

MOVEMENTS IN OWN EQUITY

	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
I. Opening balance of own equity	595 176	516 176	516 176
a) Changes in adopted accounting principles (policy)	(7 468)	(2 731)	(2 731)
b) Correction of material errors			
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	587 708	513 445	513 445
1. Opening balance of share capital	30 155	30 155	30 155
1.1. Movements in share capital			
a) increases (in respect of)			
- issue of shares			
b) decreases (in respect of)			
- redemption of shares			
1.2. Closing balance of share capital	30 155	30 155	30 155
2. Opening balance of unpaid contribution to share capital			
2.1. Movements in unpaid contributions to share capital			
a) increases			
b) decreases			
2.2. Closing balance of unpaid contribution to share capital			
3. Opening balance of own shares			
a) increases			
b) decreases			
3.1 Closing balance of own shares			
4. Opening balance of reserve capital	349 539	349 534	349 534
4.1. Movements in reserve capital		5	5
a) increases (in respect of)		5	5
- issuance of shares above their par value			
- profit distribution (mandatory)			
- distribution of profit (voluntary)			
- sale and liquidation of fixed assets		5	5
b) decreases (in respect of)			
- covering financial effects of the amendments to the Accounting Act			
- sale and liquidation of fixed assets			
4.2. Closing balance of reserve capital	349 539	349 539	349 539
5. Opening balance of revaluation reserve	(163)	(7 336)	(7 336)
5.1. Movements in revaluation reserve	5 246	7 174	(4 764)
a) increases (in respect of)	8 407	22 117	4 649
- sale and liquidation of fixed assets			
- valuation of securities available for sale	7 223	17 939	2 646
- valuation of shares in subsidiaries	839	1 945	194
- deferred corporate income tax	345	2 233	1 809
b) decreases (in respect of)	(3 161)	(14 943)	(9 413)
- sale of fixed assets			
- liquidation of fixed assets		(5)	(5)
- valuation of securities available for sale	(1 287)	(9 936)	(7 888)
- valuation of shares in subsidiaries	(400)	(1 316)	(1 057)
- deferred corporate income tax	(1 474)	(3 686)	(463)
5.2. Closing balance of revaluation reserve	5 083	(163)	(12 100)
6. Opening balance of General Risk Fund	112 263	80 263	80 263
6.1. Movements in General Risk Fund	24 553	32 000	32 000
a) increases (in respect of)	24 553	32 000	32 000
- profit distribution	24 553	32 000	32 000
b) decreases (in respect of)			
6.2. Closing balance of General Risk Fund	136 816	112 263	112 263
7. Opening balance of other reserve capital	17 018	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	17 018

8. Opening balance of undistributed profit (uncovered loss) from prior year	86 364	46 542	46 542
8.1. Opening balance of undistributed profit from prior years	89 095	46 542	46 542
a) changes in adopted accounting principles (policy)			
b) corrections of material errors			
8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation	89 095	46 542	46 542
8.3. Movements in undistributed profit from prior years	(24 553)	(32 000)	(32 000)
a) increases (in respect of)			
- profit distribution			
- changes in adopted accounting principles (policy)			
b) decreases (in respect of)	(24 553)	(32 000)	(32 000)
- profit distribution	(24 553)	(32 000)	(32 000)
8.4. Closing balance of undistributed profit from prior years	64 542	14 542	14 542
8.5. Opening balance of uncovered loss from prior years	(2 731)		
a) changes in adopted accounting principles (policy)	(7 468)	(2 731)	(2 731)
b) corrections of material errors			
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation	(10 199)	(2 731)	(2 731)
8.7. Movements in uncovered loss from prior years			
a) increases (in respect of)			
b) decreases (in respect of)			
- profit distribution			
- loss coverage from the reserve capital			
8.8. Closing balance of uncovered loss from prior years	(10 199)	(2 731)	(2 731)
8.9. Closing balance of undistributed profit or uncovered loss from prior years	54 343	11 811	11 811
9. Net income	48 702	74 553	38 050
a) net profit	48 702	74 553	38 050
b) net loss			
II. Closing balance of own equity	641 656	595 176	546 736
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	641 656	595 176	546 736

CASH FLOW STATEMENT

	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method*		
I. Net profit (loss)	48 702	38 050
II. Adjustments for:	145 608	(280 761)
1. Share in net profit (loss) of subsidiaries measured by equity rights	(1 452)	(2 052)
2. Depreciation	9 123	11 914
3. Foreign exchange gains/(losses)	57	(58 621)
4. Interest and dividends received and paid	5 893	7 126
5. Profit (loss) on investments	(1 158)	(52)
6. Change in other reserves	12 986	11 184
7. Change in debt securities held	4 524	92 660
8. Change in amounts due from financial sector	361 282	(45 415)
9. Change in amounts due from customers and budget	(373 564)	(160 128)
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield	(3 909)	(9 634)
12. Change in amounts due to financial sector	(180 817)	(301 565)
13. Change in amounts due to customers and budget	233 890	109 532
14. Change securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	46 344	2 787
17. Change in prepayments and accrued income	(3 492)	(5 375)
18. Change in deferred income	1 150	7 485
19. Other items	34 751	59 393
III. Net cash flow from operating activity (I +/- II) - indirect method	194 310	(242 711)

B. CASH FLOW FROM INVESTING ACTIVITY (I-II)		
I. Cash inflows from investing activity	1 160 648	549 765
1. Sale of shares in subsidiaries		
2. Sale of shares in sister companies		
3. Sale of shares in associated entities		
4. Sale of other shares, securities and financial assets	1 157 236	548 574
5. Sale of tangible and intangible fixed assets	410	33
6. Sale of investments in real estates and intangible fixed assets		
7. Other inflows	3 002	1 158
II. Cash outflows from investing activity	(1 110 874)	(709 153)
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	(1 096 956)	(704 897)
5. Purchase of tangible and intangible fixed assets	(8 703)	(2 709)
6. Investments in real estates and intangible fixed assets	(1 668)	(1 547)
7. Other outflows	(3 547)	
III. Net cash flow from investing activity (I +/- II)	49 774	(159 388)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)		
I. Cash inflows from financial activity		1 289 130
1. Long-term loans from other banks		1 289 130
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	(18 069)	(522 105)
1. Repayment of long-term loans contracted from other banks		(502 954)
2. Repayment of long-term loans contracted from other financial institutions	(10 126)	(11 751)
3. Redemption of debt securities		
4. Other financial liabilities		
5. Payment of liabilities under financial lease agreements		
6. Decrease in subordinated debt		
7. Payment of dividends and other payments to owners		
8. Other payments (not to owners) related to profit distribution		
9. Purchase of own shares		
10. Other outflows	(7 943)	(7 400)
III. Net cash flow from financial activity (I +/- II)	(18 069)	767 025
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	226 016	364 926
E. CHANGE IN CASH IN BALANCE-SHEET	226 016	364 926
- including changes in cash arising from FX rate differences	(836)	(6 743)
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	695 484	333 158
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	921 500	698 084
- including cash with restricted option of use		

NOTES TO THE BALANCE SHEET

Note 1A

CASH AND DUE FROM CENTRAL BANK	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current account	77 860	146 328	70 056
b. Mandatory reserve			
c. Amounts of Bank Guarantee Fund			
d. Other	2	53	129
TOTAL of cash and due from Central Bank	77 862	146 381	70 185

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

In period from December 31, 2004 to January 30, 2005 the Bank's mandatory reserve on the current account with NBP amounted to PLN 94,354 thousand.

In period from June 30, 2004 to August 1, 2004 the Bank's mandatory reserve on the current account with NBP amounted to PLN 90,571 thousand.

Note 1B

CASH (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in polish currency	46 650	101 063	25 377
b. in foreign currency (PLN equivalent)	31 212	45 318	44 808
b1. unit/currency 1000/EUR	4 707	8 336	5 967
in thousand PLN	19 016	34 003	27 104
b2. unit/currency 1000/USD	2 902	2 660	4 168
in thousand PLN	9 709	7 955	15 618
b5. other currencies (in PLN thousand)	2 487	3 360	2 086
TOTAL CASH	77 862	146 381	70 185

Note 2A

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts	843 545	549 054	627 847
b. Credits, loans and placements, incl.	367 919	741 850	236 895
- placements in other banks and financial institutions	160 000	687 913	165 227
c. Purchased receivables			
d. Realized guarantees and commitments			
e. Other receivables (in respect of)	19 302	7 523	27 813
- documentary transactions			14 100
- L/C discounts	19 247	7 468	13 674
- VISA cards settlements	55	55	39
f. Interest	1 371	584	6 528
- accrued	1 332	549	6 492
- overdue	39	35	36
Total gross receivables due from other financial institutions	1 232 137	1 299 011	899 083
g. Provisions for receivables due from other financial institutions (negative value)	(74)	(75)	(85)
Total receivables due from other financial institutions (net)	1 232 063	1 298 936	898 998

The Bank has neither credits nor loans without interest calculated.

Note 2B

GROSS RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS (BY MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts	843 545	549 054	627 847
b. Term, with maturity from balance sheet date:	387 221	749 373	264 708
- up to 1 month	167 725	581 852	99 520
- 1 month - 3 months	7 738	12 367	16 260
- 3 months - 1 year	44 245	827	2 561
- 1 year - 5 years	167 439		
- over 5 years	0	154 252	146 282
- overdue	74	75	85
c. Interest	1 371	584	6 528
- accrued	1 332	549	6 492
- overdue	39	35	36
Total receivables due from other financial institutions (gross)	1 232 137	1 299 011	899 083

Changes in the presentation of the receivables by maturity have been described in the Additional Notes, item 32.

Note 2C

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (CONTRACTUAL MATURITY)	(BY 30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts	843 545	549 054	627 847
b. Term, with duration:	387 221	749 373	264 708
- up to 1 month	3 762	529 779	27 642
- 1 month - 3 months	164 836	14 345	3 506
- 3 months - 1 year	11 129	1 324	15 611
- 1 year - 5 years	207 494	49 335	71 667
- over 5 years		154 590	146 282
c. Interest	1 371	584	6 528
- accrued	1 332	549	6 492
- overdue	39	35	36
Total receivables due from other financial institutions (gross)	1 232 137	1 299 011	899 083

Note 2D

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (CURRENCY)	(BY 30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a.in Polish zloty (PLN)	870 737	362 778	469 144
b. in foreign currency (PLN equivalent)	361 400	936 233	429 939
b1. unit/currency 1000/ USD	8 050	222 187	63 782
in PLN thousand	26 936	664 429	238 992
b2. unit/currency 1000 /EUR	76 967	62 723	36 782
in PLN thousand	310 956	255 845	167 069
b3. unit/currency 1000 /CHF	4 592	3 132	3 628
in PLN thousand	11 971	8 274	10 784
b4. unit/currency 1000/ GBP	1 342	600	1 122
in PLN thousand	8 088	3 462	7 602
b5. other receivables (in PLN thousand)	3 449	4 223	5 492
Total receivables due from other financial institutions (gross)	1 232 137	1 299 011	899 083

Note 2E

RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS (GROSS)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1.Performing loans	1 230 692	1 298 352	892 470
2. Loans on watch-list			
3. Non-performing loans, including:	74	75	85
- substandard			
- doubtful			
- lost	74	75	85
4.Interest:	1 371	584	6 528
a) accrued	1 332	549	6 492
b) overdue	39	35	36
- from performing and loans on watch-list			
- from non-performing loans	39	35	36
Total receivables due from other financial institutions (gross)	1 232 137	1 299 011	899 083

Note 2F

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Loans on watch-list			
b. Non-performing loans, including:	74	75	85
- substandard			
- doubtful			
- lost	74	75	85
Total specific provisions for receivables due from other financial institutions	74	75	85

Note 2G

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Opening balance	75	87	87
a) Increases (in respect of)			2
- creating provision			2
- FX differences			
b) Utilisation (in respect of)			
c) Releases (in respect of)	(1)	(12)	(4)
- repayment of debts			
- FX differences	(1)	(12)	(4)
2. Closing balance	74	75	85
3. The required amount of specific provisions for receivables due from other financial institutions acc. to the binding law	74	75	85

Note 3A

RECEIVABLES DUE FROM CUSTOMERS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Credits and loans	3 767 584	3 401 940	3 425 940
b. Purchased receivables	3 420	3 736	5 008
c. Realized guarantees and commitments	4 161	3 797	4 061
d. Other receivables (in respect of)	13 432	13 461	12 447
- VISA cards settlements	13 337	13 461	10 979
- documentary transactions			1 427
- L/C discounts	95		41
e. Interest	126 338	118 132	108 300
- accrued	21 304	22 542	17 883
- overdue	105 034	95 590	90 417
Total receivables from customers (gross)	3 914 935	3 541 066	3 555 756
f. Provision for receivables from customers (negative value)	(159 913)	(159 483)	(159 291)
Total receivables due from customers (net)	3 755 022	3 381 583	3 396 465

The Bank has neither credits nor loans without interest calculated. The Bank has no loans related to financial leases.

Note 3B

RECEIVABLES DUE FROM CUSTOMERS (BY MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts	786 600	794 375	741 061
b. Term, with maturity from balance sheet date:	3 001 997	2 628 559	2 706 395
- up to 1 month	126 040	65 838	44 692
- 1 month - 3 months	98 235	91 552	102 353
- 3 months - 1 year	617 231	543 771	510 047
- 1 year - 5 years	810 330	614 944	655 554
- over 5 years	1 180 883	1 015 133	1 053 521
- overdue	169 278	297 321	340 228
c. Interest	126 338	118 132	108 300
- accrued	21 304	22 542	17 883
- overdue	105 034	95 590	90 417
Total receivables due from customers (gross)	3 914 935	3 541 066	3 555 756

Changes in the presentation of the receivables by maturity have been described in the Additional Notes, item 32.

Note 3C

RECEIVABLES DUE FROM CUSTOMERS (BY CONTRACTUAL MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts	786 600	794 375	741 061
b. Term, with duration:	3 001 997	2 628 559	2 706 395
- up to 1 month	919 094	93 628	88 433
- 1 month - 3 months	246 909	24 789	33 045
- 3 months - 1 year	121 345	728 123	730 444
- 1 year - 5 years	418 950	604 088	625 912
- over 5 years	1 295 699	1 177 931	1 228 561
c. Interest	126 338	118 132	108 300
- accrued	21 304	22 542	17 883
- overdue	105 034	95 590	90 417
Total receivables due from customers (gross)	3 914 935	3 541 066	3 555 756

Note 3D

RECEIVABLES DUE FROM CUSTOMERS (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	2 414 118	2 081 020	1 889 073
b. in foreign currencies (PLN equivalent)	1 500 817	1 460 046	1 666 683
b1. Unit/currency 1000 / EUR	123 423	243 218	253 263
in PLN thousand	1 043 069	992 082	1 150 372
b2. Unit/currency 1000 / USD	72 500	91 141	85 376
in PLN thousand	242 592	272 547	319 905
b3. Unit/currency 1000 / CHF	82 274	73 649	65 726
in PLN thousand	214 505	194 590	195 376
b4. Other currencies (in PLN thousand)	651	827	1 030
Total receivables due from customers (net)	3 914 935	3 541 066	3 555 756

Note 3E

RECEIVABLES DUE FROM CUSTOMERS (GROSS)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Performing loans	3 448 460	3 060 066	3 049 448
2. Loans on watch-list	61 484	65 329	57 549
3. Non-performing loans, including:	278 653	297 539	340 459
- substandard	53 736	28 155	44 526
- doubtful	51 147	85 451	110 045
- lost	173 770	183 933	185 888
4. Interest:	126 338	118 132	108 300
a) accrued	21 304	22 542	17 883
b) overdue	105 034	95 590	90 417
- from performing and loans on watch-list	119	250	1 312
- from non-performing loans	104 915	95 340	89 105
Total receivables due from customers (gross)	3 914 935	3 541 066	3 555 756

Note 3F

VALUE OF LEGAL COLLATERAL DIMINISHING THE BASE FOR CALCULATION OF SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Performing loans (including interest)			
a. Loans on watch-list	20 549	27 658	37 039
b. Non-performing loans, including:	129 037	151 044	275 291
- substandard	34 484	22 592	41 947
- doubtful	41 254	68 744	87 530
- lost	53 299	59 708	145 814
Total value of collateral diminishing the base for calculation of specific provisions for receivables due from customers	149 586	178 702	312 330

Note 3G

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Performing loans	4 880	4 803	3 786
a. Loans on watch-list	624	584	435
b. Non-performing loans, including:	154 409	154 096	155 070
- substandard	4 843	1 964	4 071
- doubtful	12 134	15 653	14 053
- lost	137 432	136 479	136 946
Total specific provisions for receivables due from customers	159 913	159 483	159 291

Note 3H

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM CUSTOMERS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Opening balance	159 483	152 291	152 291
a) Increases (in respect of)	19 460	41 152	20 447
- change in risk category	13 217	37 618	19 962
- other	6 243	3 534	485
b) Utilisation (in respect of)			
c) Releases (in respect of)	(19 030)	(33 960)	(13 447)
- repayment	(8 190)	(9 836)	(6 498)
- change in risk category	(1 913)	(4 814)	(3 790)
- write off	(4 350)	(5 077)	(1 016)
- other (incl. foreign exchange differences)	(4 577)	(14 233)	(2 143)
2. Closing balance	159 913	159 483	159 291
3. The required amount of specific provisions acc. to the binding law	159 913	159 483	159 291

Note 4A

RECEIVABLES DUE FROM BUDGET (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Credits and loans	588	54	72
b. Purchased receivables			
c. Realized guarantees and commitments			
d. Other receivables (in respect of)	7	1	5
- VISA cards settlements	7	1	5
e. Interest	1		
- accrued	1		
- overdue			
Total receivables due from budget (gross)	596	55	77
f. Provision for receivables from budget (negative value)	(26)		
Total receivables due from budget (net)	570	55	77

The Bank has neither credits nor loans without interest calculated. The Bank has no loans related to financial leases.

Note 4B

RECEIVABLES DUE FROM BUDGET (BY MATURITY DATE)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts			
b. Term, with maturity from balance sheet date:	595	55	77
- up to 1 month	11	1	5
- 1 month - 3 months	13		
- 3 months - 1 year	61		
- 1 year - 5 years	141	54	72
- over 5 years	369		
- overdue			
c. Interest	1		
- accrued	1		
- overdue			
Total receivables due from budget (gross)	596	55	77

Changes in the presentation of the receivables by maturity have been described in the Additional Notes, item 32.

Note 4C

RECEIVABLES DUE FROM BUDGET (BY CONTRACTUAL MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts			
b. Term, with duration:	595	55	77
- up to 1 month	7	1	5
- 1 month - 3 months			
- 3 months - 1 year			
- 1 year - 5 years	48	54	72
- over 5 years	540		
c. Interest	1		
- accrued	1		
- overdue			
Total receivables due from budget (gross)	596	55	77

Note 4D

RECEIVABLES DUE FROM BUDGET (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	596	55	77
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)	596	55	77

Note 4E

RECEIVABLES DUE FROM BUDGET (GROSS)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Performing loans	547	55	77
2. Loans on watch-list			
3. Non-performing loans, including:	48		
- substandard			
- doubtful	48		
- lost			
4. Interest:	1		
a) accrued	1		
b) overdue			
- from performing and loans on watch-list			
- from non-performing loans			
Total due from budget (gross)	596	55	77

Note 4F

SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Performing loans			
a. Loans on watch-list			
b. Non-performing loans, including:	26		
- substandard			
- doubtful	26		
- lost			
Total specific provisions for receivables due from budget	26		

Note 4G

MOVEMENTS IN SPECIFIC PROVISIONS FOR RECEIVABLES DUE FROM BUDGET	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Opening balance	-		
a) Increases (in respect of)	26		
b) Utilisation (in respect of)			
c) Releases (in respect of)			
2. Closing balance	26		
3. The required amount of specific provisions acc. to the binding law	26		

Note 5A

DEBT SECURITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Issued by central banks, of which:	25 499	26 214	92 038
- 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:	251 936	320 291	525 633
- denominated in foreign currency			
f. Issued by local authorities, of which:			
- denominated in foreign currency			
g. Repurchased own securities			
Total debt securities	277 435	346 505	617 671

Note 5B

DEBT SECURITIES (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Issued by State Treasury, of which:	251 936	320 291	525 633
a) bonds	211 772	202 081	192 053
b) treasury bills	40 164	118 210	333 580
c) other (by category)			
2. Issued by parent entity, of which:			
a) bonds			
b) other (by category)			
3. Issued by major investor, of which:			
a) bonds			
b) other (by category)			
4. Issued by subsidiaries, of which:			
a) bonds			
b) other (by category):			

5. Issued by sister companies, of which:			
a) bonds			
b) other (by category):			
6. Issued by associated entities, of which:			
a) bonds			
b) other (by category):			
7. Issued by others, of which:	25 499	26 214	92 038
a) bonds	25 499	26 214	25 476
- NBP bonds against mandatory reserve	25 499	26 214	25 476
b) other (by category):			66 562
- NBP bills			66 562
Total debt securities	277 435	346 505	617 671

Note 5C

MOVEMENTS IN DEBT SECURITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a) Opening balance	346 505	572 342	572 342
b) Increases (in respect of)	1 729 034	3 433 646	1 396 319
- purchase	1 719 740	3 421 680	1 388 571
- discount	3 425	3 821	7 748
- value adjustments	5 869	8 145	
c) Decreases (in respect of)	(1 798 104)	(3 659 483)	(1 350 990)
- sale	(1 796 879)	(3 657 664)	(1 342 645)
- interest	(1 225)	(1 764)	(1 629)
- discount/premium		(55)	(1 208)
- value adjustments			(5 508)
d) Closing balance	277 435	346 505	617 671

Debt securities securing the Bank's liabilities:

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

- as at 30.06.2005 - 1,310 bills at total nominal value of PLN 13,100 thousand,
- as at 31.12.2004 - 1,300 bills at total nominal value of PLN 13,000 thousand,
- as at 30.06.2004 - 1,300 bills at total nominal value of PLN 13,000 thousand,

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

- as at 30.06.2005 - total nominal value of PLN 26,900 thousand,
- as at 31.12.2004 - total nominal value of PLN 87,000 thousand,
- as at 30.06.2004 - total nominal value of PLN 310,000 thousand,

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

- as at 30.06.2005 - total nominal value of PLN 24,979 thousand,
- as at 31.12.2004 - total nominal value of PLN 24,979 thousand,
- as at 30.06.2004 - total nominal value of PLN 24,979 thousand,

Note 6A

SHARES AND INVESTMENTS IN SUBSIDIARIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a) in banks			
b) in other financial institutions	64 515	62 582	59 272
c) in non-financial institution			
Total shares and investments in subsidiary	64 515	62 582	59 272

Note 6B

MOVEMENTS IN SHARES AND INVESTMENTS IN SUBSIDIARIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Opening balance	62 582	58 084	58 084
a) Increases (in respect of)	1 933	5 846	2 248
- acquisition of share issue			
- release of provision	1 933	5 846	2 248
b) Decreases (in respect of)		(1 348)	(1 060)
- creating of specific provision		(1 348)	(1 060)
Closing balance	64 515	62 582	59 272

Note 8A

SHARES AND INVESTMENTS IN OTHER ENTITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. other financial institutions			
b. non-financial institutions	45	45	50
Total shares and investments in other entities	45	45	50

As at June 30, 2005 the Bank owned 7 (seven) share of EUR at par value of 11,113.41 in S.W.I.F.T., the global banking communication entity.

Note 8B

MOVEMENTS IN SHARES AND INVESTMENTS IN OTHER ENTITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Opening balance	45	52	52
a) Increases (in respect of)			
- purchase			
- discount			
- interest			
- other (FX differences)			
b) Decreases (in respect of)		(7)	(2)
- sale			
- interest			
- premium			
- discount		(7)	
- other (FX differences)			(2)
Closing balance	45	45	50

Note 9A

OTHER SECURITIES AND FINANCIAL ASSETS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. pre-emptive rights			
b. derivatives			
c. other (by category)	28 859	21 410	11 215
- settlements of financial instruments valuation	28 859	21 410	11 215
Total other securities and financial assets (by category)	28 859	21 410	11 215

Note 9B

MOVEMENTS IN OTHER SECURITIES AND FINANCIAL ASSETS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Opening balance	21 410	1 579	1 579
a) Increases (in respect of)	20 041	37 140	39 612
- purchase			
- financial instruments valuation	20 041	37 140	39 612
b) Decreases (in respect of)	(12 592)	(17 309)	(29 976)
- financial instruments valuation	(12 592)	(17 309)	(29 976)
Closing balance	28 859	21 410	11 215

Note 9C

OTHER SECURITIES AND FINANCIAL ASSETS (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	16 429	17 463	11 129
b. in foreign currencies (PLN equivalent)	12 430	3 947	86
b1. Unit/currency 1000 / EUR	1 542	599	19
in PLN thousand	6 230	2 443	86
b2. Unit/currency 1000 / USD	1 758	492	
in PLN thousand	5 881	1 472	
b3. Other currencies (in PLN thousand)	319	32	
Total other securities and financial assets	28 859	21 410	11 215

Note 10A

FINANCIAL ASSETS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. financial assets held for trading	29 457	40 502	39 334
b. cash	110 567	174 513	109 428
c. credits and loans granted by the Bank and own receivables not held for trading	4 954 950	4 652 442	4 256 297
d. held-to-maturity financial assets			
e. available-for-sale financial assets	276 882	327 458	589 602
Total financial assets	5 371 856	5 194 915	4 994 661

Note 10B

FINANCIAL ASSETS (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	3 527 443	2 808 127	2 917 184
b. in foreign currencies (PLN equivalent)	1 844 413	2 386 788	2 077 477
b1. Unit/currency 1000 / EUR	196 896	434 570	286 544
in PLN thousand	1 339 908	1 244 729	1 301 542
b2. Unit/currency 1000 / USD	79 224	310 629	148 122
in PLN thousand	265 087	928 906	555 012
b3. Unit/currency 1000 / CHF	86 082	76 290	68 909
in PLN thousand	224 431	201 567	204 837
b4. Other currencies (in PLN thousand)	14 987	11 586	16 086
Total financial assets	5 371 856	5 194 915	4 994 661

Note 10C

FINANCIAL ASSETS HELD FOR TRADING - TRADING PORTFOLIO (ACC. TO MARKETABILITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	598	19 092	28 119
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):			23 571
- fair value			23 571
- market value			
- value at purchase cost			
c. other - by category (book value):	598	19 092	4 548
c1. T-bills	598	19 092	4 548
- fair value	598	19 092	4 548
- market value			
- value at purchase cost			
	582	18 877	4 466
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)	28 859	21 410	11 215
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):	28 859	21 410	11 215
c1. financial instruments	28 859	21 410	11 215
- fair value	28 859	21 410	11 215
- 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	582	18 877	29 493
Total opening balance value	40 502	141 972	141 972
Total value adjustments	28 875	21 625	9 841
Total book value	29 457	40 502	39 334

Note 10D

AVAILABLE-FOR-SALE FINANCIAL ASSETS (BY MARKETABILITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
A. Unrestricted marketability, quoted on Stock Exchange (book value)	237 270	228 295	168 482
a. shares (book value):			
- fair value			
- market value			
- value at purchase cost			
b. bonds (book value):	237 270	228 295	168 482
- fair value	237 270	228 295	168 482
- market value			
- value at purchase cost			
c. other - by category (book value):	224 149	224 149	180 742
c1.			
- fair value			
- market value			
- value at purchase cost			

B. Unrestricted marketability, and quoted on OTC market (book value)	39 567	99 118	395 594
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):	39 567	99 118	395 594
c1. Treasury bills	39 567	99 118	329 032
- fair value	39 567	99 118	329 032
- market value			
- value at purchase cost	37 230	96 073	321 681
c2. NBP bills			66 562
- fair value			66 562
- market value			
- value at purchase cost			66 504
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	45	25 526
a. shares and investments (book value):	45	45	50
- fair value			
- market value	45	45	50
- value at purchase cost	45	45	50
b. bonds (book value):			25 476
- fair value			25 476
- market value			
- value at purchase cost			24 979
c. other - by category (book value):			
c1.			
- fair value			
- market value			
- value at purchase cost			
Total value at purchase cost	261 424	320 267	593 956
Total opening balance value	327 458	432 001	432 001
Total value adjustments	15 458	7 191	(4 354)
Total book value	276 882	327 458	589 602

Note 11A

INTANGIBLE FIXED ASSETS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. research and development costs			
b. goodwill			
c. patents, licences and related rights, incl.	11 756	10 380	9 621
- purchased software	11 756	10 380	9 621
d. other intangible fixed assets			
e. prepayments for intangible fixed assets			
Total intangible fixed assets	11 756	10 380	9 621

Note 11C

INTANGIBLE FIXED ASSETS (by ownership)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. own	11 756	10 380	9 621
b. used under rental, lease or other agreements, incl. leasing			
Total intangible fixed assets	11 756	10 380	9 621

Note 12A

TANGIBLE FIXED ASSETS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a) Tangible fixed assets, of which:	42 386	43 137	45 194
- land (incl. perpetual usufruct right)			
- buildings, premises, ground or water structures			
- technical equipment and machines	8 920	9 150	9 408
- vehicles	5 004	3 082	3 771
- other fixed assets	28 462	30 905	32 015
b) Assets under construction	4 944	1 372	1 066
c) Advances for assets under construction			
Total tangible fixed assets	47 330	44 509	46 260

Note 12B

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)			53 210	9 200	60 824	123 234
b) increases (in respect to)			2 342	2 708	650	5 700
- purchase			1 706	2 708	609	5 023
- investment settlements			636		41	677
- other						
c) decrease (in respect to)			(1 402)	(1 210)	(154)	(2 766)
- sale			(688)	(1 210)	(126)	(2 024)
- liquidation			(240)		(17)	(257)
- other			(474)		(11)	(485)
d) closing balance of fixed assets value (gross)			54 150	10 698	61 320	126 168
e) opening balance of accumulated depreciation			(44 060)	(6 117)	(29 885)	(80 062)
f) depreciation for period (in respect to)			(1 170)	423	(2 955)	(3 702)
- calculation			(2 573)	(785)	(3 079)	(6 437)
- sale			679	1 208	103	1 990
- liquidation			243		18	261
- other			481		3	484
g) closing balance of accumulated depreciation			(45 230)	(5 694)	(32 840)	(83 764)
h) opening balance of write-offs due to impairment loss					(33)	(33)
- increase					15	15
- decrease						
i) closing balance of write-offs due to impairment loss					(18)	(18)
j) closing balance of net fixed assets			8 920	5 004	28 462	42 386

Note 12C

ON-BALANCE FIXED ASSETS (BY OWNERSHIP)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Own	47 330	44 509	46 260
b. Used under rental, lease or other agreements, incl. leasing			
- operating leases			
- advances for fixed assets under construction			
Total on-balance sheet fixed assets	47 330	44 509	46 260

Note 13A

OTHER ASSETS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Assets seized for sale	5	5	
2. Other, including:	10 780	37 822	19 597
- interbank settlements	3 227	31 496	2 076
- tax settlements	556		9 097
- settlements with suppliers and customers	3 204	1 720	3 030
- settlements with employees	1 294	771	1 209
- other settlements	4 333	5 118	5 268
- provisions for other assets	(1 834)	(1 283)	(1 083)
Total other assets	10 785	37 827	19 597

Note 13B

ASSETS SEIZED FOR SALE	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. assets under construction			
b. properties			
c. other	5	5	
Total assets seized for sale	5	5	

Note 13C

MOVEMENTS IN ASSETS SEIZED FOR SALE	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Opening balance	5		
a) Increases (in respect of)		5	
- taking over for receivables		5	
a) Decreases (in respect of)			
- sale			
Closing balance	5	5	

Note 14A

PREPAYMENTS AND ACCRUED INCOME	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Long-term	35 244	32 401	30 760
- deferred corporate income tax	31 538	29 351	26 815
- other prepayments and accrued income	3 706	3 050	3 945
b. Short-term	706	1 328	1 665
- capital acquisition costs settlement	391	603	938
- interperiod settlements of rents	22	6	727
- interperiod settlements of insurances	293	719	
- other short-term interperiod settlements			
Total prepayments and accrued income	35 950	33 729	32 425

Note 14B

MOVEMENTS IN ASSETS IN RESPECT OF DEFERRED CORPORATE INCOME TAX	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Opening balance	29 351	18 621	18 621
a. related to financial result	29 115	17 009	17 009
- accrued interest	5 584	1 392	1 392
- prepayments	25	36	36
- provision for non-performing loans	15 348	10 606	10 606
- provision for non-performing loans 2002	404	732	732
- other provisions	4 016	4 227	4 227
- derivatives adjustments to fair value	2 284	2	2
- securities adjustments to fair value		14	14
- settlement of commissions on a straight-line basis	1 454		
b. related to own equity	236	1 612	1 612
- securities adjustments to fair value	146	1 612	1 612
- retrospective valuation of commissions on a straight-line basis	23		
- securities adjustments of subsidiaries	67		
c. related to goodwill or negative goodwill			
2. Increases	4 765	13 049	8 194
a. related to financial result of the period due to negative temporary differences (in respect of)	3 013	12 670	6 208
- accrued interest		4 192	2 515
- prepayments	82		8
- provision for non-performing loans	1 302	4 742	2 704
- other provisions			239
- derivatives adjustments to fair value	636	2 282	129
- securities adjustments to fair value			51
- settlement of commissions on a straight-line basis	407	1 454	562
- settlement of effective commissions	526		
- IRS costs -income in 2005	60		
b. related to financial result of the period due to income tax losses (in respect of)			
c. related to own equity due to negative temporary differences (in respect of)	1 752	707	1 986
- securities adjustments to fair value			1 346
- retrospective valuation of commissions on a straight-line basis	1 752	640	640
- securities adjustments of subsidiaries		67	
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	(2 578)	(2 647)	
a. related to financial result of the period due to negative temporary differences (in respect of)	(1 687)	(1 181)	
- accrued interest	(873)		
- prepayments		(11)	
- provision for non-performing loans			
- provision for lost and doubtful loans 2002		(328)	
- other provisions	(805)	(211)	
- derivatives adjustments to fair value			
- securities adjustments to fair value		(14)	
- retrospective settlement of commissions on a straight-line basis (created for funds, settled in the financial result)	(9)	(617)	
- settlement of commissions on an effective basis			
b. related to financial result of the period due to income tax losses (in respect of)			
c. related to own equity due to negative temporary differences (in respect of)	(891)	(1 466)	
- securities adjustments to fair value	(146)	(1 466)	
- securities adjustments of subsidiaries	(43)		
- retrospective settlement of commissions on a straight-line basis (created for funds, settled in the financial result)	(702)		
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	31 538	29 351	26 815
a. related to financial result	30 464	29 115	23 217
- accrued interest	4 711	5 584	3 907
- prepayments	107	25	44
- provision for non-performing loans	16 650	15 348	13 310
- provision for lost and doubtful loans 2002	404	404	732
- other provisions	3 211	4 016	4 466
- derivatives adjustments to fair value	2 920	2 284	131
- securities adjustments to fair value			65
- settlement of commissions on a straight-line basis	1 861	1 454	562
- retrospective settlement of commissions on a straight-line basis (created for funds, settled in the financial result)	14		
- settlement of effective commissions	526		
- IRS costs -income in 2005	60		
b. related to own equity	1 074	236	3 598
- securities adjustments to fair value		146	2 958
- retrospective valuation of commissions on a straight-line basis		23	640
- retrospective valuation of commissions on an effective basis	1 050		
- securities adjustments of subsidiaries	24	67	
c. related to own equity due to tax losses			

Note 14C

OTHER PREPAYMENTS AND ACCRUED INCOME	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a) prepayments and accrued income, of which:	3 055	3 510	4 743
- settlements of capital acquisition costs	391	603	938
- Bank Guarantee Fund costs	509		591
- rent	22	6	727
- Social Benefit Fund	405		357
- insurance	293	719	365
- other	1 435	2 182	1 765
b) Other, including:	1 357	868	867
- income to be received	1 357	868	867
Total other prepayments and accrued income	4 412	4 378	5 610

Note 15A

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts and deposits	604 488	786 052	517 915
- placements of banks and other entities	111 538	114 472	479 831
b. Loans and borrowings received	1 126 094	1 136 162	1 291 120
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	1 010	828	488
- amounts due in respect of cash collateral	1 010	828	488
f. Interest	5 367	4 803	3 664
Total due to other financial institutions	1 736 959	1 927 845	1 813 187

Note 15B

DUE TO OTHER FINANCIAL INSTITUTIONS (BY MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current	492 508	671 579	491 842
b. Term, with maturity from the balance sheet date:	1 239 084	1 251 463	1 317 681
- Up to 1 month	29 897	22 034	5 661
- 1 month - 3 months	31 126	11 479	147
- 3 months - 1 year	859 911	91 835	43 401
- 1 year - 5 years	40 476	856 740	953 925
- 5 years - 10 years	277 674	269 375	314 547
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	5 367	4 803	3 664
Total due to other financial institutions	1 736 959	1 927 845	1 813 187

Note 15C

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CONTRACTUAL MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current	492 508	671 579	491 842
b. Term, with maturity from the balance sheet date:	1 239 084	1 251 463	1 317 681
- Up to 1 month	9 681	1 078	5 452
- 1 month - 3 months	10 000	319	356
- 3 months - 1 year	88 644	113 903	20 753
- 1 year - 5 years	812 684	866 788	976 573
- 5 years - 10 years	318 075	269 375	314 547
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	5 367	4 803	3 664
Total due to other financial institutions	1 736 959	1 927 845	1 813 187

Note 15D

DUE TO OTHER FINANCIAL INSTITUTIONS (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	591 274	785 619	516 948
b. in foreign currency (PLN equivalent)	1 145 685	1 142 226	1 296 239
b1. unit/currency 1000/ EUR	214 333	213 206	215 676
in PLN thousand	865 926	869 666	979 644
b2. unit/currency 1000 /CHF	68 194	68 148	68 046
in PLN thousand	177 795	180 054	202 275
b3. unit/currency 1000 /USD	30 473	30 821	30 510
in PLN thousand	101 964	92 168	114 320
b4. Other currency (in PLN thousand)		338	
Total due to other financial institutions	1 736 959	1 927 845	1 813 187

Note 16A

DUE TO CUSTOMERS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts and deposits	2 536 843	2 395 064	2 341 767
b. Loans and borrowings received			
c. Promissory notes			
d. Own share issue			
e. Other, in respect of	296 120	220 152	219 205
- amounts due in respect of cash collateral	295 817	219 783	217 823
- VISA settlements	303	4	1 296
- term deposit settlements		365	86
f. Interest	6 943	6 644	5 598
Total due to customers	2 839 906	2 621 860	2 566 570

Note 16B

DUE TO CUSTOMERS - SAVINGS (BY MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current			
b. Term, with maturity from the balance sheet date:	1 196	688	
- Up to 1 month			
- 1 month - 3 months			
- 3 months - 1 year			
- 1 year - 5 years			
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years	1 196	688	
- overdue			
c. Interest			
Total due to customers - savings (by maturity)	1 196	688	

Note 16C

DUE TO CUSTOMERS - SAVINGS (BY CONTRACTUAL MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current			
b. Term, with maturity from the balance sheet date:	1 196	688	
- Up to 1 month			
- 1 month - 3 months			
- 3 months - 1 year			
- 1 year - 5 years			
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years	1 196	688	
- overdue			
c. Interest			
Total due to other financial institutions	1 196	688	

Note 16D

DUE TO CUSTOMERS - OTHER (BY MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current	1 502 400	1 331 471	1 337 896
b. Term, with maturity from the balance sheet date:	1 329 367	1 283 057	1 223 076
- Up to 1 month	778 433	737 642	591 015
- 1 month - 3 months	296 984	341 609	371 435
- 3 months - 1 year	178 668	167 183	218 877
- 1 year - 5 years	49 595	23 477	27 654
- 5 years - 10 years	25 687	13 146	13 995
- 10 years - 20 years			
- over 20 years			100
- overdue			
c. Interest	6 943	6 644	5 598
Total due to customers - other	2 838 710	2 621 172	2 566 570

Note 16E

DUE TO CUSTOMERS - OTHER (BY CONTRACTUAL MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current	1 454 077	1 331 471	1 337 896
b. Term, with duration:	1 377 688	1 283 745	1 223 076
- up to 1 month	506 216	471 366	386 726
- 1 month - 3 months	158 040	476 482	452 141
- 3 months - 1 year	486 875	288 226	313 338
- 1 year - 5 years	118 976	31 227	54 211
- 5 years - 10 years	83 400	14 306	15 110
- 10 years - 20 years	24 181	1 450	1 450
- over 20 years			100
- overdue			
c. Interest	6 945	6 644	5 598
Total due to customers - other	2 838 710	2 621 172	2 566 570

Note 16F

DUE TO CUSTOMERS (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	2 227 720	2 029 376	1 875 252
b. in foreign currencies (in respect of)	612 186	592 484	691 318
b1. Unit/currency 1000 / USD	72 528	98 426	109 816
in PLN thousand	242 686	294 333	411 480
b2. Unit/currency 1000 / EUR	88 165	71 175	59 990
in PLN thousand	356 194	290 323	272 484
b3. Unit/currency 1000 / GBP	1 230	561	586
in PLN thousand	7 409	3 238	3 971
b4. Unit/currency 1000 / CHF	883		564
in PLN thousand	2 303		1 677
b5. Other currencies (in PLN thousand)	3 594	4 590	1 706
Total due to customers	2 839 906	2 621 860	2 566 570

Note 17A

DUE TO BUDGET (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current accounts and deposits	41 236	25 395	37 696
b. Loans and borrowings received			
c. Promissory notes			
d. Own share issue			
e. Other, in respect of			
- amounts due in respect of cash collateral			
f. Interest	65	62	49
Total due to budget	41 301	25 457	37 745

Note 17B

DUE TO BUDGET - OTHER (BY MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current	15 647	10 192	8 826
b. Term, with maturity from the balance sheet date:	25 589	15 203	28 870
- Up to 1 month	24 546	15 003	27 404
- 1 month - 3 months	168	100	1 459
- 3 months - 1 year	875	100	7
- 1 year - 5 years			
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	65	62	49
Total due to budget - other	41 301	25 457	37 745

Note 17C

DUE TO BUDGET- OTHER (BY CONTRACTUAL MATURITY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Current	15 647	10 192	8 826
b. Term, with duration:	25 589	15 203	28 870
- up to 1 month	22 908	3 340	27 420
- 1 month - 3 months	1 078	11 763	1 450
- 3 months - 1 year	1 598	100	
- 1 year - 5 years	5		
- 5 years - 10 years			
- 10 years - 20 years			
- over 20 years			
- overdue			
c. Interest	65	62	49
Total due to budget - other	41 301	25 457	37 745

Note 17D

DUE TO BUDGET (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	40 065	24 751	36 372
b. in foreign currencies (in respect of)	1 236	706	1 373
b1. Unit/currency 1000 /EUR	306	173	302
in PLN thousand	1 236	706	1 373
b2. Unit/currency 1000 / USD			
in PLN thousand			
b3. Other currencies (in PLN thousand)			
Total due to budget	41 301	25 457	37 745

Note 18A**LONG-TERM LIABILITIES FROM DEBT SECURITIES ISSUED**

not applicable

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

Note 19

SPECIAL FUNDS AND OTHER LIABILITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Special funds	2 131	1 152	1 942
- social benefit fund	1 228	748	1 146
- other	903	404	796
2. Other liabilities	72 413	40 186	56 168
- interbank settlements	40 935	22 103	31 428
- tax settlements	14 938	8 392	7 604
- settlements arising from L/Cs			6 252
- settlements arising from purchase of debts	4 964	4 408	3 431
- liabilities arising from other transactions with customers	8 064	108	1 952
- settlements with suppliers and customers	936	4 287	1 028
- settlements with employees	84	54	60
- settlements with shareholders			
- other	2 492	834	4 413
Total special funds and other liabilities	74 544	41 338	58 110

Note 20A

ACCRUALS AND DEFERRED INCOME	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Short-term, of which:	10 835	12 521	12 400
- provision for sub-lease agreements	798	1 003	1 631
- provision for variable part of remuneration	4 334	8 212	3 583
- provision for unused leave of absence	2 860	2 860	2 230
- provision for rents	629	72	612
- provision for payables to software suppliers			1 220
- provision for promotion	1 197		1 726
- provision for legal consultation and audit	373	278	385
- provision for employee trainings			92
- other interperiod settlements	644	96	921
b. Long-term, of which:			
Total accruals and deferred income	10 835	12 521	12 400

Note 20B

OTHER ACCRUALS AND DEFERRALS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Short-term, incl.	10 434	7 913	6 564
- prepayments	10 434	7 913	6 564
b. Long-term, incl.	111 170	102 116	96 049
- deferred income	111 170	102 116	96 049
Total other accruals and deferrals	121 604	110 029	102 613

Note 21A

MOVEMENTS IN DEFERRED CORPORATE INCOME TAX PROVISION	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
1. Opening balance	9 778	5 083	5 083
a. related to financial result	9 724	5 083	5 083
- accrued interest on securities	652	987	987
- other accrued interest	5 986	2 241	2 241
- derivative measurement	437	24	24
- unpaid discount	1 396	705	705
- investment relief, net	531	583	583
- difference between balance-sheet and tax depreciation	709	543	543
- securities adjustments to fair value	13		
b. related to own equity	54		
- securities adjustments to fair value	54		
c. related to goodwill or negative goodwill			
2. Increases	2 188	5 082	3 372
a. related to financial result of the period due to positive temporary differences (in respect of)	1 205	5 028	3 372
- accrued interest on securities			
- other accrued interest		3 745	1 173
- derivatives measurement	138	413	175
- unpaid discount	656	691	1 335
- investment relief, net			555
- difference of balance-sheet and tax depreciation		166	134
- unrealized foreign exchange differences	319		
- income on services ssc	92		
- securities adjustments to fair value		13	
b. related to own equity due to positive temporary differences (in respect of)	983	54	
- securities adjustments to fair value (revaluation capital)	983	54	
c. related to own equity due to negative temporary differences (in respect of)			
3. Deductions	1 730	387	1 014
a. related to financial result of the period due to positive temporary differences (in respect of)	1 730	387	1 014
- accrued interest on securities	233	335	309
- other accrued interest	1 382		
- derivative measurement			
- unpaid discount			122
- investment relief, net	20	52	583
- difference of balance-sheet and tax depreciation	83		
- securities adjustments to fair value	12		
b. related to own equity due to positive temporary differences (in respect of)			
- securities adjustments to fair value (revaluation capital)			
c. related to goodwill or negative goodwill due to positive temporary differences (in respect of)			
4. Closing balance	10 236	9 778	7 441
a. related to financial result	9 199	9 724	7 441
- accrued interest on securities	419	652	678
- other accrued interest	4 604	5 986	3 414
- derivative measurement	575	437	199
- unpaid discount	2 052	1 396	1 918
- investment relief, net	511	531	555
- securities adjustments to fair value	1	13	
- difference of balance-sheet and tax depreciation	626	709	677
- unrealized foreign exchange differences	319		
- income on services ssc	92		
b. related to own equity	1 037	54	
- securities adjustments to fair value (revaluation capital)	1 037	54	
c. related to goodwill or negative goodwill			

Note 21B

DEFERRED INCOME TAX PROVISION (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	10 236	9 778	7 441
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	10 236	9 778	7 441

Note 21C

OTHER PROVISIONS (BY CATEGORY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
- off-balance sheet commitments provision	4 341	1 339	3 214
- provision for future liabilities	477	314	406
- provision for general risk	20 910	12 000	
- provision for employees benefits			
- provision for legal risk			
Total other provisions	25 728	13 653	3 620

Note 21D

OTHER PROVISIONS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Short-term			
-			
b. Long-term	25 728	13 653	3 620
- off-balance sheet commitments provision	4 341	1 339	3 214
- provision for future liabilities	477	314	
- provision for general risk	20 910	12 000	
- provision for legal risk			406
Total other provisions	25 728	13 653	3 620

Note 21E

OTHER PROVISIONS (BY CURRENCY)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. in Polish zloty (PLN)	22 991	13 402	1 888
b. in foreign currencies (in respect of)	2 737	251	1 732
b1. Unit/currency 1000 / EUR	670	59	381
in PLN thousand	2 707	242	1 732
b2. Unit/currency 1000 / USD	9	3	
in PLN thousand	30	9	
b3. Other currencies (in PLN thousand)			
Total deferred income tax provision	25 728	13 653	3 620

Note 21F

MOVEMENTS IN OTHER LONG-TERM PROVISIONS	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Opening balance	13 653	1 792	1 792
- off-balance sheet commitments provision	1 175	1 628	1 628
- provision for future liabilities	478	164	
- provision for general risk	12 000		
- provision for legal risk			164
a) Increases (in respect of)	12 913	13 195	3 166
- creating provision for off-balance sheet commitments	4 002	881	2 619
- creating provision for future liabilities		314	
- creating provision for general risk	8 909	12 000	
- creating provision for legal risk			242
- creating provision for FX differences	2		305
b) utilisation (in respect of)			
c) releases (in respect of)	(838)	(1 334)	(1 338)
- release of off-balance sheet commitments provision	(787)	(1 334)	(1 040)
- release of provision for employees benefits			
- release of provision for FX differences	(51)		(298)
Closing balance	25 728	13 653	3 620
- off-balance sheet commitments provision	4 341	1 175	3 214
- provision for future liabilities	478	478	
- provision for general risk	20 909	12 000	
- provision for legal risk			406
Total other long-term provisions	25 728	13 653	3 620

Note 22A

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			

Par value of one share is PLN 2.

As at June 30, 2005 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 entitles it to 75% of the total voting rights at the AGM.

Note 23

RESERVE CAPITAL	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Share premium	349 539	349 539	349 539
b. Mandatory reserve			
c. Statutory			
d. Contribution from shareholders			
e. Other			
Total reserve capital	349 539	349 539	349 539

Note 24

REVALUATION RESERVE	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. fixed assets revaluation	510	511	511
b. deferred income tax	(1 037)	(16)	2 958
c. FX differences from foreign branches			
d. Other	5 610	(658)	(15 569)
- value adjustment of available-for-sale securities	5 457	(479)	(13 724)
- valuation of shares in subsidiaries	153	(179)	(1 845)
Total revaluation capital	5 083	(163)	(12 100)

Note 25

OTHER RESERVE CAPITAL (BY PURPOSE)	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
- general risk fund	136 816	112 263	112 263
- other	17 018	17 018	17 018
Total other reserve capital	153 834	129 281	129 281

Note 26

Capital Adequacy Ratio calculation	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Risk weighted assets	4 045 167	3 348 050	3 291 699
Risk weighted contingent liabilities	354 914	285 359	190 454
Total weighed assets and contingent liabilities	4 400 081	3 633 409	3 482 153
Equity capital	30 155	30 155	30 155
Additional capital	349 539	349 539	349 539
Reserve capital	17 018	17 018	17 018
General Risk Fund	136 816	112 262	112 263
Fixed assets revaluation capital	510	511	511
Financial assets revaluation capital	4 573	(352)	(1 845)
Undistributed profit (uncovered loss) from previous years	54 343	11 811	11 811
Deductions of core funds and supplementary own funds	76 271	72 962	68 893
capital exposure in financial institutions	64 515	62 582	59 272
100%/60% of net intangible assets in 2004/2003	11 756	10 380	9 621
Equity total for the purpose of the capital adequacy ratio calculation	516 683	447 982	450 559
Short-term capital	2 670	1 776	2 789
Credit risk	352 006	290 673	278 572
Interest rate risk	576	514	1 805
Delivery settlement and counterparty risk	2 094	1 262	984
Total capital adequacy requirement	354 676	292 449	281 361
Capital Adequacy Ratio	11.71%	12.30%	12.89%

Note 27

Book value per share	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
Equity capital	30 155	30 155	30 155
Additional capital	349 539	349 539	349 539
Reserve capital	17 018	17 018	17 018
General Risk Fund	136 816	112 263	112 263
Revaluation reserve	5 083	(163)	(12 100)
Undistributed profit (uncovered loss) from previous years	54 343	11 811	11 811
Net profit	48 702	74 553	38 050
Total	641 656	595 176	546 736
Number of shares	15 077 700	15 077 700	15 077 700
Book value per share (in PLN)	42.56	39.47	36.26

Note 28

CONTINGENT LIABILITIES GRANTED TO AFFILIATED ENTITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Guarantees and sureties granted to:	20 755	4 092	2 952
- subsidiaries			
- sister companies	20 341	4 092	451
- associated entities			
- major investor			
- controlling entity	414		2 501
b. Other, incl.	40 465	23 593	15 287
confirmed export L/C			
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity			
Visa card limits granted to	63	59	57
- subsidiaries	44	49	49
- sister companies	19	10	8
- associated entities			
- major investor			
- controlling entity			
credit lines granted to	40 402	21 596	12 530
- subsidiaries			
- sister companies	40 402	21 596	12 530
- associated entities			
- major investor			
- controlling entity			
import L/C		1 938	2 700
- subsidiaries			
- sister companies		1 938	
- associated entities			
- major investor			
- controlling entity			
Total guarantees and sureties granted to affiliated entities	61 220	27 685	18 239

Note 29

CONTINGENT LIABILITIES RECEIVED FROM AFFILIATED ENTITIES	30.06.2005 (current year)	31.12.2004 (prior year)	30.06.2004 (prior year)
a. Guarantees and sureties received from:	166 724	175 146	148 516
- subsidiaries			
- sister companies	52 651	51 276	18 714
- associated entities			
- major investor			
- controlling entity	114 073	123 870	129 802
b. Other, incl.	533 874	540 276	601 629
Counter guarantees received from:			
- subsidiaries			
- sister companies			
- associated entities			
- major investor			
- controlling entity			
Credit lines received from:	533 874	540 276	601 629
- subsidiaries			
- sister companies	533 874	540 276	601 629
- associated entities			
- major investor			
- controlling entity			
Total guarantees and sureties received from affiliated entities	700 598	715 422	750 145

NOTES TO PROFIT AND LOSS STATEMENT

Note 30

INTEREST INCOME	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Interest income from financial institutions	28 347	12 329
b. Interest income from customers	117 490	98 288
c. Interest income from budget	2	4
d. Fixed income securities	11 609	17 798
e. Other		4 330
Total interest income	157 448	132 749

Note 31

INTEREST EXPENSE	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Interest expense on transactions with financial institutions	30 381	19 125
b. Interest expense on transactions with customers	42 909	31 994
c. Interest expense on transactions with budget	822	636
d. Other	29	5 277
Total interest expense	74 141	57 032

Note 32

COMMISSION AND FEE INCOME	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Commission and fee income on banking activity	42 831	38 932
b. Commission and fee income on brokerage activity		
Total commission and fee income	42 831	38 932

Note 33

NET INCOME FROM FINANCIAL OPERATIONS	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Transactions with securities and other financial instruments	3 637	286
- income	64 825	52 339
- expense	61 188	52 053
b. Other financial transactions		
Total net income from financial operations	3 637	286

Note 34

OTHER OPERATING INCOME	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	413	33
c. Recovered past-due, written-off, uncollectible debts	759	601
d. Compensation, penalties, fines received	223	96
e. Donations		
f. Other	2 675	2 411
- income on agency in customer acquisition	1 179	472
- income on rents and leases	766	877
- release of provision for public & legal dues		500
- income on returned court and bailiff fees	124	92
- provision for cash differences settlement	170	181
- other	436	289
Total other operating income	4 070	3 141

Note 35

OTHER OPERATING EXPENSES	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Asset management fees		
b. Sales, liquidation of fixed assets, intangible assets and seized assets for sale	14	57
c. Recovered past-due, written-off, uncollectible debts	222	173
d. Compensation, penalties, fines paid	95	96
e. Donations	58	30
f. Other	1 430	1 535
- debt inforce expenses	121	395
- provision for legal risk	15	242
- provision for disputed liabilities	733	99
- other	561	799
Total other operating expenses	1 819	1 891

Note 36

GENERAL EXPENSES	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Remuneration	31 707	29 682
b. Social security premium and other employee benefits	7 869	6 740
c. Material losses	36 244	35 886
d. Taxes and levies	241	216
e. Bank Guarantee Fund charges	435	588
f. Other general expenses		
Total general expenses	76 496	73 112

Note 37

CHARGES TO PROVISIONS AND REVALUATION	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Charges to provisions for::	27 901	20 040
- performing loans	1 546	2 671
- loans on watch-list	523	196
- non-performing loans	12 719	14 511
- general risk reserve	8 910	
- contingent liabilities	4 002	2 596
- other	201	66
b. Revaluation:		
- of financial assets		
- other		
Total charges to provisions and revaluation	27 901	20 040

Note 38

RELEASE OF PROVISIONS AND DECREASE IN RESPECT OF REVALUATION	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
a. Releases of provisions for:	12 419	8 720
- performing loans	1 470	501
- loans on watch-list	393	59
- non-performing loans	9 750	7 119
- contingent liabilities	787	1 040
- general risk reserve		
- other	19	1
b. Revaluation:		
- financial assets		
- other		
Total releases of provisions and decrease in respect of revaluation	12 419	8 720

Note 39A

CURRENT CORPORATE INCOME TAX	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
1. Gross profit before tax	58 219	43 703
2. Differences between gross profit before taxation and taxable income	4 103	17 106
- permanent	(3 623)	(3 716)
- temporary	7 765	20 842
- other	(39)	(20)
3. Taxable income	63 774	60 809
4. Corporate Income Tax 19% 2005	12 117	11 554
5. Increases, exemptions, deductions and abatements		
6. Corporate Income Tax payable as shown in CIT declaration	748	8 523
- as shown in the profit&loss statement	12 117	11 554
- on items which increased/decreased the Bank's equity		
- on items which increased/decreased the Bank's goodwill or negative goodwill		

Note 39B

DEFERRED INCOME TAX AS SHOWN IN PROFIT&LOSS STATEMENT	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
- decrease/increase due to arising and reversing the temporary differences	(1 148)	(3 849)
- decrease/increase due to changes in tax rates		
- decrease/increase due to carryover of tax loss, tax allowances or temporary differences		
- decrease/increase due to write-off of assets for income tax or no possibility to use the provision for deferred income tax		
- other deferred tax items		
Total deferred income	(1 148)	(3 849)

Detailed information on the differences between corporate income tax charge as shown in profit&loss statement and the corporate income tax declaration:	30.06.2005	30.06.2004
a) there was neither investment tax allowance nor investment premium claimed as at 30.06.2005 (in PLN thousand) or 30.06.2004		
b) tax deductible donations granted (in PLN thousand)	39	20
c) there were not any discontinuance of payment, exemptions, deductions or abatements		
d) deferred tax liabilities as at 30.06.2005 and as at 30.06.2004 (in PLN thousand) divided into categories:	30.06.2005	30.06.2004
accrued interest on securities	2 207	3 567
other accrued interest	24 234	17 971
derivatives measurement	3 028	1 047
unpaid discount	10 800	10 096
net investment tax allowance	2 688	2 922
difference between balance-sheet and tax depreciation	3 295	3 561
securities measurement	1	
unrealized FX differences	1 679	
income on cross-border settlement services	482	
deferred tax calculation base	48 414	39 164
tax	9 199	7 441
tax rates	19%	19%
e) deferred tax assets as at 30.06.2005 and as at 30.06.2004 (in PLN thousand) divided into categories:	30.06.2005	30.06.2004
interest payable	24 794	20 562
prepayments and accrued income	564	234
provision for non-performing loans	87 627	70 052
derivatives measurement	15 366	691
other provisions	16 900	23 502
other	18 484	3 299
deferred tax asset base	163 732	118 340
tax rates	19%	19%
tax after correction	31 109	22 488
provision for lost&doubtful loans 2002	5 055	9 147
tax rates	8%	8%
tax	404	732
total tax	31 514	23 217
difference between liabilities and receivables	(22 315)	(15 776)
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 39C

	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
TOTAL DEFERRED INCOME TAX		
- included in equity	1 012	3 598
- included in goodwill and negative goodwill		

Note 40

	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
SHARE IN NET PROFIT (LOSS) OF SUBSIDIARIES MEASURED BY EQUITY RIGHTS		
- write-off of difference in net assets valuation	1 452	2 052

Note 41

	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
PROFIT PER ORDINARY SHARE		
Net profit (annualized)	85 205	56 821
Weighted average ordinary shares	15 077 700	15 077 700
Profit per ordinary share (in PLN)	5.65	3.77

NOTES TO CASH FLOW STATEMENT

Structure of cash (ref. to balance-sheet movements of cash)	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
Cash	63 110	67 247
Travellers checks and valuable stamps	44	55
Current account with NBP	14 706	2 808
Nostro accounts with Polish banks		316
Nostro accounts with foreign banks	19 850	9 848
O/N deposits of Polish banks	12 853	29 079
O/N deposits of foreign banks	180 000	80 026
Debit balances on vostro accounts	630 642	508 366
Current receivables from financial institutions	200	211
Interest receivable from performing debit balances	95	128
Total cash	921 500	698 084

Other items - operating activity	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
Donations granted	56	30
Interest on lombard credit		
Change in balance of accrued income from securities	9 522	13 357
Change in balance of other assets	25 173	46 006
Total	34 751	59 393

Other inflow - investment activity	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
Realised interest on securities in 2005/2004, accrued in 2004/2003	1 994	914
Realised and accrued interest on securities in 2005/2004	1 008	244
Total	3 002	1 158

Other outflow - financial activity	01.01.2005- 30.06.2005 (current year)	01.01.2004- 30.06.2004 (prior year)
Donations granted	(56)	(30)
Interest on long-term bank loans	(7 779)	(7 192)
Interest on long-term loans granted by non-bank financial institutions	(108)	(178)
Total	(7 943)	(7 400)

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).