

**BALANCE SHEET**

	as of	Note	31.12.2004	31.12.2003
<b>ASSETS</b>				
I. Cash and balances with Central Bank	1		871 835	788 754
II. Debt securities eligible for rediscount at Central Bank			9 993	11 189
III. Amounts due from financial sector	2		3 546 406	1 803 977
1. Current			80 927	427 748
2. Term			3 465 479	1 376 229
IV. Amounts due from non-financial sector	3		6 336 432	9 329 249
1. Current			852 881	1 809 119
2. Term			5 483 551	7 520 130
V. Amounts due from public sector	4		409 009	504 480
1. Current			4 987	6 872
2. Term			404 022	497 608
VI. Receivables from securities bought with sell-back clause	5		80 651	100 358
VII. Debt securities	6		6 915 891	4 836 667
VIII. Shares in subsidiaries	7, 10		1 659 836	1 382 022
IX. Shares in jointly controlled subsidiaries	8, 10		0	0
X. Shares in associated companies	9, 10		6 227	6 803
XI. Other shares	11		12 676	12 714
XII. Other securities and other financial assets	12		546 850	677 449
XIII. Intangible assets of which:	14		40 626	227 082
- goodwill			5 804	7 779
XIV. Tangible fixed assets	15		534 386	666 042
XV. Other assets	16		53 920	91 674
1. Repossessed assets - for resale			756	3 228
2. Other			53 164	88 446
XVI. Accrued costs and prepayments	17		512 388	505 743
1. Deferred income tax			228 631	238 741
2. Other			283 757	267 002
<b>TOTAL ASSETS</b>			<b>21 537 126</b>	<b>20 944 203</b>
<b>LIABILITIES AND EQUITY</b>				
I. Amounts due to Central Bank			1	0
II. Amounts due to financial sector	20		1 979 583	3 183 243
1. Current			312 765	585 243
2. Term			1 666 818	2 598 000
III. Amounts due to non-financial sector	21		13 336 914	10 550 414
1. Savings accounts, of which:			0	0
a) Current			0	0
b) Term			0	0
2. Other, of which:			13 336 914	10 550 414
a) Current			2 528 331	2 852 561
b) Term			10 808 583	7 697 853
IV. Amounts due to public sector	22		874 069	920 189
1. Current			510 810	581 063
2. Term			363 259	339 126
V. Liabilities from securities sold with buy-back clause	23		1 446 214	1 535 478
VI. Liabilities from debt securities	20, 21, 22, 24		275 544	982 660
1. Short-term			176 899	736 602
2. Long-term			98 645	246 058
VII. Other liabilities from financial instruments			390 636	444 436

VIII. Special funds and other liabilities	25	154 237	144 075
IX. Accrued & deferred costs, other deferred and restricted incomes	26	415 893	660 295
1. Accrued and deferred costs		91 070	107 323
2. Negative goodwill		0	0
3. Other deferred & restricted incomes		324 823	552 972
X. Provisions	27	342 154	410 345
1. Provision for deferred income tax		117 430	140 603
2. Other		224 724	269 742
a) short-term		0	2 552
b) long-term		224 724	267 190
XI. Subordinated debt	28	326 978	378 162
XII. Share capital	29	849 182	849 182
XIII. Unpaid share capital (negative value)		0	0
XIV. Treasury stock (negative value)	30	0	0
XV. Supplementary capital	31	508 095	542 970
XVI. Revaluation reserve	32	52 341	32 848
XVII. Other reserves	33	380 532	339 637
XVIII. Unappropriated earnings or uncovered loss from prior years		-35 751	-70 626
XIX. Net income (loss)		240 504	40 895
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21 537 126</b>	<b>20 944 203</b>

<b>Capital adequacy ratio</b>	29	<b>17,35%</b>	<b>11,05%</b>
		0	0
<b>Book value</b>		<b>1 994 903</b>	<b>1 734 906</b>
<b>Number of shares</b>		<b>849 181 744</b>	<b>849 181 744</b>
<b>Book value per share (in PLN)</b>	29	<b>2,35</b>	<b>2,04</b>

<b>Estimated number of shares</b>			
<b>Diluted book value per share (in PLN)</b>			

<b>OFF-BALANCE SHEET ITEMS</b>		<b>31.12.2004</b>	<b>31.12.2003</b>
I. Contingent liabilities		4 476 562	3 625 665
1. liabilities granted:	36	3 422 724	2 573 894
a) financial		2 974 234	2 138 906
b) guarantees		448 490	434 988
2. liabilities received:	37	1 053 838	1 051 771
a) financial		0	0
b) guarantees		1 053 838	1 051 771
II. Commitments resulting from sale/purchase transactions		13 024 534	17 646 900
III. Other off-balance sheet items		22 775 802	18 871 096
- interest rate swaps		21 361 292	18 044 419
- options		514 510	186 677
- FRAs		900 000	640 000
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>		<b>40 276 898</b>	<b>40 143 661</b>

**INCOME STATEMENT**

	for the period	Note	01.01.04- 31.12.04	01.01.03- 31.12.03
I. Interest income		31	1 646 220	1 337 123
II. Interest expense		32	1 220 439	929 687
<b>III. Net interest income (I-II)</b>			<b>425 781</b>	<b>407 436</b>
IV. Commission income		33	234 505	223 610
V. Commission expense			31 620	42 108
<b>VI. Net commission income (IV-V)</b>			<b>202 885</b>	<b>181 502</b>
<b>VII. Income from shares, other securities and other variable-income financial instruments, of which from:</b>		<b>34</b>	<b>14 584</b>	<b>146 605</b>
1. Subsidiaries			13 655	101 608
2. Jointly-controlled subsidiaries			0	0
3. Associated companies			207	478
4. Other			722	44 519
<b>VIII. Profit (loss) on financial operations</b>		<b>35</b>	<b>140 628</b>	<b>50 930</b>
IX. Foreign exchange gains (losses)			71 119	69 187
<b>X. Profit / (loss) on banking activity</b>			<b>854 997</b>	<b>855 660</b>
XI. Other operating income		36	107 757	70 630
XII. Other operating expenses		37	31 819	22 964
XIII. General and administrative expenses		38	598 113	666 385
XIV. Depreciation and amortization			339 375	104 065
XV. Charges to provisions and revaluation		39	878 968	1 429 009
1. Charges to specific provisions and general banking risk provisions			878 968	1 427 383
2. Revaluation of financial assets			0	1 626
XVI. Release of provisions and decreases resulting from revaluation		40	810 080	1 332 587
1. Release of specific provisions and general banking risk provisions			808 580	1 331 825
2. Revaluation of financial assets			1 500	762
XVII. Net provisions and revaluation (XV- XVI)			-68 888	-96 422
<b>XVIII. Operating profit</b>			<b>-75 441</b>	<b>36 454</b>
XIX. Extraordinary gains / (losses)			0	0
1. Extraordinary gains		41	0	0
2. Extraordinary losses		42	0	0
<b>XX. Profit before taxes</b>			<b>-75 441</b>	<b>36 454</b>
XXI. Corporate income tax		43	5 906	-70 314
1. Current			13 395	0
2. Deferred			-7 489	-70 314
XXII. Other obligatory charges to profit / (loss)		44	0	0
XVII. Share in net income of subordinated entities subject to equity method			321 851	-65 873
<b>XXIII. Net Income</b>			<b>240 504</b>	<b>40 895</b>

Net income (loss) (for 12 months)		<b>240 504</b>	<b>40 895</b>
Weighted average number of ordinary shares		<b>849 181 744</b>	<b>849 181 744</b>
Earnings (losses) per ordinary share (in PLN)	45	<b>0,28</b>	<b>0,05</b>

Estimated weighted average number of ordinary shares			
Diluted earnings (losses) per ordinary share (in PLN)			

**STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY**

	for the period	01.01.04- 31.12.04	01.01.03- 31.12.03
<b>I. Shareholders' Equity at the beginning of the period (opening balance)</b>		<b>1 734 906</b>	<b>1 737 572</b>
a) changes in adopted accounting policies		0	0
b) material errors corrected		0	0
<b>I.a. Shareholders' Equity at the beginning of the period (opening balance) as restated to comparable data</b>		<b>1 734 906</b>	<b>1 737 572</b>
<b>1. Share capital at the beginning of the period</b>		<b>849 182</b>	<b>849 182</b>
1.1. Movements in share capital		0	0
a) increases (of which)		0	0
- issue of shares		0	0
b) decreases (of which)		0	0
- redemption		0	0
<b>1.2. Share capital at the end of the period</b>		<b>849 182</b>	<b>849 182</b>
<b>2. Unpaid share capital at the beginning of the period</b>		<b>0</b>	<b>0</b>
2.1. Movements in unpaid share capital		0	0
a) increase		0	0
b) decrease		0	0
<b>2.2. Unpaid share capital at the end of the period</b>		<b>0</b>	<b>0</b>
<b>3. Treasury stock at the beginning of the period</b>		<b>0</b>	<b>0</b>
a) increases		0	0
b) decreases		0	0
<b>3.1. Treasury stock at the end of the period</b>		<b>0</b>	<b>0</b>
<b>3. Supplementary capital at the beginning of the period</b>		<b>542 970</b>	<b>560 846</b>
3.1. Movements in supplementary capital		-34 875	-17 876
a) increases (of which)		0	0
b) decreases (of which)		34 875	17 876
- to cover prior years losses of BIG BANK S.A.		17 876	17 876
- to cover result of previous years		16 999	0
<b>3.2. Supplementary capital at the end of the period</b>		<b>508 095</b>	<b>542 970</b>
<b>4. Revaluation reserve at the beginning of the period</b>		<b>32 848</b>	<b>76 409</b>
a) changes in adopted accounting policies		0	0
b) material errors corrected		0	0
<b>4a. Revaluation reserve at the beginning of the period, as restated to comparable data</b>		<b>32 848</b>	<b>76 409</b>
4.1. Movements in revaluation reserve		19 493	-43 561
a) increase (of which)		19 493	0
- purchase and change of valuation of readily marketable financial assets		19 493	0
b) decrease (of which)		0	43 561
- sale of shares in Polcard		0	32 576
- sale and change of valuation of readily marketable financial assets		0	10 985
<b>4.2. Revaluation reserve at the end of the period</b>		<b>52 341</b>	<b>32 848</b>
<b>5. General banking risk reserve at the beginning of the period</b>		<b>339 637</b>	<b>44 737</b>
5.1. Movements in the general banking risk reserve		40 895	294 900
a) increase (of which)		40 895	294 900
- appropriated earnings		40 895	183 930
- appropriated earnings from previous years		0	110 970
b) decrease (of which)		0	0
<b>5.2. General banking risk fund at the end of the period</b>		<b>380 532</b>	<b>339 637</b>
<b>6. Retained earnings or losses brought forward at the beginning of the period</b>		<b>-70 626</b>	<b>27 297</b>
<b>6.1. Retained earnings at the beginning of the period</b>		<b>-16 999</b>	<b>98 800</b>
a) changes in adopted accounting policies		0	0
b) material errors corrected		0	0
<b>6.2. Retained earnings at the beginning of the period, as restated to comparable data</b>		<b>-16 999</b>	<b>98 800</b>

<b>6.3. Movements in retained earnings</b>	<b>16 999</b>	<b>-115 799</b>
a) increase (of which)	57 894	179 100
- pending approval of prior year earnings	40 895	179 100
- to cover result of previous years	16 999	0
b) decrease (of which)	40 895	294 899
- appropriation of earnings	40 895	183 930
- appropriation of earnings from previous years	0	110 969
<b>6.4. Retained earnings at the end of the period</b>	<b>0</b>	<b>-16 999</b>
<b>6.5. Losses brought forward at the beginning of the period</b>	<b>53 627</b>	<b>71 503</b>
a) changes in adopted accounting policies	0	0
b) material errors corrected	0	0
<b>6.6. Losses brought forward at the beginning of the period, as restated to comparable data</b>	<b>53 627</b>	<b>71 503</b>
<b>6.7. Movements in losses brought forward</b>	<b>-17 876</b>	<b>-17 876</b>
a) increase (of which)	0	0
b) decrease (of which)	17 876	17 876
- to cover losses brought forward of BIG BANK S.A.	17 876	17 876
<b>6.8. Losses brought forward at the end of the period</b>	<b>35 751</b>	<b>53 627</b>
<b>6.9. Retained earnings or losses brought forward at the end of the period</b>	<b>-35 751</b>	<b>-70 626</b>
<b>7. Net result</b>	<b>240 504</b>	<b>40 895</b>
a) net income	240 504	40 895
b) net loss	0	0
<b>II. Shareholders' Equity at the end of the period (closing balance)</b>	<b>1 994 903</b>	<b>1 734 906</b>

## STATEMENT OF CASH FLOWS

	for the period	01.01.04- 31.12.04	01.01.03- 31.12.03
<b>A. NET CASH FLOWS FROM OPERATING ACTIVITIES (I-II) - indirect method*</b>		<b>322 216</b>	<b>456 490</b>
<b>I. Net income (loss)</b>		<b>240 504</b>	<b>40 895</b>
<b>II. Adjusted by:</b>		<b>81 712</b>	<b>415 595</b>
1. Share in net income of subsidiaries subject to equity method		-321 851	65 873
2. Depreciation and amortization		339 375	104 066
3. Foreign exchange gains/(losses)		-195 693	178 274
4. Interest and dividends		118 051	64 839
5. Profit/(loss) on investing activities		787	-52 335
6. Changes in other provisions		-72 763	-255 109
7. Change in debt securities		-1 963 260	85 125
8. Change in amounts due from financial sector		-1 748 895	-150 215
9. Change in amounts due from non-financial and public sectors		3 088 288	-16 074
10. Change in receivables from securities purchased with sell-back option		19 707	44 677
11. Change in shares, other securities and other financial assets		171 449	-294 164
12. Change in amounts due to financial sector		-1 091 017	66 764
13. Change in amounts due to non-financial and public sectors		2 740 380	308 452
14. Change in liabilities from securities sold with buy-back option		-89 264	-408 904
15. Change in liabilities from securities		-710 451	386 163
16. Change in other liabilities		47 916	48 908
17. Change in accrued expenses and prepayments		-22 898	190 357
18. Change in deferred and restricted incomes		-228 149	48 898
19. Other		0	0
<b>III. Net cash from (used for) operating activities (I+/-II) - indirect method</b>		<b>322 216</b>	<b>456 490</b>
<b>B. NET CASH FLOWS FROM INVESTING ACTIVITIES (I-II)</b>		<b>-94 637</b>	<b>-200 522</b>
<b>I. Cash from investing activities</b>		<b>28 344</b>	<b>198 001</b>
1. Sale of shares in subsidiaries		0	50 456
2. Sale of shares in jointly-controlled subsidiaries		0	0

3. Sale of shares in associated companies	986	0
4. Sale of shares in other companies, other securities (including tradable ones) and other financial assets	108	95 994
5. Sale of intangible assets and tangible fixed assets	0	0
6. Sale of investments in real estate and intangible assets	12 124	2 027
7. Other	15 126	49 524
8. Increase in cash held by BIG BANK	0	0
<b>II. Cash used for investing activities</b>	<b>122 981</b>	<b>398 523</b>
1. Purchase of shares in subsidiaries	6	218 766
2. Purchase of shares in jointly-controlled subsidiaries	0	0
3. Purchase of shares in associated companies	0	0
4. Purchase of shares in other companies, other securities (including tradable ones) and other financial assets	90 054	0
5. Purchase of intangible assets and tangible fixed assets	15 342	179 757
6. Capital expenditure in real estate and intangible assets	17 579	0
7. Purchase of treasury stock for resale	0	0
8. Other	0	0
<b>III. Net cash from (used for) investing activities (I+/-II)</b>	<b>-94 637</b>	<b>-200 522</b>
<b>C. NET CASH FLOWS FROM FINANCING ACTIVITIES (I-II)</b>	<b>-150 964</b>	<b>255 190</b>
<b>I. Cash from financing activities</b>	<b>45 687</b>	<b>1 088 313</b>
1. Long-term bank loans	0	838 181
2. Long-term borrowings from financial institutions other than banks	0	0
3. Issue of bonds or other debt securities for other financial institutions	45 687	65 299
4. Increase in subordinated debt	0	0
5. Issue of share capital	0	184 833
6. Additional capital paid-in	0	0
7. Other	0	0
<b>II. Cash used for financing activities</b>	<b>196 651</b>	<b>833 123</b>
1. Repayment of long-term bank loans	0	614 208
2. Repayment of long-term borrowings from financial institutions other than banks	0	0
3. Redemption of bonds or other debt securities from other financial institutions	75 299	84 306
4. Decrease in subordinated debt	0	0
5. Cost of issue of share capital	0	0
6. Redemption of treasury stock	0	0
7. Dividends and other payments to owners	0	0
8. Payments of earnings to members of managing and supervisory bodies	0	0
9. Payments under financial lease contracts	0	0
10. Other	121 352	134 609
<b>III. Net cash from (used for) financing activities (I+/-II)</b>	<b>-150 964</b>	<b>255 190</b>
<b>D. NET CASH FLOWS, TOTAL (A+/-B+/-C)</b>	<b>76 615</b>	<b>511 158</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>805 402</b>	<b>294 244</b>
<b>G. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (F+/- D)</b>	<b>882 017</b>	<b>805 402</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents as of 31 December 2003 were as follows (in PLN '000):

1. Cash in hand and at Central Bank	871 835
2. Current accounts at banks	10 182
<b>TOTAL</b>	<b>882 017</b>

For the purposes of this statement, the following classification of operations was adopted:

- Operating activities include core operations related to rendering services by companies from the Group, i.e. business activities carried out for profit that are neither investing activities nor financing activities.
- Investing activities include buying and selling various fixed assets, in particular financial assets that are not earmarked for trading, tangible fixed assets and intangible assets.
- Financing activities include operations carried out to obtain funds in form of capital or liabilities, as well as to serve sources of funding.

Significant differences between movements in on-balance sheet items and changes in such items recognized in the statement of cash flows resulted from:

- change in amounts due to financial institutions - interest and foreign exchange gains and losses related to these liabilities were eliminated;
- assets available for sale - results of revaluation allocated to revaluation reserve were eliminated;
- change in liabilities in respect of securities resulting from redemption/issue of a bill of exchange and restructuring bonds (transactions are made between NBP and Bank Millennium S.A. in accordance with the agreement on restructuring of the former Łódzki Bank Rozwoju S.A.) were included in the financial section of the statement;

**EXPLANATORY NOTES****EXPLANATORY NOTES TO BALANCE SHEET**

Information on encumbrance of assets is presented in item 6 of Additional Notes.

**Note 1**

<b>1.1. CASH AND CENTRAL BANK OPERATIONS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current account	630 933	434 157
2. Deposits	0	0
3. Cash in bank	240 703	354 493
4. Interest	0	1
5. Other funds	199	103
<b>Total cash and central bank funds</b>	<b>871 835</b>	<b>788 754</b>

<b>1.2. CASH (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	819 396	723 049
b. in foreign currencies (by currency and after zloty translation)	52 439	65 705
b1. Unit /currency 1000/USD	6 903	7 302
PLN '000	20 644	27 314
b3. Unit/currency 1000./JPY	2 777	1 487
PLN '000	81	52
b4. Unit/currency 1000/GBP	95	152
PLN '000	546	1 011
b6. Unit/currency 1000/CHF	758	234
PLN '000	2 002	709
b7. Unit/currency 1000/EUR	6 584	7 464
PLN '000	26 856	35 206
b8. Other currencies (PLN '000)	2 310	1 413
<b>Total cash</b>	<b>871 835</b>	<b>788 754</b>

**Note 2**

<b>2.1. RECEIVABLES FROM FINANCIAL SECTOR (BY TYPES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Receivables from banks, of which:	3 155 143	1 174 711
a. Current nostro accounts, loro overdrafts	10 182	16 648
b. Loans	70 033	50 021
c. Deposits	3 074 496	1 105 753
d. Purchased receivables	432	2 289
e. Realised guarantees	0	0
f. Other receivables	0	0
2. Receivables from other financial entities, of which:	566 058	748 336
a. Loans	550 643	720 181
b. Purchased receivables	15 415	28 155
c. Realised guarantees	0	0
d. Commercial paper	0	0
e. Other receivables	0	0
3. Other receivables from financial institutions	30	30
4. Interest:	56 656	55 835
a) accrued	14 043	4 278
b) non-accrued	42 613	51 557
<b>Total (gross) receivables from financial sector</b>	<b>3 777 887</b>	<b>1 978 912</b>
7. Reserve for irregular receivables from financial sector (negative value)	-231 481	-174 935
<b>Total (net) receivables from financial sector</b>	<b>3 546 406</b>	<b>1 803 977</b>



<b>2.2. RECEIVABLES FROM FINANCIAL SECTOR (AS PER MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. On current account	80 927	427 748
2. Term receivables, time from balance sheet date to maturity:	3 640 304	1 495 329
a) up to one month	2 870 084	1 125 097
b) over 1 month to 3 months	265 654	82 009
c) over 3 months to 1 year	176 057	225 470
d) over 1 year to 5 years	321 760	40 455
e) over 5 years	0	0
f) past due	6 749	22 298
3. Interest	56 656	55 835
- accrued	14 043	4 278
- non-acrued	42 613	51 557
<b>Total (gross) receivables from financial sector</b>	<b>3 777 887</b>	<b>1 978 912</b>
<b>2.3. RECEIVABLES FROM FINANCIAL SECTOR (AS PER ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. On current account	80 927	427 748
2. Term receivables, time of repayment:	3 640 304	1 495 329
a) up to one month	2 646 395	1 023 300
b) over 1 month to 3 month	343 654	105 203
c) over 3 months to 1 year	288 980	252 631
d) over 1 year to 5 years	304 473	85 900
e) over 5 years	56 802	28 295
3. Interest	56 656	55 835
- accrued	14 043	4 278
- non-acrued	42 613	51 557
<b>Total (gross) receivables from financial sector</b>	<b>3 777 887</b>	<b>1 978 912</b>

<b>2.4. RECEIVABLES FROM FINANCIAL SECTOR (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	2 482 849	1 023 396
b. in foreign currencies (by currency and after zloty translation)	1 295 038	955 516
b1. Unit/currency1000/USD	361 469	168 687
PLN '000	1 080 937	630 974
b2. Unit/currency1000/JPY	26 262	53 688
PLN '000	766	1 878
b3. Unit/currency1000/GBP	423	23
PLN '000	2 440	156
b4. Unit/currency1000/CHF	8 510	19 010
PLN '000	22 485	57 563
b5. Unit/currency1000/EUR	45 213	54 173
PLN '000	184 425	255 532
b6. Other currencies (w PLN '000)	3 985	9 413
<b>Total (receivables) from non-financial sector</b>	<b>3 777 887</b>	<b>1 978 912</b>

<b>2.5. (GROSS) RECEIVABLES FROM FINANCIAL SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Standard	3 457 340	1 611 682
2. Watch	75	0
3. Irregular, of which:	263 816	311 395
- substandard	7	161
- doubtful	3	48
- loss	263 806	311 186
3. Interest	56 656	55 835
- accrued	14 043	4 278
- non-acrued	42 613	51 557

- on standard and watch receivables	1	22 072
- on irregular receivables	42 612	29 485
<b>Total (gross) receivables from financial sector</b>	<b>3 777 887</b>	<b>1 978 912</b>

<b>2.6. VALUE OF COLLATERAL REDUCING PROVISIONING BASE FOR IRREGULAR RECEIVABLES FROM FINANCIAL SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Watch	75	0
b) Irregular, of which:	32 334	136 457
- substandard	7	161
- doubtful	1	40
- loss	32 326	136 256
<b>Total value of collateral reducing provisioning base for irregular receivables from financial sector</b>	<b>32 409</b>	<b>136 457</b>

<b>2.7. PROVISIONS FOR RECEIVABLES FROM FINANCIAL SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Watch	0	0
b) Irregular, of which:	231 481	174 935
- substandard	0	0
- doubtful	1	5
- loss	231 480	174 930
<b>Total</b>	<b>231 481</b>	<b>174 935</b>

<b>2.8. CHANGE IN PROVISIONS FOR IRREGULAR RECEIVABLES FROM FINANCIAL SECTOR</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Opening balance	174 935	47 351
a) increase (due to)	110 123	181 534
- provisions for irregular receivables from financial institutions	110 123	135 975
- change of client's classification from non-financial entity to financial entity	0	45 559
b) used for (due to)	23 158	18 971
- writing off receivables	23 158	18 971
c) release (due to)	30 419	34 979
- release of provisions for receivables on interbank deposits	0	30
- provisions for receivables from other financial entities	30 424	34 949
- exchange differences	-5	0
<b>2. Provisions for irregular receivables from financial sector at period end</b>	<b>231 481</b>	<b>174 935</b>
<b>3. Statutory provisioning level required for receivables from financial sector at period end</b>	<b>231 481</b>	<b>174 935</b>

Total irregular receivables constitute 5,80 % of total assets.

### Note 3

<b>3.1. RECEIVABLES FROM NON-FINANCIAL SECTOR (BY TYPES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Receivables from non-financial sector	6 572 993	9 754 796
a) loans	5 365 411	8 273 620
b) purchased receivables	1 194 758	1 475 492
c) realised guarantees	11 776	5 378
d) other receivables	1 048	306
2. Interest	138 434	414 087
a) non-accrued	36 237	60 101
b) accrued	102 197	353 986
<b>Total (gross) receivables from non-financial sector</b>	<b>6 711 427</b>	<b>10 168 883</b>
7. Provisions created for irregular receivables from non-financial sector (negative value)	-374 995	-839 634
<b>Total (net) receivables from non-financial sector</b>	<b>6 336 432</b>	<b>9 329 249</b>

<b>3.2. RECEIVABLES FROM NON-FINANCIAL SECTOR (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. On current account	852 881	1 809 119
2. Term receivables, time from balance sheet date to maturity:	5 720 112	7 945 677
a) up to one month	129 210	185 124
b) over 1 month to 3 months	118 853	307 124
c) over 3 months to 1 year	666 006	940 435
d) over 1 year to 5 years	1 668 307	3 074 227
e) over 5 years	2 935 122	2 889 695
f) past due	202 614	549 072
3. Interest	138 434	414 087
- non-accrued	36 237	60 101
- accrued	102 197	353 986
<b>Total (gross) receivables from non-financial sector</b>	<b>6 711 427</b>	<b>10 168 883</b>

<b>3.3. RECEIVABLES FROM NONFINANCIAL SECTOR (AS PER ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. On current account	852 881	1 809 119
2. Term receivables, time of repayment:	5 720 112	7 945 677
a) up to one month	159 503	64 604
b) over 1 month to 3 months	12 814	37 961
c) over 3 months to 1 year	298 284	460 319
d) over 1 year to 5 years	1 815 778	2 470 522
e) over 5 years	3 433 733	4 912 271
3. Interest	138 434	414 087
- accrued	36 237	60 101
- non-accrued	102 197	353 986
<b>Total (gross) receivables from nonfinancial sector</b>	<b>6 711 427</b>	<b>10 168 883</b>

<b>3.4. RECEIVERS FROM NONFINANCIAL SECTOR (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	3 026 919	3 231 352
b. in foreign currencies (by currency and after zloty translation)	3 684 508	6 937 531
b1. Unit/currency1000/USD	276 635	376 235
PLN '000	827 250	1 407 308
b2. Unit/currency1000/JPY	1 273 965	1 467 324
PLN '000	37 159	51 327
b3. Unit/currency1000/GBP	0	0
PLN '000	0	0
b4. Unit/currency1000/CHF	673 242	1 137 383
PLN '000	1 778 774	3 444 109
b5. Unit/currency1000/EUR	255 289	431 373
PLN '000	1 041 325	2 034 787
b6. Other currencies (w PLN '000)	0	0
<b>Total receivables from nonfinancial sector</b>	<b>6 711 427</b>	<b>10 168 883</b>

<b>3.5. (GROSS) RECEIVABLES FROM NONFINANCIAL SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Standard	5 035 000	6 996 158
2. Watch	571 132	628 896
3. Irregular, of which:	966 861	2 129 742
- substandard	518 701	848 253
- doubtful	108 910	257 466
- loss	339 250	1 024 023
3. Interest	138 434	414 087
non-accrued	36 237	60 101
- accrued	102 197	353 986

- on standard and watch	385	5 950
- on irregular receivables	101 812	348 036
<b>Total (gross) receivables from nonfinancial sector</b>	<b>6 711 427</b>	<b>10 168 883</b>

<b>3.6. VALUE OF COLLATERAL REDUCING PROVISIONING BASE FOR IRREGULAR RECEIVABLES FROM NONFINANCIAL SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Standard	0	0
b) Watch	486 089	408 963
c) Irregular, of which:	248 542	849 042
- substandard	113 306	391 878
- doubtful	45 372	98 871
- loss	89 864	358 293
<b>Total</b>	<b>734 631</b>	<b>1 258 005</b>

<b>3.7. PROVISIONS FOR IRREGULAR RECEIVABLES FROM NONFINANCIAL SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Standard	0	32
a) Watch	2 223	3 299
b) Irregular, of which:	372 772	836 303
- substandard	89 847	91 275
- doubtful	33 539	79 298
- loss	249 386	665 730
<b>Total</b>	<b>374 995</b>	<b>839 634</b>

<b>3.8. CHANGE IN PROVISIONS FOR IRREGULAR RECEIVABLES FROM NONFINANCIAL SECTOR</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Opening balance	839 634	1 095 892
a) increase (due to)	748 120	1 144 574
- provisions for irregular receivables	685 435	1 118 790
- for standard and watch loans and receivables	1 596	6 896
- transferred from FORIN	57 824	0
- other	3 265	0
- exchange differences resulting from provisions for foreign currency receivables	0	18 888
b) used for (due to)	507 367	244 602
- writing off receivables	507 367	244 602
c) release (due to)	705 392	1 156 230
- irregular loans and receivables	689 863	1 101 648
- standard and watch loans and receivables	2 704	9 023
- exchange differences resulting from provisions for foreign currency receivables	12 825	0
- change of client's classification from non-financial entity to financial entity	0	45 559
- other	0	0
<b>2. Provisions for irregular receivables from non-financial sector at period end</b>	<b>374 995</b>	<b>839 634</b>
<b>3. Statutory provisioning level required for receivables from non-financial sector at period end</b>	<b>374 995</b>	<b>839 634</b>

## Note 4

<b>4.1. RECEIVABLES FROM BUDGET SECTOR (BY TYPES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Receivables from budget sector	404 648	509 820
a) loans from central government institutions	5 016	7 043
- loans	5 002	6 872
- purchased receivables	14	171
b) receivables from local government institutions	399 632	502 777
- loans	399 345	500 090
- purchased receivables	284	2 687
- realised guarantees	3	0

c) other receivables	0	0
2. Interest	6 621	3 812
a) non-accrued	6 205	2 837
b) accrued	416	975
<b>Total (gross) receivables from budget sector</b>	<b>411 269</b>	<b>513 632</b>
7. Provisions created for irregular receivables from budget sector (negative value)	-2 260	-9 152
<b>Total (net) receivables from budget sector</b>	<b>409 009</b>	<b>504 480</b>

<b>4.2. RECEIVABLES FROM BUDGET SECTOR (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. On current account	4 987	6 872
2. Term receivables, time from balance sheet date to maturity:	399 661	502 948
a) up to one month	11 470	14 674
b) over 1 month to 3 month	239	1 053
c) over 3 months to 1 year	16 700	15 509
d) over 1 year to 5 years	114 372	162 537
e) over 5 years	256 416	306 097
f) past due	464	3 078
3. Interest	6 621	3 812
- non-accrued	6 205	2 837
- accrued	416	975
<b>Total (gross) receivables from budget sector</b>	<b>411 269</b>	<b>513 632</b>

<b>4.3. RECEIVABLES FROM BUDGET SECTOR (AS PER ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. On current account	4 987	6 872
2. Term receivables, time of repayment:	399 661	502 948
a) up to one month	11 342	14 311
b) over 1 month to 3 month	0	0
c) over 3 months to 1 year	506	3 312
d) over 1 year to 5 years	62 465	104 735
e) over 5 years	325 348	380 590
3. Interest	6 621	3 812
- non-accrued	6 205	2 837
- accrued	416	975
<b>Total (gross) receivables from budget sector</b>	<b>411 269</b>	<b>513 632</b>

<b>4.4. RECEIVABLES FROM BUDGET SECTOR (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	325 354	392 270
b. in foreign currencies (by currency and after zloty translation)	85 915	121 362
b1. Unit/currency1000/USD	0	0
PLN '000	0	0
b2. Unit/currency1000/JPY	0	0
PLN '000	0	0
b3. Unit/currency1000/GBP	0	0
PLN '000	0	0
b4. Unit/currency1000/CHF	28 740	33 849
PLN '000	75 933	102 499
b5. Unit/currency1000/EUR	2 447	3 999
PLN '000	9 982	18 863
b6. Other currencies (in PLN '000)	0	0
<b>Total receivables from budget sector</b>	<b>411 269</b>	<b>513 632</b>

<b>4.5. (GROSS) RECEIVABLES FROM BUDGET SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Standard	386 837	477 749
2. Watch	301	0
3. Irregular, of which:	17 510	32 071

- substandard	9 292	10 929
- doubtful	7 813	18 152
- loss	405	2 990
3. Interest	6 621	3 812
- non-accrued	6 205	2 837
- accrued	416	975
- on standard and watch	0	338
- on irregular receivables	416	637
<b>Total</b>	<b>411 269</b>	<b>513 632</b>

<b>4.6. VALUE OF COLLATERAL REDUCING PROVISIONING BASE FOR IRREGULAR RECEIVABLES FROM BUDGET SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Standard	0	0
b) Watch	301	0
c) Irregular, of which:	7 990	10 434
- substandard	887	0
- doubtful	6 741	10 434
- loss	362	0
<b>Total</b>	<b>8 291</b>	<b>10 434</b>

<b>4.7. PROVISIONS FOR IRREGULAR RECEIVABLES FROM BUDGET SECTOR</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Standard	0	0
b) Watch	0	0
c) Irregular, of which:	2 260	9 152
- substandard	1 681	2 215
- doubtful	536	3 859
- loss	43	3 078
<b>Total</b>	<b>2 260</b>	<b>9 152</b>

<b>4.8. CHANGE IN PROVISIONS FOR IRREGULAR RECEIVABLES FROM NONFINANCIAL SECTOR</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Opening balance	9 152	7 951
a) increase (due to)	7 507	14 239
- provisions for irregular receivables	3 002	14 239
- transferred from FORIN	4 505	0
b) used for (due to)	4 666	318
- writing off receivables	4 666	318
c) release (due to)	9 733	12 720
- irregular loans and receivables	9 733	12 720
<b>2. Provisions for irregular receivables from non-financial sector at period end</b>	<b>2 260</b>	<b>9 152</b>
<b>3. Statutory provisioning level required for receivables from non-financial sector at period end</b>	<b>2 260</b>	<b>9 152</b>

## Note 5

<b>RECEIVABLES ON REPO SECURITIES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) from financial sector	80 334	100 358
b) from non-financial and budget sector	0	0
c) interest	317	0
<b>Total</b>	<b>80 651</b>	<b>100 358</b>

**Note 6**

<b>6.1. DEBT SECURITIES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Issued by central banks, of which:	843 861	166 917
- FX denominated bonds	0	0
2. Issued by other banks, of which:	128 245	112 232
- FX denominated	0	0
3. Issued by other financial entities, of which:	98 011	117 072
- FX denominated	0	0
4. Issued by nonfinancial entities, of which:	282 180	341 401
- FX denominated	282 180	338 032
5. Issued by state budget, of which:	5 471 131	4 006 089
- FX denominated	16 706	929
6. Issued by local budgets, of which:	92 463	92 956
- FX denominated	0	0
7. Redeemed own securities	0	0
<b>Total debt securities</b>	<b>6 915 891</b>	<b>4 836 667</b>

<b>6.2 DEBT SECURITIES (BY TYPE)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Issued by state budget, of which:	5 471 131	4 006 089
a) bonds	4 749 602	3 014 601
b) T-bills	721 529	991 488
c) other (by type):	0	0
2. Issued by local budget, of which:	92 463	92 956
a) bonds	92 463	92 956
b) other (by type):	0	0
3. Issued by subsidiaries*, of which:	0	27 063
a) bonds	0	27 063
b) other (by type):	0	0
4. Issued by associated companies, of which:	0	0
a) bonds	0	0
b) other (by type):	0	0
5. Issued by NBP, of which:	843 861	166 917
a) bonds	167 142	166 917
b) other (by type):	676 719	0
- money bills	676 719	0
6. Issued by other entities, of which:	508 436	543 642
a) bonds	508 436	543 642
b) other (by type):	0	0
<b>total debt securities</b>	<b>6 915 891</b>	<b>4 836 667</b>

<b>6.3. CHANGE IN DEBT SECURITIES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) opening balance	4 836 667	4 957 332
b) increases (on account of)	2 079 224	4 500
- growth of bank (net) investment in debt securities	2 079 224	0
- transfer of provisions in respect of permanent diminution in value of debt securities to provisions for issue guarantee		4 500
c) reductions (on account of)	0	125 165
- drop of bank (net) investment in debt securities	0	125 165
<b>d) closing balance</b>	<b>6 915 891</b>	<b>4 836 667</b>

Due to certain system considerations, the Bank does not present changes in debt securities as broken down into purchase, sale, coupon & discount/premium settlement.

**Note 7**

<b>7.1. SHARES AND STOCKS IN SUBSIDIARIES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) in banks	0	0
b) in other financial entities	1 655 836	1 378 022
c) in nonfinancial entities	4 000	4 000
<b>Total</b>	<b>1 659 836</b>	<b>1 382 022</b>

<b>7.2. MOVEMENTS IN SHARES AND STOCKS IN SUBSIDIARIES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	1 382 022	1 163 734
a) increases (due to)	281 767	258 034
- purchase or embracing of shares, stocks	6	218 767
- shares taken over as a result of purchase of FORIN	98	0
- valuation by ownership rights method	281 663	22 157
- reserve release for diminution in value	0	762
- share capital increase	0	15 500
- exchange differences	0	848
b) decreases (due to)	3 953	39 746
- capital reduction	3 175	0
- sale of shares and stocks	0	39 746
- exchange differences	778	0
<b>Shares and stocks in subsidiaries at end of period</b>	<b>1 659 836</b>	<b>1 382 022</b>

**Note 9**

<b>9.1. SHARES AND STOCKS IN AFFILIATES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) in banks	0	0
b) in other financial entities	1 427	2 003
c) in other nonfinancial entities	4 800	4 800
<b>Total</b>	<b>6 227</b>	<b>6 803</b>

<b>9.2. CHANGE OF SHARES AND STOCKS IN AFFILIATES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	6 803	6 768
a) increases (due to)	1 669	1 535
- shares and stocks taken over as a result of purchase of FORIN	33	0
- wycena metodą praw własności	136	1 535
- reserve release	1 500	0
b) decreases (due to)	2 245	1 500
- sale of shares and stocks	2 212	0
- revaluation write offs taken over as a result of purchase of FORIN	33	1 500
<b>Shares and stocks in subsidiaries at end of period</b>	<b>6 227</b>	<b>6 803</b>



**Note 10****SHARES IN SUBORDINATED COMPANIES**

No.	a	b	c	d	e	f	g	h	i	j	k	l
	Company name and legal form	Location	object of business	nature of capital relationship	consolidation method employed	date of assuming control / date significant impact is exerted	share value/ by purchasing price	Revaluations value (total)	book value of shares	% of share capital (paid in capital held)	share in votes at general meetinds	indication of a different than under letters j) or k) manner of domination
1	Millennium Dom Maklerski S.A.	Warszawa	brokerage services	subsidiary	consolidation	05.06.1995	16500	-28984	45484	100,00	100,00	
2	TBM Sp. z o.o.	Warszawa	financial operations - equity markets, advisory services	associated company	consolidation	22.03.1996	225	-1202	1427	45,00	45,00	
3	Bel Leasing Sp.z o.o.	Warszawa	leasing	subsidiary	consolidation	18.03.1991	20694	-229516	250210	99,99	99,99	
4	BG Leasing S.A.	Gdańsk	leasing	subsidiary	excl. from consolidation	24.02.1997	900	900	0	74,00	74,00	
5	BESTA Sp.z o.o.	Warszawa	supporting insurance and pension fund operations	subsidiary	equity method	17.07.1998	50	50	0	100,00	100,00	
6	Lubuskie Fabryki Mebli SA	Świebodzin	furniture manufacturer	subsidiary	excl. from consolidation	05.12.1997	6700	2700	4000	50,00	50,00	.....
7	BIG BG Inwestycje SA	Warszawa	investing activities on capital markets	subsidiary	equity method	24.02.1997 31.08.1999	953260	-401817	1355077	90,04	93,96	.....
8	Pomorskie Hurtowe Centrum Rolno - Spożywcze S.A.	Gdańsk	wholesale market	associated company	excl. from consolidation	16.06.1997	8200	3400	4800	38,39	42,92	.....
9	Hevelius Management Sp. z o.o.	Warszawa	management of an investment fund	associated company	excl. from consolidation	24.02.1997	960	960	0	39,99	39,99	
10	Towarzystwo Handlowe Weiman i S-ka Sp. z o.o.	Łódź	manufacturing and trading in sanitary ceramics	associated company	excl. from consolidation	20.10.1993	0	0	0	40,00	40,00	
11	Reess Trading Sp.z o.o.	Warszawa	financial operations - equity markets, advisory services	subsidiary	excl. from consolidation	19.06.1996	98		98	98,00	98,00	
12	SPC S.A.	Warszawa	investing activities	associated company	excl. from consolidation		33	33	0	33,00	33,00	
13	Forin Sp. z o.o.	Warszawa	managing other entities	subsidiary	equity method	25.02.1992	38579	38579	0	100,00	100,00	
14	BBG Finance BV	Rotterdam	funding companies from the Group	subsidiary	equity method	22.11.2001	4968	0	4968	100,00	100,00	

## SHARES IN SUBORDINATED COMPANIES - continued

	a	m							n			o			p	r	s	t
	name of unit	Shareholders' Equity, of which:							Liabilities			Receivables			Assets (total)	Sales	Portion of shares not paid by the Issuer	Dividends received or receivable for the last financial year
		Share capital	Additional capital payable (negative amount)	Supplementary capital	Other of which:	Retained earnings (loss brought forward)	Net income (loss)											
								of which:	current	long-term	of which:	short-term	long- term					
1	Millennium Dom Maklerski S.A.	43629	16500	0	13423	13706	0	13706	336948	314661	22287	11106	11106	0	388260	39934		
2	TBM Sp.z o.o.	5044	500	0	2008	2536	0	129	0	0	0	0	0	0	5900	60		
3	Bel Leasing Sp.z o.o.	186078	20000	0	197845	-31767	-78853	41277	1350717	427067	923650	1491932	553663	938269	1815851	206671		
4	BG Leasing S.A.*																	
5	BESTA Sp.z o.o.	92	50	0	8462	-8420	-8444	23	5	5	0	47	47	0	246	0		
6	Lubuskie Fabryki Mebli S.A.***	17369	13400	0	526	3443	0	3426	6919	6919	0	6852	6852	0	24358	44421		951
7	BIG BG Inwestycje SA	1500346	1054000	0	2551	443795	0	433993	0	0	0	0	0	0	1614380	0		
8	Pomorskie Hurtowe Centrum Rolno - Spozywcze S.A.*****	16499	21357	0	494	-5352	-18612	1874	64372	11875	52497	1068	1068	0	85198	8654		
9	Hevelius Management Sp. z o.o.*																	
10	Towarzystwo Handlowe Weiman i S-ka Sp. z o.o.**																	
11	Reess Trading Sp.z o.o.	114	100	0	5	9	0	6	0	0	0	0	0	0	114	0		
12	SPC S.A. **																	
13	Forin Sp. z o.o.	52951	86318	0	32788	-66155	-66856	701	235525	5037	230488	268741	10638	258103	324743	23442		
14	BBG Finance BV****	6166	85	0	5660	421	-78	498	533021	0	533021	533021	0	533021	540301	0		

\* - under bankruptcy proceedings

\*\* - the company has not been carrying business activity

\*\*\* - as at 31.10.2004

\*\*\*\* - as at 31.12.2003

\*\*\*\*\* - as at 30.06.2004

**Note 11**

<b>11.1. SHARES AND STOCKS IN OTHER ENTITIES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) in financial sector entities	12 254	11 709
b) in non-financial sector entities	422	1 005
<b>Total</b>	<b>12 676</b>	<b>12 714</b>

<b>11.2. MOVEMENTS IN SHARES AND STOCKS IN OTHER ENTITIES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	12 714	47 502
a) increases (due to)	116	31 532
- purchase or embracing of shares and stocks	34	10 932
- conversion of debt to equity as a result of client restructuring		20 585
- valuation (exchange differences)		15
- shares and stocks taken over as a result of merger with FORIN	82	
b) decrease (due to)	154	66 320
- creation of a provision against costs		126
- sale of shares and stocks	136	45 609
- sale of shares acquired as a result of client restructuring		20 585
- valuation (exchange differences)	18	
<b>Shares and stocks in other units at the end of period</b>	<b>12 676</b>	<b>12 714</b>



**11. SHARES IN OTHER COMPANIES**

No.	a Company name and legal form	b Location	c Business	d Book value of shares	e % of shares held	f % of votes at a GM	g Shareholders' equity, of which:	- share capital	h shares unpaid by the Issuer	i dividends received or receivable for the last financial year
1	Elmor S.A.	Gdańsk	electronics	86	8,38	8,38	11520	7203	0	0
2	MacQuillan Polska Sp.z o.o.	Warszawa	advisory services	1	10,00	10,00		10	0	0
3	Krajowa Izba Rozliczeniowa S.A.	Warszawa	interbank settlements	313	5,74	5,74	74702	5445	0	750
4	Servibanca	Lizbona	przeprowadzanie rozliczeń	31	2,67	2,67		281 (EURO)		
5	Centralna Tablica Ofert S.A.	Warszawa	providing information on non-exchange transactions	104	1,55	1,55	5019	7500	0	0
6	Biuro Informacji Kredytowej SA	Warszawa	preparing and sale of reports on financial liabilities	400	2,50	2,50	12236	15550	0	0
7	Giełda Papierów Wartościowych S.A.	Warszawa	stock exchange	20	0,03	0,03	348229	42000	0	0
8	SWIFT	Bruksela	telecom services	89	0,02	0,02	44131	4418	0	0
9	PTH Trybunalskie S.A.	Piotrków Trybunalski	tourist services	267	17,16	17,16	2900	1750	0	0
10	PKB POL-BUILDING S.A.	Toruń	building services	4	16,66	16,66		100	0	0
11	Bank Przemysłowy S.A.	Łódź	banking	134	0,24	0,48		55347	0	0
12	PZL "Krosno" S.A.	Krosno	telecom equipment	244	9,34	9,34	12399	5500	0	0
13	Wschodni Bank Cukrownictwa	Lublin	banking	10806	5,46	5,46	242577	200191	0	0
14	other			177						

**Note 12**

<b>12.1. OTHER SECURITIES AND OTHER FINANCIAL ASSETS (BY TYPE)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) units in investment funds and investment certificates	4 249	289 357
b) rights	0	0
c) derivative rights	0	0
d) other (by type)	542 601	388 092
- assets on account of valuation of financial instruments connected with securities purchased in interest rate market	230 323	68 477
- assets on account of valuation of financial instruments connected with securities purchased in interest and exchange rate market	178 135	294 790
- assets on account of valuation of financial instruments connected with securities purchased in exchange rate market	134 143	24 825
<b>Total</b>	<b>546 850</b>	<b>677 449</b>

<b>12.3. MOVEMENTS IN OTHER SECURITIES AND OTHER FINANCIAL ASSETS (BY TYPE)</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	677 449	499 789
a) increases (due to)	158 758	291 649
- valuation of units in investment funds	249	3 772
- purchase of units in investment funds	4 000	264
- purchase of investment certificates	0	287 161
- valuation of investment certificates	0	452
- valuation of financial instruments	154 509	0
b) reductions (due to)	289 357	113 989
- sale of investment certificates	289 357	0
- sale of units in investment funds	0	19 655
- redemption of units in investment funds	0	93 966
- valuation of financial instruments	0	368
<b>End of period</b>	<b>546 850</b>	<b>677 449</b>

<b>12.4. OTHER SECURITIES AND OTHER FINANCIAL ASSETS (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	546 850	677 449
b. in foreign currencies (by currency and after zloty translation)		
b1. Unit/currency 1000/EUR		
PLN '000		
b2. Unit/currency 1000/USD		
PLN '000		
<b>Total</b>	<b>546 850</b>	<b>677 449</b>

**Note 13**

<b>13.1. FINANCIAL ASSETS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) Financial assets for trading	3074056	3219665
b) loans extended by bank and own receivables not for trade	10291658	11632247
c) financial assets held to maturity	202252	112232
d) financial assets available for sale	4199109	2194933
e) money assets	882017	805402
<b>Total</b>	<b>18649092</b>	<b>17964479</b>

Note does not include shares in subordinated companies

<b>13.2. FINANCIAL ASSETS (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	13840922	10569022
b. in foreign currencies (by currency and after zloty translation)	5416906	8419178
b2. Unit/currency 1000/USD	680711	585684
PLN '000	2035607	2190752
b4. Unit/currency 1000/JPY	1303003	1522499
PLN '000	38006	53257
b5. Unit/currency 1000/GBP	518	175
PLN '000	2986	1167
b7. Unit/currency 1000/CHF	711250	1190476
PLN '000	1879194	3604880
b8. Unit/currency 1000/EUR	356660	542357
PLN '000	1454818	2558296
b9. Other currencies (in PLN '000)	6295	10826
<b>Total financial assets</b>	<b>19257828</b>	<b>18988200</b>

Credits and loans granted by the Bank, own receivables not for trade are presented in gross value.

<b>13.3 FINANCIAL ASSETS FOR TRADING (BY MARKET LIQUIDITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
A. With unlimited market liquidity - exchange listed (balance sheet value)	1 722 694	1 888 234
a) shares (balance sheet value):	0	0
- fair value		
- market value		
- by purchasing price		
b) bonds (balance sheet value):	1 722 694	1 888 234
- fair value	1 722 694	1 888 234
- market value	1 722 694	1 888 234
- by purchasing price	1 689 108	1 872 871
c) other - by types (wartość bilansowa):		
- fair value		
- market value		
- by purchasing price		
B. With unlimited liquidity, OTC listed (balance sheet value)	0	0
a) shares (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
b) bonds (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
c) other - by types (wartość bilansowa):		
- fair value		
- market value		
- by purchasing price		
C. With unlimited market liquidity, not listed on regulated markets (balance sheet value)	808 761	943 339
a) shares (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
b) bonds (balance sheet value):	0	0
- fair value		
- market value		
- by purchasing price		
c) other - by types (balance sheet value):	808 761	943 339

c1) NBP money bills (balance sheet value)	676 719	0
- fair value	676 719	
- market value	676 719	
- by purchasing price	676 719	
c2) T-bonds (balance sheet value)	127 793	943 339
- fair value	127 793	943 339
- market value	127 793	943 339
- by purchasing price	126 498	940 888
c3) investment fund units (balance sheet value)	4 249	
- fair value	4 249	
- market value	4 249	
- by purchasing price	4 000	
D. With limited market liquidity (balance sheet value)	542 601	388 092
a) shares and stocks (balance sheet value):	0	0
- fair value		
- market value		
- by purchasing price		
b) bonds (balance sheet value):	0	0
- fair value		
- market value		
- by purchasing price		
c) other - by types (balance sheet value):	542 601	388 092
c1) commercial paper	0	0
- fair value		
- market value		
- by purchasing price		
c2) assets resulting from valuation of financial instruments (balance sheet value)	542 601	388 092
<b>Total valuation by purchasing price</b>	<b>2 496 325</b>	<b>2 813 759</b>
<b>Total value at period start</b>	<b>3 219 665</b>	<b>1 648 023</b>
<b>Total revaluation adjustments (for period)</b>	<b>557 835</b>	<b>392 354</b>
<b>Total balance sheet value</b>	<b>3 074 056</b>	<b>3 219 665</b>
<b>13.4. FINANCIAL ASSETS HELD TO MATURITY (BY MARKET LIQUIDITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
A. With unlimited market liquidity - exchange listed (balance sheet value)	74 007	0
a) bonds (balance sheet value):	74 007	0
- valuation adjustments (for period)	0	
- value at period start	0	
- by purchasing price	69 920	
b) other - by types (balance sheet value):		
- valuation adjustments (for period)		
- value at period start		
- by purchasing price		
B. With limited market liquidity - OTC listed (balance sheet value)	0	0
a) bonds (balance sheet value):		
- valuation adjustments (for period)		
- value at period start		
- by purchasing price		
b) other - by type groups (balance sheet value):		
- valuation adjustments (for period)		
- value at period start		
- by purchasing price		
C. With unlimited market liquidity, not listed on a regulated market (balance sheet value)	0	0
a) restructuring bonds issued by State Treasury (balance sheet value):	0	0
- valuation adjustments (for period)	0	0



- value at period start	0	50 122
- by purchasing price	0	0
b) other - by type groups (balance sheet value):	0	0
b1) NBP money bills (balance sheet value)		
- valuation adjustments (for period)		
- value at period start		
- by purchasing price		
b2) units in investment funds and investment certificates (balance sheet value)	0	0
- valuation adjustments (for period)		
- value at period start		
- by purchasing price		0
D. With limited market liquidity (balance sheet value)	128 245	112 232
a) bonds (balance sheet value):	128 245	112 232
- valuation adjustments (for period)	0	0
- value at period start	112 232	206 359
- by purchasing price	74 750	74 750
b) other - by types (balance sheet value):	0	0
b1) T-bills dedicated for deposit insurance coverage by the Bank Guarantee Fund (balance sheet value)		
- valuation adjustments (for period)		
- value at period start		
- by purchasing price		
<b>Total valuation by purchasing price</b>	<b>144 670</b>	<b>74 750</b>
<b>Total value at period start</b>	<b>112 232</b>	<b>256 481</b>
<b>Total revaluation adjustments (by period)</b>	<b>0</b>	<b>0</b>
<b>Total balance sheet value</b>	<b>202 252</b>	<b>112 232</b>

<b>13.5. FINANCIAL ASSETS AVAILABLE FOR SALE (BY MARKET LIQUIDITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
A. With unlimited market liquidity - exchange listed (balance sheet value)	2 952 901	1 126 367
a) shares (balance sheet value):	0	0
- fair value		
- market value		
- by purchasing price	0	0
b) bonds (balance sheet value):	2 952 901	1 126 367
- fair value	2 952 901	1 126 367
- market value	2 952 901	1 126 367
- by purchasing price	2 897 302	1 111 960
c) other - by types (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
B. With unlimited liquidity, OTC listed (balance sheet value)	0	0
a) shares (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
b) bonds (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
c) other - by types (balance sheet value):		
- fair value		
- market value		
- by purchasing price		

C. With unlimited market liquidity, not listed on a regulated market (balance sheet value)	1 043 058	842 455
a) shares (balance sheet value):		
- fair value		
- market value		
- by purchasing price		
b) bonds (balance sheet value):	449 322	504 949
- fair value	449 322	504 949
- market value	449 322	504 949
- by purchasing price	441 520	492 262
c) other - by types (balance sheet value):	593 736	337 506
c1) NBP money bills (balance sheet value)		
- fair value		
- market value		
- by purchasing price		
c2) T-bills dedicated for deposit insurance coverage by the Bank Guarantee Fund (balance sheet value)	38 853	48 149
- fair value	38 853	48 149
- market value	38 853	48 149
- by purchasing price	38 001	47 620
c3) other T-bills (balance sheet value)	554 883	
- fair value	554 883	
- market value	554 883	
- by purchasing price	548 902	
c4) units in investment fund (balance sheet value)	0	289 357
- fair value	0	289 357
- market value	0	289 357
- by purchasing price	0	288 849
D. With limited market liquidity (balance sheet value)	203 150	226 111
a) shares and stocks (balance sheet value):	12 676	12 714
- fair value	12 676	12 714
- market value	12 676	12 714
- by purchasing price	14 476	14 494
b) bonds (balance sheet value):	190 474	213 397
- fair value	190 474	213 397
- market value	190 474	213 397
- by purchasing price	173 060	205 079
c) other - by types (balance sheet value):	0	0
<b>Total value by purchasing price</b>	<b>4 113 261</b>	<b>2 160 264</b>
<b>Total value at period start</b>	<b>2 194 933</b>	<b>3 600 124</b>
<b>Total revaluation adjustments (by period)</b>	<b>31 928</b>	<b>10 749</b>
<b>Total balance sheet value</b>	<b>4 199 109</b>	<b>2 194 933</b>

## Note 14

INTANGIBLE FIXED ASSETS	31.12.2004	31.12.2003
a) organisational expenditures accounted over time on start-up or later expansion of joint stock company	0	0
b) costs of completed research and development work	5 804	7 779
d) licenses, patents, etc, of which:	34 822	219 303
- computer software	34 822	40 789
- rights to Millennium	0	178 500
f) other intangible fixed assets	0	0
g) advances towards intangible fixed assets	0	0
<b>Total intangible fixed assets</b>	<b>40 626</b>	<b>227 082</b>

In the course of preparation to implement the International Financial Reporting Standards, pursuant to the Accounting Law, the Bank carried out a detailed review of fixed and intangible assets to update their economic useful life as well as fair value of real estate being sold now. Based on this review, depreciation periods of some assets have been adjusted and a one-time depreciation charge of PLN 221 million was accounted for in 2004.

INTANGIBLE FIXED ASSETS (BY OWNERSHIP STATUS)	31.12.2004	31.12.2003
a) own	40 626	227 082
b) used under rent, lease or any similar agreement, of which:	0	0
-		
<b>Total intangible fixed assets</b>	<b>40 626</b>	<b>227 082</b>

## MOVEMENTS IN INTANGIBLE FIXED ASSETS (BY TYPES)

	a	b	c		d	e	Total intangible assets
	cost of completed development work	goodwill	concessions, patents, etc.  including:	computer software	other intangible assets	advances towards intangible assets	
a) Opening balance (gross value)	26	13 109	351 851	141 734	0		364 986
b) increases (due to)	0	41	15 301	15 301	0	0	15 342
- purchase		41	675	675			716
- transfers from fixed assets under construction			7 971	7 971			7 971
- investment outlays for intangible fixed assets			6 655	6 655			6 655
c) decreases (due to)	0	153	13	13	0	0	166
- transfer to tangible fixed assets							0
- liquidation			13	13			13
- other		153					153
d) gross value of intangible assets at period end	26	12 997	367 139	157 022	0	0	380 162
e) cumulated depreciation (amortisation) at period start	26	5 330	132 548	100 945	0		137 904
f) depreciation for period (due to)	0	1 863	199 769	21 255	0	0	201 632
- current charge (income statement)		1 863	28 307	17 797	0		30 170
- one off charge /permanent diminution due to change in economic useful life pattern			171 471	3 471			171 471
- liquidation			-13	-13			-13
- other			4				4
g) cumulated depreciation (amortisation) at period end	26	7 193	332 317	122 200	0	0	339 536
h) movements on lasting impairment of value at beginning of period							0
- increase							0
- decrease							0
i) movements on lasting impairment of value at end of period	0	0	0	0	0	0	0
j) net value of intangible assets at period end	0	5 804	34 822	34 822	0	0	40 626

**Note 15**

<b>TANGIBLE FIXED ASSETS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) tangible fixed assets, of which:	515 501	604 829
- land (including perpetual usufruct - leasehold)	192 980	192 980
- buildings, premises, civil and hydroengineering structures	237 137	273 564
- equipment	55 020	97 805
- means of transport	9 032	10 484
- other tangible fixed assets	21 332	29 996
b) tangible fixed assets under construction	18 885	61 213
c) advances towards tangible fixed assets under construction	0	0
<b>Total tangible fixed assets</b>	<b>534 386</b>	<b>666 042</b>

<b>BALANCE SHEET TANGIBLE FIXED ASSETS (BY OWNERSHIP STATES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) own	515 501	604 829
b) used under rent, lease or any similar agreement, of which:	0	0
-		
<b>Total balance sheet tangible fixed assets</b>	<b>515 501</b>	<b>604 829</b>

<b>FIXED ASSETS DISCLOSED Off-balance sheet</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
used under rent, lease or any similar agreement, of which:	0	0
-	0	0
<b>Total OBS fixed assets</b>	<b>0</b>	<b>0</b>

**MOVEMENTS IN FIXED ASSETS (BY TYPES)**

	- Land (including perpetual usufruct)	- buildings, premises, etc.	- equipment	- means of transport	- other fixed assets	<b>Total fixed assets</b>
a) Gross value of fixed assets at period start	194 983	394 167	373 607	21 778	93 899	1 078 434
b) increases (due to)	0	27 236	24 050	2 894	6 069	60 249
- purchase		339	274	406	20	1 039
- transfer from fixed assets under construction		26 897	23 573	2 488	5 955	58 913
- other			203		94	297
c) decreases (due to)	0	20 712	18 866	4 870	3 041	47 489
- sale		11 526	5 639	4 468	2 466	24 099
- liquidation		166	9 851	61	575	10 653
- branch liquidation		9 020	3 351			12 371
- other			25	341		366
d) gross value of fixed assets at the end of period	194 983	400 691	378 791	19 802	96 927	1 091 194
e) cumulated depreciation (amortisation) at period start	3	112 029	275 802	11 294	63 903	463 031
f) amortisation for period (by title)	0	44 683	47 969	-524	11 692	103 820
- current decrease (P & L)		34 249	38 318	3 658	11 658	87 883
- one off charge /permanent diminution due to change in economic useful life pattern		21 435	25 700		2 716	49 851
- decrease on sale and liquidation		-7 169	-14 017	-4 061	-2 773	-28 020
- other		-3 832	-2 032	-121	91	-5 894
g) cumulated depreciation (amortisation) at period end	3	156 712	323 771	10 770	75 595	566 851
h) reductions on lasting impairment of value	2 000	8 574	0	0	0	10 574
- increase		5 342				5 342
- decrease		7 074				7 074
i) reductions on lasting impairment of value at period end	2 000	6 842	0	0	0	8 842
j) net value of fixed assets at period end	192 980	237 137	55 020	9 032	21 332	515 501

**Note 16**

<b>OTHER ASSETS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Assets taken for resale	1 780	3 453
2. Others, of which:	65 514	97 388
- settlements accounts	9 562	20 911
- contributions to capital in subsidiaries	20 025	0
- receivables from the National Insurance Fund ZUS, budget and other public and legal units	10 197	26 011
- others	25 730	50 466
including sundry debtors	25 729	50 420
<b>Gross other assets</b>	<b>67 294</b>	<b>100 841</b>
Reserves for assets held for resale	-1 024	-225
Other reserves	-12 350	-8 942
including receivables from the National Insurance Fund ZUS, budget and other public and legal units	-4 154	0
including sundry debtors	-8 196	-8 942
<b>Total net assets</b>	<b>53 920</b>	<b>91 674</b>

<b>ASSETS TAKEN OVER FOR RESALE</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Fixed assets under construction	0	0
2. Real estate	756	1 082
3. Other	0	2 146
<b>Total assets taken over for resale</b>	<b>756</b>	<b>3 228</b>
<b>MOVEMENTS IN ASSETS TAKEN OVER FOR RESALE</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Opening balance	3 228	7 394
2. Increases over period (due to)	4 618	1 385
- takeovers	4 618	1 385
3. Decreases in period (due to)	7 090	5 551
- sale	4 927	5 551
- charged to costs	1 365	0
- reserve establishment	798	0
<b>4. Closing balance</b>	<b>756</b>	<b>3 228</b>

**Note 17**

<b>ACCRUED COSTS AND PREPAYMENTS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) long-term	504 349	500 040
- deferred income tax assets	228 631	238 741
- prepaid interest on borrowing	255 912	255 912
- Other	19 806	5 387
b) short-term, of which:	8 039	5 703
- other expenses paid in advance	7 976	5 676
- prepaid expenses	63	27
<b>Total accrued costs and prepayments</b>	<b>512 388</b>	<b>505 743</b>

<b>MOVEMENTS IN DEFERRED INCOME TAX ASSETS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Deferred income tax assets at the beginning of the period	238 741	428 061
- adjustment of the opening balance sheet following changes in accounting principles	0	0
- adjustment of the opening balance sheet in respect of elimination of the intragroup transaction as a result of the acquisition of FORIN	4 799	0
1a. Deferred income tax assets at the beginning of the period after opening balance sheet adjustment, of which:	243 540	428 061
a) posted to financial result	243 540	428 061
b) posted to shareholders' equity	0	0
c) posted to goodwill or negative goodwill	0	0
2. Increases	75 324	63 955
a) posted to financial result for the period in respect of negative timing differences (of which)	75 324	27 930
- accrued interest	4 311	1 622
- valuation of financial instruments	22 724	0
- negative exchange differences	8 478	0
- income received in advance	0	2 961
- increase in specific provisions	0	65 014
- difference between balance-sheet and taxable depreciation	19 759	1 859
- change of tax rates		-43 657
- capitalized interest taxable after capitalization date	6 325	131
- depreciation of fixed assets	7 840	0
- accruals	3 463	0
- other	2 424	0
b) posted to financial result for the period in respect of tax loss (of which)	0	36 025
- of 2003	0	75 181
- changes in tax rates	0	-39 156

...		
c) posted to shareholders' equity in respect of negative timing differences (of which)	0	0
...		
d) posted to shareholders' equity in respect of tax loss (of which)	0	0
...		
e) posted to goodwill or negative goodwill in respect of negative timing differences (of which)	0	0
...		
3. Decreases	90 233	253 275
a) posted to financial result for the period in respect of negative timing differences (of which)	23 856	253 275
- realized interest	0	4 037
- settlement of income received in advance	960	0
- costs of operations on derivative instruments	0	33 106
- decrease in specific provisions	20 849	0
- release of provisions for overhead costs and remunerations	0	6 714
- realization of negative foreign exchange differences	1 562	186 298
- write-offs in respect of deferred income tax (restructuring costs)	485	9 577
- change of tax rates from 27% to 19%	0	13 543
b) posted to financial result for the period in respect of tax loss (of which)	66 377	0
- of 2000, 2001	40 091	0
- 50% of loss of 2003	26 286	0
c) posted to shareholders' equity in respect of negative timing differences (of which)	0	0
...		
d) posted to shareholders' equity in respect of tax loss (of which)	0	0
...		
e) posted to goodwill or negative goodwill in respect of negative timing differences (of which)	0	0
...		
4. Total deferred income tax assets at the end of the period, of which:	228 631	238 741
a) posted to financial result	228 631	238 741
b) posted to shareholders' equity	0	0
c) posted to goodwill or negative goodwill		
...		

OTHER ACCRUED COSTS AND PREPAYMENTS	31.12.2004	31.12.2003
a) accrued costs, of which:	283 694	266 975
- prepaid interest on borrowings	255 912	255 912
- other prepaid expenses	27 782	11 063
- expenses to be settled	0	0
b) other, of which:	63	27
- deferred income	63	27
- SWAP settlements	0	0
<b>Total other accrued costs and prepayments</b>	<b>283 757</b>	<b>267 002</b>

**Note 18**

SUBORDINATED LOANS EXTENDED				
1.	2.		3.	4.
Name of unit	Loan value		Interest	Maturity
	currency	000		
DOM MAKLERSKI BIG BG	PLN	2000	floating - 3M WIBOR + 50 basic points	18.09.2008
DOM MAKLERSKI BIG BG	PLN	20250	floating - average 13-week T-bill yield	01.05.2007

**Note 19**

Total amount of impairment revaluation writeoffs recognised / reversed is not material as regards net financial result in the reporting period

**Note 20**

<b>LIABILITIES TO FINANCIAL SECTOR (BY TYPES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Liabilities to banks: of which	1 480 905	1 922 357
a. Current accounts	9 074	4 181
b. Terms and blocked deposits	126 426	448 361
c. Borrowings	1 345 405	1 469 815
d. Other liabilities	0	0
2. Liabilities to insurance institutions, of which:	45 699	312 068
a. Current accounts	38 306	52 234
b. Terms and blocked deposits	4 508	259 834
c. Borrowings	0	0
d. Other liabilities	2 885	0
3. Liabilities to other financial institutions, of which:	441 208	935 511
a. Current accounts	262 500	528 828
b. Terms and blocked deposits	165 593	395 448
c. Borrowings	10 932	10 932
d. Other liabilities	2 183	303
4. Other liabilities	0	0
5. Interest	11 771	13 307
<b>Total</b>	<b>1 979 583</b>	<b>3 183 243</b>

<b>LIABILITIES TO FINANCIAL SECTOR (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	312 765	585 243
2. Term liabilities, with time from balance sheet date to maturity of:	1 655 047	2 584 693
a) up to one month	247 813	887 243
b) over 1 month to 3 months	50 688	160 224
c) over 3 months to 1 year	209	56 471
d) over 1 year to 5 years	795 405	919 823
e) over 5 to 10 years	10 932	10 932
f) over 10 to 20 years	550 000	550 000
g) over 20 years	0	0
h) past due	0	0
3. Interest	11 771	13 307
<b>Total</b>	<b>1 979 583</b>	<b>3 183 243</b>

<b>LIABILITIES TO FINANCIAL SECTOR (BY ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	312 765	585 243
2. Term liabilities with time of repayment:	1 655 047	2 584 693
a) up to one month	126 590	878 200
b) over 1 month to 3 month	141 687	149 000
c) over 3 months to 1 year	30 425	76 738
d) over 1 year to 5 years	795 413	919 823
e) over 5 to 10 years	10 932	10 932
f) over 10 to 20 years	550 000	550 000
g) over 20 years	0	0
h) past due	0	0
3. Interest	11 771	13 307
<b>Total</b>	<b>1 979 583</b>	<b>3 183 243</b>



<b>LIABILITIES TO FINANCIAL SECTOR (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	1 117 026	1 820 331
b. in foreign currencies (by currency and after zloty translation)	862 557	1 362 912
b1. Unit/currency1000/USD.	619	64 154
PLN '000	1 852	239 967
b3. Unit/currency1000/JPY.	0	0
PLN '000	0	0
b4. Unit/currency1000/GBP.	700	250
PLN '000	4 040	1 667
b6. Unit/currency1000/CHF.	4 300	2 500
PLN '000	11 362	7 570
b7. Unit/currency1000/EUR.	207 233	236 009
PLN '000	845 303	1 113 252
b8. Other currencies (in PLN '000)	0	457
<b>Total</b>	<b>1 979 583</b>	<b>3 183 243</b>

**Note 21**

<b>LIABILITIES TO NONFINANCIAL SECTOR (BY TYPES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current deposits	2 526 538	2 825 310
2. Term deposits	10 494 237	7 626 292
3. Borrowings	0	0
4. Promissory notes	0	0
5. Own issuance of securities	0	0
6. Other liabilities	231 898	64 633
7. Interest	84 241	34 179
<b>Total</b>	<b>13 336 914</b>	<b>10 550 414</b>

<b>LIABILITIES TO NONFINANCIAL SECTOR - SAVINGS DEPOSITS (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	0	0
2. Term liabilities with time from balance sheet date to maturity:	0	0
a) up to one month	0	0
b) over 1 month to 3 months	0	0
c) over 3 months to 1 year	0	0
d) over 1 year to 5 years	0	0
e) over 5 to 10 years	0	0
f) over 10 to 20 years	0	0
g) over 20 years	0	0
h) past due	0	0
3. Interest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<b>LIABILITIES TO NONFINANCIAL SECTOR - SAVINGS DEPOSITS (BY ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	0	0
2. Term liabilities with period of repayment:	0	0
a) up to one month	0	0
b) over 1 month to 3 months	0	0
c) over 3 months to 1 year	0	0
d) over 1 year to 5 years	0	0
e) over 5 to 10 years	0	0
f) over 10 to 20 years	0	0
g) over 20 years	0	0
h) past due	0	0

3. Interest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<b>22.4. LIABILITIES TO NONFINANCIAL SECTOR - OTHER (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	2 528 331	2 852 561
2. Term liabilities, with time from balance sheet date to maturity of:	10 724 342	7 663 674
a) up to one month	5 346 496	3 147 318
b) over 1 month to 3 month	1 518 066	2 350 077
c) over 3 months to 1 year	3 287 557	1 802 909
d) over 1 year to 5 years	506 350	272 200
e) over 5 to 10 years	65 580	90 991
f) over 10 to 20 years	0	100
g) over 20 years	293	79
h) past due	0	0
3. Interest	84 241	34 179
<b>Total</b>	<b>13 336 914</b>	<b>10 550 414</b>

<b>22.5. LIABILITIES TO NONFINANCIAL SECTOR - OTHER (BY ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	2 528 331	2 852 561
2. Term liabilities with time of repayment:	10 724 342	7 663 674
a) up to one month	3 912 759	1 797 592
b) over 1 month to 3 month	2 262 267	3 098 939
c) over 3 months to 1 year	3 400 844	2 024 678
d) over 1 year to 5 years	1 072 059	643 525
e) over 5 to 10 years	76 120	98 761
f) over 10 to 20 years	0	90
g) over 20 years	293	89
h) past due		
3. Interest	84 241	34 179
<b>Total</b>	<b>13 336 914</b>	<b>10 550 414</b>

<b>22.6. LIABILITIES TO NONFINANCIAL SECTOR (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	<b>11 891 133</b>	<b>9 026 439</b>
b. in foreign currencies (by currency and after zloty translation)	<b>1 445 781</b>	<b>1 523 975</b>
b1. Unit/currency1000/USD	282 152	278 201
PLN '000	843 746	1 040 612
b3. Unit/currency1000/JPY.	0	0
PLN '000	0	0
b4. Unit/currency1000/GBP.	1 045	891
PLN '000	6 028	5 939
b6. Unit/currency1000/CHF.	1 184	1 897
PLN '000	3 128	5 743
b7. Unit/currency1000/EUR.	144 806	98 380
PLN '000	590 663	464 058
b8. Other currencies (in PLN '000)	2 216	7 622
<b>Total</b>	<b>13 336 914</b>	<b>10 550 414</b>

## Note 22

<b>LIABILITIES TO BUDGET SECTOR (BY TYPE)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current deposits	509 890	580 203
2. Term deposits	359 699	334 936
3. Borrowings	0	0
4. Promissory notes	0	0

5. Own issuance of securities	0	0
6. Other liabilities	3 557	3 560
7. Interest	923	1 490
<b>Total</b>	<b>874 069</b>	<b>920 189</b>

<b>LIABILITIES TO BUDGET SECTOR - SAVINGS DEPOSITS (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	0	0
2. Term liabilities, with time to maturity of:	0	0
a) up to one month	0	0
b) over 1 month to 3 months	0	0
c) over 3 months to 1 year	0	0
d) over 1 year to 5 years	0	0
e) over 5 to 10 years	0	0
h) past due	0	0
3. Interest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<b>LIABILITIES TO BUDGET SECTOR - SAVINGS DEPOSITS (BY ORIGINAL MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	0	0
2. Term liabilities, period of repayment:	0	0
a) up to one month	0	0
b) over 1 month to 3 month	0	0
c) over 3 months to 1 year	0	0
d) over 1 year to 5 years	0	0
e) over 5 to 10 years	0	0
f) over 10 to 20 years	0	0
g) over 20 years	0	0
h) past due	0	0
3. Interest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<b>LIABILITIES TO BUDGET SECTOR - OTHER (BY MATURITY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	510 810	581 063
2. Term liabilities, with time from balance sheet date to maturity:	362 336	337 636
a) up to one month	336 036	300 277
b) over 1 month to 3 month	23 553	30 640
c) over 3 months to 1 year	2 734	6 477
d) over 1 year to 5 years	13	240
e) over 5 to 10 years	0	2
f) over 10 to 20 years	0	0
g) over 20 years	0	0
h) past due	0	0
3. Interest	923	1 490
<b>Total</b>	<b>874 069</b>	<b>920 189</b>

<b>LIABILITIES TO BUDGET SECTOR - OTHER (BY ORIGINAL MATURITIES)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Current liabilities	510 810	581 063
2. Term liabilities, period of repayment:	362 336	337 636
a) up to one month	286 000	182 320
b) over 1 month to 3 months	55 853	119 492
c) over 3 months to 1 year	20 330	35 582
d) over 1 year to 5 years	153	240
e) over 5 to 10 years	0	2

f) over 10 to 20 years	0	0
g) over 20 years	0	0
h) past due	0	0
3. Interest	923	1 490
<b>Total</b>	<b>874 069</b>	<b>920 189</b>

<b>LIABILITIES TO BUDGET SECTOR (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	<b>824 622</b>	<b>900 497</b>
b. in foreign currencies (by currency and after zloty translation)	<b>49 447</b>	<b>19 692</b>
b1. Unit/currency1000/USD	3 319	1 405
PLN '000	9 924	5 257
b3. Unit/currency1000/JPY.	0	0
PLN '000	0	0
b4. Unit/currency1000/GBP.	4	4
PLN '000	21	26
b6. Unit/currency1000/CHF.	0	0
PLN '000	1	1
b7. Unit/currency1000/EUR.	9 684	3 054
PLN '000	39 501	14 408
b8. Other currencies (in PLN '000)	0	0
<b>Total liabilities to budget sector</b>	<b>874 069</b>	<b>920 189</b>

**Note 23**

<b>LIABILITIES ON SOLD REPOS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) to financial sector	1 247 521	1 326 687
b) to non-financial and budget sectors	191 049	188 964
c) interest	7 644	19 827
<b>Total liabilities to budget sector</b>	<b>1 446 214</b>	<b>1 535 478</b>

**Note 24**

<b>LIABILITIES ON OWN SECURITY ISSUES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Bonds	225 224	913 433
2. Certificates	0	0
3. Others (on account of)	45 687	65 299
- bills of exchange	45 687	65 299
3. Interest	4 633	3 928
<b>Total</b>	<b>275 544</b>	<b>982 660</b>

<b>LIABILITIES ON SECURITY ISSUES</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
1. Short-term	176 899	736 602
2. Long-term	98 645	246 058
<b>Total</b>	<b>275 544</b>	<b>982 660</b>

<b>MOVEMENTS IN LIABILITIES ON OWN SECURITY ISSUES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	982 660	552 355
a) increases (on account of)	72 179	1 815 467
- bill purchase by the NBP	45 687	65 299
- issue of bonds	0	1 669 331
- interest accrual	26 492	9 318
- settlement of discount	0	48 526
- exchange differences	0	22 993
b) decreases (on account of)	779 295	1 385 162
- redemption of bonds from NBP	10 000	7 400
- redemption of bonds	656 770	1 295 208

- bill purchase from NBP	65 299	76 906
- exchange differences	21 055	0
- settlement of discount	387	0
- interest repayment	25 784	5 648
<b>Closing balance</b>	<b>275 544</b>	<b>982 660</b>

Information on liabilities secured with assets is presented in item 6 of Additional Notes.

#### Note 24 - continued

LONG-TERM LIABILITIES ON ISSUES SECURITIES						
a	b	c	d	e	f	g
debt securities by type	par value	interest	maturity	guarantees/collateral	additional rights	Market
restructuring bill of exchange	45 687	1%	04.11.2005			not listed
bonds	134 608	2,822%	12.12.2007			not listed
II Issue Program	30 849	4,460%	10.11.2005			CeTO
II Issue Program	50 861	4,460%	08.12.2005			CeTO
II Issue Program	6 877	4,460%	10.11.2006			CeTO
II Issue Program	2 029	4,460%	08.12.2006			CeTO

Under agreement with the NBP restructuring bonds were repurchased by bank in 2004. own bill of exchange will be rolled on each year up to 2006.

#### Note 25

SPECIAL FUNDS AND OTHER LIABILITIES	31.12.2004	31.12.2003
1. Special funds (comprisingf)	25 257	24 201
- Company Social Benefit Fund	25 257	24 201
2. Other liabilities (on account of)	128 980	119 874
- interbank settlements	20 319	35 683
- interbranch settlements	269	1 648
- public law liabilities	4 410	3 521
- other creditors	81 719	79 000
- settlement of derivatives	22 263	22
<b>Total</b>	<b>154 237</b>	<b>144 075</b>

#### Note 26

ACCRUED AND DEFERRED COSTS	31.12.2004	31.12.2003
a) short-term, of which:	64 772	91 284
- expense accruals - bonuses, salaries	16 797	20 515
- expense accruals - other	47 975	70 769
b) long-term, of which:	26 298	16 039
- expense accruals - accumulated holidays	9 711	9 648
- expense accrual - retirement severance payments	4 028	3 932
- expense accruals - other	12 559	2 459
<b>Total accrued and deferred costs</b>	<b>91 070</b>	<b>107 323</b>

<b>OTHER DEFERRED OR UNEARNED INCOME</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) short-term, of which:	56 064	66 096
b) long-term, of which:	268 759	486 876
<b>Total</b>	<b>324 823</b>	<b>552 972</b>

**Note 27**

<b>MOVEMENTS IN PROVISIONS FOR DEFERRED INCOME TAX</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Provisions for deferred income tax at the beginning of the period	140 603	401 228
- opening balance adjustments resulting from changes in accounting principles	0	0
1a. Provisions for deferred income tax at the beginning of the period, after opening balance adjustments, of which:	140 603	401 228
a) posted to financial result	140 163	384 423
b) posted to shareholders' equity	440	16 805
c) posted to goodwill or negative goodwill	0	0
2. Additions	23 075	3 862
a) posted to financial result for the period in respect of positive timing differences (of which)	18 502	3 862
- valuation of financial instruments	3 852	9 437
- accrued interest to be received on receivables, securities, etc.	9 762	13 825
- difference between balance-sheet and taxable depreciation	0	15 120
- change of tax rates	0	-35 279
- interest from structural deposits	169	0
- compensation paid from sold PTF portfolio	3 717	0
- other	1 002	759
b) posted to shareholders' equity in respect of positive timing differences (of which)	4 573	0
- valuation of securities	4 573	0
...		
c) posted to goodwill or negative goodwill in respect of positive timing differences (of which)	0	0
...		
3. Decreases	46 248	264 487
a) posted to financial result for the period in respect of positive timing differences (of which)	46 248	248 122
- realization of exchange differences	27 840	192 644
- realised revenues on securities, interest on loans and derivative instruments	4 592	21 391
- derivative operations	2 317	9 785
- investment breaks	307	564
- change of tax rates		23 738
- difference between accounting and tax depreciation	10 640	0
- settlements of tax-deductible costs when incurred	552	0
b) posted to shareholders' equity in respect of positive timing differences (of which)	0	16 365
- sale of assets available for sale	0	16 365
...		
c) posted to goodwill or negative goodwill in respect of positive timing differences (of which)	0	0
...		
4. Total provisions for deferred income tax at the end of the period, of which:	117 430	140 603
a) posted to financial result	112 417	140 163
b) posted to shareholders' equity	5 013	440
c) posted to goodwill or negative goodwill	0	0
...		

<b>PROVISIONS FOR DEFERRED INCOME TAX (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in PLN	117430	140603
b. in foreign currencies (by currency and after translating into PLN)		
b1. unit/currency...../.....		
PLN '000		
...		
other currencies (w PLN '000)		
<b>Total provisions for deferred income tax</b>	<b>117430</b>	<b>140603</b>

<b>OTHER PROVISIONS (BY TYPE):</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
- off-balance sheet liabilities	32 530	29 432
- general risk reserve	166 891	171 691
- restructuring reserve	0	2 552
- reserve in respect of valuation of shares by ownership rights method	25 303	66 067
- other	0	0
<b>Total other reserves</b>	<b>224 724</b>	<b>269 742</b>

<b>OTHER PROVISIONS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) short-term (by type):	<b>0</b>	<b>2 552</b>
- restructuring reserve	0	2 552
b) long-term (by type):	<b>224 724</b>	<b>267 190</b>
- off-balance sheet contingent liabilities	32 530	29 432
- general risk reserve	166 891	171 691
- reserve in respect of valuation of shares by ownership rights method	25 303	66 067
<b>Total other reserves</b>	<b>224 724</b>	<b>269 742</b>

<b>OTHER RESERVES (BY CURRENCY)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a. in Polish currency	<b>224 724</b>	<b>269 736</b>
b. in foreign currencies (by currency and after zloty translation)	<b>0</b>	<b>6</b>
b1. Unit/currency1000/USD		
PLN '000		
b3. Unit/currency1000/JPY.		
PLN '000		
b4. Unit/currency1000/GBP.		
PLN '000		
b6. Unit/currency1000/CHF.		2
PLN '000		6
b7. Unit/currency1000/EUR.		
PLN '000		
b8. Other currencies (in PLN '000)		
<b>Total other assets</b>	<b>224 724</b>	<b>269 742</b>

<b>MOVEMENTS IN SHORT-TERM OTHER PROVISIONS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	2 552	45 790
- restructuring reserve	2 552	45 790
a) increases (on account of)	0	0
b) utilisation (on account of)	2 552	36 493
- restructuring reserve	2 552	36 493
c) release (on account of)	0	6 745
- restructuring reserve to other operating income		6 745
<b>Total short-term other provisions at the end of the period</b>	<b>0</b>	<b>2 552</b>
- off-balance sheet contingent liabilities	0	0
- restructuring reserve	0	2 552

<b>MOVEMENTS IN LONG-TERM OTHER PROVISIONS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Provisions at the beginning of the period	267 190	234 801
- for OBS contingent liabilities	29 432	47 591
- general risk reserve	171 691	177 190
- reserve for future obligations - valuation of shares by ownership rights method	66 067	10 020
a) increased (due to)	72 854	198 277
- OBS contingent liabilities	25 954	53 627
- off-balance sheet liabilities (guarantee of redemption) - transfer from provision for debt securities	0	4 500
- creating a general risk reserve	46 900	84 103
- valuation of shares by ownership rights method	0	56 047
b) use of (due to)	0	0
c) release (due to)	115 320	165 888
- for OBS contingent commitments	22 856	76 286
- general risk reserve	51 700	89 602
- valuation by ownership rights method	40 764	0
- other - exchange differences	0	0
<b>Total long-term other provisions at the end of the period</b>	<b>224 724</b>	<b>267 190</b>
- for OBS contingent liabilities	32 530	29 432
- general risk reserve	166 891	171 691
- future liabilities reserve - valuation of shares by ownership method	25 303	66 067

**Note 28**

<b>MOVEMENTS IN SUBORDINATED LIABILITIES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Opening balance	378 162	322 423
a) increase (due to)	13 491	70 928
- interest accrual	13 491	15 184
- exchange differences	0	55 744
b) decreases (due to)	64 675	15 189
- repayment of interest	13 635	15 189
- exchange differences	51 040	0
<b>Subordinated liabilities at end of period</b>	<b>326 978</b>	<b>378 162</b>

Under the decision no 242/01 of the Banking Supervisory Committee dated 11 December 2001 the Bank received the approval for including cash funds resulting from the sale of bonds issued by the Bank and purchased by BBG Finance (subsidiary of the Bank with seat in Netherlands) in the amount of PLN 275 000 000 to the supplementary funds.

**Note 29**

<b>SUBORDINATED LIABILITIES</b>						
1.	2.		3.	4.	5.	6.
Name of entity	Loan value		Interest	Maturity	Subordinated loans	Interest
	currency	PLN 000				
BBG FINANCE B.V.	EUR	326320	floating, 31.12.2004 - 3,822%	12.12.2011	326978	658
	Total:	326 320			326 978	658



**Note 29**

<b>SHARE CAPITAL</b>							
Par value of one share = 1 zł.							
Series / issue	Share type	Type of preference	Number of shares	Value of series/issue	Manner of capital coverage	Registration date	Right to dividend
A	named founder*	x2 as to voting	106850	106850	cash	30.06.1989	30.06.1989
B1	ordinary registered*		150000	150000	cash	13.06.1990	01.01.1990
B2	ordinary registered*		150000	150000	cash	13.12.1990	01.01.1990
C	ordinary bearer		4693150	4693150	cash	17.05.1991	01.01.1991
D1	ordinary bearer		1700002	1700002	cash	31.12.1991	01.01.1992
D2	ordinary bearer		2611366	2611366	cash	31.01.1992	01.01.1992
D3	ordinary bearer		1001500	1001500	cash	10.03.1992	01.01.1992
E	ordinary bearer		6000000	6000000	cash	28.05.1993	01.01.1992
F	ordinary bearer		9372721	9372721	cash	10.12.1993	01.01.1993
G	ordinary bearer		8000000	8000000	cash	30.05.1994	01.10.1993
H	ordinary bearer		7082129	7082129	cash	24.10.1994	01.10.1994
Increasing of par value of shares from 1 to 4 PLN				122603154	surplus	24.11.1994	
1:4 split			122603154			5.12.1994	
I	ordinary bearer		65000000	65000000	cash	12.08.1997	01.10.1996
J	ordinary bearer		196120000	196120000	capitals of Bank Gdański S.A.	12.09.1997	01.10.1996
K	ordinary bearer		424590872	424590872	cash	31.12.2001	01.01.2001
<b>Total number of shares</b>			849181744				
<b>Total share capital</b>				849181744			
* - as a result of conversion the number of registered shares went down and stood at 31.12.2003 at 123 636, from which 66 400 were founding shares							

**Note 30**

ISSUER SHARES OWNED BY SUBSIDIARY ENTITIES			
Name of entity	Number	Value acc. to buying price	Balance sheet value

**Note 31**

<b>SURPLUS</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) share premium reserve	508 095	542 970
b) statutory	0	0
c) created according to bank charter over statutorily required (minimum) amount	0	0
d) from shareholders additional contributions	0	0
e) other	0	0
<b>Total surplus capital</b>	<b>508 095</b>	<b>542 970</b>

**Note 32**

<b>CHANGE IN ASSET REVALUATION RESERVE</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) revaluation of fixed assets	30 974	30 974
b) on deferred income tax	-5 012	-439
c) exchange differences on foreign branch translation	0	0
d) other	0	0
e) on valuation of financial assets available for sale	26 379	2 313
<b>Total</b>	<b>52 341</b>	<b>32 848</b>

**Note 33**

<b>OTHER RESERVE CAPITALS (ACC TO THEIR USE), OF WHICH:</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
- General Banking Risk Fund	380 532	339 637
- other	0	0
<b>Total</b>	<b>380 532</b>	<b>339 637</b>

**Note 34**

Capital adequacy ratio (particular items '000 PLN):

Share capital	849 182
Surplus	508 095
Reserve capital	0
General risk fund	380 532
Total tier one	1 737 809
Change in asset revaluation reserve	30 974
Subordinated debt	275 000
Total gross own funds:	2 043 783
Less:	
Shortfall of required specific reserve	0
Capital involvement	322 887
Intangible assets	40 626
Previous years' uncovered loss	35 751
Loss under approval	
Total deduction	399 264
NET OWN FUNDS:	1 644 519
Capital requirements on credit risk	745 146
Capital requirements on market risk	13 057
Total capital requirements	758 203
Capital requirements * 12,5	9 477 538
Capital adequacy ratio	17,35 %

**Note 35**

Book value per shares (particular items '000 PLN):

Share capital	849 182
Surplus	508 095
Reserve	0
General risk fund	380 532
Change in asset revaluation reserve	52 341
Previous years' uncovered loss	-35 751
Loss under approval	
Year-to-date earnings	240 504
Book value	1 994 903
Number of share	849 181 744
Book value per share	PLN 2,35

**Note 36**

<b>CONTINGENT LIABILITIES TO RELATED ENTITIES (ON ACCOUNT OF)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) extended guarantees and warranties, of which:	<b>80 155</b>	<b>23 078</b>
- to subsidiary entities	80 000	22 800
- to affiliated entities	155	278
b) others, of which:	130 748	259 434
- to subsidiary entities	130 748	259 153
- to affiliated entities	0	281
<b>Total</b>	<b>210 903</b>	<b>282 512</b>

**Note 37**

<b>CONTINGENT LIABILITIES FROM RELATED ENTITIES (ON ACCOUNT OF)</b>	<b>31.12.2004</b>	<b>31.12.2003</b>
a) received guarantees and warranties, of which:	<b>515</b>	<b>635</b>
- from subsidiaries	515	635
b) other, including:	0	0
<b>Contingent liabilities from related entities, total</b>	<b>515</b>	<b>635</b>

**Note 38**

<b>INTEREST INCOME</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. From financial sector, including:	908 794	559 222
- on derivative instruments	824 565	498 695
2. From non-financial sector, including:	420 746	551 470
- on derivative instruments	8 890	9 196
3. From budgetary sector	24 748	26 523
4. On fixed income securities	291 932	199 908
5. Other	0	0
<b>Interest income total</b>	<b>1 646 220</b>	<b>1 337 123</b>

**Note 39**

<b>COST OF INTEREST</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. On transactions with financial sector, including:	789 216	515 580
- on derivative instruments	557 802	264 513
2. On transactions with non-financial sector, including:	382 977	366 523
- on derivative instruments	12 542	8 034
3. On transactions with budgetary sector	48 246	47 584
4. Other, including:	0	0
<b>Total cost of interest</b>	<b>1 220 439</b>	<b>929 687</b>

**Note 40**

<b>COMMISSION INCOME</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Banking commissions	234 505	223 610
2. Brokerage commissions	0	0
<b>Total commission income</b>	<b>234 505</b>	<b>223 610</b>

**Note 41**

<b>INCOME FROM STOCKS AND SHARES, OTHER SECURITIES AND OTHER PROPERTY RIGHTS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. From subsidiaries	13 655	101 608
2. From co-dependent entities	0	0
3. From affiliated entities	207	478
4. From other entities	722	44 519
<b>Total income from stocks and shares, other securities and other property rights</b>	<b>14 584</b>	<b>146 605</b>

**Note 42**

<b>RESULT ON FINANCIAL OPERATIONS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Result on financial operations on securities and other financial instruments	2 323	51 956
- revenue	242 323	141 541
- costs	240 000	89 585
2. Other financial revenues	151 218	6 474
3. Other financial costs	12 913	7 500
<b>Total result on financial operations</b>	<b>140 628</b>	<b>50 930</b>

The result on other financial operations include PLN 150 premium received in respect of the sale of part of car loan portfolio by Bank Millennium S.A. (granted via PTF) to CC-Bank S.A. (PLN 1,991 million) and costs incurred by Bank Millennium S.A. on behalf of Polskie Towarzystwo Finansowe S.A. (PTF) connected with the purchase of part of interest margin on the mortgage loan portfolio (PLN 407.1 million). Recognized expenses of PLN 7.5 million representing the settlement for the period from the valuation date to the transaction date, are attributed to net compensation of PLN 30 million paid to PTF for its relinquishment of part of interest margin due to this entity decreased by costs of expected losses resulting from credit risks and administrative expenses. The remaining part of the compensation paid to PTF (PLN 22.5 million) is recognized in the income statement as interest expense following the receipt of amounts due from customers in respect of the mortgage loan portfolio. Detailed information on this transaction is presented in item 27 of the Additional Notes.

As a result of the sale of the PZU shares the swap transaction which existed between BCP and Bank Millennium in relation to the swap of the net dividends received from PZU and the interest cost of carrying of the referred shares based on a 3 months WIBOR was terminated in December 2004. BCP has retained the right to participate in the sale revenue if the final transaction price is above PLN 1.6 billion.

**Note 43**

<b>OTHER OPERATING REVENUES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) on account of third party property management	0	0
b) on account of sale or liquidation of fixed assets, assets for sale and intangible assets	9 191	2 606
c) on account of recovered uncollectible receivables	53 812	1 818
d) indemnifications, penalties and fines received	0	0
e) donations received	0	0
f) side income	7 794	10 840
g) Other, including:	36 960	55 366
- remuneration for advisory services provided by a subsidiary, which services consisted of holding negotiations and handling other activities connected with the sale of PZU S.A. shares	32 000	0
- revenues on account of return of other recovery costs	888	830
- release of restructuring reserve	317	6 745
- release of provisions created in the previous years charged to overhead costs	677	21 949
- return of costs (internal Revenue Service)	0	8 995
- other	3 078	16 847
<b>Total other operating revenues</b>	<b>107 757</b>	<b>70 630</b>

**Note 44**

<b>OTHER OPERATING COSTS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) on account of third party property management	0	0
b) on account of sale or liquidation of fixed assets, assets for sale and intangible assets	12 696	12 222
c) on account of written-off receivables	0	14
d) indemnifications, penalties and fines paid	162	81
e) donations made	545	153
f) side costs	4 068	3 407
g) Other, including:	14 348	7 087
- costs of recovery	3 940	4 660
- other	10 408	2 427
<b>Total other operating costs</b>	<b>31 819</b>	<b>22 964</b>

**Note 45**

<b>COST OF BANK OPERATIONS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Salaries	229 907	242 933
2. Charges on salaries	36 422	37 829
3. Benefits to employees	7 708	7 960
4. Other costs of operations, including:	324 076	377 663
- costs of buildings maintenance and rental	100 173	113 226
- contribution and payments to Banking Guarantee Fund	5 113	7 415
- taxes and fees	13 483	8 083
- costs of property security	20 621	27 103
- postal charges and other	15 931	20 662
- costs of analyses and consultancy connected with current operation	25 825	23 730
- costs of IT and communications	14 629	20 019
- software costs	28 061	37 319
- advertising costs	27 613	35 326
- cost of representation	1 302	1 589
- ATM and card costs	21 153	24 551
- PFRON costs	2 476	2 542
- costs of opinion, consultancy and legal advisory	2 733	2 483
- cost of cars operation and maintenance	5 242	5 751
- costs of materials essential for the bank's current operation	6 276	6 833
- cost of business travel	5 540	6 009
- bank forms, equipment	3 260	4 655
- on account of data transmission	10 657	14 935
- fees for information services	5 556	5 496
- KIR clearing charges	3 062	3 419
- other costs of operations	5 370	6 517
<b>Total costs of bank's operations</b>	<b>598 113</b>	<b>666 385</b>

**Note 46**

<b>CHARGES TO PROVISIONS AND REVALUATION</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) charges to provisions for:	878 968	1 416 809
- irregular receivables	798 560	1 269 004
- regular and under-watch receivables	1 596	6 896
- off-balance sheet liabilities	25 954	53 627
- general risk	46 900	84 103
- other	5 958	3 179
b) revaluation of:	0	12 200

- financial assets	0	1 626
- fixed assets, investments and intangible assets	0	10 574
<b>Total charges to provisions and revaluation</b>	<b>878 968</b>	<b>1 429 009</b>

**Note 47**

<b>PROVISIONS RELEASED AND REVALUATION</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) elimination of provisions for:	808 580	1 331 825
- irregular receivables	730 020	1 149 347
- regular and under-watch receivables	2 704	9 023
- off-balance sheet liabilities	22 856	76 286
- general risk	51 700	89 602
- other	1 300	7 567
b) revaluation of:	1 500	762
- financial assets	1 500	762
- fixed assets, investments and intangible assets	0	0
<b>Total provisions released and revaluation</b>	<b>810 080</b>	<b>1 332 587</b>

Net provisions established by the Bank Millennium in the twelve months of 2004 amounted to PLN 68,9 million. Significant portion of these provisions was accounted for on a one-off basis and resulted from the initial estimation of possible credit losses made by the Bank in view of the adoption of new International Financial Reporting Standards (IFRS) on January 1, 2005.

**Note 49**

<b>EXTRAORDINARY GAINS</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) random	0	0
b) other	0	0
<b>Total extraordinary gains</b>	<b>0</b>	<b>0</b>

**Note 50**

<b>EXTRAORDINARY LOSSES</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
a) random	0	0
b) other	0	0
<b>Total extraordinary losses</b>	<b>0</b>	<b>0</b>

**Note 51**

<b>CURRENT INCOME TAX</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
1. Gross profit (after valuation by equity method)	246 410	-29 418
2. Differences between gross profit (loss) and taxable income, by title	-175 908	-249 029
- increases of P&L income - cash realised revenues accrued in previous years	94 001	782 271
- income reduction - accrued items not subject to taxation	-1 309 491	-1 652 234
- increase of tax costs - realisation of interest, F/X gains and losses, specific provisions	-96 575	-875 337
- reduction of costs - items not recognised by law as being tax deductible	1 485 870	1 496 271
- settled losses from previous years	-349 350	0
- tax deductible donations	-363	0
3. Taxable income	70 502	-278 447
4. 19% income tax	13 395	0
5. Increases, waivers, exemptions, deductions and reductions of tax	0	0
6. Current income tax reported (presented) in the tax return for the period, including:	13 395	0
- reported in the P&L account	13 395	0

<b>DEFERRED INCOME TAX REPORTED IN THE P&amp;L ACCOUNT</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
- reduction (increase) on account of arisal and reversal of transitional differences	-12 837	-58 230
- increase - settlement of assets assigned for costs of restructuring of the bank	0	9 577
- increase - 8% receivables from od Internal Revenue Service in respect of specific provisions created in 2002	5 348	0
Deferred income tax, total	-7 489	-48 653

<b>TOTAL AMOUNT OF DEFERRED TAX</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
- mirrored in own funds	5012	439

**Note 52**

<b>OTHER MANDATORY REDUCTIONS OF PROFIT (INCREASES OF LOSS)</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
Other mandatory reductions of profit (increases of loss) on account of:	0	0
-	0	0
<b>Other mandatory reductions of profit (increases of loss) total</b>	<b>0</b>	<b>0</b>

**Note 53**

<b>SHARE IN NET PROFIT/LOSS OF SUBSIDIARIES VALUATED BY EQUITY METHOD INCLUDING:</b>	<b>01.01.04- 31.12.04</b>	<b>01.01.03- 30.12.03</b>
- subsidiaries' goodwill writeoff		
- subsidiaries' negative goodwill writeoff		
- writeoff of difference in net assets valuation	321 851	-65 873

Following the agreement made by Bank Millennium and its subsidiary BIG BG Inwestycje S.A. with EUREKO B.V., the investment held in PZU S.A. was sold for a minimum price of PLN 1.6 billion. Additionally in effect of "equity method" valuation applied to shares in subordinates companies the result on aforementioned transaction has been recognised in Bank's income statement for 2004.

The minimum selling price of PZU S.A. shares specified by the above-mentioned agreement equal to PLN 1.6 million can be increased by the amount of:

- 80% of the surplus of average price of PZU S.A. shares over minimum selling price. The average price (weighted by the daily turnover volume) will be calculated for a period of 4 weeks starting from the second week of listings, in the event of floating PZU S.A. shares on the Warsaw Stock Exchange,
- 100% of the selling price obtained by EUREKO B.V, exceeding minimum selling price, provided the PZU S.A. shares are sold by EUREKO B.V to a third party by the end of 2005,
- 100% of the valuation performed by independent investment banks exceeding minimum selling price in the case when PZU S.A. shares are not publicly traded by 30 June 2005.

At the same time in accordance with the sale agreement in question if between the date of the sale agreement and the date of the final transaction settlement PZU S.A. pays out a dividend in the amount exceeding the average dividend value for the last three financial years, then such surplus (in proportion to the shares covered by the agreement) will constitute Millennium Group income.

The table below (figures in PLN '000) illustrates the settlement of the transaction of selling PZU S.A. shares	
Minimum price for selling PZU S.A. shares	1 600 000
Price for purchasing PZU S.A. shares by Millennium Group	1 047 042
Reversal of the effect of PZU S.A. shares' valuation by equity method employed until 31 March 2003	145 717
Effect of discounting the second tranche payable by 31 December 2005 (PLN 400 million)	24 941
<b>GROSS PROFIT REALISED ON SELLING PZU S.A. SHARES</b>	<b>382 300</b>
Tax due	95 153
Deferred tax accrued on the discount effect	-4 739
<b>NET PROFIT REALISED ON SELLING PZU S.A. SHARES</b>	<b>291 886</b>

**Note 54 (way of appropriation of profit)**

High net profit of Bank Millennium in 2004, and increase in the solvency ratio enable Management Board of the Bank to submit to shareholders a proposal to pay out the dividend for 2004 in an amount of 237.8 million PLN (99% of net profit), i.e. PLN 0.28 per share representing a dividend yield of 8.3%. The remaining part of profit in the amount of 2.7 million PLN will be moved to Bank's own funds - general banking risk fund.

**Note 55 (Earnings per share)**

12-month earnings per share:

Net earnings 1.01.04 – 31.12.04                      240 504 ths PLN

Average no of shares in period 1.01.04 – 31.12.04    849 181 744

Earnings per share    0,28 PLN

Signatures of all Members of the  
Management Board:

date.....

date.....

date.....

date.....

date.....

Signature of person who was entrusted with running of books of account

date.....