit/currency 1000 /USD	7 030	15 526
in PLN thousand	26 987	61 890
b3. unit/currency 1000 /GBP	308	151
in PLN thousand	1 906	871
b4. unit/currency 1000/ NOK	551	580
in PLN thousand	304	256
b5. other receivables (in PLN thousand)	1 616	5 520
Total receivables due from other financial institutions (gross)	496 363	992 170

Note 2E

DUE FROM OTHER FINANCIAL INSTITUTIONS (GROSS)	31.12.2002 (current year)	31.12.2001 (prior year)
1. Performing loans	493 880	987 994
2. Loans on watch-list		
3. Non-performing loans, including:	1 858	
- substandard		
- doubtful	1 858	
- loss		
4. Interest:	625	4 176
a) accrued	625	4 176
b) overdue		
- from performing and loans on watch-list		
- from non-performing loans		
Total receivables due from other financial institutions (gross)	496 363	992 170

Note 2F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2002 (current year)	31.12.2001 (prior year)
a. Loans on watch-list		
b. Non-performing loans, including:	1 858	
- substandard		
- doubtful	1 858	
- loss		
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from other financial institutions	1 858	

Note 2G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2002 (current year)	31.12.2001 (prior year)
a. Loans on watch-list		
b. Non-performing loans, including:	25	
- substandard		
- doubtful	25	
- loss		
Total specific provisions for receivables due from other financial institutions	25	

Note 2H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	31.12.2002 (current year)	31.12.2001 (prior year)
1. Opening balance		
a) Increases (in respect of)	1 278	
- creating provision	1 000	
- FX differences	278	
b) Utilisation (in respect of)		
c) Releases (in respect of)	1 253	
- repayment of debts	1 091	
- FX differences	162	
2. Closing balance	25	

3. The required amount of specific provisions for receivables due from other financial institutions acc. to the binding law		
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Note 3A

DUE FROM CUSTOMERS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Credits and loans	2 217 857	2 143 879
b. Purchased receivables	2 249	2 747
c. Realized guarantees and commitments	3 616	4 727
d. Other receivables (in respect of)	10 520	8 591
-VISA cards settlements	10 520	8 591
-L/C discounts		
e. Interest	85 763	69 557
- accrued	17 441	20 425
- overdue	68 322	49 132
Total receivables from customers (gross)	2 320 005	2 229 501
g. Provision for receivables from customers (negative value)	(147 809)	(115 776)
Total due from customers (net)	2 172 196	2 113 725

The Bank does not have any loans related to financial leases.

Note 3B

DUE FROM CUSTOMERS (BY MATURITY DATE)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts	416 151	380 868
b. Term, with maturity from balance sheet date:	1 818 091	1 779 076
- up to 1 month	67 786	91 252
- 1month - 3 months	120 431	107 268
- 3 months - 1 year	288 421	361 420
- 1 year - 5 years	502 401	606 514
- over 5 years	422 656	373 668
- overdue	416 396	238 954
c. Interest	85 763	69 557
- accrued	17 441	20 425
- overdue	68 322	49 132
Total due from customers (gross)	2 320 005	2 229 501

Note 3C

DUE FROM CUSTOMERS (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts	416 151	380 868
b. Term, with duration:	1 818 091	1 779 076
- up to 1 month	31 611	24 528
- 1month - 3 months	77 662	35 090
- 3 months - 1 year	530 345	657 257
- 1 year - 5 years	596 464	621 536
- over 5 years	582 009	440 665
c. Interest	85 763	69 557
- accrued	17 441	20 425
- overdue	68 322	49 132
Total due from customers (gross)	2 320 005	2 229 501

Note 3D

DUE FROM CUSTOMERS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	1 179 584	1 131 368
b. in foreign currencies (PLN equivalent)	1 140 421	1 098 133
b1. Unit/currency 1000 / EUR	193 439	204 783
in PLN thousand	777 662	721 224
b2. Unit/currency 1000 / USD	93 620	91 451
in PLN thousand	359 390	364 552
b3. Unit/currency 1000 / CHF	1 218	5 201
in PLN thousand	3 369	12 357
b4. Other currencies (in PLN thousand)		
Total due from customers (net)	2 320 005	2 229 501

Note 3E

DUE FROM CUSTOMERS (GROSS)	31.12.2002 (current year)	31.12.2001 (prior year)
1. Performing loans	1 817 846	1 866 738
2. Loans on watch-list	62 583	51 012
3. Non-performing loans, including:	353 813	242 194
- substandard	75 473	52 028
- doubtful	57 914	52 657
- loss	220 426	137 509
4. Interest:	85 763	69 557
a) accrued	17 441	20 425
b) overdue	68 322	49 132
- from performing and loans on watch-list	129	777
- from non-performing loans	68 193	48 355
Total due from customers (gross)	2 320 005	2 229 501

Note 3F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2002 (current year)	31.12.2001 (prior year)
1. Performing loans (including interest)		
a. Loans on watch-list	28 018	25 854
b. Non-performing loans, including:	210 525	123 364
- substandard	49 479	27 176
- doubtful	49 670	38 292
- loss	111 376	57 896
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from customers	238 543	149 218

Note 3G

SPECIFIC PROVISIONS FOR RECEIVABLES FROM CUSTOMERS	31.12.2002 (current year)	31.12.2001 (prior year)
a. Performing loans	1 249	4 296
a. Loans on watch-list	593	376
b. Non-performing loans, including:	145 967	111 104
- substandard	6 437	5 254
- doubtful	7 393	8 326

- loss	132 137	97 524
Total specific provisions for receivables due from customers	147 809	115 776

Note 3H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	31.12.2002 (current year)	31.12.2001 (prior year)
1. Opening balance	115 776	51 273
a) Increases (in respect of)	109 509	107 017
- change in risk category	105 906	106 580
- foreign exchange differences	3 603	437
- other		
b) Utilisation (in respect of)		
c) Releases (in respect of)	(77 476)	(42 514)
- repayment	(10 618)	(39 891)
- change in risk category	(46 162)	
- write off	(18 347)	(604)
- other (incl. foreign exchange differences)	(2 349)	(2 019)
2. Closing balance	147 809	115 776
3. The required amount of specific provisions acc. to the binding law	120 139	93 446

Note 4A

DUE FROM BUDGET (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Credits and loans	1 300	16
b. Purchased receivables		
c. Realized guarantees and commitments		
d. Other receivables (in respect of)		
-L/C discounts		
-VISA cards settlements		
e. Interest	8	
- accrued	8	
- overdue		
Total receivables from budget (gross)	1 308	16
f. Provision for receivables from budget (negative value)		
Total due from budget (net)	1 308	16

The Bank does not have any loans related to financial leases.

Note 4B

DUE FROM BUDGET (BY MATURITY DATE)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts		16
b. Term, with maturity from balance sheet date:	1 300	
- up to 1 month		
- 1month - 3 months		
- 3 months - 1 year	1 300	
- 1 year - 5 years		
- over 5 years		
- overdue		
c. Interest	8	
- accrued	8	
- overdue		
Total due from budget (gross)	1 308	16

Note 4C

DUE FROM BUDGET (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts		16
b. Term, with duration:	1 300	-
- up to 1 month		
- 1 month - 3 months		
- 3 months - 1 year	1 300	
- 1 year - 5 years		
- over 5 years		
c. Interest	8	
- accrued	8	
- overdue		
Total due from budget (gross)	1 308	16

Note 4D

DUE FROM BUDGET (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	1 308	16
b. in foreign currencies (PLN equivalent)		
b. Other currencies (in PLN thousand)		
Total due from budget (net)	1 Note 4F 308	16

Note 4E

DUE FROM BUDGET (GROSS)	31.12.2002 (current year)	31.12.2001 (prior year)
1. Performing loans	1 300	16
2. Loans on watch-list		
3. Non-performing loans, including:		
- substandard		
- doubtful		
- loss		
4. Interest:	8	
a) accrued	8	
b) overdue		
- from performing and loans on watch-list		
- from non-performing loans		
Total due from budget (gross)	1 308	16

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 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	31.12.2002 (current year)	31.12.2001 (prior year)
a. Issued by central banks, of which:	299 441	42 108
- 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:	380 303	223 363
- denominated in foreign currency		
f. Issued by local authorities, of which:		
- denominated in foreign currency		
g. Repurchased own securities		
Total debt securities	679 744	265 471

Note 6B

DEBT SECURITIES (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
1. Issued by State Treasury, of which:	380 303	223 363
a) bonds	57 398	95 552
b) treasury bills	322 905	127 811
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 associates, of which:		
a) bonds		
b) other (by category):		
7. Issued by others, of which:	299 441	42 108
a) bonds		
b) other (by category):	299 441	42 108
- NBP bonds against mandatory reserve	255 644	
- NBP bills	43 797	42 108
Total debt securities	679 744	265 471

Note 6C

MOVEMENTS IN DEBT SECURITIES	31.12.2002 (current year)	31.12.2001 (prior year)
a) Opening balance	265 471	397 571
b) Increases (in respect of)	2 143 579	4 432 415
- purchases	2 139 426	4 425 168
- discount		
- interest	3 418	3 767
- premium		
- value adjustments	735	3 480
c) Decreases (in respect of)	(1 729 306)	(4 564 515)
- sale	(1 721 091)	(4 564 515)
- interest	(6 671)	
- discount		
- premium		
- value adjustments	(1 544)	
d) Closing balance	679 744	265 471

Debt securities securing the Bank's liabilities:

- treasury bills held as security for the Banking Guarantee Fund:
 - as at 31.12.2002 - 1,100 bills at total nominal value of PLN 11 000 thousand,
- treasury bills with nominal value of PLN 120,000 thousand blocked against the technical loan granted by NBP; technical loan is granted in 80% of the blocked bills value;
- NBP bonds with nominal value of PLN 16, 652 thousand - those bonds are held in the portfolio as a result of lowering the mandatory reserve rate and cannot be sold until their maturity. The bonds in the amount of PLN 24, 979 thousand related to lowering the mandatory reserve rate were converted by NBP in February 2002 (available-for-sale).

Note 7A

SHARES AND INVESTMENTS IN SUBSIDIARIES	31.12.2002 (current year)	31.12.2001 (prior year)
a) in banks		
b) in other financial institutions	6 572	10 196
c) in non-financial institution		
Total shares and investments in subsidiary	6 572	10 196

Note 7B

MOVEMENTS IN SHARES AND INVESTMENTS IN SUBSIDIARIES	31.12.2002 (current year)	31.12.2001 (prior year)
Opening balance	10 196	18 196
a) Increases (in respect of)	378	-
- purchase of shares		
- release of provision	378	
b) Decreases (in respect of)	(4 002)	(8 000)
- creating of specific provision	(4 002)	(8 000)
Closing balance	6 572	10 196

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 10 A

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	date of taking over / date of beginning significant influence	share value at cost	deductions total (incl. depreciation)	shares (balance sheet value)	ownership (in percentage)	percentage of votes at the Shareholders Meeting	other ownership
1.	Fortis Securities Polska S.A.	Poland	brokerage activity	subsidiary	-	23.12.1999	18 196	11 624	6 572	100%	100%	-

Note 10 B

SHARES AND INVESTMENTS IN AFFILIATES								SHARES AND INVESTMENTS IN AFFILIATES									
No.	a Enterprise's name	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	net profit (loss)											
1.	Fortis Securities Polska S.A.	6 565	9 048	692	(3 175)	(1 519)	(1 938)	439	439	-	209	209	-	7 109	2 491		

Note 11A

SHARES AND INVESTMENTS IN OTHER ENTITIES	31.12.2002 (current year)	31.12.2001 (prior year)
a. other financial institutions		
b. non-financial institutions	45	39
Total shares and investments in other entities	45	39

As at Dec. 31, 2002 the Bank owned 1 (one) share of BEF at par value of 55,000.00 and 6 (six) shares of EUR at par value of 9,750 in S.W.I.F.T., the global banking communication entity.

Note 11B

MOVEMENTS IN SHARES AND INVESTMENTS IN OTHER ENTITIES	31.12.2002 (current year)	31.12.2001 (prior year)
Opening balance	39	43
a) Increases (in respect of)	6	
- purchase		
- discount		
- interest		
- other (FX differences)	6	
b) Decreases (in respect of)		(4)
- sale		
- interest		
- premium		
- discount		
- other (FX differences)		(4)
Closing balance	45	39

Note 11C

MINORITY INVESTMENTS IN OTHER ENTITIES									
No.	a	b	c	d	e	f	g		h
	enterprise's name (& legal form)	seat	type of activity	shares (balance sheet value)	share in total number of share capital (in percentage)	number of votes at the Shareholders Meeting	own equity, incl.	unpaid shares by issuer	dividend received or receivable from previous year
							share capital		
1	S.W.I.F.T. s.c.	Belgium	interbank communication	45	-	-	-	-	-

Note 12A

OTHER SECURITIES AND FINANCIAL ASSETS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. pre-emptive rights		
b. derivatives		
c. other (by category)	3 416	74 774
- participation units in investment funds		62 101
- settlements on account of derivative measurement	3 416	12 673
Total other securities and financial assets (by category)	3 416	74 774

Note 12B

MOVEMENTS IN OTHER SECURITIES AND FINANCIAL ASSETS	31.12.2002 (current year)	31.12.2001 (prior year)
Opening balance	74 774	953
a) Increases (in respect of)	-	135 908
- purchase		124 188
- derivative measurement		11 720
b) Decreases	(71 358)	(62 087)
- redemption of participation units	(62 101)	(62 087)
- financial instruments e	(9 257)	
Closing balance	3 416	74 774

Note 12C

OTHER SECURITIES AND FINANCIAL ASSETS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	3 416	74 774
b. in foreign currencies (PLN equivalent)		
b1. Unit/currency 1000 / BEF in PLN thousand		
b2. Unit/currency 1000 / EUR in PLN thousand		
b3. Other currencies (in PLN thousand)		
Total other securities and financial assets	3 416	74 774

Note 13A

FINANCIAL ASSETS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. cash	254 949	413 671
b. financial assets held for trading	155 620	12 673
c. credits and loans granted by the Bank and non-marketable own receivables	2 663 880	3 099 884
d. held-to-maturity financial assets	16 764	78 940
e. available-for-sale financial assets	510 821	248 671
Total financial assets	3 602 034	3 853 839

Note 13B

FINANCIAL ASSETS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	2 374 700	2 630 513
b. in foreign currencies (PLN equivalent)	1 227 334	1 223 326

b1. Unit/currency 1000 / EUR	211 916	222 691
in PLN thousand	851 942	784 292
b2. Unit/currency 1000 / USD	96 031	101 234
in PLN thousand	368 644	403 550
b3. Other currencies (in PLN thousand)	6 748	35 484
Total financial assets	3 602 034	3 853 839

Note 13C

FINANCIAL ASSETS HELD FOR TRADING - TRADING PORTFOLIO (ACC. TO MARKETABILITY)	31.12.2002 (current year)	31.12.2001 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	152 204	
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):	152 204	
c1. T-bills	152 204	
- fair value		
- market value	152 204	
- value at purchase cost	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)	3 416	12 673
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):	3 416	12 673
c1. financial instruments e	3 416	12 673
- fair value	3 416	12 673
- market value	3 416	
- 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	148 462	
Total opening balance value	12 673	953
Total value adjustments		
Total book value	155 620	12 673

In the column "current year" the item "Total value at purchase cost" in the amount of PLN 148 462 thousand refers only to securities.

Note 13D

HELD-TO-MATURITY FINANCIAL ASSETS (BY MARKETABILITY)	31.12.2002 (current year)	31.12.2001 (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)		62 101
a. bonds (book value):		
- value adjustments (for a given period)		
- opening balance value		
- value at purchase cost		
b. other - by category (book value):		62 101
b1. participation units in open investment funds		62 101
- value adjustments (for a given period)		
- opening balance value	62 101	
- value at purchase cost		62 101
- write-off of participation units in investment funds	62 101	
D. Restricted marketability (book value)	16 764	16 839
a. bonds (book value):	16 764	16 839
- value adjustments (for a given period)		

- opening balance value	16 839	16 998
- value at purchase cost	16 652	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	16 652
Total opening balance value	78 940	16 998
Total value adjustments		
Total book value	16 764	78 940

In 2001, the value of participation units in open-ended investment funds was recognized at the acquisition price. The profit in the amount of PLN 6,725 thousand, accrued on the increase in the value of the participation units until the balance sheet date, was reported in Note 17A in the item Other prepayments and accrued income.

Note 13E

AVAILABLE-FOR-SALE FINANCIAL ASSETS (BY MARKETABILITY)	31.12.2002 (current year)	31.12.2001 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	84 431	120 821
a. shares (book value):		
- fair value		
- market value		
- value at purchase cost		
b. bonds (book value):	84 431	120 821
- fair value		
- market value	84 431	120 821
- value at purchase cost	80 142	114 354
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)	426 345	127 811
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):	426 345	127 811
c1. Treasury bills	170 701	127 811
- fair value		
- market value	170 701	127 811
- value at purchase cost	166 023	122 005
c2. NBP bills	255 644	
- fair value		
- market value	255 644	
- value at purchase cost	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)	45	39
a. shares and investments (book value):	45	39
- fair value		
- market value	45	39
- value at purchase cost	45	39
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		
Total opening balance value		
Total value adjustments		
Total book value	510 821	248 671

Note 14A

INTANGIBLE FIXED ASSETS	31.12.2002 (current year)	31.12.2001 (prior year)
a. research and development costs		
b. goodwill		
c. patents, licences and related rights, incl.	14 459	18 691
- purchased software	14 459	18 691
d. other intangible fixed assets		
e. prepayments for intangible fixed assets		
Total intangible fixed assets	14 459	18 691

Note 14B

b	c		d	e	Intangible assets total
goodwill	patents, licences and related rights		other intangible assets	prepayments for intangible fixed assets	
		software			
	31 398	31 398			31 398
	3 502	3 502			3 502
					-

	2 195	2 195			2 195
	1 307	1 307			1 307
					-
					-
					-
	34 900	34 900			34 900
	(12 706)	(12 706)			(12 706)
	(7 735)	(7 735)			(7 735)
	(7 735)	(7 735)			(7 735)
	(20 441)	(20 441)			(20 441)
	14 459	14 459			14 459

Note 14C

INTANGIBLE FIXED ASSETS (by ownership)	31.12.2002 (current year)	31.12.2001 (prior year)
a. own	14 459	18 691
b. used under rental, lease or other agreements, incl. leasing		
Total intangible fixed assets	14 459	18 691

Note 15A

TANGIBLE FIXED ASSETS	31.12.2002 (current year)	31.12.2001 (prior year)
Tangible fixed assets		
a) Tangible fixed assets, of which:	58 273	70 714
- land (incl. perpetual usufruct right)		
- buildings, premises, ground or water structures		
- technical equipment and machines	14 382	22 391
- vehicles	3 920	4 648
- other fixed assets	39 971	43 675
b) Assets under construction	6 024	1 998
c) Prepayments towards investments	114	
Total tangible fixed assets	64 411	72 712

In 2002, there was no unplanned depreciation of fixed assets at the Bank.

Note 15B

TABLE OF MOVEMENT OF TANGIBLE FIXED ASSETS (by category)

	land (incl. perpetual usufract right)	buildings, premises, ground or water structures	technical equipment and machines	vehicles	other fixed assets	total fixed assets
a) fixed assets value (gross) at the beginning of the period			44 359	9 406	56 216	109 982
b) increases (in respect to)			4 288	1 438	2 286	8 012
- purchase			2 767	1 438	274	4 479
- investment settlements			1 521		2 012	3 533
- other						
c) decrease (in respect to)			(2 635)	(1 224)	(331)	(4 190)
- sale			(748)	(1 056)	(2)	(1 806)
- liquidation			(1 887)	(168)	(329)	(2 385)
- other						
d) fixed assets value (gross) at the end of the period			46 012	9 621	58 170	113 803
e) accumulated depreciation at the beginning of the period			(21 968)	(4 758)	(12 541)	(39 267)
f) depreciation for period (in respect to)			(9 662)	(942)	(5 659)	(16 263)
- purchase			(11 889)	(1 957)	(5 972)	(19 818)
- sale			662	889	2	1 553
- liquidation			1 566	126	310	2 002
- other						
g) accumulated depreciation at the end of the period			(31 630)	(5 700)	(18 200)	(55 530)
h) unplanned write-offs						
i) net fixed assets at the end of the period			14 383	3 920	39 971	58 273

Note 15C

ON-BALANCE FIXED ASSETS (BY OWNERSHIP)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Own	64 280	72 530
b. Used under rental, lease or other agreements, incl. leasing	131	182
- operating leases	17	182
- advances for fixed assets under construction	114	
Total on-balance sheet fixed assets	64 411	72 712

Note 15D

OFF-BALANCE FIXED ASSETS
not applicable

Note 16A

OTHER ASSETS	31.12.2002 (current year)	31.12.2001 (prior year)
1. Seized assets for sale		
2. Other, including:	15 022	93 976
- tax settlements	6 232	4 037
- interbank settlements	6 022	84 297
- settlements with suppliers and recipients	2 330	2 917
- settlements with employees	633	860
- provisions for other settlements	(1 325)	(435)
- other settlements	1 130	2 300

Total other assets	15 022	93 976
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Note 16B
ASSETS SEIZED FOR SALE
not applicable

Note 16C
MOVEMENTS IN ASSETS SEIZED FOR SALE
not applicable

Note 17A

INTERPERIOD SETTLEMENTS	31.12.2002 (current year)	31.12.2001 (prior year)
a. Long-term	40 465	43 728
- deferred corporate income tax	37 050	31 666
- other interperiod settlements	3 415	12 062
b. Short-term	2 200	1 083
- capital aquisition costs settlement	2 200	1 083
- deferred corporate income tax		
- release of provision for deferred income tax		
Total interperiod settlements	42 665	44 811

Note 17B

MOVEMENTS IN ASSETS IN RESPECT OF DEFERRED CORPORATE INCOME TAX	31.12.2002 (current year)	31.12.2001 (prior year)
1. Opening balance	31 666	24 324
a. related to financial result	31 666	24 324
- accrued interest	8 087	10 364
- prepayments	134	109
- provision for non-performing loans	21 472	12 243
- other provisions	1 816	1 608
- derivatives adjustments to fair value	157	
b. related to own equity	-	-
c. related to goodwill or negative goodwill	-	-
2. Increases	10 598	9 619
a. related to financial result of the period due to negative temporary differences (in respect of)	10 598	9 619
- accrued interest		
- prepayments		25
- provision for non-performing loans	6 840	9 229
- other provisions	3 758	208
- 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)		
3. Deductions	5 214	2 277
a. related to financial result of the period due to negative temporary differences (in respect of)	5 214	2 277
- accrued interest	4 993	2 277
- prepayments	64	
- provision for non-performing loans		
- other provisions		
- 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	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
- derivatives adjustments to fair value		157
b. related to own equity		
c. related to goodwill or negative goodwill		

Note 17C

OTHER INTERPERIOD SETTLEMENTS	31.12.2002 (current year)	31.12.2001 (prior year)
a) Interperiod settlements, of which:	3 515	5 541
- settlements of capital acquisition costs	2 200	1 083
- insurance	518	564
- rent	124	599
- other	673	3 295
b) Other, including:	2 100	7 604
- income to be received	1 720	7 604
- interest on discount placements	380	
Total other interperiod settlements	5 615	13 145

Note 18

SUBORDINATED LOANS

not applicable

Note 20A

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts and deposits	91 696	348 142

- placements of banks and other entities	73 315	283 329
b. Loans and borrowings received	663 305	558 619
c. Promissory notes		
d. Own share issue		
e. Other, in respect of		
- amounts due in respect of financial collateral		
f. Interest	4 945	5 477
Total due to other financial institutions	759 946	912 238

Note 20B

DUE TO OTHER FINANCIAL INSTITUTIONS (BY MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	13 981	64 789
b. Term, with maturity from the balance sheet date:	741 020	841 972
- Up to 1 month	77 691	238 110
- 1 month - 3 months	24	45 243
- 3 months - 1 year		
- 1 year - 5 years	663 305	558 619
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	4 945	5 477
Total due to other financial institutions	759 946	912 238

Note 20C

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	13 981	64 789
b. Term, with maturity from the balance sheet date:	741 020	841 972
- Up to 1 month	58 497	193 971
- 1 month - 3 months	19 194	71 749
- 3 months - 1 year	24	17 634
- 1 year - 5 years	259 958	202 367
- 5 years - 10 years	403 347	356 251
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	4 945	5 477
Total due to other financial institutions	759 946	912 238

Note 20D

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a.in Polish zloty (PLN)	41 329	160 569
b. in foreign currency (PLN equivalent)	718 617	751 669
b1. unit/currency 1000/ EUR	163 093	191 304
in PLN thousand	655 665	673 753
b2. unit/currency 1000 /USD	10 984	15 071
in PLN thousand	42 166	60 077
b3. unit/currency 1000 /CHF	7 511	7 508

in PLN thousand	20 786	17 839
b4. Other currency (in PLN thousand)		
Total due to other financial institutions	759 946	912 238

Note 21A

DUE TO CUSTOMERS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts and deposits	2 046 574	2 146 744
b. Loans and borrowings received		
c. Promissory notes		
d. Own share issue		
e. Other, in respect of	226 850	314 064
- amounts due in respect of financial collateral	225 064	313 608
- VISA settlements	1 786	451
- term deposit settlements		5
f. Interest	6 865	19 124
Total due to customers	2 280 289	2 479 932

Note 21B

DUE TO CUSTOMERS - SAVINGS (BY MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	256 635	228 486
b. Term, with maturity from the balance sheet date:		
c. Interest	35	235
Total due to customers - other	256 670	228 721

Note 21C

DUE TO CUSTOMERS - SAVINGS (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	256 635	228 486
b. Term, with maturity from the balance sheet date:		
c. Interest	35	235
Total due to customers - other	256 670	228 721

Note 21D

DUE TO CUSTOMERS - OTHER (BY MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	667 232	580 500
b. Term, with maturity from the balance sheet date:	1 349 557	1 651 822
- Up to 1 month	989 133	1 195 062
- 1 month - 3 months	145 535	278 728
- 3 months - 1 year	129 937	164 801
- 1 year - 5 years	61 016	13 231
- 5 years - 10 years	23 936	
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	6 830	18 889

Total due to customers - other	2 023 619	2 251 211
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Note 21E

DUE TO CUSTOMERS - OTHER (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	667 232	580 500
b. Term, with duration:	1 349 557	1 651 822
- up to 1 month	537 559	921 506
- 1 month - 3 months	495 097	457 013
- 3 months - 1 year	202 580	250 486
- 1 year - 5 years	88 258	22 817
- 5 years - 10 years	26 063	
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	6 830	18 889
Total due to customers - other	2 023 619	2 251 211

Note 21F

DUE TO CUSTOMERS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	1 830 402	1 985 179
b. in foreign currencies (in respect of)	449 887	494 753
b1. Unit/currency 1000 / USD	70 558	83 088
in PLN thousand	270 859	331 215
b2. Unit/currency 1000 / EUR	43 956	45 668
in PLN thousand	176 713	160 839
b3. Unit/currency 1000 / GBP	54	109
in PLN thousand	151	628
b4. Unit/currency 1000 / CHF	290	96
in PLN thousand	1 789	229
b5. Other currencies (in PLN thousand)	375	1 842
Total due to customers	2 280 289	2 479 932

Note 22A

DUE TO BUDGET (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current accounts and deposits	25 519	25 068
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	29	105
Total due to budget	26 913	25 173

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)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	10 849	6 244
b. Term, with maturity from the balance sheet date:	16 035	18 824
- Up to 1 month	16 035	18 824
- 1 month - 3 months		
- 3 months - 1 year		
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	29	105
Total due to budget - other	26 913	25 173

Note 22E

DUE TO BUDGET- OTHER (BY CONTRACTUAL MATURITY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. Current	10 849	6 244
b. Term, with duration:	16 035	18 824
- up to 1 month	12 067	9 791
- 1 month - 3 months	3 968	7 900
- 3 months - 1 year		1 133
- 1 year - 5 years		
- 5 years - 10 years		
- 10 years - 20 years		
- over 20 years		
- overdue		
c. Interest	29	105
Total due to budget - other	26 913	25 173

Note 22F

DUE TO BUDGET (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	26 345	24 839
b. in foreign currencies (in respect of)	568	334
b1. Unit/currency 1000 /EUR	141	95
in PLN thousand	568	334
b2. Unit/currency 1000 / USD		
in PLN thousand		
b3. Other currencies (in PLN thousand)		
Total due to budget	26 913	25 173

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	31.12.2002 (current year)	31.12.2001 (prior year)
1. Special funds	807	1 202
- social benefit fund	606	806
- other	201	396
2. Other liabilities	61 365	100 621
- interbank settlements	48 844	83 777
- tax settlements	4 226	3 614
- liabilities arising from other transactions with customers	3 835	2 666
- settlements with suppliers and recipients	815	5 582
- settlements with employees	65	78
- other	3 580	4 904
Total special funds and other liabilities	62 172	101 823

Note 26A

ACCRUALS AND DEFERRED INCOME	31.12.2002 (current year)	31.12.2001 (prior year)
a. Short-term, of which:	7 648	5 768
- provision for sub-lease agreements	4 487	
- provision for unused leave of absence	1 836	1 450
- provision for variable part of remuneration	1 038	861
- provision for legal consultation and audit	224	585
- settlement of financial instruments		
- provision for rents		2 119
- other interperiod settlements	63	753
b. Long-term, of which:		
Total accruals and deferred income	7 648	5 768

Note 26B
CHANGE IN NEGATIVE GOODWILL
not applicable

Note 26C

OTHER ACCRUALS AND DEFERRALS	31.12.2002 (current year)	31.12.2001 (prior year)
a. Short-term, incl.	260	479

- prepayments	260	479
b. Long-term, incl.	77 035	56 094
- deferred income	77 035	56 094
Total other accruals and deferrals	77 295	56 573

Note 27A

MOVEMENTS IN DEFERRED CORPORATE INCOME TAX PROVISION	31.12.2002 (current year)	31.12.2001 (prior year)
1. Opening balance	16 635	13 510
a. related to financial result	15 661	13 510
- accrued interest on securities	2 001	947
- other accrued interest	6 797	8 126
-derivative measurement	3 593	356
- unpaid discount	1 735	1 908
- investment relief, net	1 535	2 173
b. related to own equity	974	
- measurement to fair value	974	
c. related to goodwill or negative goodwill		
2. Increases	1 065	5 310
a. related to financial result of the period due to positive temporary differences (in respect of)	514	4 336
- accrued interest on securities		1 054
- other accrued interest		
- derivatives measurement		3 282
- unpaid discount	514	
- unrealized FX differences		
- investment relief, net		
b. related to own equity due to positive temporary differences (in respect of)	551	974
- securities adjustments to fair value (value adjustment fixed assets revaluation capital)	551	974
c. related to own equity due to negative temporary differences (in respect of)		
3. Deductions	9 195	2 185
a. related to financial result of the period due to positive temporary differences (in respect of)	8 391	2 185
- accrued interest on securities	949	
- other accrued interest	4 224	1 329
-derivative measurement	2 671	45
- unpaid discount		173
- investment relief, net	547	638
b. related to own equity due to positive temporary differences (in respect of)	804	
- securities adjustments to fair value	804	
c. related to goodwill or negative goodwill due to positive temporary differences (in respect of)		
4. Closing 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	1 535
- securities adjustments to fair value	170	

b. related to own equity	551	974
- securities adjustments to fair value (value adjustment fixed assets revaluation capital)	551	974
c. related to goodwill or negative goodwill		

Note 27B

DEFERRED INCOME TAX PROVISION (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	8 505	16 635
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	8 505	16 635

Note 27C

OTHER PROVISIONS (BY CATEGORY)	31.12.2002 (current year)	31.12.2001 (prior year)
- off-balance sheet commitments provision	2 843	516
- provision for employees benefits		500
- general risk reserve		
Total other provisions	2 843	1 016

Note 27D

OTHER PROVISIONS	31.12.2002 (current year)	31.12.2001 (prior year)
a. Short-term		
b. Long-term	2 843	1 016
- off-balance sheet commitments provision	2 843	516
- provision for employees benefits		500
- general risk reserve		
Total other provisions	2 843	1 016

Note 27E

OTHER PROVISIONS (BY CURRENCY)	31.12.2002 (current year)	31.12.2001 (prior year)
a. in Polish zloty (PLN)	2 734	1 016
b. in foreign currencies (in respect of)	109	
b1. Unit/currency 1000 / EUR in PLN thousand	27	
b2. Unit/currency 1000 / USD in PLN thousand	109	
b3. Other currencies (in PLN thousand)		
Total deferred income tax provision	2 843	1 016

Note 27F

MOVEMENTS IN OTHER SHORT-TERM PROVISIONS

not applicable

Note 27G

MOVEMENTS IN OTHER LONG-TERM PROVISIONS	31.12.2002 (current year)	31.12.2001 (prior year)
Opening balance	1 016	6 286
- off-balance sheet commitments provision	516	142
- provision for employees benefits	500	
- general risk reserve		6 144
a) Increases (in respect of)	3 781	3 437
- creating provision for off-balance sheet commitments	3 781	957
- creating provision for employees benefits		500
- creating general risk reserve		1 980
b) utilisation (in respect of)		
c) releases (in respect of)	(1 954)	(8 707)
- release of off-balance sheet commitments provision	(1 454)	(583)
- release of provision for employees benefits	(500)	
- release of general risk reserve		(8 124)
Closing balance		1 016
- off-balance sheet commitments provision		516
- provision for employees benefits		500
- general risk reserve		
Total other long-term provisions	2 843	1 016

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			

As at Dec. 31, 2002 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	31.12.2002 (current year)	31.12.2001 (prior year)
a. Share premium	351 853	351 853
b. Mandatory reserve	391	367
c. Statutory		
d. Contribution from shareholders		
e. Other		
Total reserve capital	352 244	352 220

Note 32

REVALUATION CAPITAL	31.12.2002 (current year)	31.12.2001 (prior year)
a. fixed assets revaluation	521	545
b. deferred income tax		
c. FX differences from foreign branches		
d. Other	1 490	3 480
- value adjustment of available-for-sale securities	1 490	3 480
Total revaluation capital	2 011	4 025

Note 33

OTHER RESERVE CAPITAL (BY PURPOSE)	31.12.2002 (current year)	31.12.2001 (prior year)
- General Risk Fund	79 044	79 044

- Other	17 018	17 018
Total other reserve capital	96 062	96 062

Note 34

Capital Adequacy Ratio calculation	31.12.2002 (current year)	31.12.2001 (prior year)
Risk weighted assets	2 108 029	2 135 181
Risk weighted contingent liabilities	158 308	269 645
Total weighed assets and contingent liabilities	2 266 337	2 404 826
Equity capital	30 155	30 155
Additional capital	352 244	352 220
Reserve capital	17 018	17 018
General Risk Fund	79 044	79 044
Fixed assets revaluation capital	521	545
Undistributed profit (uncovered loss) from previous years	7 805	(2 716)
Subordinated debt		
Deductions of core funds and supplementary own funds	10 910	12 394
Capital exposure	6 572	10 196
30%/10% of net intangible assets in 2002/2001	4 338	2 198
Equity total for the purpose of the capital adequacy ratio calculation	475 877	463 872
Total capital adequacy requirement	183 925	
Capital Adequacy Ratio	20,70%	19,29%

Under the Resolution of the Commission of Banking Supervision dated Dec. 12, 2001 re. the detailed rules of determining the capital adequacy requirements separately for each kind of risk, the method of capital adequacy ratio calculation was modified. The Bank, however, has no comparable data on risks for 2001, thus no calculation of total capital adequacy requirement for 2001 was presented.

Note 35

Book value per share	31.12.2002 (current year)	31.12.2001 (prior year)
Equity capital	30 155	30 155
Additional capital	352 244	352 220
Reserve capital	17 018	17 018
General Risk Fund	79 044	79 044
Fixed assets revaluation capital	2 011	4 025
Undistributed profit (uncovered loss) from previous years	7 805	(2 716)
Net profit	31 375	10 521
Total	519 652	490 267
Number of shares	15 077 700	15 077 700
Book value per share (in PLN)	34,46	32,52

Diluted book value per share
not applicable

Note 36

CONTINGENT LIABILITIES GRANTED TO AFFILIATED ENTITIES	31.12.2002 (current year)	31.12.2001 (prior year)

a. Guarantees and sureties granted to:		
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity		
b. Other, incl.	11 085	34 661
Visa card limits granted to	75	75
- subsidiaries	75	75
- sister companies		
- associated entities		
- major investor		
- controlling entity		
Total guarantees and sureties granted to affiliated entities	11 085	34 661

Note 37

CONTINGENT LIABILITIES RECEIVED FROM AFFILIATED ENTITIES	31.12.2002 (current year)	31.12.2001 (prior year)
a. Guarantees and sureties received from:	92 241	24 040
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity	79 838	14 242
b. Other, incl.		130
Reguarantees received from:		130
- subsidiaries		
- sister companies		
- associated entities		
- major investor		
- controlling entity		130
Total guarantees and sureties received from affiliated entities	92 241	24 170

NOTES TO PROFIT AND LOSS STATEMENT

Note 38

INTEREST INCOME		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Interest income from financial institutions		69 481	258 715
b. Interest income from customers		189 241	106 711
c. Interest income from budget		18	1 446
d. Fixed income securities		45 765	68 716
e. Other		1	447
Total interest income		304 506	436 035

Note 39

INTEREST EXPENSE		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Interest expense on transactions with financial institutions		39 850	55 746
b. Interest expense on transactions with customers		131 926	252 171
c. Interest expense on transactions with budget		2 247	3 393
d. Other		18	21
Total interest income		174 041	311 331

Note 40

COMMISSION AND FEE INCOME		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Commission and fee income on banking activity		71 895	61 225
b. Commission and fee income on brokerage activity			
Total commission and fee income		71 895	61 225

Note 41

INCOME ON SHARES, SECURITIES AND OTHER FINANCIAL INSTRUMENTS WITH VARIABLE YIELD		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Subsidiaries			
b. Sister companies			
c. Associated entities			
d. Other		1 405	6 725
Total income on shares, securities and other financial instruments with variable yield		1 405	6 725

Note 42

NET INCOME FROM FINANCIAL OPERATIONS		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Transactions with securities and other financial instruments		19 976	5 644
- income		35 858	7 716

- expense	15 882	2 072
b. Other financial transactions		7 663
Total net income from financial operations	19 976	13 307

Note 43

OTHER OPERATING INCOME	30.06.2002 (current year)	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Asset management fees			
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale		425	878
c. Recovered past-due, written-off, uncollectible debts		301	127
d. Compensation, penalties, fines received		1 232	2 514
e. Donations			
f. Other		3 720	4 269
- income on cash collection		1 189	2 525
- income on rents and leases		1 132	
- income on provisions for future employee benefits		500	
- leasing		12	251
- other		887	1 493
Total other operating income		5 678	7 788

Note 44

OTHER OPERATING EXPENSES		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Asset management fees			
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale		496	1 534
c. Recovered past-due, written-off, uncollectible debts		462	423
d. Compensation, penalties, fines paid		331	119
e. Donations		39	403
f. Other		4 188	2 119
- provision for employee benefits		178	688
- debt recovery expenses		827	1 063
- improperly paid-out deposits		790	
- unplanned depreciation charges			2
- other		2 393	366
Total other operating expenses		5 516	4 598

Note 45

GENERAL EXPENSES		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Remuneration		54 773	63 530
b. Social security premium and other employee benefits		12 376	4 282
c. Material losses		72 692	75 209
d. Taxes and levies		12	18
e. Bank Guarantee Fund charges		913	1 302
f. Other general expenses			
Total general expenses		140 766	144 341

Note 46

CHARGES TO PROVISIONS AND REVALUATION		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Charges to provisions for::		111 218	109 784
- performing loans		1 307	2 827
- loans on watch-list		2 206	566
- non-performing loans		103 393	103 187
- contingent liabilities		3 781	957
- general risk reserve			1 980
- other		531	267
b. Revaluation:			8 000
- of financial assets			8 000
- other			
Total charges to provisions and revaluation		111 218	117 784

Note 47

RELEASE OF PROVISIONS AND DECREASE IN RESPECT OF REVALUATION		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a. Releases of provisions for::		59 351	48 707
- performing loans		4 354	
- loans on watch-list		1 693	430
- non-performing loans		51 824	39 461
- contingent liabilities		1 453	583
- general risk reserve			8 124
- other		27	109
b. Revaluation:			2
- of financial assets			
- other			2
Total releases of provisions and decrease in respect of revaluation		59 351	48 709

Note 49

EXTRAORDINARY GAINS		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a) Contingent			
b) Other			181
Total extraordinary gains			181

Note 50

EXTRAORDINARY LOSSES	30.06.2002 (current year)	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
a) Contingent			
b) Other			181
Total extraordinary losses			181

Note 51A

CURRENT CORPORATE INCOME TAX	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
1. Gross profit before tax	41 510	15 763
2. Differences between gross profit before taxation and taxable income	48 210	24 317
- permanent	7 395	4 185
- temporary	40 854	21 359
- other	(39)	(1 227)
3. Taxable income	89 720	40 080
4. Corporate Income Tax 28%2002 / 28%2001	25 122	11 223
5. Increases, exemptions, deductions and abatements		
6. Corporate Income Tax payable as shown in CIT declaration	25 122	11 223
- as shown in the profit&loss statement	24 202	11 223
- 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	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
- decrease/increase due to arising and reversing the temporary differences	(10 849)	(5 981)
- decrease/increase due to changes in tax rates	(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	(14 067)	(5 981)

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

a) investment tax allowance and investment premium claimed as at 31.12.2002 (in PLN thousand)

	31.12.2002	31.12.2001
Deduction from revenue - investment tax allowance	-	-
Deduction from revenue - premium relief (in 000's)	-	1 323
Difference resulting from investment tax relief correction in 1998 (in 000's)	-	(96)

b) tax deductible donations granted (in PLN thousand)

31.12.2002	31.12.2001
39	580

c) reasons for discontinuance of payment, exemptions, deductions and abatements

d) deferred tax liabilities as of 31.12.2002 (in PLN thousand) divided into categories:

	31.12.2002	31.12.2001
accrued interest on securities	3 896	13 872
other accrued interest	9 528	17 970
derivatives valuation	3 416	12 831
unrealised discount	8 329	6 333
net investment tax allowance	3 681	5 851
pricing of securities	2 649	-
deferred tax liability base	31 499	56 858
tax rate		28%
tax before change		15 920
opening balance adjustment		715

tax after correction	8 505	16 635
tax rates	27%	28%, 24%, 22%

e) deferred tax assets as of 31.12.2002 (in PLN thousand) divided into categories:	31.12.2002	31.12.2001
interest payable	11 459	28 946
deffered income	260	478
provision for non-performing loans	104 861	80 863
other provisions	20 410	6 240
other	234	314
deferred tax asset base	137 224	116 841
tax rate		28%
tax before change		32 715
opening balance adjustment		(1 049)
tax after correction	37 050	31 666
difference between liability and receivable	(28 545)	(15 031)
tax rates	27%	28%, 24%, 22%

f) changes resulting from the change of tax rates did not occur

g) the Bank did not release any deferred tax assets due to the inability of claiming the future tax receivables

h) income tax on extraordinary gains amounts to 0

Note 51C

TOTAL DEFERRED INCOME TAX	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
- included in equity	551	
- included in goodwill and negative goodwill		

Note 51D

INCOME TAX AS SHOWN IN PROFIT&LOSS STATEMENT

not applicable

Note 53

SHARE IN NET PROFIT (LOSS) OF SUBSIDIARIES MEASURED BY EQUITY RIGHTS	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
- write-off of difference in net assets valuation	(3 624)	

Note 54

PROPOSED ALLOCATION OF 2002 NET PROFIT

The Board of Executives intends to propose to the Shareholders' Meeting to allocate the 2002 profit in the amount of PLN 31,374,465.79 for payment of dividend to the shareholders. The Board of Executives will propose a motion to the General Shareholders' Meeting to allocate PLN 2 716 thousand of the additional capital to cover the net loss resulting from changes in the applied accounting principles required by the amended Accounting Act.

Note 55

PROFIT PER ORDINARY SHARE	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Net profit	31 375	10 521
Weighted average ordinary shares	15 077 700	15 077 700

Profit per ordinary share (in PLN)	2,08	0,70
---	-------------	-------------

Diluted profit per share	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Net profit		
Projected weighted average ordinary shares		
Diluted profit per ordinary share (in PLN)		

NOTES TO CASH FLOW STATEMENT

A. CASH FLOW FROM OPERATING ACTIVITIES (I +/- II) - indirect method*	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
I. Net profit (loss)	31 375	10 521
II. Adjustments for:	164 644	25 964
1. Share in net profit (loss) of subsidiaries measured by equity rights	3 624	
2. Depreciation	27 772	26 072
3. Foreign exchange gains/(losses)	71 952	
4. Interest and dividends received and paid	(31 480)	(6 924)
5. Profit (loss) on investments	(42 401)	(1 046)
6. Change in other reserves	(38 361)	(5 270)
7. Change in debt securities held	207 190	(703)
8. Change in amounts due from financial sector	389 060	190 600
9. Change in amounts due from customers and budget sectors	(27 730)	(267 990)
10. Change in securities purchased under resale agreements		
11. Change in shares securities and other financial instruments with variable yield		
12. Change in amounts due to financial sector	(256 979)	(22 034)
13. Change in amounts due to customers and budget sectors	(197 903)	128 290
14. Change in securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	(37 599)	28 082
17. Change in interperiod settlements	8 483	(17 554)
18. Change in accrued and deferred income	20 722	34 412
19. Other items	68 294	(59 971)
III. Net cash flow from operating activity (I +/- II)	196 019	36 485

Structure of cash (ref. to balance-sheet movements of cash)	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Cash	63 882	69 092
Travellers checks and valuable stamps	37	60
Current account with NBP	185 068	338 492
Nostro accounts with Polish banks	254	238
Nostro accounts with foreign banks	5 708	5 771
O/N deposits of Polish banks	165 000	343 000
O/N deposits of foreign banks	70 966	
Current receivables from financial institutions	353	
Interest receivable from performing debit balances	38	107
Total cash	491 306	756 760

Other items - operating activity		01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Donations		39	533
Change in balance of accrued income from securities		(6 557)	(17 421)
Change in balance of other assets		74 812	(51 083)
Change in balance of provisions for shares and investments			8 000
Total		68 294	(59 971)

Other inflow - investment activity	30.06.2002 (current year)	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Realised interest on securities in 2001/2000, accrued in 2002/2001		13 475	9 358
Realised and accrued interest on securities in 2002/2001		31 480	6 924
Total		44 955	16 282

Other outflow - investment activity	30.06.2002 (current year)	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Prepayments for investments		(114)	
Total		(114)	

Other outflow - financial activity	30.06.2002 (current year)	01.01.2002- 31.12.2002 (current year)	01.01.2001- 31.12.2001 (prior year)
Donations		(39)	(533)
Total		(39)	(533)

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:

- 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 for social purposes (donations).