

CONSOLIDATED
FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET

as at
in PLN 000's

Note

31.12.2000
(current year)

31.12.1999
(previous year)

ASSETS

| | | | | |
|---------------------|--|----------|-------------------|-------------------|
| I. | Cash and due from NBP | I | 918 948 | 951 966 |
| II. | Treasury bills and other bills eligible for refinancing with NBP | | 73 688 | 84 730 |
| III. | Due from other financial institutions | 2 | 3 205 528 | 1 333 449 |
| | 1. Current | | 142 939 | 159 050 |
| | 2. Term | | 3 062 589 | 1 174 399 |
| IV. | Due from customers and State Budget | 3 | 10 885 601 | 8 962 286 |
| | 1. Current | | 1 623 363 | 1 094 105 |
| | 2. Term | | 9 262 238 | 7 868 181 |
| V. | Due from non-consolidated subsidiary and associated undertakings | 2, 3 | 238 372 | 139 525 |
| VI. | Due from subsidiary undertakings and associated undertakings consolidated by equity method | 2, 3 | – | – |
| VII. | Receivables subject to securities sale and repurchase agreements | 4 | – | – |
| VIII. | Debt securities | 5, 11 | 2 161 297 | 2 241 309 |
| IX. | Investments in non-consolidated subsidiary and associated undertakings | 6, 8, 11 | 75 888 | 105 261 |
| X. | Investments in subsidiary undertakings and associated undertakings consolidated by equity method | 7, 8, 11 | 17 595 | – |
| XI. | Minority investments | 9, 11 | 15 619 | 27 201 |
| XII. | Other securities and property rights | 10, 11 | 355 549 | 15 587 |
| XIII. | Intangible fixed assets | 12 | 47 011 | 18 852 |
| XIV. | Goodwill from consolidation | 13 | – | – |
| XV. | Tangible fixed assets | 14 | 911 174 | 822 539 |
| XVI. | Own shares for sale | 15 | – | – |
| XVII. | Other assets | 16 | 264 818 | 113 055 |
| | 1. Repossessed assets | | 464 | 236 |
| | 2. Other | | 264 354 | 112 819 |
| XVIII. | Interperiod settlements | 17 | 146 771 | 18 276 |
| | 1. Deferred tax | | 125 672 | – |
| | 2. Other interperiod settlements | | 21 099 | 18 276 |
| TOTAL ASSETS | | | 19 317 859 | 14 834 036 |

CONSOLIDATED BALANCE SHEET

as at
in PLN 000's

Note

31.12.2000
(current year)

31.12.1999
(previous year)

LIABILITIES

| | | | | |
|--------|--|--------|-------------------|-------------------|
| I. | Due to NBP | | — | — |
| II. | Due to other financial institutions | 18 | 3 223 171 | 2 354 172 |
| | 1. Current | | 100 607 | 25 753 |
| | 2. Term | | 3 122 564 | 2 328 419 |
| III. | Due to customers and State Budget | 19 | 13 642 014 | 10 275 705 |
| | 1. Saving deposits | | 9 142 788 | 6 725 695 |
| | a) current | | 1 647 830 | 1 585 045 |
| | b) term | | 7 494 958 | 5 140 650 |
| | 2. Other | | 4 499 226 | 3 550 010 |
| | a) current | | 1 919 712 | 1 892 163 |
| | b) term | | 2 579 514 | 1 657 847 |
| IV. | Due to non-consolidated subsidiary and associated undertakings | 18, 19 | 22 691 | 28 081 |
| V. | Due to subsidiary and associated undertakings consolidated by equity method | 18, 19 | 33 | — |
| VI. | Liabilities in respect of securities subject to sale and repurchase agreements | 20 | — | — |
| VII. | Securities issued | 21 | — | 15 000 |
| VIII. | Funds for staff benefit and other liabilities | 22 | 266 895 | 198 634 |
| IX. | Accruals and deferred income or suspended items | 23 | 348 353 | 242 666 |
| X. | Provisions | 24 | 165 685 | 140 955 |
| | 1. Provisions for deferred tax | | 321 | 62 927 |
| | 2. Other provisions | | 165 364 | 78 028 |
| XI. | Subordinated debt | 25 | — | — |
| XII. | Minority equity | 26 | — | — |
| XIII. | Capital reserve from consolidation | 27 | — | — |
| XIV. | Share capital | 28 | 92 600 | 92 600 |
| XV. | Unpaid contribution to share capital (negative value) | | — | — |
| XVI. | Equity reserves | 29 | 36 752 | 36 056 |
| XVII. | Revaluation reserve | | 40 181 | 40 308 |
| XVIII. | Other reserves | 30 | 1 366 898 | 1 208 556 |
| XIX. | FX differences from recalculation of foreign branches | | — | — |
| XX. | FX differences from consolidation | | — | — |
| XXI. | Undistributed profit (not covered loss) of prior years | 31 | -38 354 | -4 294 |
| XXII. | Net profit (loss) | | 150 940 | 205 597 |
| | TOTAL LIABILITIES | | 19 317 859 | 14 834 036 |

CONSOLIDATED BALANCE SHEET

as at
in PLN 000's

Note

31.12.2000
(current year)

31.12.1999
(previous year)

| | | | |
|---------------------------------------|----|-----------|-----------|
| Capital adequacy ratio | 32 | 10.70 | 13.50 |
| Net book value | | 1 649 017 | 1 578 823 |
| Number of shares | | 9 260 000 | 9 260 000 |
| Net book value per share (in PLN) | 32 | 178.08 | 170.50 |
| Assumed number of shares | | 9 260 000 | 9 260 000 |
| Diluted book value per share (in PLN) | | – | – |

OFF-BALANCE SHEET ITEMS

| | | | | |
|------|--|----|-------------------|------------------|
| I. | Contingent liabilities granted and received | | 3 568 744 | 2 871 295 |
| | 1. Contingent liabilities granted | | 3 358 323 | 2 716 427 |
| | a) lending commitments | | 2 707 022 | 2 249 668 |
| | b) guarantees | 33 | 651 301 | 466 759 |
| | 2. Contingent liabilities received | | 210 421 | 154 868 |
| | a) lending commitments | | 95 464 | 43 000 |
| | b) guarantees | | 114 957 | 111 868 |
| II. | Commitments resulting from sale/purchase transactions | | 5 681 437 | 1 892 620 |
| III. | Other, including | | 912 723 | 637 791 |
| | – liabilities due to exchange transactions – deposits transactions | | 727 732 | 618 143 |
| | – liabilities due to transactions on securities | | 184 991 | 7 783 |
| | – underwriting | | – | 11 865 |
| | OFF-BALANCE TOTAL | | 10 162 904 | 5 401 706 |

CONSOLIDATED PROFIT AND LOSS ACCOUNT

| for the year in PLN 000's | | Note | 31.12.2000 (current year) | 31.12.1999 (previous year) |
|------------------------------|--|------|------------------------------|-------------------------------|
| I. | Interest income | 34 | 2 280 898 | 1 635 200 |
| II. | Interest expense | 35 | 1 569 847 | 954 775 |
| III. | Net interest income (I-II) | | 711 051 | 680 425 |
| IV. | Fee and commission income | 36 | 431 224 | 358 668 |
| V. | Fee and commission expense | | 35 139 | 21 581 |
| VI. | Net fee and commission income (IV-V) | | 396 085 | 337 087 |
| VII. | Income on shares and other securities | 37 | 1 147 | — |
| VIII. | Net profit on financial operations | 38 | -6 122 | 92 210 |
| IX. | Net profit on foreign exchange | | 269 049 | 99 590 |
| X. | Profit (loss) on banking activity | | 1 371 210 | 1 209 312 |
| XI. | Other operating income | 39 | 142 070 | 79 344 |
| XII. | Other operating expenses | 40 | 88 114 | 46 440 |
| XIII. | General expenses | 41 | 698 617 | 609 595 |
| XIV. | Depreciation | | 159 818 | 145 593 |
| XV. | Charges to provisions and revaluation | 42 | 1 327 560 | 433 567 |
| XVI. | Release of provisions and decrease in respect of revaluation | 43 | 907 315 | 292 968 |
| XVII. | Net charges to/release of provisions and decrease in respect of revaluation (XV-XVI) | | 420 245 | 140 599 |
| XVIII. | Operating profit | | 146 486 | 346 429 |
| XIX. | Extraordinary losses/gains | | 564 | 163 |
| | 1. Extraordinary gains | 44 | 667 | 373 |
| | 2. Extraordinary losses | 45 | 103 | 210 |
| XX. | Charges to goodwill from consolidation | | — | — |
| XXI. | Charges to equity provisions from consolidation | | — | — |
| XXII. | Profit before taxation | | 147 050 | 346 592 |
| XXIII. | Corporate income tax | 46 | -9 353 | 140 384 |
| XXIV. | Other obligatory charges to profit/(loss) | 47 | 3 811 | 611 |
| XXV. | Holdings in profit (loss) of entities included in consolidation made by equity method | | -1 652 | — |
| XXVI. | (Profit) loss of minority investments | | — | — |
| XXVII. | Net profit (loss) | 48 | 150 940 | 205 597 |
| | Net profit (loss) /for 12 months/ Average weighted number of ordinary shares | | 150 940 | 205 597 |
| | Net profit (loss) per ordinary share (in PLN) | 49 | 9 260 000 16.30 | 9 260 000 22.20 |
| | Assumed average weighted number of shares | | 9 260 000 | 9 260 000 |
| | Diluted net profit (loss) per ordinary share (in PLN) | 49 | — | — |

MOVEMENTS IN OWN EQUITY

for the year
in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

| | | | |
|-------------|--|------------------|------------------|
| I. | Opening balance of own equity | 1 578 823 | 1 419 506 |
| a) | changes in adopted accounting principles | -13 710 | — |
| b) | corrections of material errors | — | — |
| I.a. | Opening balance of own equity after reclassifications to confirm with current year presentation | 1 578 823 | 1 419 506 |
| I. | Opening balance of share capital | 92 600 | 92 600 |
| I.1 | Movements | — | — |
| a) | increases (in respect of) | — | — |
| — | — issue of shares | — | — |
| b) | decreases (in respect of) | — | — |
| — | — redemption of shares | — | — |
| I.2 | Closing balance of share capital | 92 600 | 92 600 |
| 2. | Opening balance of unpaid contribution to share capital | — | — |
| 2.1 | Movements in unpaid contribution to share capital | — | — |
| a) | increases | — | — |
| b) | decreases | — | — |
| 2.2 | Closing balance of unpaid contribution to share capital | — | — |
| 3. | Opening balance of equity reserves | 36 056 | 34 298 |
| 3.1 | Movements in equity reserves | 696 | 1 758 |
| a) | increases (in respect of) | 696 | 1 758 |
| — | — issue of shares with premium | — | — |
| — | — distribution of profit (mandatory) | 569 | 69 |
| — | — distribution of profit (voluntary) | — | — |
| — | — other | 127 | 1 689 |
| b) | decreases (in respect of) | — | 0 |
| — | — covered prior period losses | — | — |
| 3.2 | Closing balance of equity reserves | 36 752 | 36 056 |
| 4. | Opening balance of revaluation reserve | 40 308 | 41 997 |
| 4.1 | Movements in revaluation reserve | -127 | -1 689 |
| a) | increases | — | — |
| b) | decreases (in respect of) | -127 | -1 689 |
| — | — liquidation or sale of fixed assets | -127 | -1 689 |
| 4.2 | Closing balance of revaluation reserve | 40 181 | 40 308 |
| 5. | Opening balance of General Risk Fund | 62 000 | 37 000 |
| 5.1 | Movements in General Risk Fund | 100 000 | 25 000 |
| a) | increases (in respect of) | 100 000 | 25 000 |
| — | — profit distribution for previous year | 100 000 | 25 000 |
| b) | decreases | — | — |
| 5.2 | Closing balance of General Risk Fund | 162 000 | 62 000 |
| 6. | Opening balance of equity reserve for brokerage activity | — | — |

| | | | |
|--------------|---|------------------|------------------|
| 6.1 | Movements in equity reserve for brokerage activity | — | — |
| | a) increases | — | — |
| | b) decreases | — | — |
| 6.2 | Closing balance of equity reserve for brokerage activity | — | — |
| 7. | Opening balance of other reserves | 1 146 556 | 1 017 535 |
| 7.1 | Movements in other reserves | 58 342 | 129 021 |
| | a) increases (in respect of) | 58 342 | 129 021 |
| | — profit distribution for previous year | 58 342 | 129 021 |
| | b) decreases | — | — |
| 7.2 | Closing balance of other reserves | 1 204 898 | 1 146 556 |
| 8. | Foreign exchange differences from recalculation of foreign branches | — | — |
| 9. | FX differences from consolidation | — | — |
| 10. | Opening balance of undistributed profit or not covered loss of prior years | 201 302 | 196 077 |
| 10.1 | Opening balance of undistributed profit | 205 596 | 200 371 |
| | a) changes in adopted accounting principles | — | — |
| | b) corrections of material errors | — | — |
| 10.2. | Opening balance of undistributed profit, after reclassifications to confirm with current year presentation | 205 596 | 200 371 |
| | a) increases (in respect of) | 0 | 0 |
| | — distribution of profit | — | — |
| | b) decreases (in respect of) | -205 596 | -200 371 |
| | — charges to reserve capital | -58 342 | -129 021 |
| | — charges to equity reserves | -569 | -69 |
| | — charges to General Risk Fund | -100 000 | -25 000 |
| | — charges to Social Fund | -3 000 | -3 000 |
| | — dividend | -40 281 | -40 281 |
| | — donation for Bank Śląski Foundation | -3 000 | -3 000 |
| | — covered prior period losses | -846 | — |
| | — consolidation adjustments | 442 | — |
| 10.3. | Closing balance of undistributed profit | 0 | 0 |
| 10.4. | Opening balance of not covered loss | -4 294 | -4 294 |
| | a) changes in adopted accounting principles | -13 710 | — |
| | b) corrections of material errors | — | — |
| 10.5. | Opening balance of not covered loss, after reclassifications to confirm with current year presentation | -18 004 | -4 294 |
| | a) increases | -20 754 | 0 |
| | — adjustments on valuation of equity in entities consolidated by equity method | -20 754 | — |
| | — corrections of not covered loss | — | — |
| | b) decreases | 404 | — |
| | — covered prior period losses | 846 | — |
| | — consolidation adjustments | -442 | — |
| 10.6. | Closing balance of not covered loss | -38 758 | -4 294 |
| 10.7. | Closing balance of undistributed profit or not covered loss of prior years | -38 354 | -4 294 |
| I I. | Net result | 150 940 | 205 597 |
| | a) net profit | 150 940 | 205 597 |
| | b) net loss | — | — |
| II. | Closing balance of own equity | 1 649 017 | 1 578 823 |

CONSOLIDATED CASH FLOW STATEMENT

for the year
in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

| | | | |
|------------|--|-------------------|-------------------|
| A. | NET CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) | -498 624 | -452 688 |
| I. | Net profit (loss) | 150 940 | 205 597 |
| II. | Adjustment for: | -649 564 | -658 285 |
| 1. | (Profit) loss of minority shareholders | — | — |
| 2. | Participation in profit (loss) of entities consolidated on equity basis | 1 651 | — |
| 3. | Depreciation (including charges to goodwill from consolidation and capital reserve from consolidation) | 159 818 | 145 593 |
| 4. | Foreign exchange gains (losses) | -69 531 | 170 |
| 5. | Interest and dividends received and paid | -357 213 | -273 351 |
| 6. | Profit or loss on investment activity | 16 071 | -59 395 |
| 7. | Change in other reserves | 87 336 | 28 689 |
| 8. | Corporate income tax (presented in profit and loss account) | -5 542 | 140 995 |
| 9. | Corporate income tax paid | -188 515 | -107 785 |
| 10. | Change in debt securities held | -85 813 | 68 186 |
| 11. | Change in amounts due from other financial institutions | -1 918 826 | -169 288 |
| 12. | Change in amounts due from customers and State Budget | -2 582 028 | -2 319 090 |
| 13. | Change in receivables in respect of securities subject to sale and repurchase agreements | — | — |
| 14. | Change in equity investments | 2 110 | -4 079 |
| 15. | Change in amounts due to other financial institutions | 936 545 | 719 260 |
| 16. | Change in amounts due to customers and State Budget | 3 360 885 | 1 387 726 |
| 17. | Changes in payables in respect of securities subject to sale and repurchase agreements | — | — |
| 18. | Change in securities issued | — | — |
| 19. | Change in other liabilities | 36 578 | -28 612 |
| 20. | Change in interperiod settlements | -6 948 | 3 290 |
| 21. | Change in deferred income | 90 578 | -659 |
| 22. | Other items | -126 720 | -189 935 |
| B. | NET CASH FLOW FROM INVESTMENT ACTIVITIES (I-II) | 527 962 | 919 236 |
| I. | Cash inflows from investment activities | 13 522 123 | 10 674 080 |
| 1. | Sale of intangible fixed assets | — | — |
| 2. | Sale of tangible fixed assets | 70 635 | 2 561 |
| 3. | Sale of investments in subsidiary undertakings | — | 12 |
| 4. | Sale of investments in associated undertakings | 6 501 | — |
| 5. | Sale of investments in parent company | — | — |
| 6. | Sale of other investments, other debt securities (including those held in trading portfolio) and other property rights | 13 202 447 | 10 456 569 |
| 7. | Other inflows | 242 540 | 214 938 |

| | | | |
|------------|--|--------------------|-------------------|
| II. | Cash outflows from investment activities | -12 994 161 | -9 754 844 |
| 1. | Acquisition of intangible fixed assets | -37 173 | -4 609 |
| 2. | Acquisition of tangible fixed assets | -316 468 | -290 685 |
| 3. | Acquisition of investments in subsidiary undertakings | — | -30 940 |
| 4. | Acquisition of investments in associated undertakings | -15 000 | -37 200 |
| 5. | Acquisition of investments in parent company | — | — |
| 6. | Acquisition of other investments (including those held in trading portfolio) | -12 619 109 | -9 383 705 |
| 7. | Acquisition of own shares for resale | — | — |
| 8. | Other outflows | -6 411 | -7 705 |
| C. | NET CASH FLOW FROM FINANCIAL ACTIVITIES (I-II) | -101 984 | -51 225 |
| I. | Cash inflows from financial activities | 65 007 | 57 656 |
| 1. | Long-term loans taken from banks | 1 500 | — |
| 2. | Long-term loans taken from other than banks financial institutions | — | — |
| 3. | Issuance of bonds or other securities for other financial institutions | 63 507 | 57 656 |
| 4. | Increase in subordinated debt | — | — |
| 5. | Inflow from issuance of own shares | — | — |
| 6. | Additional payments to share capital | — | — |
| 7. | Other inflows | — | — |
| II. | Cash outflows from financial activities | -166 991 | -108 881 |
| 1. | Repayment of long-term loans to banks | -973 | -14 556 |
| 2. | Repayment of long-term loans to other financial institutions | — | — |
| 3. | Redemption of bonds or other securities from other financial institutions | -78 222 | -42 769 |
| 4. | Decrease in subordinated debt | — | — |
| 5. | Payments related to costs of issuance of securities | — | — |
| 6. | Redemption of shares | — | — |
| 7. | Payment of dividends and other payments to owners | -40 281 | -40 281 |
| 8. | Bonuses for Management Board and Supervisory Board | — | — |
| 9. | Payments for public purposes | -6 210 | -5 640 |
| 10. | Payments of dividends to minority shareholders | — | — |
| 11. | Payments of liabilities under financial lease agreements | — | — |
| 12. | Other outflows | -41 305 | -5 635 |
| D. | NET CASH FLOW (A +/-B+/-C) | -72 646 | 415 323 |
| E. | BALANCE SHEETS CHANGE IN CASH | -72 646 | 415 323 |
| — | — INCLUDING change in cash arising on FX differences on foreign currencies | -8 028 | 9 693 |
| F. | CASH AT BEGINNING OF REPORTING PERIOD | 1 104 861 | 689 538 |
| G. | CASH AT END OF REPORTING PERIOD (F+/-D) | 1 032 215 | 1 104 861 |

NOTES TO THE CONSOLIDATED BALANCE SHEET

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 1

CASH AND DUE FROM NBP

| | | | |
|------------------------------------|--------------------------------|----------------|----------------|
| 1. | Current placements | 557 708 | 453 921 |
| 2. | Obligatory reserve | — | — |
| 3. | Amounts of Bank Guarantee Fund | — | — |
| 4. | Other | 361 240 | 498 045 |
| Total cash and due from NBP | | 918 948 | 951 966 |

CASH AND DUE FROM NBP (CURRENCY STRUCTURE)

| | | | |
|------------------------------------|-------------------------|----------------|----------------|
| a) | in Polish zloty | 852 268 | 862 778 |
| b) | in foreign currencies | 66 680 | 89 188 |
| b1. | unit/currency 1000/USD | 8 936 | 8 869 |
| | in PLN thousand | 37 022 | 36 793 |
| b2. | unit/currency 1000/DEM | 11 656 | 20 489 |
| | in PLN thousand | 22 970 | 43 673 |
| b3. | other (in PLN thousand) | 6 688 | 8 722 |
| Total cash and due from NBP | | 918 948 | 951 966 |

Legally binding charges to cash and due from NBP include:

- current account with NBP includes an obligatory reserve of which the declared balance amounted to PLN 579 730 thousand as at 31 December 2000 compared with PLN 471 368 thousand as at 31 December 1999,
- as at 31 December 2000 cash on hand includes an amount of PLN 64 414 thousand of obligatory reserve for customer deposits which is required to be maintained as a minimum daily balance of cash on hand compared with PLN 52 374 thousand as at 31 December 1999.

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 2

DUE FROM OTHER FINANCIAL INSTITUTIONS (by category)

| | | | |
|--|--|------------------|------------------|
| 1. | Current accounts | 113 443 | 153 266 |
| 2. | Loans and placements | 3 052 493 | 1 160 084 |
| 3. | Purchased receivables | — | — |
| 4. | Realised guarantees (and commitments) | — | — |
| 5. | Other receivables (in respect of) | 34 116 | 5 784 |
| | — receivables in course of settlement | 16 446 | 5 744 |
| | — receivables on loans presented for repurchase to credit intermediary | 14 140 | — |
| | — cash in course of settlement | 4 | — |
| | — stock exchange operations | 3 013 | — |
| | — receivables from other debtors | 101 | 40 |
| | — receivables from affiliates and other brokerage houses | 412 | — |
| 6. | Accrued interest: | 19 609 | 16 481 |
| | a) receivable | 19 346 | 16 219 |
| | b) overdue | 263 | 262 |
| Total due from other financial institutions (gross) | | 3 219 661 | 1 335 615 |

| | | |
|--|------------------|------------------|
| 7. Provision (negative value) | -6 722 | -1 874 |
| Total due from other financial institutions (net) | 3 212 939 | 1 333 741 |
| – leasing receivables (gross) | 355 066 | 269 311 |

DUE FROM OTHER FINANCIAL INSTITUTIONS (by term to maturity)

| | | |
|--|------------------|------------------|
| 1. Current accounts | 147 559 | 159 050 |
| 2. Term, with maturity from balance sheet date | 3 052 493 | 1 160 084 |
| a) up to 1 month | 2 543 778 | 726 768 |
| b) 1 month – 3 months | 111 385 | 310 873 |
| c) 3 months – 1 year | 115 377 | 59 926 |
| d) 1 year – 5 years | 180 586 | 60 007 |
| e) over 5 years | 91 908 | – |
| f) matured before balance sheet date | 9 459 | 2 510 |
| 3. Accrued interest: | 19 609 | 16 481 |
| a) receivable | 19 346 | 16 219 |
| b) overdue | 263 | 262 |
| Total due from other financial institutions (gross) | 3 219 661 | 1 335 615 |

DUE FROM OTHER FINANCIAL INSTITUTIONS (by contractual maturity)

| | | |
|--|------------------|------------------|
| 1. Current accounts | 147 559 | 159 050 |
| 2. Term, with duration: | 3 052 493 | 1 160 084 |
| a) up to 1 year | 2 748 730 | 1 037 922 |
| b) 1 year – 5 years | 7 118 | 62 162 |
| c) over 5 years | 296 645 | 60 000 |
| 3. Accrued interest: | 19 609 | 16 481 |
| a) receivable | 19 346 | 16 219 |
| b) overdue | 263 | 262 |
| Total due from other financial institutions (gross) | 3 219 661 | 1 335 615 |

DUE FROM OTHER FINANCIAL INSTITUTIONS (by currency structure)

| | | |
|---|------------------|------------------|
| a) in Polish zloty | 763 321 | 528 747 |
| b) in foreign currencies (in currency and converted into PLN) | 2 456 340 | 806 868 |
| b1. unit/currency EUR '000 | 49 628 | 85 159 |
| in PLN thousand | 191 284 | 355 020 |
| b2. unit/currency USD '000 | 539 830 | 103 228 |
| in PLN thousand | 2 236 622 | 428 222 |
| b3. other (in PLN thousand) | 28 434 | 23 626 |
| Total due from other financial institutions | 3 219 661 | 1 335 615 |

DUE FROM OTHER FINANCIAL INSTITUTIONS – GROSS

| | | |
|--------------------------|-----------|-----------|
| 1. Normal | 3 189 572 | 1 316 755 |
| 2. Watch | 1 024 | – |
| 3. Irregular, including: | 9 456 | 2 379 |
| – substandard | – | 15 |
| – doubtful | 7 085 | – |
| – lost | 2 371 | 2 364 |
| 4. Accrued interest | 19 609 | 16 481 |
| a) receivable | 19 346 | 16 219 |

| | | |
|--|------------------|------------------|
| b) overdue | 263 | 262 |
| – on normal and watch receivables | 4 | 14 |
| – on irregular receivables | 259 | 248 |
| Total due from other financial institutions (gross) | 3 219 661 | 1 335 615 |

LEGAL COLLATERAL DIMINISHING BASIS FOR CALCULATION OF SPECIFIC PROVISIONS FOR NON-PERFORMING RECEIVABLES FROM OTHER FINANCIAL INSTITUTIONS

| | | |
|--|------------|------------|
| a) watch | 155 | – |
| b) irregular | 492 | 493 |
| – substandard | – | – |
| – doubtful | – | – |
| – lost | 492 | 493 |
| Total value of legal collateral diminishing basis for calculation of specific provisions for non-performing receivables from other financial institutions | 647 | 493 |

PROVISIONS FOR NON-PERFORMING RECEIVABLES FROM OTHER FINANCIAL INSTITUTIONS

| | | |
|--|--------------|--------------|
| a) watch | – | – |
| b) irregular | 6 722 | 1 874 |
| – substandard | – | 3 |
| – doubtful | 4 842 | – |
| – lost | 1 880 | 1 871 |
| Total provisions for non-performing receivables from other financial institutions | 6 722 | 1 874 |

MOVEMENTS IN PROVISIONS FOR NON-PERFORMING RECEIVABLES FROM OTHER FINANCIAL INSTITUTIONS

| | | |
|--|--------------|--------------|
| Opening balance | 1 874 | 1 421 |
| a) increases (in respect of) | 4 848 | 453 |
| – charges to provisions | 4 848 | 453 |
| b) use | – | – |
| c) release | – | – |
| Provisions for non-performing receivables from other financial institutions as at end of period | 6 722 | 1 874 |

DUE FROM OTHER FINANCIAL INSTITUTIONS – GROSS

| | | |
|--|------------------|------------------|
| a) due from entities consolidated on equity basis | – | – |
| b) due from other | 3 219 661 | 1 335 615 |
| Total due from other financial institutions (gross) | 3 219 661 | 1 335 615 |

Due from other financial institution include due from subsidiary and associated undertakings excluded from consolidation. Note 2 "Due from other financial institutions" includes bank deposits of PLN 166,106 thousand, which represent collateral for loans granted by this bank to a subsidiary of BSK SA. The total irregular receivables from financial institutions do not exceed 10% of the total assets.

in PLN 000's 31.12.2000
(current year) 31.12.1999
(previous year)

Note 3

DUE FROM CUSTOMERS AND STATE BUDGET

| | | |
|--|------------|-----------|
| (by type) | | |
| 1. Loans | 11 095 625 | 8 475 489 |
| 2. Purchased receivables | 146 083 | 612 744 |
| 3. Realised guarantees (and commitments) | 1 796 | 6 753 |

| | | | |
|----|---|-------------------|------------------|
| 4. | Other receivables (in respect of) | 279 979 | 69 448 |
| | – leasing | 241 841 | 60 728 |
| | – receivables in course of settlement | 10 971 | 8 662 |
| | – receivables on unsettled transactions | 17 264 | – |
| | – overdue payments | 9 903 | 58 |
| 5. | Accrued interest | 269 732 | 318 565 |
| | a) receivable | 83 777 | 200 888 |
| | – interest on State Treasury receivables | 772 | – |
| | b) overdue | 185 955 | 117 677 |
| 6. | Amounts receivable in respect of contribution to preferential loans | 7 134 | 3 309 |
| | Total due from customers and State Budget (gross) | 11 800 349 | 9 486 308 |
| 7. | Provision for non-performing amounts due | | |
| | from customers and State Budget (negative value) | -683 787 | -384 789 |
| | Total due from customers and State Budget (net) | 11 116 562 | 9 101 519 |

DUE FROM CUSTOMERS AND STATE BUDGET

(by term to maturity)

| | | | |
|----|--|-------------------|------------------|
| 1. | Current accounts | 1 624 692 | 1 094 626 |
| 2. | Term, with maturity from balance sheet date: | 9 905 925 | 8 073 117 |
| | a) up to 1 month | 663 963 | 876 343 |
| | b) 1 month – 3 months | 691 946 | 593 213 |
| | c) 3 months – 1 year | 2 648 397 | 2 132 337 |
| | d) 1 year – 5 years | 3 306 238 | 2 520 406 |
| | e) over 5 years | 680 848 | 655 346 |
| | f) matured before balance sheet date | 1 914 533 | 1 295 472 |
| 3. | Accrued interest: | 269 732 | 318 565 |
| | a) receivable | 83 777 | 200 888 |
| | b) overdue | 185 955 | 117 677 |
| | Total due from customers and State Budget (gross) | 11 800 349 | 9 486 308 |

DUE FROM CUSTOMERS AND STATE BUDGET

(by contractual maturity)

| | | | |
|----|--|-------------------|------------------|
| 1. | Current accounts | 1 624 692 | 1 094 626 |
| 2. | Term, with duration: | 9 905 925 | 8 073 117 |
| | a) up to 1 year | 2 985 804 | 2 790 189 |
| | b) 1 year – 5 years | 4 352 150 | 2 725 465 |
| | c) over 5 years | 2 567 971 | 2 557 463 |
| 3. | Accrued interest: | 269 732 | 318 565 |
| | a) receivable | 83 777 | 200 888 |
| | b) overdue | 185 955 | 117 677 |
| | Total due from customers and State Budget (gross) | 11 800 349 | 9 486 308 |

DUE FROM CUSTOMERS AND STATE BUDGET

(currency structure)

| | | | |
|-----|--|-------------------|------------------|
| a) | in Polish zloty | 8 593 716 | 7 207 970 |
| b) | in foreign currencies (in currency and converted into PLN) | 3 206 633 | 2 278 338 |
| b1. | unit/currency EUR '000 | 500 794 | 356 518 |
| | in PLN thousand | 1 930 260 | 1 486 289 |
| b2. | unit/currency USD '000 | 244 420 | 166 860 |
| | in PLN thousand | 1 012 683 | 692 184 |
| b3. | other (in PLN thousand) | 263 690 | 99 865 |
| | Total due from customers and State Budget (gross) | 11 800 349 | 9 486 308 |

DUE FROM CUSTOMERS AND STATE BUDGET

| | | |
|--|-------------------|------------------|
| 1. Normal | 8 725 835 | 6 852 780 |
| 2. Watch | 982 059 | 1 032 313 |
| 3. Irregular, including: | 1 822 723 | 1 293 783 |
| – substandard | 407 109 | 352 071 |
| – doubtful | 845 120 | 705 711 |
| – lost | 570 494 | 236 001 |
| 4. Accrued interest | 269 732 | 307 432 |
| a) receivable | 83 777 | 189 755 |
| b) overdue | 185 955 | 117 677 |
| – on normal and watch receivables | 12 945 | 2 155 |
| – on irregular receivables | 173 010 | 115 522 |
| Total due from customers and State Budget (gross) | 11 800 349 | 9 486 308 |

LEGAL COLLATERAL DIMINISHING BASIS FOR CALCULATION OF SPECIFIC PROVISIONS FOR NON-PERFORMING RECEIVABLES FROM CUSTOMERS AND STATE BUDGET

| | | |
|--|------------------|------------------|
| a) normal | – | 73 322 |
| b) watch | 485 635 | 368 693 |
| c) irregular | 876 076 | 693 582 |
| – substandard | 202 820 | 177 587 |
| – doubtful | 487 343 | 482 176 |
| – lost | 185 913 | 33 819 |
| Total value of legal collateral diminishing basis for calculation of specific provisions for non-performing receivables from customers and State Budget | 1 361 711 | 1 135 597 |

PROVISIONS FOR NON-PERFORMING RECEIVABLES FROM CUSTOMERS AND STATE BUDGET

| | | |
|---|----------------|----------------|
| a) normal | – | 5 079 |
| b) watch | 8 237 | 21 491 |
| c) irregular | 675 550 | 358 219 |
| – substandard | 46 432 | 39 658 |
| – doubtful | 232 770 | 117 397 |
| – lost | 396 348 | 201 164 |
| Provisions for amounts due from customers and State Budget | 683 787 | 384 789 |

MOVEMENTS IN PROVISIONS FOR NON-PERFORMING RECEIVABLES FROM CUSTOMERS AND STATE BUDGET

| | | |
|---|----------------|----------------|
| Opening balance | 384 789 | 297 380 |
| a) increases (in respect of) | 1 147 832 | 366 708 |
| – charges to provisions | 1 147 617 | 366 708 |
| – reclassification of assets | 215 | – |
| b) write-offs (in respect of) | 11 968 | 6 722 |
| – receivables written off | 11 931 | 6 721 |
| – provision transfer | 37 | 1 |
| c) release (in respect of) | 836 866 | 272 577 |
| – release of provisions | 836 244 | 269 193 |
| – reclassification of assets | 622 | 3 384 |
| Provisions for non-performing receivables from customers and State Budget at end of period | 683 787 | 384 789 |

DUE FROM CUSTOMERS AND STATE BUDGET – GROSS

| | | |
|---|-------------------|------------------|
| a) due from entities consolidated on equity basis | – | – |
| b) due from other | 11 800 349 | 9 486 308 |
| Total due from customer and State Budget (gross) | 11 800 349 | 9 486 308 |

Due from customers and the State Budget include due from subsidiary and associated undertakings excluded from consolidation. The total irregular receivables from the non-financial sector and the State Budget do not exceed 10% of the total assets.

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 4

RECEIVABLES SUBJECT TO SECURITIES SALE AND REPURCHASE AGREEMENTS

| | | |
|---|----------|----------|
| a) financial institutions | – | – |
| b) customers and State Budget | – | – |
| c) interest | – | – |
| Total receivables subject to securities sale and repurchase agreements | – | – |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 5

DEBT SECURITIES

| | | |
|--|------------------|------------------|
| 1. Issued by central banks, of which: | 1 108 904 | 923 025 |
| – bonds denominated in foreign currency | – | – |
| 2. Issued by other banks, of which: | – | – |
| – denominated in foreign currency | – | – |
| 3. Issued by other financial undertakings, of which: | – | – |
| – denominated in foreign currency | – | – |
| 4. Issued by other non-financial undertakings, of which: | 14 613 | 54 850 |
| – denominated in foreign currency | – | – |
| 5. Issued by State Budget, of which: | 1 032 346 | 1 249 106 |
| – denominated in foreign currency | – | – |
| 6. Issued by local authorities, of which: | 5 434 | 14 328 |
| – denominated in foreign currency | – | – |
| 7. Repurchased own securities | – | – |
| Total debt securities | 2 161 297 | 2 241 309 |

DEBT SECURITIES (by category)

| | | |
|---------------------------------------|-----------|-----------|
| 1. Issued by State Budget, of which: | 1 032 346 | 1 249 106 |
| a) bonds | 788 274 | 893 290 |
| b) treasury bills | 244 072 | 355 816 |
| c) other | – | – |
| 2. Issued by parent entity, of which: | – | – |
| a) bonds | – | – |
| b) other | – | – |

| | | | |
|------------------------------|--|------------------|------------------|
| 3. | Issued by subsidiary undertakings, of which: | — | — |
| | a) bonds | — | — |
| | b) other | — | — |
| 4. | Issued by associated undertakings, of which: | — | — |
| | a) bonds | — | — |
| | b) other | — | — |
| 5. | Issued by other entities, of which: | 1 128 951 | 992 203 |
| | a) bonds | 753 884 | 801 217 |
| | b) other by type: | 375 067 | 190 986 |
| | – NBP bills | 365 731 | 169 611 |
| | – commercial papers | 9 336 | 21 375 |
| Total debt securities | | 2 161 297 | 2 241 309 |

DEBT SECURITIES

| | | | |
|------------------------------|---|------------------|------------------|
| a) | operational portfolio – of Bank's brokerage house | — | — |
| b) | trading portfolio | 106 834 | 11 711 |
| c) | investment portfolio | 2 054 463 | 2 229 598 |
| Total debt securities | | 2 161 297 | 2 241 309 |

MOVEMENTS IN DEBT SECURITIES

| | | | |
|------------------------------|---|------------------|------------------|
| a) | Opening balance | 2 241 309 | 3 110 077 |
| b) | Increases (in respect of) | 22 443 569 | 15 984 506 |
| | – purchase of debt securities | 21 410 777 | 15 595 306 |
| | – purchase of debt securities – conversion of receivables from State Budget | 578 459 | — |
| | – increase in value | 419 521 | 387 547 |
| | – release of provisions | 34 812 | 1 653 |
| c) | Decreases (in respect of) | 22 523 581 | 16 853 274 |
| | – sale of debt securities | 22 276 354 | 16 442 388 |
| | – decrease in value | 206 861 | 396 230 |
| | – charges to provisions | 40 366 | 14 656 |
| Total closing balance | | 2 161 297 | 2 241 309 |

Legally binding charges to debt securities

– as at 31 December 2000, treasury bills of PLN 46.58 million were held towards the Bank Guarantee Fund,

– as at 31 December 1999, treasury bills of PLN 17.35 million were held towards the Bank Guarantee Fund.

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 6

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS EXCLUDED FROM CONSOLIDATION

| | | | |
|---|-------------------------------------|---------------|----------------|
| a) | in banks | — | — |
| b) | in other financial institutions | 20 813 | 48 415 |
| c) | in other non-financial institutions | 55 075 | 56 846 |
| Total investment in subsidiary and associated undertakings excluded from consolidation | | 75 888 | 105 261 |

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS EXCLUDED FROM CONSOLIDATION

| | | | |
|---|-------------------------|---------------|----------------|
| a) | subsidiary undertakings | — | 55 075 |
| b) | associated undertakings | 75 888 | 50 186 |
| Total investment in subsidiary and associated undertakings excluded from consolidation | | 75 888 | 105 261 |

MOVEMENTS IN INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS EXCLUDED FROM CONSOLIDATION

| | | |
|---|---------------|----------------|
| Opening balance | 75 261 | 37 609 |
| a) Increases (in respect of) | 8 747 | 68 912 |
| – purchases | 5 000 | 68 140 |
| – release of provisions | 3 747 | 772 |
| b) Decreases (in respect of) | 8 120 | 1 260 |
| – sale | 5 400 | – |
| – charges to provisions | 2 720 | 1 260 |
| Total investment in subsidiary and associated undertakings excluded from consolidation | 75 888 | 105 261 |

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS EXCLUDED FROM CONSOLIDATION

| | | |
|---|---------------|----------------|
| a) operational portfolio – of Bank's brokerage house | – | – |
| b) trading portfolio | – | – |
| c) investment portfolio | 75 888 | 105 261 |
| Total investment in subsidiary and associated undertakings excluded from consolidation | 75 888 | 105 261 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 7

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS CONSOLIDATED ON EQUITY BASIS

| | | |
|---|---------------|----------|
| a) in banks | – | – |
| b) in other financial institutions | 17 595 | – |
| c) in other non-financial institutions | – | – |
| Total investments in subsidiary and associated undertakings consolidated on equity basis | 17 595 | – |

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS CONSOLIDATED ON EQUITY BASIS

| | | |
|---|---------------|----------|
| a) subsidiary undertakings | – | – |
| b) associated undertakings | 17 595 | – |
| Total investments in subsidiary and associated undertakings consolidated on equity basis | 17 595 | – |

MOVEMENTS IN INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS CONSOLIDATED ON EQUITY BASIS

| | | |
|---|---------------|----------|
| Opening balance | 30 000 | – |
| a) Increases (in respect of) | 10 000 | – |
| – purchase of shares in subsidiary and associated undertakings | 10 000 | – |
| b) Decreases (in respect of) | 22 405 | – |
| – adjustments on valuation of equity in entities consolidated by equity method | 22 405 | – |
| Total investments in subsidiary and associated undertakings consolidated on equity basis | 17 595 | – |

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS CONSOLIDATED ON EQUITY BASIS

| | | |
|---|---------------|----------|
| a) operational portfolio of Bank's brokerage house | – | – |
| b) trading portfolio | – | – |
| c) investment portfolio | 17 595 | – |
| Total investments in subsidiary and associated undertakings consolidated on equity basis | 17 595 | – |

Note 8

INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS (INVESTMENT PORTFOLIO)

| Name of entity (with legal form indicated) | Śląski Bank Hipoteczny S.A | BSK Leasing S.A. | Dom Maklerski BSK SA | Centrum Banku Śląskiego Sp. z o.o. |
|---|----------------------------------|-----------------------------|-------------------------|--|
| 1) Location | Warszawa | Katowice | Katowice | Katowice |
| 2) Principal activity | banking services | leasing, factoring | brokerage activity | construction services |
| 3) Capital relationship | subsidiary | subsidiary | subsidiary | associated entity |
| 4) Method of consolidation | consolidation | consolidation | consolidation | – |
| 5) Date of acquisition | 12.2000 | 04.1996 12.1998, 12.2000 | 12.1996 07.1997 | 12.1997 06.1998, 05.1999 |
| 6) Value at cost of shares | 50 000 | 15 000 | 26 000 | 55 075 |
| 7) Adjustments | | 15 000 | | |
| 8) Book value of shares | 50 000 | 0 | 26 000 | 55 075 |
| 9) Holding of share capital % | 100 | 100 | 100 | 60 |
| 10) Voting power at General Meeting | 100% | 100% | 100% | 50% |
| 11) Other base of predomination (other than 9 or 10) | | | | |
| 12) Equity capital: | | | | |
| share capital | 50 000 | 15 000 | 26 000 | 91 791 |
| unpaid contribution to share capital (negative value) | | | | |
| equity reserves | | | 767 | 88 |
| Other own capital, of which: | | | | |
| undistributed profit (not covered loss) of prior years | | –2 585 | –316 | –1 235 |
| net profit (loss) | | –12 223 | 8 763 | 3 102 |
| 13) Bank liabilities, of which: | | 435 090 | 59 845 | 290 949 |
| long-term liabilities | | 391 161 | – | 279 922 |
| 14) Bank due from, of which: | 50 000 | 279 405 | 65 087 | 3 422 |
| long-term due from | | 223 499 | – | – |
| 15) Total assets | 50 000 | 595 419 | 106 063 | 384 695 |
| 16) Income on banking activity | | 167 917 | 25 993 | 15 414 |
| 17) Share value not paid by the Bank | | | | |
| 18) Received or accrued dividends for previous year | | | | |

| ING BSK Asset Management S.A. | Powszechne Towarzystwo Emerytalne Nationale-Nederlanden S.A. | FINPLUS Sp. z o.o. | Centrum Elektronicznych Usług Płatniczych eService S.A. |
|---|--|---|---|
| Warszawa | Warszawa | Warszawa | Warszawa |
| financial advisory services, custody services | establishing and management of pension funds | financial services | payment transaction acquisition |
| associated entity | associated entity | associated entity | associated entity |
| – | consolidated on equity basis | – | – |
| 01.1996 10.1996, 05.1998 | 08.1998 03.1999, 05.2000 | 04.1999, 06.1999 01.2000, 03.2000, 07.2000 | 08.1999 |
| 9 108 | 40 000 | 7 400 | 8 000 |
| 975 | | 2 220 | 500 |
| 8 133 | 40 000 | 5 180 | 7 500 |
| 47 | 20 | 50 | 50 |
| 47% | 20% | 50% | 50% |
| | | | |
| 19 216 | 33 000 | 14 800 | 16 000 |
| 1 000 | 167 000 | | |
| | | | |
| -2 226 | -103 768 | -6 434 | -23 |
| 54 | -8 258 | -14 941 | -10 377 |
| 1 428 | 6 690 | 17 953 | 5 070 |
| – | – | – | – |
| 2 483 | 8 653 | 436 | 2 811 |
| 350 | – | – | – |
| 20 089 | 107 061 | 11 570 | 12 556 |
| 9 355 | 118 821 | 634 | 1 064 |
| | | | |
| | | | |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 9

MINORITY INVESTMENTS

| | | |
|--|---------------|---------------|
| a) in banks | 156 | 442 |
| b) in other financial institutions | 1 786 | 1 741 |
| c) in other non-financial institutions | 13 677 | 25 018 |
| Total minority investments | 15 619 | 27 201 |

MOVEMENTS IN MINORITY INVESTMENTS

| | | |
|---|--------|--------|
| Opening balance | 27 201 | 58 677 |
| a) Increases (in respect of) | 36 131 | 9 226 |
| – purchases | 33 001 | 3 113 |
| – capital injections – received dividends | 4 | – |

INVESTMENTS IN OTHER UNDERTAKINGS (INVESTMENT PORTFOLIO)

| | Name of entity (with legal form indicated) | Location | Principal activity |
|-----|--|------------------|---|
| 1. | Swarzędzkie Fabryki Mebli "Swarzędz" SA | Swarzędz | production and sale of furniture |
| 2. | "Stalexport" SA | Katowice | investment, |
| 3. | Polski Koncern Naftowy ORLEN S.A. | Płock | production and commercial activity |
| 4. | Giełda Papierów Wartościowych SA | Warszawa | refinery and petrochemical industry |
| 5. | Centralna Tabela Ofert CeTO SA | Warszawa | stock exchange |
| 6. | Krajowa Izba Rozliczeniowa SA | Warszawa | running of Central Table of Offers |
| 7. | Biuro Informacji Kredytowej SA | Warszawa | services for inter-bank settlements |
| 8. | Centrum Zaufania i Certyfikacji CENTRAST S.A. | Warszawa | market research |
| 9. | Środkowoeuropejskie Centrum Ratingu i Analiz SA | Warszawa | on banking loan services |
| 10. | Huta "Batory" SA | Chorzów | services for Electronic Data Processing |
| 11. | Huta Lucchini Sp. z o.o. | Warszawa | of credit cards |
| 12. | Huta "Jedność" SA | Siemianowice Śl. | analysis of financial market |
| 13. | Zakłady Aparatury Chemicznej "Metalchem" SA | Opole | manufacture and sale of steel products |
| 14. | Zakłady Przemysłu Lniarskiego "LEN" SA | Kamienna Góra | manufacture and sale of steel products |
| 15. | Zakłady Wyrobów Obciowych Koch–Vera SA | Łódź | production and sale of equipment |
| 16. | Międzynarodowa Szkoła Bankowości i Finansów Sp. z o.o. | Katowice | and research activity |
| 17. | Walcownia Rur "Jedność" Sp. z o.o. | Siemianowice Śl. | production and sale of linen and cotton |
| 18. | Legnicka Strefa Ekonomiczna SA | Legnica | yarn and fabrics |
| 19. | Huta "Łaziska" SA | Łaziska Górne | production of fabrics |
| 20. | Huta "Gliwice" | Gliwice | banking education |
| 21. | Stocznia Gdynia SA | Gdynia | production of steel pipes |
| 22. | Górnośląskie Towarzystwo Lotnicze GTL SA | Katowice | management of economical |
| 23. | Society For Worldwide Interbank Financial Telecommunication S.C. | Belgia | special zone |
| 24. | Zakopiańska Spółdzielnia Mieszkaniowa | Zakopane | manufacture and sale of steel products |
| 25. | Zakład Elektroniki Górniczej S.A. | Tychy | manufacture and sale of steel products |
| 26. | Fabryka Obuwia Butbędzin SA | Będzin | designing, building |
| | | | and repairing of ships |
| | | | air transportation |
| | | | telecommunication services |
| | | | housing estate building |
| | | | maining electronics services |
| | | | production and sale of shoes |
| | TOTAL | | |

| in PLN 000's | 31.12.2000 (current year) | 31.12.1999 (previous year) |
|--|------------------------------|-------------------------------|
| – increase in value | 2 295 | 2 659 |
| – release of provisions | 831 | 3 454 |
| b) Decreases (in respect of) | 47 713 | 40 702 |
| – sale | 41 266 | 37 973 |
| – decrease in value | 2 046 | 1 945 |
| – charges to provisions | 4 401 | 784 |
| Closing balance of minority investments | 15 619 | 27 201 |
| MINORITY INVESTMENTS | | |
| a) operational portfolio of Bank's brokerage house | 238 | 690 |
| b) trading portfolio | 718 | 5 087 |
| c) investment portfolio | 14 663 | 21 424 |
| Total minority investments | 15 619 | 27 201 |

31.12.2000
in PLN 000's

| Book value of investment | Holding of share capital % | Voting power at General Meeting % | Value of shares not paid by the Bank | Dividends received or receivable for prior year |
|-----------------------------|----------------------------------|---|---|--|
| 914 | 2.77 | 2.77% | | |
| 801 | 0.31 | 0.31% | | |
| 4 139 | 0.05 | 0.05% | | |
| 10 | 0.04 | 0.04% | | 3.5 |
| 28 | 1.52 | 1.52% | | |
| 313 | 5.73 | 5.73% | | 56.3 |
| 1 400 | 9.00 | 9.00% | | |
| 1 050 | 5.00 | 5.00% | | |
| 35 | 2.52 | 2.52% | | |
| 0 | 10.19 | 10.19% | | |
| 1 342 | 1.63 | 1.63% | | |
| 0 | 6.10 | 6.10% | | |
| 0 | 10.20 | 10.20% | | |
| 0 | 2.47 | 2.47% | | |
| 0 | 0.52 | 0.52% | | |
| 8 | 2.78 | 2.78% | | |
| 9 | 0.02 | 0.02% | | |
| 100 | 0.34 | 0.34% | | |
| 0 | 0.80 | 0.80% | | |
| 0 | 0.29 | 0.29% | | |
| 240 | 0.36 | 0.36% | | |
| 3 607 | 8.69 | 8.69% | | |
| 98 | | | | |
| 1 | | | | |
| 568 | 7.69 | 7.69% | | |
| 0 | 13.20 | 13.20% | | |
| 14 663 | | | | |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 10

OTHER SECURITIES

AND PROPERTY RIGHTS (by type)

| | | |
|--|----------------|---------------|
| a) units in mutual funds | 355 549 | 15 587 |
| b) right to purchase | — | — |
| c) derivative rights | — | — |
| d) other | — | — |
| Total other securities and shares | 355 549 | 15 587 |

OTHER SECURITIES

AND PROPERTY RIGHTS

| | | |
|--|----------------|---------------|
| a) operational portfolio of Bank's brokerage house | — | — |
| b) trading portfolio | — | — |
| c) investment portfolio | 355 549 | 15 587 |
| Total other securities and shares | 355 549 | 15 587 |

MOVEMENTS IN OTHER SECURITIES AND PROPERTY RIGHTS

| | | |
|------------------------------|----------------|---------------|
| Opening balance | 15 587 | 10 028 |
| a) Increases (in respect of) | 417 462 | 6 059 |
| — purchases | 417 021 | 4 528 |
| — increase in value | 441 | — |
| — release of provisions | — | 1 531 |
| b) Decreases (in respect of) | 77 500 | 500 |
| — sale | 77 500 | 500 |
| Closing balance | 355 549 | 15 587 |

The amount of PLN 355,549 thousand includes participation units valued at:

- PLN 105,000 thousand – sold in December 2000 with settlement on 3 January, 2001,
- PLN 200,000 thousand – sold in January 2001 with settlement on 3 January, 2001.

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 11

SECURITIES, SHARES AND OTHER PROPERTY RIGHTS

| | | |
|---|------------------|------------------|
| a) operational portfolio of Bank's brokerage house | 238 | 690 |
| b) trading portfolio | 107 552 | 16 798 |
| c) investment portfolio | 2 518 158 | 2 371 870 |
| Total securities, shares and other property rights | 2 625 948 | 2 389 358 |

MOVEMENTS IN SECURITIES, SHARES AND OTHER PROPERTY RIGHTS

| | | |
|---|-------------------|-------------------|
| Opening balance | 2 389 358 | 3 216 391 |
| a) Increases (in respect of) | 22 915 909 | 16 068 703 |
| — purchase of debt securities | 21 410 777 | 15 595 306 |
| — purchase of debt securities – conversion of receivables from State Budget | 578 459 | — |
| — purchase of securities, shares and other rights | 465 022 | 75 781 |
| — capital injections – received dividends | 4 | — |
| — increase in value | 421 816 | 390 206 |
| — release of provisions | 39 831 | 7 410 |
| b) Decreases (in respect of) | 22 679 319 | 16 895 736 |
| — sale of debt securities | 22 276 354 | 16 442 388 |
| — sale of securities, shares and other rights | 124 166 | 38 473 |

| | | |
|--|------------------|------------------|
| – decrease in value | 208 907 | 398 175 |
| – charges to provisions | 47 487 | 16 700 |
| – adjustments on valuation of equity in entities consolidated by equity method | 22 405 | – |
| Closing balance of securities, shares and other rights | 2 625 948 | 2 389 358 |

SECURITIES, SHARES AND OTHER PROPERTY RIGHTS (currency structure)

| | | |
|---|------------------|------------------|
| a) in Polish zloty | 2 625 850 | 2 389 201 |
| b) in foreign currencies (in currency and converted into PLN) | 98 | 157 |
| b1. unit/currency EUR'000 | 25 | 38 |
| in PLN thousand | 98 | 157 |
| Total securities, shares and other property rights | 2 625 948 | 2 389 358 |

DEBT SECURITIES, INVESTMENTS AND TRUST UNITS – TRADING PORTFOLIO

| | | |
|---|----------------|---------------|
| A. negotiable and quoted on Stock Exchange (book value) | 24 672 | 15 239 |
| a) shares (book value) | 941 | 5 777 |
| – estimated market value | 948 | 6 707 |
| – value at cost | 1 034 | 6 128 |
| b) bonds (book value) | 23 731 | 9 462 |
| – estimated market value | 23 819 | 9 462 |
| – value at cost | 22 754 | 9 325 |
| c) other (book value) | – | – |
| B. Negotiable and quoted on OTC market (book value) | – | – |
| a) shares (book value) | – | – |
| – estimated market value | – | – |
| – value at cost | – | – |
| b) bonds (book value) | – | – |
| – estimated market value | – | – |
| – value at cost | – | – |
| c) other (book value) | – | – |
| C. Negotiable and non-quoted on Stock Exchange or OTC market (book value) | 83 118 | 2 249 |
| a) shares (book value) | 15 | – |
| – estimated market value | – | – |
| – value at cost | 15 | – |
| b) bonds (book value) | – | – |
| – estimated market value | – | – |
| – value at cost | – | – |
| c) other (book value) | 83 103 | 2 249 |
| c1) treasury bills | 4 353 | – |
| – market value | 4 358 | – |
| – value at cost | 4 335 | – |
| c2) NBP bills | 69 414 | – |
| – market value | 69 477 | – |
| – value at cost | 68 975 | – |
| c3) commercial papers | 9 336 | 2 249 |
| – market value | 9 336 | 2 249 |
| – value at cost | 9 300 | 2 208 |
| D. Non-negotiable (book value) | – | – |
| a) shares (book value) | – | – |
| – estimated market value | – | – |
| – value at cost | – | – |
| b) bonds (book value) | – | – |
| – estimated market value | – | – |
| – value at cost | – | – |
| c) other (book value) | – | – |
| Total value at cost | 106 413 | 17 661 |
| Total adjustments | 1 377 | -173 |
| Total market value/estimated market value | 107 938 | 18 418 |
| Total book value | 107 790 | 17 488 |

DEBT SECURITIES, INVESTMENTS AND TRUST UNITS – INVESTMENT PORTFOLIO

| | | | |
|--------------------------------|---|------------------|------------------|
| A. | negotiable and quoted on Stock Exchange (book value) | 770 965 | 885 444 |
| a) | shares (book value) | 6 422 | 1 616 |
| | – value adjustments (balance) | -2 149 | -1 897 |
| | – value at cost | 8 571 | 3 513 |
| b) | bonds (book value) | 764 543 | 883 828 |
| | – value adjustments (balance) | 44 375 | 40 032 |
| | – value at cost | 720 168 | 843 796 |
| c) | other (book value) | – | – |
| B. | negotiable and quoted on OTC market (book value) | – | 1 771 |
| a) | shares (book value) | – | 1 771 |
| | – value adjustments (balance) | – | -3 629 |
| | – value at cost | – | 5 400 |
| b) | bonds (book value) | – | – |
| | – value adjustments (balance) | – | – |
| | – value at cost | – | – |
| c) | other (book value) | – | – |
| C. | negotiable and non-quoted on Stock Exchange or OTC market (book value) | 1 004 020 | 731 241 |
| a) | shares (book value) | 101 724 | 123 298 |
| | – value adjustments (balance) | -38 332 | -9 990 |
| | – value at cost | 140 056 | 133 288 |
| b) | bonds (book value) | 10 711 | 47 803 |
| | – value adjustments (balance) | 771 | 2 678 |
| | – value at cost | 9 940 | 45 125 |
| c) | other (book value) | 891 585 | 560 140 |
| c1) | treasury bills | 239 719 | 355 816 |
| | – value adjustments (balance) | 15 452 | 11 284 |
| | – value at cost | 224 267 | 344 532 |
| c2) | NBP bonds | 296 317 | 169 611 |
| | – value adjustments (balance) | 706 | 155 |
| | – value at cost | 295 611 | 169 456 |
| c3) | commercial papers | – | 19 126 |
| | – value adjustments (balance) | – | -1 447 |
| | – value at cost | – | 20 573 |
| c4) | trust units | 355 549 | 15 587 |
| | – value adjustments (balance) | – | -441 |
| | – value at cost | 355 549 | 16 028 |
| D. | non-negotiable (book value) | 743 173 | 753 414 |
| a) | shares (book value) | – | – |
| | – value adjustments (balance) | – | – |
| | – value at cost | – | – |
| b) | bonds (book value) | 743 173 | 753 414 |
| | – value adjustments (balance) | 12 840 | 23 081 |
| | – value at cost | 730 333 | 730 333 |
| c) | other (book value) | – | – |
| Total value at cost | | 2 484 495 | 2 312 044 |
| Total value adjustments | | 33 663 | 59 826 |
| Total book value | | 2 518 158 | 2 371 870 |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 12

INTANGIBLE FIXED ASSETS

| | | | |
|----|---|---------------|---------------|
| a) | Accrued cost of formation and further expansion of public limited company | 1 316 | 61 |
| b) | Research and development costs | — | — |
| c) | Goodwill | — | 1 159 |
| d) | Purchased patents, licences, etc. | 481 | 43 |
| e) | Purchased computer software | 14 494 | 14 193 |
| f) | Long-term lease of land | 27 510 | 1 815 |
| g) | Other intangible fixed assets | 3 210 | 1 581 |
| h) | Prepayments for intangible fixed assets | — | — |
| | Total intangible fixed assets | 47 011 | 18 852 |

MOVEMENTS IN INTANGIBLE FIXED ASSETS (in assets categories) in PLN 000's

| | Accrued cost of formation and further expansion of public limited company | Research and development costs | Goodwill | Purchased licences, patents, etc. | Purchased software | Long-term lease of land | Other intangible fixed assets | Advances for intangible fixed assets | Total intangible fixed assets |
|--|---|--------------------------------|----------|-----------------------------------|--------------------|-------------------------|-------------------------------|--------------------------------------|-------------------------------|
| a) opening balance at cost | 118 | — | 23 380 | 1 948 | 39 042 | 1 815 | 3 794 | — | 70 097 |
| b) increases (in respect of) | 1 279 | — | — | 459 | 6 458 | 25 695 | 2 957 | — | 36 848 |
| – purchase | — | — | — | 459 | 4 504 | 25 695 | 2 460 | — | 33 118 |
| – transfer from assets under construction | — | — | — | — | 1 008 | — | 2 | — | 1 010 |
| – transfer between categories | — | — | — | — | 5 | — | — | — | 5 |
| – other | 1 279 | — | — | — | 941 | — | 495 | — | 2 715 |
| c) decreases (in respect of) | — | — | — | — | 86 | — | 1 139 | — | 1 225 |
| – liquidation | — | — | — | — | — | — | 5 | — | 5 |
| – other | — | — | — | — | 86 | — | 1 134 | — | 1 220 |
| d) closing balance at cost | 1 397 | — | 23 380 | 2 407 | 45 414 | 27 510 | 5 612 | — | 105 720 |
| e) accumulated depreciation at the beginning of period | 57 | — | 22 221 | 1 905 | 24 849 | — | 2 213 | — | 51 245 |
| f) depreciation for the period (in respect of) | 24 | — | 1 159 | 21 | 6 071 | — | 189 | — | 7 464 |
| – depreciation charges | 24 | — | 1 159 | 21 | 6 143 | — | 198 | — | 7 545 |
| – transfers | — | — | — | — | 4 | — | — | — | 4 |
| – other | — | — | — | — | -76 | — | -9 | — | -85 |
| g) accumulated depreciation at the end of period | 81 | — | 23 380 | 1 926 | 30 920 | — | 2 402 | — | 58 709 |
| h) net book value at the end of period | 1 316 | — | — | 481 | 14 494 | 27 510 | 3 210 | — | 47 011 |

UNSCHEDULED DEPRECIATION OF INTANGIBLE FIXED ASSETS

Unscheduled depreciation charges, of which:

– liquidation and sale of intangible fixed assets

The unscheduled depreciation of intangible fixed assets

| | |
|---|---|
| — | — |
| — | — |
| — | — |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 13

GOODWILL FROM CONSOLIDATION

| | | | |
|----|---|----------|----------|
| a) | goodwill from consolidation – subsidiary undertakings | – | – |
| b) | goodwill from consolidation – associated undertakings | – | – |
| | Total goodwill from consolidation | – | – |

MOVEMENTS IN GOODWILL FROM CONSOLIDATION – SUBSIDIARY UNDERTAKINGS

| | | | |
|----|---|----------|----------|
| 1) | Opening balance at gross value | – | – |
| | a) increases (in respect of) | – | – |
| | b) decreases (in respect of) | – | – |
| 2) | Closing balance at gross value | – | – |
| | a) charges to goodwill at beginning of period | – | – |
| | b) charges to goodwill for period (in respect of) | – | – |
| | c) charges to goodwill at end of period | – | – |
| 3) | Closing balance (net value) | – | – |

MOVEMENTS IN GOODWILL FROM CONSOLIDATION – ASSOCIATED UNDERTAKINGS

| | | | |
|----|---|----------|----------|
| 1) | Opening balance at gross value | – | – |
| | a) increases (in respect of) | – | – |
| | b) decreases (in respect of) | – | – |
| 2) | Closing balance at gross value | – | – |
| | a) charges to goodwill at beginning of period | – | – |
| | b) charges to goodwill for period (in respect of) | – | – |
| | c) charges to goodwill at for end of period | – | – |
| 3) | Closing balance (net value) | – | – |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 14

TANGIBLE FIXED ASSETS

| | | | |
|----|---|----------------|----------------|
| a) | tangible fixed assets, of which: | 852 898 | 749 585 |
| | – land and buildings used for Bank's operational activities | 371 533 | 350 438 |
| | – other land and buildings | 89 190 | 53 |
| | – equipment | 199 463 | 227 909 |
| | – means of transport | 104 061 | 72 669 |
| | – other fixed assets | 88 651 | 98 516 |
| b) | assets under construction | 51 865 | 70 680 |
| c) | prepayments | 6 411 | 2 274 |
| | Total tangible fixed assets | 911 174 | 822 539 |

UNSCHEDULED DEPRECIATION CHARGES OF TANGIBLE FIXED ASSETS

| | | | |
|--|--|----------|-----------|
| | Unscheduled depreciation charges, of which | – | 13 |
| | – liquidation and sale of tangible fixed assets | – | 13 |
| | Total unscheduled depreciation charges of tangible fixed assets | – | 13 |

ON-BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)

| | | |
|---|----------------|----------------|
| a. own | 911 160 | 822 539 |
| b. used under rental, lease or other agreement of similar nature | — | — |
| Total on balance sheet fixed assets | 911 160 | 822 539 |

OFF-BALANCE SHEET FIXED ASSETS

| | | |
|---|--------------|--------------|
| used under rental, lease or other agreement of similar nature, of which: | 5 800 | 5 073 |
| – long-term lease of land | 3 740 | 3 076 |
| – means of transport | 574 | 512 |
| – equipment | 126 | — |
| Total off-balance sheet fixed assets | 5 800 | 5 073 |

MOVEMENTS IN TANGIBLE FIXED ASSETS (by assets categories)

| | Land and buildings used for Bank's operational activities | Other land and buildings | Equipment and other fixed assets | Means of transport | Assets under construction and prepayments | Total tangible assets |
|---|--|--------------------------------|--|-----------------------|--|-----------------------------|
| a) opening balance at cost | 402 709 | 57 | 663 106 | 100 890 | 72 954 | 1 239 716 |
| b) increase (in respect of) | | | | | | |
| – purchase | 42 899 | 90 202 | 133 784 | 66 433 | 231 143 | 564 461 |
| – transfer from assets under construction | 1 246 | — | 57 891 | 30 869 | 230 517 | 320 523 |
| – transfers | 41 090 | 90 202 | 72 266 | 35 564 | — | 239 122 |
| – other | 557 | — | 3 627 | — | — | 4 184 |
| | 6 | — | — | — | 626 | 632 |
| c) decrease (in respect of) | | | | | | |
| – sale | 862 | 36 | 88 004 | 21 665 | 245 821 | 356 388 |
| – liquidation | 122 | 36 | 80 863 | 21 186 | 7 | 102 214 |
| – donations | 567 | — | 2 007 | 435 | — | 3 009 |
| – transfer from assets under construction | — | — | 857 | — | — | — |
| – transfers | — | — | — | — | 240 132 | 240 132 |
| – other | 99 | — | 4 090 | — | — | 4 189 |
| | 74 | — | 187 | 44 | 5 682 | 5 987 |
| d) closing balance at cost | 444 746 | 90 223 | 708 886 | 145 658 | 58 276 | 1 447 789 |
| e) accumulated depreciation at the beginning of period | 52 271 | 4 | 336 681 | 28 221 | — | 417 177 |
| f) depreciation for the period (in respect of) | | | | | | |
| – charge for the period | 20 942 | 1 029 | 84 091 | 13 376 | — | 119 438 |
| – sale and liquidation | 20 768 | 1 032 | 104 934 | 25 539 | — | 152 273 |
| – donations | -138 | -3 | -20 931 | -12 158 | — | -33 230 |
| – transfers | — | — | -854 | — | — | — |
| – other | 320 | — | -324 | — | — | -4 |
| | -8 | — | 1 266 | -5 | — | 1 253 |
| g) accumulated depreciation at the end of period | 73 213 | 1 033 | 420 772 | 41 597 | — | 536 615 |
| h) Net closing balance | 371 533 | 89 190 | 288 114 | 104 061 | 58 276 | 911 174 |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 15

ISSUER OWN SHARES

| ISSUER OWN SHARES | ISSUER OWN SHARES | ISSUER OWN SHARES | ISSUER OWN SHARES | ISSUER OWN SHARES |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

ISSUER SHARES OWNED BY SUBSIDIARY UNDERTAKINGS

| ISSUER SHARES OWNED BY SUBSIDIARY UNDERTAKINGS | ISSUER SHARES OWNED BY SUBSIDIARY UNDERTAKINGS | ISSUER SHARES OWNED BY SUBSIDIARY UNDERTAKINGS | ISSUER SHARES OWNED BY SUBSIDIARY UNDERTAKINGS |
|--|--|--|--|
| | | | |
| | | | |
| | | | |
| | | | |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 16

OTHER ASSETS

| | | |
|---|----------------|----------------|
| 1. Repossessed assets | 464 | 236 |
| 2. Other, of which: | 279 834 | 126 616 |
| – sundry debtors | 32 696 | 51 541 |
| – interbank settlements | 1 577 | 3 781 |
| – public settlements | 31 994 | 32 843 |
| – revaluation of financial instruments (marking to market) | 163 377 | 38 338 |
| – settlements with brokerage houses acting as an intermediary in securities trade | 49 620 | – |
| – other | 570 | 113 |
| Total other assets (gross) | 280 298 | 126 852 |
| Provision for other assets | -15 480 | -13 797 |
| Total other assets (net) | 264 818 | 113 055 |

REPOSSESSED ASSETS

| | | |
|---------------------------------|------------|------------|
| 1. Capital expenditures | 37 | – |
| 2. Real estate | 75 | – |
| 3. Inventories | 190 | 190 |
| 4. Other | 162 | 46 |
| Total repossessed assets | 464 | 236 |

MOVEMENTS IN REPOSSESSED ASSETS

| | | | |
|----|---------------------------|------------|------------|
| 1. | Opening balance | 236 | 197 |
| 2. | Increases (in respect of) | 228 | 39 |
| | – repossession | 228 | 39 |
| 3. | Decreases | – | – |
| 4. | Closing balance | 464 | 236 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 17

CHANGE IN INTERPERIOD SETTLEMENTS IN RESPECT OF DEFERRED CORPORATE INCOME TAX

| | | | |
|----|---|----------------|----------|
| | Opening balance | – | 20 |
| | – change in opening balance due to changes in accounting principles | 5 331 | – |
| a) | increases (in respect of) | 120 341 | – |
| | – charges to provision (Note 46) | 120 341 | – |
| b) | decreases (in respect of) | – | 20 |
| | – settlement of provision for tax | – | 20 |
| | Closing balance | 125 672 | 0 |

OTHER INTERPERIOD SETTLEMENTS

| | | | |
|----|---|---------------|---------------|
| a) | prepayments, of which: | 13 136 | 10 816 |
| | – general expenses | 1 555 | 1 727 |
| | – repaid NN insurance expense | 1 527 | 1 596 |
| | – inventory | 3 569 | 3 887 |
| | – renovation expense | 403 | 420 |
| | – accrued interest receivable on hedging interest rate swap | – | 1 265 |
| | – other | 6 082 | 1 921 |
| b) | Other interperiod settlements, of which: | 7 963 | 7 460 |
| | – income receivable | 7 581 | 7 460 |
| | – other | 382 | – |
| | Total interperiod settlements | 21 099 | 18 276 |

SUBORDINATED LOANS

| Type of loan | Interest rate | | Term | Collateral |
|--------------|---------------|----------|------|------------|
| | Fixed | Variable | | |
| Secured | | | | |
| Unsecured | | | | |
| | | | | |
| | | | | |

Note 18

DUE TO OTHER FINANCIAL INSTITUTIONS (by type)

| | | | |
|--|--|------------------|------------------|
| 1. | Current accounts and deposits | 2 097 164 | 1 403 562 |
| 2. | Loans and borrowings | 1 023 937 | 929 553 |
| 3. | Other, of which: | 78 594 | 4 827 |
| | – liabilities in course of settlement | 62 954 | 4 290 |
| | – stock exchange transactions | 14 991 | – |
| | – due to affiliates and other brokerage houses | 649 | 537 |
| 4. | Accrued interest | 23 548 | 16 235 |
| Total due to other financial institutions | | 3 223 243 | 2 354 177 |

DUE TO OTHER FINANCIAL INSTITUTIONS (by term to maturity)

| | | | |
|--|--|------------------|------------------|
| 1. | Current accounts | 100 646 | 25 753 |
| 2. | Term, with maturity from balance sheet date: | 3 099 049 | 2 312 189 |
| | a) up to 1 month | 1 771 150 | 1 086 013 |
| | b) 1 month – 3 months | 143 697 | 214 692 |
| | c) 3 months – 1 year | 152 689 | 233 214 |
| | d) 1 year – 5 years | 951 152 | 330 850 |
| | e) over 5 years | 7 817 | 443 692 |
| | f) matured before balance sheet date | – | – |
| | g) blocked | 72 544 | 3 728 |
| 3. | Accrued interest | 23 548 | 16 235 |
| Total due to other financial institutions | | 3 223 243 | 2 354 177 |

DUE TO OTHER FINANCIAL INSTITUTIONS (by contractual maturity)

| | | | |
|--|-----------------------|------------------|------------------|
| 1. | Current accounts | 100 646 | 25 753 |
| 2. | Term, with duration: | 3 099 049 | 2 312 189 |
| | a) up to 1 month | 1 293 984 | 502 645 |
| | b) 1 month – 3 months | 501 222 | 722 953 |
| | c) 3 months – 1 year | 186 046 | 119 740 |
| | d) 1 year – 5 years | 994 429 | 950 728 |
| | e) over 5 years | 50 824 | 12 395 |
| | f) blocked | 72 544 | 3 728 |
| 3. | Accrued interest | 23 548 | 16 235 |
| Total due to other financial institutions | | 3 223 243 | 2 354 177 |

DUE TO OTHER FINANCIAL INSTITUTIONS (currency structure)

| | | | |
|--|--|------------------|------------------|
| a) | in Polish zloty | 1 910 598 | 842 157 |
| b) | in foreign currencies (in currency and converted into PLN) | 1 312 645 | 1 512 020 |
| b1. | unit/currency EUR '000 | 322 822 | 256 719 |
| | in PLN thousand | 1 244 285 | 1 070 234 |
| b2. | unit/currency USD '000 | 11 245 | 106 028 |
| | in PLN thousand | 46 589 | 439 837 |
| b3. | other (in PLN thousand) | 21 771 | 1 949 |
| Total due to other financial institutions | | 3 223 243 | 2 354 177 |

DUE TO OTHER FINANCIAL INSTITUTIONS

| | | |
|--|------------------|------------------|
| a) due to entities consolidated on equity basis | 33 | – |
| b) due to other | 3 223 210 | 2 354 177 |
| Total due to other financial institutions | 3 223 243 | 2 354 177 |

Due to other financial institutions include due to subsidiary and associated undertakings excluded from consolidation Note 17 "Due to other financial institutions" includes deposits amounting to PLN 72,048 thousand, representing collateral for the loans granted by Bank Śląski S.A. to a subsidiary undertakings of that bank.

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 19

DUE TO CUSTOMERS AND STATE BUDGET (by type)

| | | |
|--|-------------------|-------------------|
| 1. Current accounts and deposits | 13 370 088 | 10 122 043 |
| 2. Other | 86 946 | 66 811 |
| – receivables in course of settlement | 86 946 | 66 811 |
| 3. Accrued interest | 207 632 | 114 927 |
| Total due to customers and State Budget | 13 664 666 | 10 303 781 |

DUE TO CUSTOMERS AND STATE BUDGET – SAVINGS ACCOUNTS (by term to maturity)

| | | |
|---|------------------|------------------|
| 1. Current accounts | 1 647 830 | 1 585 045 |
| 2. Term, with maturity from balance sheet date: | 7 313 137 | 5 035 957 |
| a) up to 1 month | 2 793 573 | 1 491 948 |
| b) 1 month – 3 months | 2 460 808 | 1 761 683 |
| c) 3 months – 1 year | 1 563 549 | 1 233 511 |
| d) 1 year – 5 years | 302 872 | 324 629 |
| e) over 5 years | 85 | 227 |
| f) matured before balance sheet date | – | – |
| g) blocked | 192 250 | 223 959 |
| 3. Accrued interest | 181 821 | 104 693 |
| Total due to customers and State Budget – savings accounts | 9 142 788 | 6 725 695 |

DUE TO CUSTOMERS AND STATE BUDGET – SAVINGS ACCOUNTS (by contractual maturity)

| | | |
|---|------------------|------------------|
| 1. Current accounts | 1 647 830 | 1 585 045 |
| 2. Term, with duration: | 7 313 137 | 5 035 957 |
| a) up to 1 month | 805 564 | 381 691 |
| b) 1 month – 3 months | 3 246 999 | 1 949 468 |
| c) 3 months – 1 year | 2 590 743 | 2 103 206 |
| d) 1 year – 5 years | 477 581 | 377 633 |
| e) over 5 years | – | – |
| f) blocked | 192 250 | 223 959 |
| 3. Accrued interest | 181 821 | 104 693 |
| Total due to customers and State Budget – savings accounts | 9 142 788 | 6 725 695 |

DUE TO CUSTOMERS AND STATE BUDGET – OTHER (by term to maturity)

| | | |
|---|-----------|-----------|
| 1. Current accounts | 1 940 417 | 1 914 185 |
| 2. Term, with maturity from balance sheet date: | 2 555 650 | 1 653 667 |
| a) up to 1 month | 1 982 658 | 1 246 664 |

| | | |
|--|------------------|------------------|
| b) 1 month – 3 months | 249 520 | 175 474 |
| c) 3 months – 1 year | 70 824 | 50 963 |
| d) 1 year – 5 years | 176 975 | 130 474 |
| e) over 5 years | 845 | – |
| f) matured before balance sheet date | – | – |
| g) blocked | 74 828 | 50 092 |
| 3. Accrued interest | 25 811 | 10 234 |
| Total due to customers and State Budget – other | 4 521 878 | 3 578 086 |

DUE TO CUSTOMERS AND STATE BUDGET – OTHER (by contractual maturity)

| | | |
|--|------------------|------------------|
| 1. Current accounts | 1 940 417 | 1 914 185 |
| 2. Term, with duration: | 2 555 650 | 1 653 667 |
| a) up to 1 month | 1 527 331 | 1 047 697 |
| b) 1 month – 3 months | 494 758 | 330 493 |
| c) 3 months – 1 year | 285 712 | 94 681 |
| d) 1 year – 5 years | 173 021 | 130 704 |
| e) over 5 years | – | – |
| f) blocked | 74 828 | 50 092 |
| 3. Accrued interest | 25 811 | 10 234 |
| Total due to customers and State Budget – other | 4 521 878 | 3 578 086 |

DUE TO CUSTOMERS AND STATE BUDGET (currency structure)

| | | |
|---|-------------------|-------------------|
| a) in Polish zloty | 12 195 416 | 9 155 571 |
| b) in foreign currencies (in currency and converted into PLN) | 1 469 250 | 1 148 210 |
| b1. unit/currency USD '000 | 210 442 | 150 544 |
| in PLN thousand | 871 903 | 624 502 |
| b2. unit/currency EUR '000 | 153 991 | 125 107 |
| in PLN thousand | 593 543 | 521 562 |
| b3. other (in PLN thousand) | 3 804 | 2 146 |
| Total due to customers and State Budget | 13 664 666 | 10 303 781 |

DUE TO CUSTOMERS AND STATE BUDGET

| | | |
|---|-------------------|-------------------|
| a) due to entities consolidated on equity basis | – | – |
| b) due to other | 13 664 666 | 10 303 781 |
| Total due to customer and State Budget | 13 664 666 | 10 303 781 |

Due to customers and State Budget include due to subsidiary and associated undertakings excluded from consolidation.

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 20

LIABILITIES IN RESPECT OF SECURITIES SUBJECT TO SALE AND REPURCHASE AGREEMENTS

| | | |
|---|----------|----------|
| a) financial institutions | – | – |
| b) customers and State Budget | – | – |
| c) interest | – | – |
| Total liabilities in respect of securities subject to sale and repurchase agreements | – | – |

31.12.1999
(previous year)

SECURITIES ISSUED

| | | | |
|----|--------------------------------|----------|---------------|
| 1. | Bonds | — | — |
| 2. | Deposit certificates | — | — |
| 3. | Other, of which: | — | 15 000 |
| | — commercial papers | — | 15 000 |
| 4. | Accrued interest | — | — |
| | Total securities issued | — | 15 000 |

| | | |
|---------------------------------|----------|---------------|
| Opening balance | 15 000 | — |
| a) Increases (in respect of) | 65 000 | 59 000 |
| — issuance of commercial papers | 65 000 | 59 000 |
| b) Decreases (in respect of) | 80 000 | 44 000 |
| — redemption of securities | 80 000 | 44 000 |
| Closing balance | — | 15 000 |

[illegible]

31.12.1999
(previous year)

FUNDS FOR STAFF BENEFIT AND OTHER LIABILITIES

| | | | |
|----|---|----------------|----------------|
| 1. | Funds for staff benefit, of which: | 20 240 | 19 489 |
| | – Social Fund | 20 215 | 19 464 |
| | – bonus fund | 25 | 25 |
| 2. | Other liabilities, of which: | 246 655 | 179 145 |
| | – interbank settlements | 146 223 | 92 078 |
| | – public settlement | 40 493 | 24 424 |
| | – sundry creditors | 52 705 | 53 871 |
| | – liabilities on prepayments for purchase of investments participation units | 40 | – |
| | – employees settlements | 3 | 14 |
| | – other | 7 191 | 8 758 |
| | Total funds for staff benefit and other liabilities | 266 895 | 198 634 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 23

ACCRUALS AND DEFERRED INCOME

| | | |
|---|----------------|----------------|
| a) interperiod settlements, of which: | 35 850 | 20 741 |
| – general expenses | 30 917 | 20 429 |
| – commission payable | 2 426 | 22 |
| – other | 2 507 | 290 |
| b) deferred income, of which: | 116 802 | 39 691 |
| – unrealised foreign exchange | 9 388 | – |
| – surplus of goodwill to subsidiary contribution in kind (Centrum Banku Śląskiego Sp. z o.o.) | 12 247 | 12 247 |
| – accrued interest payable on hedging interest rate swap | – | 2 412 |
| – income received in advance, including: | 20 439 | 13 869 |
| – on lombard loan | 18 | 12 |
| – on discount of bills of exchange | 4 464 | 4 623 |
| – from factoring | 6 435 | 2 553 |
| – from operational leasing | 9 522 | 6 681 |
| – from financial leasing | 73 609 | 11 042 |
| – other | 1 119 | 121 |
| c) deferred income on irregular receivables, of which: | 195 701 | 182 234 |
| – deferred interest income | 193 458 | 137 989 |
| – capitalised interest based on agreements | 1 527 | 42 994 |
| – commission accrued | 281 | 1 104 |
| – other | 435 | 147 |
| Total accruals and deferred income | 348 353 | 242 666 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 24

MOVEMENTS IN PROVISIONS FOR DEFERRED INCOME TAX

| | | |
|----------------------------------|------------|---------------|
| Opening balance | 62 927 | 27 079 |
| a) increases (in respect of) | 52 | 50 460 |
| – charges to provision (Note 46) | 52 | 50 460 |
| b) decreases (in respect of) | 62 658 | 14 612 |
| – release of provision (Note 46) | 62 658 | 14 612 |
| Closing balance | 321 | 62 927 |

OTHER PROVISIONS (by type)

| | | |
|--|----------------|---------------|
| – provision for off-balance sheet commitments | 14 625 | 11 226 |
| – provision for general risk | 135 800 | 62 000 |
| – provision for claims of customers | 1 457 | 1 458 |
| – provision for development projects | – | 2 000 |
| – provision for expected losses on operational leasing | 13 482 | 1 344 |
| Total other provisions | 165 364 | 78 028 |

MOVEMENTS IN OTHER PROVISIONS

| | | |
|-------------------------------|----------------|---------------|
| Opening balance | 78 028 | 50 436 |
| a) increases (in respect of) | 132 149 | 46 846 |
| – charges to other provisions | 131 376 | 46 766 |
| – reclassifications | 773 | 80 |
| b) write-offs | – | – |
| c) release (in respect of) | 44 813 | 19 254 |
| – release of provisions | 44 813 | 19 254 |
| Closing balance | 165 364 | 78 028 |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 25

SUBORDINATED DEBT

| Type of debt | Description of debt | | Interest rate | Maturity date | Collateral | Rating |
|--------------|---------------------|------|---------------|---------------|------------|--------|
| | Interest rate | Term | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

MOVEMENTS IN SUBORDINATED LOANS

| | | |
|------------------------|----------|----------|
| Opening balance | — | — |
| a) increases | — | — |
| b) decreases | — | — |
| Closing balance | — | — |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 26

MOVEMENTS IN MINORITY EQUITY

| | | |
|------------------------|----------|----------|
| Opening balance | — | — |
| a) increases | — | — |
| b) decreases | — | — |
| Closing balance | — | — |

in PLN 000's

31.12.2000
(current year)31.12.1999
(previous year)

Note 27

EQUITY RESERVE FROM CONSOLIDATION

| | | |
|--|----------|----------|
| a) Equity reserve from consolidation – subsidiary undertakings | — | — |
| b) Equity reserve from consolidation – associated undertakings | — | — |
| Total equity reserve from consolidation | — | — |

MOVEMENTS IN EQUITY PROVISION FROM CONSOLIDATION – SUBSIDIARY UNDERTAKINGS

| | | |
|---|----------|----------|
| a) opening balance at gross value | — | — |
| b) increases | — | — |
| c) decreases | — | — |
| d) closing balance at gross value | — | — |
| e) charges to equity provision at beginning of period | — | — |
| f) charges to equity provision for period | — | — |
| g) charges to equity provision at end of period | — | — |
| h) closing balance at net value | — | — |

MOVEMENTS IN EQUITY PROVISION FROM CONSOLIDATION – ASSOCIATED UNDERTAKINGS

| | | | |
|----|--|---|---|
| a) | opening balance at gross value | — | — |
| b) | increases | — | — |
| c) | decreases | — | — |
| d) | closing balance at gross value | — | — |
| e) | charges to equity provision at beginning of period | — | — |
| f) | charges to equity provision for period | — | — |
| g) | charges to equity provision at end of period | — | — |
| h) | closing balance at net value | — | — |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 28

SHARE CAPITAL

Nominal value of 1 share = PLN 10.00

| Share capital | Issued share capital | Reserves | Retained earnings | Minority interests | Equity | Liabilities | Total |
|---------------|----------------------|----------|-------------------|--------------------|--------|-------------|-------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

In the period 1 January 2000 - 31 December 2000 there were no changes in share capital.

LIST OF SHAREHOLDERS

| Shareholder | Number of shares | Percentage of share capital | Percentage of voting rights | Percentage of dividends |
|-------------|------------------|-----------------------------|-----------------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 29

EQUITY RESERVES

| | | |
|---------------------------------|---------------|---------------|
| a) surplus capital | — | — |
| b) mandatory reserve | 36 752 | 36 056 |
| c) statutory | — | — |
| d) contribution of shareholders | — | — |
| e) other | — | — |
| Total equity reserves | 36 752 | 36 056 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 30

OTHER RESERVES

| | | |
|-----------------------------|------------------|------------------|
| — General Risk Fund | 162 000 | 62 000 |
| — Other, of which: | 1 204 898 | 1 146 556 |
| • equity reserves | 1 204 898 | 1 146 556 |
| Total other reserves | 1 366 898 | 1 208 556 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 31

UNDISTRIBUTED PROFIT (NOT COVERED LOSS) OF PRIOR YEARS

| | | |
|--|----------------|---------------|
| a. undistributed profit (positive) | — | — |
| b. not covered loss (negative) | -38 354 | -4 294 |
| Undistributed profit or not covered loss of prior years | -38 354 | -4 294 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 32

CAPITAL ADEQUACY RATIO OF PARENT ENTITY

| | | |
|---|------------------|------------------|
| I. Own equity | | |
| a) Share capital | 92 600 | 92 600 |
| b) Equity reserves | 35 985 | 35 858 |
| c) General Risk Fund | 162 000 | 62 000 |
| d) Revaluation reserve | 40 181 | 40 308 |
| e) Other reserves | 1 199 315 | 1 146 095 |
| f) Decreases of equity in respect of investments in financial institutions | -70 813 | -18 415 |
| g) Undistributed profit (not covered loss) of prior years | -13 390 | — |
| Total own equity | 1 445 878 | 1 358 446 |

| | | | |
|----|--|-------------------|-------------------|
| 2. | Risk weighted assets | | |
| a) | Risk weighted assets with risk rate 0% | 3 470 562 | 4 129 097 |
| b) | Risk weighted assets with risk rate 20% | 3 133 264 | 1 451 500 |
| c) | Risk weighted assets with risk rate 50% | 566 104 | 224 878 |
| d) | Risk weighted assets with risk rate 100% | 11 881 732 | 9 108 214 |
| 3. | Risk weighted contingent liabilities granted: | | |
| a) | Risk weighted contingent liabilities granted with risk rate 0% | 4 145 413 | 2 358 000 |
| b) | Risk weighted contingent liabilities granted with risk rate 0.4% | 2 662 906 | 555 266 |
| c) | Risk weighted contingent liabilities granted with risk rate 0.8% | — | 167 725 |
| d) | Risk weighted contingent liabilities granted with risk rate 1% | 1 137 712 | 832 254 |
| e) | Risk weighted contingent liabilities granted with risk rate 2.5% | 205 875 | 149 310 |
| f) | Risk weighted contingent liabilities granted with risk rate 5% | 630 | 504 |
| g) | Risk weighted contingent liabilities granted with risk rate 10% | 104 | — |
| h) | Risk weighted contingent liabilities granted with risk rate 20% | 137 983 | 51 523 |
| i) | Risk weighted contingent liabilities granted with risk rate 50% | 231 371 | 188 105 |
| j) | Risk weighted contingent liabilities granted with risk rate 100% | 549 092 | 430 433 |
| 4. | Risk weighted assets and contingent liabilities granted | 13 511 018 | 10 061 386 |
| 5. | Capital adequacy ratio | 10.70 | 13.50 |

DATA FOR CALCULATION OF BOOK AND DILUTED BOOK VALUE PER SHARE

| | | |
|--|------------------|------------------|
| TIER 1 CAPITAL | 1 496 250 | 1 337 212 |
| a) Share capital | 92 600 | 92 600 |
| b) Equity reserves | 36 752 | 36 056 |
| c) General Risk Reserve | 162 000 | 62 000 |
| d) Other reserves | 1 204 898 | 1 146 556 |
| TIER 2 CAPITAL | 40 181 | 40 308 |
| I. Revaluation reserve | 40 181 | 40 308 |
| Undistributed profit or not covered loss of prior years | -38 354 | -4 294 |
| Net profit | 150 940 | 205 597 |
| Total | 1 649 017 | 1 578 823 |
| Number of shares | 9 260 000 | 9 260 000 |
| Book value per share in PLN | 178.08 | 170.50 |
| Assumed number of shares | — | — |
| Diluted book value per share in PLN | — | — |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 33

OFF-BALANCE SHEET COMMITMENTS, GUARANTEES AND ASSETS PLEDGED AS COLLATERAL SECURITY

Guarantees and assets pledged in favour of:

| | | | |
|----|--|----------------|----------------|
| a) | subsidiary undertakings | — | — |
| b) | associated undertakings | 377 | 205 |
| c) | parent entity | — | 857 |
| d) | other | 650 924 | 465 697 |
| | Total guarantees and assets pledged as collateral | 651 301 | 466 759 |

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 34

INTEREST INCOME

| | | | |
|----|---|------------------|------------------|
| 1. | Interest income from financial institutions | 194 361 | 124 441 |
| 2. | Interest income from customers and State Budget | 1 656 187 | 1 189 378 |
| 3. | Interest income on securities | 418 475 | 312 306 |
| | a) fixed income securities | 418 475 | 312 306 |
| | b) non-fixed income securities variable-yield | — | — |
| 4. | Other | 11 875 | 9 075 |
| | Total interest income | 2 280 898 | 1 635 200 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 35

INTEREST EXPENSE

| | | | |
|----|--|------------------|----------------|
| 1. | Interest expense on transactions with financial institutions | 298 101 | 172 291 |
| 2. | Interest expense on transactions with customers and State Budget | 1 269 849 | 781 854 |
| 3. | Other | 1 897 | 630 |
| | Total interest expense | 1 569 847 | 954 775 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 36

FEE AND COMMISSION INCOME

| | | | |
|----|---|----------------|----------------|
| 1. | Fee and commission income on banking operations | 405 308 | 337 362 |
| 2. | Fee and commission income on brokerage activity | 25 916 | 21 306 |
| | Total fee and commission income | 431 224 | 358 668 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 37

INCOME ON SHARES, SECURITIES AND OTHER INVESTMENTS

| | | | |
|----|---|--------------|----------|
| 1. | Income from subsidiary undertakings | — | — |
| 2. | Income from associated undertakings | 1 137 | — |
| 3. | Income on investments in other undertakings | 10 | — |
| | Total income on shares, securities and other investments | 1 147 | — |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 38

NET PROFIT ON FINANCIAL OPERATIONS

| | | | |
|----|---|---------------|---------------|
| 1. | Profit/(loss) on financial transactions | 5 417 | 98 053 |
| a. | Income on securities | 39 447 | 100 513 |
| b. | Expense relating to transactions in securities | 34 030 | 2 460 |
| 2. | Profit/(loss) on other financial operations | -11 539 | -5 843 |
| | Total net profit on financial operations | -6 122 | 92 210 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 39

OTHER OPERATING INCOME

| | | | |
|----|---|----------------|---------------|
| a) | professional asset management services | 19 | 26 |
| b) | in respect of sales, liquidation of fixed assets and assets for sale | 73 107 | 38 163 |
| c) | in respect of recovered lost loans | 134 | 133 |
| d) | received compensations, penalties, fines | 737 | 17 |
| e) | received donations | — | — |
| f) | other | 68 073 | 41 005 |
| | — income on sale of intangible fixed assets | 1 | 7 |
| | — sales of goods and services | 7 383 | 6 650 |
| | — income in respect of recovery of borne court fees | 1 813 | 1 469 |
| | — release of provision for retirement bonuses and past-due holiday leaves | 5 802 | — |
| | — other | 6 720 | 6 772 |
| | — other in BSK Leasing S.A. | 46 354 | 26 107 |
| | Total other operating income | 142 070 | 79 344 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 40

OTHER OPERATING EXPENSES

| | | | |
|----|--|---------------|---------------|
| a) | professional asset management services | — | — |
| b) | in respect of sales, liquidation of fixed assets and assets for sale | 72 125 | 37 922 |
| c) | in respect of written off receivables | 7 358 | 359 |
| d) | paid compensations, penalties, fines | 433 | 91 |
| e) | donations made | 96 | 348 |
| f) | in respect of unscheduled depreciation | — | 13 |
| g) | other | 8 102 | 7 707 |
| | — obsolete investment expenditures/not operating expenses | — | 83 |
| | — expense in respect of provision for retirement bonuses and past-due holiday leaves | 57 | — |
| | — expense in respect of court fees/not operating expenses | 2 862 | 2 322 |
| | — other | 5 183 | 5 302 |
| | Total other operating expenses | 88 114 | 46 440 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 41

GENERAL EXPENSES

| | | |
|---|----------------|----------------|
| 1. Salaries | 300 319 | 277 413 |
| 2. Employee benefits | 55 443 | 50 333 |
| Total salaries and employee benefits | 355 762 | 327 746 |
| 3. General expenses | 57 530 | 59 678 |
| 4. Taxes and levies | 4 138 | 3 158 |
| 5. Bank Guarantee Fund charges | 34 557 | 11 524 |
| 6. Other, of which: | 246 630 | 207 489 |
| – accommodation and rent | 99 031 | 70 937 |
| – other external services | 147 599 | 136 552 |
| Total general expenses | 698 617 | 609 595 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 42

CHARGES TO PROVISIONS AND REVALUATION

| | | |
|--|------------------|----------------|
| 1. Charges to provisions for: | 1 278 813 | 414 752 |
| – normal receivables | 16 825 | 13 516 |
| – watch receivables | 49 062 | 58 038 |
| – non-performing receivables | 1 076 329 | 295 607 |
| – other assets/sundry debtors | 5 151 | 2 613 |
| – off-balance sheet commitments | 44 198 | 18 422 |
| – General Risk Fund | 73 800 | 25 000 |
| – provision for expected losses on operational leasing in BSK Leasing S.A. | 13 357 | 1 016 |
| – other | 91 | 540 |
| 2. Revaluation: | 48 747 | 18 815 |
| – permanent diminution in value of shares, securities and financial assets | 47 462 | 17 778 |
| – depreciation of tangible fixed assets | 1 285 | 1 037 |
| Total charges to provisions and revaluation | 1 327 560 | 433 567 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 43

RELEASE OF PROVISIONS AND DECREASES IN RESPECT OF REVALUATION

| | | |
|--|----------------|----------------|
| 1. Release of provisions for: | 867 507 | 284 310 |
| – normal receivables | 21 892 | 8 537 |
| – watch receivables | 62 282 | 34 801 |
| – non-performing receivables | 737 102 | 226 024 |
| – other assets/sundry debtors | 3 603 | 696 |
| – off-balance sheet commitments | 41 527 | 14 239 |
| – provision for expected losses on operational leasing in BSK Leasing S.A. | 1 100 | – |
| – other | 1 | 13 |
| 2. Decreases in respect of revaluation | 39 808 | 8 658 |
| – permanent diminution in value of shares, securities and financial assets | 39 808 | 8 658 |
| – other | – | – |
| Total release of provisions and decreases in respect of revaluation | 907 315 | 292 968 |

in PLN 000's

Note 44

EXTRAORDINARY GAINS

| | 31.12.2000 (current year) | 31.12.1999 (previous year) |
|--|------------------------------|-------------------------------|
| a) contingent | 667 | 373 |
| b) income on sale of shares in subsidiary undertakings | — | — |
| c) income on sale of shares in associated undertakings | — | — |
| d) other | — | — |
| Total extraordinary gains | 667 | 373 |

in PLN 000's

Note 45

EXTRAORDINARY LOSSES

| | 31.12.2000 (current year) | 31.12.1999 (previous year) |
|--|------------------------------|-------------------------------|
| a) contingent | 102 | 210 |
| b) loss on sale of shares in subsidiary undertakings | — | — |
| c) loss on sale of shares in associated undertakings | — | — |
| d) other | 1 | — |
| Total extraordinary losses | 103 | 210 |

in PLN 000's

Note 46

CORPORATE INCOME TAX

| | 31.12.2000 (current year) | 31.12.1999 (previous year) |
|---|------------------------------|-------------------------------|
| 1. Gross profit (consolidated) | 147 050 | 346 592 |
| 2. Consolidation adjustments | — | -914 |
| 3. Permanent differences between gross profit (loss) and taxable income | -224 128 | 85 092 |
| 4. Temporary differences between gross profit and taxable income | 684 472 | -126 934 |
| 5. Other differences between profit before taxation and taxable income | — | — |
| — losses from previous years | — | — |
| 6. Taxable income | 591 344 | 309 196 |
| 6a. Negative taxable income | -1 715 | -4 919 |
| 7. Corporate income tax at rate 30% in 2000 and 34% in 1999 | 177 405 | 105 127 |
| 8. Deductions and decreases | 3 811 | 611 |
| 9. Corporate income tax payable | 173 594 | 104 516 |
| 10. Provision for deferred tax | -62 606 | 35 848 |
| — opening balance | 62 927 | 27 079 |
| — increase | 52 | 50 460 |
| — decrease | -62 658 | -14 612 |
| — closing balance | 321 | 62 927 |
| 11. Interperiod settlements in respect of deferred tax | 120 341 | 20 |
| — opening balance | — | 20 |
| — change in opening balance due to changes in accounting principles | 5 331 | — |
| — increase | 120 341 | — |
| — decrease | — | 20 |
| — closing balance | 125 672 | — |
| 12. Corporate income tax presented in profit and loss account | -5 542 | 140 384 |

MAIN DIFFERENCE BETWEEN TAXABLE INCOME AND PROFIT OR LOSS BEFORE TAXATION

| | | | |
|----|---|------------------|----------------|
| 1. | Profit before taxation | 147 050 | 346 592 |
| 2. | Non tax-deductible expenses (not recognised under tax regulations as tax deductible costs) | 1 492 068 | 549 883 |
| | – accrued interest payable | 100 298 | -43 158 |
| | – charges to provisions not recognised as tax deductible expenses | 1 162 279 | 486 444 |
| | – donations | 256 | 297 |
| | – depreciation expenses in respect of investment tax allowance | 25 561 | 27 261 |
| | – National Fund for Rehabilitation of Disabled People | 347 | 761 |
| | – unrealised costs on hedge derivative transactions | – | 2 660 |
| | – costs of obsolete investments | – | 83 |
| | – provision for general expenses | 108 | 35 |
| | – provision for staff bonuses | 15 848 | 19 677 |
| | – non tax-deductible cost of advertising | 2 649 | 5 431 |
| | – costs of non-delivery foreign currency forward | – | 5 658 |
| | – costs of undergoing projects | – | 1 229 |
| | – foreign exchange losses | 173 929 | 31 044 |
| | – decreases in securities value | 1 991 | 435 |
| | – costs of unrealised interest income | 524 | 794 |
| | – other | 8 278 | 11 232 |
| 3. | Income deductible from taxable amount under tax regulations | 996 806 | 500 617 |
| | – accrued interest receivable | -92 085 | 58 885 |
| | – dividends | 19 049 | 3 045 |
| | – release of specific provisions | 868 983 | 372 191 |
| | – release of provisions for registration of collateral | – | – |
| | – unrealised income on hedge derivative transactions | 125 039 | 34 510 |
| | – release of provision for year 2000 expenses | – | 9 541 |
| | – settlement of capitalised interest recognised as taxable income in previous year | 35 929 | 12 833 |
| | – release of provision for retirement bonuses and past-due holiday leaves | 5 802 | – |
| | – decrease in provisions for foreign exchange loans due to changes of rates of exchange | 13 999 | – |
| | – release of provision for development projects | 2 000 | – |
| | – release of provision for securities | 2 336 | 1 050 |
| | – other | 15 754 | 8 562 |
| 4. | Other changes in taxable income as provided for in tax regulations | -30 786 | -72 530 |
| | – income received in advance | 4 104 | 5 154 |
| | – capitalised interest | -755 | -5 171 |
| | – specific provisions provided in prior years | – | -29 698 |
| | – donations | -3 214 | -3 297 |
| | – investment tax premium | -14 974 | -9 522 |
| | – provisions for bonuses and remuneration in respect of previous year and paid in current year | -17 870 | -9 878 |
| | – tax allowance | – | -29 947 |
| | – difference between amounts of depreciation calculated for balance sheet and corporate income tax purposes | – | 9 468 |
| | – realised costs on hedge derivative transactions related to previous year | -2 412 | – |
| | – other | 4 335 | 361 |
| 5. | Taxable income | 589 629 | 304 277 |
| 6. | Corporate income tax – 30 % in 2000 | 177 405 | – |
| | – 34 % in 1999 | – | 105 127 |
| 7. | Tax paid on dividends received | 3 811 | 611 |
| 8. | Corporate income tax – amount due to State Budget | 173 594 | 104 516 |

**MAIN DIFFERENCES BETWEEN CORPORATE INCOME
TAX PRESENTED IN PROFIT AND LOSS ACCOUNT
AND CORPORATE INCOME TAX CALCULATED
BASED ON TAXABLE INCOME**

| | | | |
|-----------|---|---------------|----------------|
| 1. | Corporate income tax – amount payable to State Budget | 173 594 | 104 516 |
| 2. | Tax paid on dividends received | 3 811 | 611 |
| 3. | Deferred tax provisions | -182 947 | 35 808 |
| 4. | Settled deferred tax provision | – | 60 |
| 5. | Total charges to gross profit | -5 542 | 140 995 |

**DIFFERENCES BETWEEN INCOME TAX PRESENTED
IN PROFIT AND LOSS STATEMENT AND TAXABLE INCOME**

| | | | |
|------|--|----------|---------|
| 1. | Investment tax allowance | – | 29 947 |
| 2. | Premium on investment tax allowance | 14 974 | 9 522 |
| 3. | Donations | 3 214 | 3 297 |
| 4. | Deductions from tax – tax paid on dividends received | 3 811 | 611 |
| 5. | Future income tax payable (positive temporary differences) | 516 395 | 492 786 |
| 5.1. | accrued interest receivable | 190 969 | 281 967 |
| 5.2. | unamortised balance of fixed assets purchased under investment tax allowance | 131 122 | 156 683 |
| 5.3. | unrealised income on hedge derivative transactions | 163 448 | 40 802 |
| 5.4. | difference between amounts of depreciation calculated for balance sheet and corporate income tax purposes | 20 531 | 13 334 |
| 5.5. | other | 10 325 | – |
| 6. | future income tax receivables (negative temporary differences) | 961 692 | 277 019 |
| 6.1. | accrued interest payable | 231 603 | 131 312 |
| 6.2. | provisions for receivables | 478 375 | 46 697 |
| 6.3. | interest collected in advance | 19 364 | 46 976 |
| 6.4. | provisions for salaries and bonuses | 15 848 | 19 669 |
| 6.5. | unrealised foreign exchange losses | 196 666 | 22 737 |
| 6.6. | unrealised costs of hedge derivative transactions | 103 | 3 989 |
| 6.7. | provision for retirement bonuses and past-due holiday leaves | 12 903 | – |
| 6.8. | provision for general expenses | 11 | 35 |
| 6.9. | other | 6 819 | 5 604 |
| 7. | Base of calculation of provision for deferred income tax | -445 297 | 206 101 |
| 8. | Provisions for deferred income tax 2000 year – 28 % | -120 020 | – |
| | 1999 year – 30 % | – | 65 056 |
| | – change in opening balance due to changes in accounting standards | -5 331 | – |
| | – closing balance | -125 351 | – |
| 9. | Impact of changed taxation rates on charges to financial result | 4 118 | 3 186 |
| 10. | Income tax on result from extraordinary operations | 148 | 55 |

In 2000 the Bank paid to the State Budget the amount of PLN 8,650 thousand due to dissolution of the General Risk Fund. The total amount paid within 3 years to the State Budget due to dissolution of general risk fund amounted to PLN 25,952 thousand. As at 31 December 2000 the Bank included in deferred tax all specific loan loss provisions which can be recognised as tax deductible expenses in future periods, valuation adjustments made to debt securities in the trading portfolio and provisions created for the permanent diminution of securities in the investment portfolio. In previous periods the Bank only recognised deferred tax assets on loans in the lost category for which it was certain that it would receive a tax deduction for the provision created in future periods. As at 31 December 2000 the Bank created deferred tax assets of PLN 127,152 thousand for specific loan loss provisions.

The equivalent of specific provisions and provisions for permanent diminution in the value of debt securities in the investment portfolio not included in deferred tax calculation as at 31 December 1999 amounted to PLN 246,290.8 thousand (in 1999 provision for debt securities: PLN 11,960.6 thousand) with the tax effect amounting to PLN 73,887.2 thousand, (debt securities PLN 3,588.2 thousand).

By including all specific loan loss provisions in the deferred tax calculation the presentation of permanent and temporary differences between reporting periods is not comparable. In previous periods the Bank treated specific loan loss provisions that were not

included in deferred tax as permanent differences. As a result of change in accounting for increases/decreases of specific provisions, specific provisions which crystallised for tax purposes in current year, but were made in the Bank's accounts in previous periods, are disclosed as decrease in the charges made in the current year.

Income tax to be paid was calculated on basis of total profit before tax of the holding company and subsidiaries, consolidated by full method before consolidations adjustments. Since the BSK Group does not represent a tax group calculation of tax to be paid is prepared separately in every company.

in PLN 000's

Note 47

OTHER OBLIGATORY CHARGES REDUCING PROFIT (INCREASING LOSS)

| | 31.12.2000 (current year) | 31.12.1999 (previous year) |
|---|------------------------------|-------------------------------|
| — tax paid on dividends received | 3 811 | 611 |
| Total other obligatory charges reducing profit (increasing loss) | 3 811 | 611 |

in PLN 000's

Note 48

PROFIT (LOSS) NET

| | | |
|--|----------------|----------------|
| a) profit (loss) of parent entity (after consolidation adjustments) | 156 482 | 198 875 |
| b) profit (loss) of subsidiary undertakings (after consolidation adjustments) | -3 890 | 6 722 |
| c) profit (loss) of associated undertakings (after consolidation adjustments) | -1 652 | — |
| Profit (loss) net | 150 940 | 205 597 |

SEGMENTATION OF PROFIT (LOSS) NET

| | | |
|--------------------------|----------------|----------------|
| a) banking activity | 154 830 | 198 875 |
| b) brokerage activity | 8 787 | 5 514 |
| c) leasing activity | -12 677 | 1 208 |
| Profit (loss) net | 150 940 | 205 597 |

in PLN 000's

Note 49

DATA FOR CALCULATION OF PROFIT PER SHARE

| | | |
|--|-----------|-----------|
| 1. Net profit | 150 940 | 205 597 |
| 2. Number of shares | 9 260 000 | 9 260 000 |
| 3. Net profit per share (in PLN) | 16.30 | 22.20 |
| 4. Diluted number of shares | — | — |
| 5. Net profit per 1 diluted share (in PLN) | — | — |

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 50

CASH FLOW STATEMENTS ON OPERATING ACTIVITIES – OTHER ITEMS

| | | | |
|----|--|-----------------|-----------------|
| 1. | Change in other assets | -149 527 | -42 801 |
| 2. | Change in other liabilities, including: | 40 334 | -70 525 |
| | – change in interbank settlements | 53 816 | -68 382 |
| | – change in interbranch settlements | -10 014 | 5 013 |
| | – other | -3 468 | -7 156 |
| 3. | Unrealised accrued interest on securities held in investment portfolio | -34 900 | -74 101 |
| 4. | Unrealised accrued interest on long-term loans taken from banks | 5 957 | – |
| 5. | Profit distribution to Social Fund | -3 000 | -3 000 |
| 6. | Cash donations for public interest | 3 210 | 2 640 |
| 7. | Change in repossessed assets for sale | -228 | -39 |
| 8. | Other | 11 434 | -2 109 |
| | Cash flow statements on operating activities – other items | -126 720 | -189 935 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 51

CASH FLOW STATEMENTS ON INVESTMENT ACTIVITIES – OTHER INFLOWS

| | | | |
|----|--|----------------|----------------|
| 1. | Interest on securities held in investment portfolio | 175 220 | 212 064 |
| 2. | Interest purchased in purchase price of debt securities held in investment portfolio | 48 295 | – |
| 3. | Dividends from investment activity | 19 025 | 2 874 |
| | Cash flow statements on investment activities – other inflows | 242 540 | 214 938 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 52

CASH FLOW STATEMENTS ON INVESTMENT ACTIVITIES – OTHER OUTFLOWS

| | | | |
|----|--|---------------|---------------|
| 1. | Prepayments on investments | -6 411 | -2 274 |
| 2. | Interest purchased in purchase price of debt securities held in investment portfolio | – | -5 431 |
| | Cash flow statements on investment activities – other outflows | -6 411 | -7 705 |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 53

CASH FLOW STATEMENTS ON FINANCIAL ACTIVITIES – OTHER INFLOWS

| | | |
|---|----------|----------|
| 1. ... | – | – |
| Cash flow statements on financial activities – other inflows | – | – |

in PLN 000's

31.12.2000
(current year)

31.12.1999
(previous year)

Note 54

CASH FLOW STATEMENTS ON FINANCIAL ACTIVITIES – OTHER OUTFLOWS

| | | |
|--|----------------|---------------|
| 1. Interest on long-term loans taken from banks | -38 296 | -2 576 |
| 2. Interest on lombard loans | -1 231 | -203 |
| 3. Interest on refinancing loans | – | -1 455 |
| 4. Realised discount on issuance of own securities | -1 778 | -1 231 |
| 5. Realised foreign exchange differences | – | -170 |
| Cash flow statements on financial activities – other outflows | -41 305 | -5 635 |

in PLN 000's

01.01.2000
(current year)

01.01.1999
(previous year)

Note 55

CASH AT BEGINNING OF PERIOD

| | | |
|--|------------------|----------------|
| 1. Cash, of which: | 498 045 | 277 928 |
| – cash on hand | 496 049 | 275 707 |
| – coupons | 1 239 | 1 294 |
| – bank cheques | 517 | 799 |
| – traveller's cheques | 240 | 128 |
| 2. Current account with NBP | 453 921 | 369 499 |
| 3. Current accounts in other banks | 151 024 | 39 619 |
| 4. Current account in guarantee fund for stock exchange transactions | 1 871 | 2 492 |
| Total cash | 1 104 861 | 689 538 |

31.12.2000
(current year)

31.12.1999
(previous year)

CASH AT END OF PERIOD

| | | |
|--|------------------|------------------|
| 1. Cash, of which: | 361 240 | 498 045 |
| – cash on hand | 358 942 | 496 049 |
| – coupons | 1 716 | 1 239 |
| – bank cheques | 330 | 517 |
| – traveller's cheques | 252 | 240 |
| 2. Current account with NBP | 557 708 | 453 921 |
| 3. Current accounts in other banks | 110 271 | 151 024 |
| 4. Current account in guarantee fund for stock exchange transactions | 2 996 | 1 871 |
| Total cash | 1 032 215 | 1 104 861 |

Explanations to the division of operations into operational, investment and financial activities in the cash flow statement

Operational activity relates to the principal operations of the Bank excluding investment and financial activity.

Investment activity includes the purchase and sale of tangible and intangible fixed assets, shares in associates, subsidiary and other undertakings as well as other rights and securities (including debt securities held in the investment portfolio).

Financial activity relates to long-term (over 1 year) financial operations with financial institutions. Inflows from financial operations represent sources of funding for the Bank received in the form of long-term loans taken and borrowings from banks and other financial institutions.

Outflows from financial activity relate to repayment of long-term liabilities (e.g. repayment of loans and borrowings) and obligations to shareholders (dividend payments) as well as expenses for public benefits.

Differences between the balance sheet movements and the changes presented in the cash flow statement

Change in other reserves

Change in other reserves has been presented excluding adjustment for the change in deferred income tax provision which is shown in point A.II.7 "Corporate income tax paid" along with the change of corporate income tax receivable.

Change in debt securities

The item represents changes in debt securities held in the trading portfolio only. Movements relating to debt securities held in the investment portfolio are presented as a cash flow from investment activity.

Change in amounts due from other financial institutions

The item does not include a portion of amounts due from operations with NBP and other banks, which has been presented in the item Total net cash flow (change in cash).

Change in amounts due from customers and State Budget

The item represents the change in amounts due, excluding the adjustment concerning debt securities acquired through conversion of receivables from the State Budget included in the investment portfolio.

Change in other investments

The item represents changes in other securities held in the trading portfolio only and change in the provisions for securities. Movements relating to other securities held in the investment portfolio are presented as a cash flow from investment activity.

Change in amounts due to other financial institutions

The item includes also changes in liabilities resulting from operations with NBP. Long-term liabilities (over 1 year) in the form of loans and borrowings taken from banks and other financial institutions have been excluded from this item and presented as a cash flow from financial activity.

Change in interperiod settlements

Change in interperiod settlements has been presented excluding adjustment for the change in interperiod settlements in respect of deferred corporate income tax which is presented in point A.II.7 "Corporate income tax paid".