

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	1	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	16.30	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
1. Opening balance of share capital	92 600	92 600
1.1 Movements	-	-
a) increases (in respect of)	-	-
- issue of shares	-	-
b) decreases (in respect of)	-	-
- redemption of shares	-	-
1.2 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 Fundation	-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
11.	Net result	150 940	205 597
	a) net profit	150 940	205 597
	b) net loss	–	–
11.	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.	<i>unit/currency 1000/USD</i>	8 936	8 869
	in PLN thousand	37 022	36 793
b2.	<i>unit/currency 1000/DEM</i>	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 Platniczych 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.	Łódź	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
			market research
8.	Centrum Zaufania i Certyfikacji CENTRAST S.A.	Warszawa	on banking loan services
9.	Środkowoeuropejskie Centrum Ratingu i Analiz SA	Warszawa	services for Electronic Data Processing
10.	Huta "Batory" SA	Chorzów	of credit cards
11.	Huta Lucchini Sp. z o.o.	Warszawa	analysis of financial market
12.	Huta "Jedność" SA	Siemianowice Śl.	manufacture and sale of steel products
13.	Zakłady Aparatury Chemicznej "Metalchem" SA	Opole	manufacture and sale of steel products
14.	Zakłady Przemysłu Lniarskiego "LEN" SA	Kamienna Góra	production and sale of equipment
			and research activity
15.	Zakłady Wyrobów Obciowych Koch–Vera SA	Łódź	production and sale
16.	Międzynarodowa Szkoła Bankowości	Katowice	of linen and cotton
	i Finansów Sp. z o.o.		yarn and fabrics
17.	Walcownia Rur "Jedność" Sp. z o.o.	Siemianowice Śl.	production of fabrics
18.	Legnicka Strefa Ekonomiczna SA	Legnica	banking education
19.	Huta "Łaziska" SA	Łaziska Górne	production of steel pipes
20.	Huta "Gliwice"	Gliwice	management of economical
21.	Stocznia Gdynia SA	Gdynia	special zone
22.	Górnośląskie Towarzystwo Lotnicze GTL SA	Katowice	manufacture and sale of steel products
23.	Society For Worldwide Interbank	Belgia	manufacture and sale of steel products
	Financial Telecommunication S.C.	Zakopane	designing, building
24.	Zakopiańska Spółdzielnia Mieszkaniowa	Tychy	and repairing of ships
25.	Zakład Elektroniki Górniczej S.A.	Będzin	air transportation
26.	Fabryka Obuwia Butbędzin SA		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
<i>b1. unit/currency EUR'000</i>	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 FIXET 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 1 246	90 202 –	133 784 57 891	66 433 30 869	231 143 230 517	564 461 320 523
– transfer from assets under construction	41 090	90 202	72 266	35 564	–	239 122
– transfers	557	–	3 627	–	–	4 184
– other	6	–	–	–	626	632
c) decrease (in respect of)						
– sale	862 122	36 36	88 004 80 863	21 665 21 186	245 821 7	356 388 102 214
– liquidation	567	–	2 007	435	–	3 009
– donations	–	–	857	–	–	–
– transfer from assets under construction	–	–	–	–	240 132	240 132
– transfers	99	–	4 090	–	–	4 189
– other	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 20 768	1 029 1 032	84 091 104 934	13 376 25 539	– –	119 438 152 273
– sale and liquidation	-138	-3	-20 931	-12 158	–	-33 230
– donations	–	–	-854	–	–	–
– transfers	320	–	-324	–	–	-4
– other	-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

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

		–	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

Kategoria	31.12.2000		Kategoria	31.12.1999
	Wzrost	Spadek		
Wzrost			Wzrost	
Spadek			Spadek	

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	–	–

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:	1 16 802	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

in PLN 000's	31.12.2000		31.12.1999	in PLN 000's	31.12.2000	31.12.1999
	Opening balance	Closing balance				

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

Account	31.12.2000	31.12.1999
Share capital		
Issued share capital		
Reserves		
Retained earnings		
Minority interests		
Total		

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

LIST OF SHAREHOLDERS

Name	31.12.2000	31.12.1999
...		
...		
...		
...		
...		
...		
...		

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

31.12.2000
(current year)

31.12.1999
(previous year)

Note 44

EXTRAORDINARY GAINS

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

31.12.2000
(current year)

31.12.1999
(previous year)

Note 45

EXTRAORDINARY LOSSES

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

31.12.2000
(current year)

31.12.1999
(previous year)

Note 46

CORPORATE INCOME TAX

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	31.12.2000 (current year)	31.12.1999 (previous year)
Note 47		
OTHER OBLIGATORY CHARGES REDUCING PROFIT (INCREASING LOSS)		
– tax paid on dividends received	3 811	611
Total other obligatory charges reducing profit (increasing loss)	3 811	611

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

CASH AT END OF PERIOD

	31.12.2000 (current year)	31.12.1999 (previous year)
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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".