

BANK ŚLĄSKI S.A. W KATOWICACH



Bank Śląski S.A. w Katowicach

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**prospectus**

The Polish Securities Commission deems that the documents presented here meet all legal requirements concerning the disclosure of information.

The Securities Commission does not take any responsibility for any investment risk concerned with the purchase of securities presented in this Prospectus.

The Securities Commission has taken Decision No. RF-411-8-65-636/93, dated 3 September 1993, admitting to public trading the securities described in this Prospectus.

This document is a translation of the Prospectus relating to the tender and public offer of shares of Bank Śląski Spółka Akcyjna w Katowicach and does not constitute an offer or invitation to any person to apply for or purchase shares in the Bank. Any person proposing to apply for or purchase shares in the Bank should refer to the Polish language version of the prospectus.



# **BANK ŚLĄSKI S.A. W KATOWICACH**

**PUBLIC TENDER FOR THE SALE OF 4,167,000 SHARES**

and

**PUBLIC OFFER FOR THE SALE OF 1,389,000 SHARES  
OF BANK ŚLĄSKI S.A. W KATOWICACH**

**The State Treasury of the Republic of Poland**

represented by

**the Minister of Finance**

invites bids for purchases of 4,167,000 shares

and

herewith offers for sale 1,389,000 shares

of Bank Śląski Spółka Akcyjna w Katowicach

with registered office in Katowice, Poland

with a nominal value of Zł 100,000 per share

in accordance with the terms and conditions  
presented in this Prospectus

Katowice

31 August 1993

No one except the persons specifically mentioned in this Prospectus has been authorised to represent the issuer or to provide any additional information about this offer.

The contents of the Prospectus, its delivery, and the sale of Shares constitute no grounds to assume that no changes have taken place in the business of Bank Śląski S.A. w Katowicach since the date of preparation of this Prospectus.

This document may not be used to offer Shares for sale or advising on securities trading to persons in respect to whom offering or performing counselling services is in contradiction with the law. It may not be distributed or used to make efforts offer these Shares in other legal systems in which activity of this kind requires licenses or other consents, by persons without such authority.

# **PROSPECTUS**

## **Bank Śląski S.A. w Katowicach**

This Prospectus has been drawn up in accordance with the Ordinance  
of the Council of Ministers of 29 July 1991  
on the specific conditions to be met by a prospectus  
of securities being introduced to public trading  
(J.L. No. 71, item 308).

# Definitions and Abbreviations

**Bank** - Bank Śląski Spółka Akcyjna w Katowicach (in the Prospectus also called Bank Śląski S.A. w Katowicach, BSK S.A., the Company)

**Banking Law** - the Banking Law of 31 January 1989 (Journal of Laws - J.L. of 1992 No. 72, item 359, with later changes)

**Bidder** - the person participating in the Tender for sale of BSK S.A. Shares.

**Branches** - Branches of BSK S.A.

**Civil Code** - the Act of 23 April 1964 (J.L. No. 16, item 93, with later changes).

**Commercial Code** - the Decree of the President of the Republic of Poland dated 27 June 1934 (J.L. No. 57, item 502, with later changes).

**CTB** - Convertible Treasury Bond - a bond issued by the State Treasury after 1 November 1989 whose conditions of issue permit its use as payment for shares sold by the State Treasury.

**IAS** - International Accounting Standards as published by the International Accounting Standards Committee.

**Introducer** - the State Treasury of the Republic of Poland represented by the Minister of Finance.

**Law on Privatisation of State-Owned Enterprises** - the Act of 13 July 1990 on Privatisation of State-Owned Enterprises (J.L. No. 51, item 298, with later changes).

**Law on Public Trading of Securities** - the Act of 22 March 1991, The Law on Public Trading of Securities and Mutual Funds (J.L. No. 35, item 155, with later changes).

**NBP** - the National Bank of Poland.

**Offer, Public Offer** - the Public Offer for sale of 1,389,000 Shares contained in this Prospectus.

**Offerer** - Brokerage House of BSK S.A.

**Ordinance on Securities Prospectuses** - the Ordinance of the Council of Ministers of 29 July 1991 on the Specific Conditions that Must be Met by a Prospectus of Securities being Introduced to Public Trading (J.L. No. 71, item 308).

**Prospectus** - this document prepared in accordance with the requirements of the law and whose purpose is to introduce the shares to the public.

**Sale** - sale of Shares of BSK S.A. belonging to the State Treasury on the terms described in this Prospectus.

**Sales Point** - place where of Shares in which the Shares covered by this Offer will be on sale, as mentioned in Annex 2 to the Prospectus.

**Shares** - the shares of BSK S.A. offered for sale.

**Shareholders** - the owners of the shares of BSK S.A.

**State Treasury** - the State Treasury of the Republic of Poland.

**Tax Laws** - the Act of 26 July 1991 on Individual Income Tax (J.L. No. 80, item 350, with later changes); the Act of 15 February 1992 on Corporate Income Tax and Amendments to Certain Laws Pertaining to Taxation (J.L. No. 21, item 86, with later changes); the Act of 31 January 1989 on Stamp Duty (J.L. No. 4, item 23, with later changes).

**Tender** - the tender for sale of 4,167,000 Shares in the sense of the art. 23 section 1 of the Act of 13 July 1990 on Privatisation of State-Owned Enterprises (J.L. No. 51, item 298, with later changes).

**WSE** - the Warsaw Stock Exchange S.A.

**Zloty or Zl** - Polish Zloty, the lawful currency of the Republic of Poland.

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# PART I

## INTRODUCTION

### 1. THE INTRODUCER

**THE STATE TREASURY OF THE REPUBLIC OF POLAND**  
represented by  
**THE MINISTER OF FINANCE**

Address:  
**MINISTER OF FINANCE**  
ul. Świętokrzyska 12  
00-916 Warsaw

### 2. THE BANK

**BANK ŚLĄSKI SPÓŁKA AKCYJNA  
W KATOWICACH**

Registered office:  
**Bank Śląski S.A. w Katowicach**  
ul. Warszawska 14  
40-950 Katowice

Share capital:  
The share capital of the Bank is 926,000,000,000 (nine hundred twenty six billion) Zlotys and is divided into 9,260,000 (nine million two hundred sixty thousand) bearer shares with a nominal value of 100,000 (one hundred thousand) Zlotys each.

### 3. THE TOTAL NUMBER AND TYPE OF SHARES OFFERED

The State Treasury is the owner of 9,260,000 common bearer shares, among which 5,556,000 Shares constituting 60% of the share capital of the Company have been allocated for sale in this offer, in the following way :

- 4,167,000 Shares are offered in the Tender,
- 1,389,000 Shares are offered in the Public Offer.

The State Treasury reserves the right to re-allocate up to 1,400,000 Shares from the Tender to the Public Offer and to increase the number of Shares offered in the Tender by 1,000,000 Shares by reducing the number of Shares it plans to retain in the Bank by an equivalent number.

Bids for the Tender may be made in the period 1 October 1993 to 15 October 1993.

Applications to the Public Offer will be received from 3 November 1993 to 17 November 1993.

Moreover, 10% of the Shares have been reserved by the State Treasury in order to provide for the right of the Bank employees to purchase the Shares on preferential terms in accordance with article 24 of the Law on Privatisation of State-Owned Enterprises. The Shares made available to the Bank employees on preferential terms are bearer shares. Acquisition of Shares on preferential terms does not exclude the right of the employees to accept this offer. <sup>(1)</sup>

### 4. DATE AND PLACE OF DRAFTING THE PROSPECTUS

This Prospectus has been drawn up on 31 August 1993 in Katowice. It includes financial data for the years 1992, 1991 and 1990. In addition it contains information on all events of a significant relevance to the Bank which have occurred since 31 December 1992.

(1) Should new legislation be adopted regarding participation of employees in privatisation between the time this Prospectus is submitted to the Securities Commission and the first day of sale, the new legislation will apply.

This Prospectus is the only valid document containing information on the public offer for sale of Shares. The Prospectus itself does not constitute an offer in the meaning of article 66 of the Civil Code.

### 5. PERSONS WHO PREPARED THE PROSPECTUS

This Prospectus was prepared at the request of the Minister of Finance by the following parties:

**Banque PARIBAS**  
3, rue d'Antin  
75002 Paris, France

Financial Adviser of the Introducer for privatisation of BSK S.A. associated with the Introducer through a contract for preparation of the Prospectus.

**KPMG Reviconsult Sp. z o.o.**  
LIM Center-Hotel Marriott  
Al. Jerozolimskie 65/79  
Warsaw, Poland

Auditor associated with the Bank through a contract for conducting the annual audit as of 31 December 1992. The auditor has been entered on the list of entities authorised to conduct audits of financial statements under the number 98. KPMG Reviconsult Sp. z o.o. is currently advising the State Treasury in connection with other projects.

**KPMG Peat Marwick Treuhand GmbH**  
Grosse Gallustrasse 16-22  
6000 Frankfurt am Main 1  
Germany

Auditor performing the audit of financial statements according to IAS for the periods ending 31 December 1990 and 31 December 1991.

**Jeantet et Associés**  
87 Avenue Kléber  
75916 Paris Cedex 16, France

Legal Adviser of the Introducer for privatisation of BSK S.A.

**Jeantet & Associés Polska Sp. z o.o.**  
Kancelaria Prawnicza  
ul. Wiejska 12a  
Warsaw, Poland

Legal Adviser of the Introducer for privatisation of BSK S.A.

**Bank Śląski S.A. w Katowicach**  
**Dom Maklerski BSK S.A.**  
ul. Mickiewicza 3a  
Katowice, Poland

Offerer of Shares in connection with the Tender and Public Offer. In the course of its business activities, BSK S.A. Brokerage House works with the State Treasury.

There are no other personal, organisational, financial or any ties resulting from an employment contract between the above parties preparing this Prospectus, the Bank, and the Introducer except those related to the process of preparing the Prospectus.

Marian Rajczyk  
Krystyna Studenska  
Brigida Banasiak  
Krystyna Janusz  
Stanislaw Nowicki  
Brunon Bartkiewicz  
Aleksandra Lesik-Galka

The Brokerage House of BSK S.A. is a unit separated organisationally and financially within Bank Śląski S.A. w Katowicach in accordance with the requirements set by art. 24 of the Law on Public Trading of Securities.

Persons who prepared the Prospectus are liable, in accordance with art. 118 of the Law on Public Trading of Securities, for providing untrue or incomplete information.

## 6. PLACE WHERE THE PROSPECTUS IS AVAILABLE

This Prospectus together with information updating it will be available for inspection in the offices of the Management of the Bank, branches of the Bank, offices of the BSK S.A. Brokerage House, and in Sales Points throughout the period of the Public Offer. In the course of the Tender it will be available in the offices of the Management of the Bank, the office of the BSK S.A. Brokerage House in Katowice and its subsidiary office in Warsaw.

In addition to the Prospectus, the following documents will be available for inspection in the offices of the Management of the Bank:

- the auditors' reports from the audits for the years 1990, 1991, 1992;
- copies of the notarial act founding the Bank and successive changes in the Charter of the Bank;
- extract from the Commercial register on BSK S.A.

## 7. STATEMENTS OF PERSONS RESPONSIBLE FOR THE INFORMATION IN THE PROSPECTUS

### 7.1 Statement of the State Treasury

The State Treasury represented by the Minister of Finance declares that on the day the Prospectus was drawn up it was the sole owner of 9,260,000 Shares.

The Minister of Finance is making the Shares available in the manner described in this Prospectus.

The State Treasury has responsibility in accordance with laws applying on the date of this Prospectus for the information contained in this Prospectus with the exclusion of Parts VII and VIII. The State Treasury represents that such information conforms to the facts and omits nothing the inclusion of which would significantly affect the accuracy or completeness of such information.

On behalf of the Minister of Finance  
Under-secretary of State  
Stefan Kawalec

### 7.2 Statement of the Board of Management of Bank Śląski S.A. w Katowicach

Bank Śląski S.A. w Katowicach represented by the members of the Management Board, whose names are listed below, has responsibility for the information contained in the Prospectus and declares that to the best of its knowledge this information is consistent with the facts, does not mislead and leaves out nothing which could have an important influence on the precision or completeness of the information contained in the Prospectus.

Apart from those stated in the Prospectus, the Bank has no other obligations, and there are no court cases in progress against the Bank which could have an effect on its economic situation.

## 8. STATEMENT ON THE RESPONSIBILITY OF THE PERSONS WHO PREPARED THE PROSPECTUS

### 8.1 Statement of the Financial Adviser

This Prospectus has been prepared by the parties mentioned in paragraph 5 above with due diligence, on the basis of information submitted by the State Treasury represented by the Minister of Finance, documents made available by BSK S.A., declarations made by and information obtained from the Management and employees of BSK S.A., and other information gathered outside BSK S.A.

Banque PARIBAS  
Hervé Hascoët

### 8.2 Statement of the Legal Adviser

The undersigned declares that this Prospectus was prepared in accordance with the provisions of Polish law in effect on the day of preparation of the document and with due diligence.

Jeantet & Associés  
Francis Louvard

### 8.3 Statement of the Auditor

The financial statement included in Part VII were audited and the financial report was prepared by KPMG Reviconsult Sp. z o.o., a limited liability company having its seat in Warsaw.

The financial report is presented in full in Part VII of this Prospectus.

We verified the annual financial statements of the Bank for the periods from 1 January 1990 to 31 December 1992. We also examined the financial statements and reports of their verification for the period from 1 January 1990 to 31 December 1990 as performed by an authorized entity, as well as for the period from 1 January 1991 to 31 December 1991 performed by KPMG Peat Marwick Treuhand GmbH.

Based on the above described audits and examinations, in our opinion the financial statements for the periods ending 31 December 1990, 31 December 1991 and 31 December 1992 present a true and fair view of the financial situation of the Bank at the dates closing the above mentioned accounting periods and of the profit and loss accounts and cash flow statements for the periods ended on the same dates.

KPMG Reviconsult Sp. z o.o.  
Warsaw  
William Drysdale

### 8.4 Statement of the Auditor

Upon verification of annual financial statements of the Bank for the three years from 1 January 1990 to 31 December 1992 (statements for the year 1992 were undersigned jointly with KPMG Reviconsult Sp. z o.o.) and presentation of the summary financial statements contained in Part VIII of this Prospectus, the undersigned states that the summary financial statements are in line with the complete financial statements which present a true and fair view of the financial situation of the Bank in accordance with International Accounting Standards.

KPMG Peat Marwick  
Treuhand GmbH  
Frankfurt am Main  
William Drysdale

### 8.5 Statement of the Offerer

The Brokerage House BSK S.A. declares that the information contained in Part II, paragraphs 4, 5, 10, 12, 13, 14, 15, 16, 17, 18 and 19 is factual and true and does not omit any elements which could significantly affect the accuracy and comprehensiveness of the information contained in this Prospectus.

BSK S.A. Brokerage House  
Gabriela Kroker  
Justyn Konieczny

## PART II

# INFORMATION ABOUT THE OFFER

### 1. THE LEGAL BASIS AND THE DECISION TO INTRODUCE SHARES TO PUBLIC TRADING

In accordance with the art. 86<sup>b</sup> section 3 of the Banking Law of 31 January 1989 (J.L. of 1992 No.72, item 359, with later changes), offers to third parties of BSK S.A. Shares belonging to the State Treasury will take place on the basis of the provisions of chapter 3 of the Act of 13 July 1990 on Privatisation of State-Owned Enterprises (J.L. No.51, item 298, with later changes).

Public trading of the Shares is subject to the rules set forth in the Law on Public Trading of Securities. In accordance with its provisions, introduction of the Shares to public trading requires the approval of the Securities Commission.

This Tender and Public Offer are made in accordance with art. 23.1.1) and 2) of the Act of 13 July 1990 on Privatisation of State-Owned Enterprises (J.L. No.51, item 298, with later changes). However, the Public Offer is not a subscription within the meaning of art. 316 and subsequent articles of the Commercial Code.

### 2. PRIVATISATION

From 1990, the objective of the Polish authorities has been the transformation of the ownership of economic entities from state-owned enterprises into private companies.

The privatisation of Bank Śląski S.A. w Katowicach is a consequence of that policy.

The Minister of Finance believes that the Tender and Offer :

- shall advance the process of forming a modern commercial banking sector;
- shall promote competition in the banking sector and facilitate its adjustment to a market economy;
- shall foster the formation of a capital market in Poland through increasing the number of stockholders in Poland;
- shall generate revenue for the State Treasury.

### 3. GOALS OF THE OFFER

The main goal of this Tender and Public Offer is to change the ownership structure of the Bank as a part of the programme of privatisation of the Polish economy. This Tender and Offer aim to make Shares of the Bank available to private investors in keeping with the legal regulations and consistent with the economic policy of the State, which is to accelerate the growth of a market economy encompassing the banking sector.

Proceeds from the sale of Shares will not increase the capital of the Bank, since after deduction of offering costs they will be retained by the Introducer.

### 4. TYPE AND NUMBER OF SHARES INTRODUCED TO PUBLIC TRADING

All the Shares are bearer shares with nominal value of 100,000 Zlotys each. 4,167,000 Shares are offered in the Tender. 1,389,000 Shares are offered in the Public Offer and 926,000 Shares were reserved for Bank employees.

### 5. PRICING

Shares offered for sale in the Tender will be allocated in priority to bidders having proposed the highest price. The sale price will be the lowest price offered by any of the accepted bidders who will be allocated Shares according to the procedure described in paragraph 16.5 below.

No bid below the minimum price of 230,000 Zlotys per Share will be considered in the Tender.

The factors considered in determining the above mentioned minimum price were in particular:

- the current level of the Banks net profit and the prospects for the future;
- the current level of its capital and reserves;
- the value and liquidity of the Banks assets;
- the value of the shares of other banks traded on the WSE;
- the value of the shares of other companies traded on the WSE.

Valuation of BSK S.A. was carried out in accordance with normal practice in Poland. The minimum price of Shares was determined by the Minister of Finance after consultation with the Management Board of the Bank and discussions with Paribas and the BSK S.A. Brokerage House.

The price of Shares offered for sale in the Offer shall be fixed on the basis of the price determined by the Tender and shall not be higher than the price determined by the Tender. This price will be made public no later than 5 days prior to opening of the Public Offer.

### 6. RISK FOR POTENTIAL INVESTORS

An investor should consider the following risk factors prior to the purchase Shares of the Bank.

#### 6.1 Competition

Banking is typically a very competitive business. While in Poland competition has not yet been strong, it should become fiercer in the future.

Bank Śląski S.A. w Katowicach has up to now benefited from its dominant position on the banking market with large state-owned companies and middle market customers located in the Silesian area. This position might be challenged in the coming years by other Polish and foreign banks developing their networks within the regions in which the Bank operates. However, the Bank has already started to expand its network throughout the country to compete effectively with other Polish banks.

## 6.2 Economic Conditions

Banking activity is especially influenced by domestic and international economic and political conditions as well as monetary and tax policies. Several economic factors over which the Bank has no control (e.g. recession, inflation, employment, moves in exchange rate of the Zloty, money supply) may have an impact on the profitability of the Bank and its ability to attract new customers or on the capacity of the Bank customers to fulfill their obligations.

## 6.3 Legal Environment

Applicable regulations and laws govern the way the Bank may conduct its business, notably the scope of its activity and operations. In particular, the following can have a significant effect on the financial performance of the Bank:

- the level of obligatory reserves;
- the level of capital required to support credit activities and the basis for calculating this;
- the maximum level of capital which may be invested in equity shareholdings.

The NBP supervises the banking system and has discretion over a number of regulatory issues including those set out above.

## 6.4 Stock Market

Since the stock market in Poland is still developing, its present stage of development may result in low liquidity of the shares and significant moves in their price.

## 6.5 Credit and Guarantee Risk

The amount of provisions on bad and doubtful debts is a major element influencing the profitability of every commercial bank. When extending credit, a bank incurs the risk of not recovering the disbursed funds or not receiving the interest due.

The total exposure of the Bank towards its non-financial customers (budgets and budgetary units excluded) amounted to Zł 12,386.4 billion as at 31 December 1992, and included Zł 2,454 billion of loans for central investment projects and agricultural projects. As a result, the total exposure to non-financial customers not guaranteed by the State Treasury totalled at Zł 9,932.4 billion.

Following the decision of the General Meeting of Shareholders of the Bank made on 8 June 1993, an increase of specific provisions was made. The provisions amounted to Zł 2,545.9 billion, that is to 25.6% of the total exposure to non-financial customers not secured by the State. This total of provisions is close to the one assessed according to IAS, although their methods of computation differ. The level of those provisions was based on the outstanding loans and guarantees as at 31 December 1992, and they were calculated according to the NBP President's Regulation No. 19/92.

The assessment of a credit portfolio and of the size of provisions created depend upon many factors which are often of subjective rather than objective character, such as the ability of the debtor and guarantor to fulfill their obligations or the appraisal of the value of collateral. Although in the opinion of the Management Board the level of provision is sufficient, future events may bring about the necessity of making additional provisions or the opportunity for writing back some of them.

## 6.6 Concentration of Risk

Concentration of risk in a business segment or enterprise is the percentage of all the outstanding loans and guarantees which have been granted to the given business segment or enterprise. Economic difficulties of this business segment or enterprise may adversely affect the profit and financial position of a bank.

As at 31 December 1992, the Bank had exposures of Zł 50 billion and above to 37 customers, among which eight were only beneficiaries of central investment loans. As at 31 December 1992, the total amount of the loans and guarantees not secured by State Treasury guarantees and granted to the 37 customers was at an aggregate amount of Zł 4,800.6 billion and represented 49.6% of the total exposure of the Bank not secured by the State. After the restructuring of the Bank capital and distribution of profit for the year 1992 (resolutions of the General Meeting of Shareholders of 8 June 1993), the exposure towards those 37 biggest customers had been provided for at Zł 1,506.7 billion, in accordance with the NBP President's Regulation No. 19/92.

**Table 1. Classification of exposures and provisions in respect to the biggest customers of the bank (Zł 50 billion and over)**

Loan Classification	in Zł billion	
	Outstanding commitments as at 31.12.1992	Provisions as at 1.01.1993 <sup>(*)</sup>
Standard	449.1	0
Sub-standard	2,368.7	373.1
Doubtful	1,876.7	1,027.5
Bad debt	106.1	106.1
Total	4,800.6	1,506.7

<sup>(\*)</sup> after restructuring of capital and distribution of profit for the year 1992.

In the case of 171 customers representing the non-financial sector, the Bank had exposures of Zł 10 billion and above in respect of loans and guarantees not secured by the State Treasury guarantees. The above exposures amounted to Zł 7,363 billion, which as at 31.12.1992 represented 76.1% of the loan and guarantee portfolio of non-financial customers not guaranteed by the State Treasury.

Even though the share of a number of business segments in the loan portfolio appears significant, concentration of risk is lower as a significant part of credit exposures are related to loans extended for central investments guaranteed by the State Treasury.

It should be noted that for the year 1992, the share of the industry segment remained stable at 65.7%, the share of the chemical industry and the food industry increased by 3.4% and 0.9% respectively; meanwhile, the share of the steel industry, the car industry and public utilities dropped by nearly 1%.

**Table 2. Structure of the loan portfolio**

Segment	Total Loans as at 31.12.1992		Largest Investment Loans Zł billion
	Zł billion	%	
INDUSTRY	7,623.7	61.4	
Coal Industry	1,362.2	11.0	944.2
Chemical Industry	2,137.7	17.2	775.7
Car Industry	807.8	6.5	349.8
Public Utilities	2,131.3	17.2	863.7
Trade	947.0	7.6	
Construction	439.0	3.5	
Transportation	166.0	1.3	
Other *2,131.3	1,108.2	8.9	

<sup>(\*)</sup> Including a loan of Zł 800 billion to the Ministry of Finance reimbursed at the beginning of 1993.

## 6.7 Liquidity Risk

A bank incurs a liquidity risk when term assets are funded with deposits of a shorter tenor than the life of the assets which are financed by those deposits. On maturity of the deposits the Bank might have to pay a premium over the cost of longer-dated assets, and might thus achieve a negative margin on those assets.

As at 31 December 1992, in addition to central investment loans refinanced by the NBP, the Bank had extended other long-term investment loans in the aggregate amount of ZŁ 1,914.3 billion, which the Bank had to fund. These long-term credits have been partly financed by deposits of a shorter tenor than the duration of the loans. Since this portion of the long term loans represents about 2% of the total assets of the Bank, the Management Board regards this risk as currently manageable.

The Management of BSK S.A. believes that it is extremely unlikely that a significant proportion of sight deposits will be withdrawn at short notice as BSK S.A. will retain after privatisation the State guarantee of saving deposits.

## 6.8 Rate of Exchange Risk

When the liabilities and assets denominated in a given currency do not balance, a bank has an open exposure in the currency. Such a position will generate a potential foreign exchange loss or profit depending upon the fluctuation of the rate of exchange of the given currency versus Złoty. For instance, should the amount of liabilities exceed the amount of assets, a bank has a short position, which could result either in a foreign exchange loss in case of depreciation of the Złoty or in a profit in case of appreciation of the Złoty. As at the 31 December 1992, the Bank had a net short position of Zł 348.6 billion, all foreign currency included, which amounted to 13.4% of its equity at the end of 1992.

The Bank has two ways to neutralise or reduce the adverse effect of this short position, either reducing its deposits in foreign currency or extending new loans in Złoty indexed on a foreign currency.

## 6.9 Interest Rate Risk

Banks face an interest rate risk when a decline of interest rates charged to borrowers cannot be compensated by a decline of interest rates paid to depositors because the rate paid to depositors is a rate contractually fixed in advance, or, when an increase in interest rates paid to depositors cannot be compensated by an increase in interest rates charged to borrowers because the rate charged to borrowers is a rate contractually fixed in advance.

The practice of including in loan and deposit agreements of clauses on changing interest rates under specific circumstances during the life of an agreement has significantly reduced this type of risk for the Bank.

## 6.10 Sensitivity of the Bank Profitability to Interest Rate

Despite the development of fee driven business (see Part V and VI), most of the Bank's income still comes from the net interest income generated by the intermediation transactions in Zlotys. Several factors could have an impact on the net interest income of the Bank.

- During the last three years, the interest rates charged to borrowers have sometimes tracked the NBP refinancing rate with a time lag. This NBP rate has declined over this period in accordance with the reduction of inflation in Poland. So far and on average, the Bank has been able to reduce the rates paid to term depositors, hence protecting its margins. Should fixed-rate deposits appear in the market or should competition for deposits increase in the future, the Bank may not have the same ability to pass on a credit rate decrease to the term depositors. The Management considers however that the development of fixed rate deposits will be compensated by the development of fixed rate credits. Furthermore, Management expects that the computerisation of the Bank operations will allow an increase

of the depositor base, which will compensate the risk of competition.

- The difference between the interest rates charged to borrowers and the interest rate paid to sight depositors is much higher than the difference between the interest rates charged to borrowers and the interest rate paid to term depositors (cf. Part V). Consequently, the Bank achieves most of its interest margin on sight deposits. As a result, two factors may affect the profitability of the Bank:

- a) a decline of the share of sight deposits in the total amount of deposits. Such a move of the deposit structure has occurred over the last two years (cf. Part V). Management explains this switch by the economic conditions which reduced the cash liquidity of corporations from which the Bank collects an important part of its sight deposits;
- b) the decline of credit rates charged to borrowers reduces the nominal margin achieved by the Bank on sight deposits the remuneration of which is more stable than the credit rates. Management considers that the market conditions will adjust the interest rate serviced to sight depositors as it happened in the past and that current rates (cf. Part V) are still high, as compared to other countries.

Moreover, Management considers that the banking services provided by the Bank to individual customers will compensate for the reduction in the remuneration for current accounts and allow the Bank to increase its sight depositor base, hence compensating for the reduction of margins.

## 6.11 Taxation Risk

In 1992, a tax audit was conducted in 26 branches of BSK S.A. As a result, a part of loan loss provisions of Zł 332 billion in respect to the year 1991 was not approved thereby creating an additional tax liability of Zł 134.5 billion. In keeping with provisions of the Act of 19 December 1980 on Tax Obligations (J.L. No. 27, item 111 with later changes), tax authorities are authorised to review tax settlements of up to three years from the date at which a given tax obligation arises.

## 7. SHAREHOLDERS' RIGHTS

The purchasers of Shares through this Tender and Public Offer are not obliged to perform any additional services for BSK S.A.

The Charter of BSK S.A. does not contain any restriction on the transfer of Shares offered in the Tender or Public Offer.

Shares give the right to participate in the General Meeting (art. 405 par. 1 of the Commercial Code) under the condition that a registered depository certificate issued in compliance with art. 5 of the Law on Public Trading of Securities is deposited with the Bank at least seven days prior to the date of each general meeting and remains there until the end of that general meeting (art. 399 par. 2 of the Commercial Code). Each Share at the General Meeting has one vote (art. 404 of the Commercial Code).

The Shares entitle to a portion in the annual profit allocated for distribution and to the right to a portion of the assets in case of the liquidation of the Bank.

A shareholder or shareholders representing at least one tenth of the share capital may request an Exceptional General Meeting to be convened and place certain matters on the agenda of the next General Meeting (art. 394 par. 1 of the Commercial Code).

The Bank will undertake steps to have its Shares admitted to trading on the WSE.

The Charter of the Bank does not contain sales restrictions on the Shares.

## 8. THE DIVIDEND

The Bank has no obligation to pay dividends for the period before the Prospectus was drawn up. The dividend owed to the State Treasury for 1992 was paid before this offer was announced.

Acquisition of Shares in this offer entitles shareholders to receive the first dividend for 1993, proportional to the number of their Shares.

Shareholders have the right to any dividend approved by the General Meeting.

The General Meeting is required to make decisions on dividends by not later than 31 May of each year. This decision, apart from the amount of dividend, also determines the date as of which the eligibility to the right to dividend is being established and the terms of the dividend's receipt.

The policy regarding the amount of dividend to be paid depends on the results achieved by the Bank during a particular year and on the development plans of the Bank.

It has to be stressed that the payment of dividend cannot be guaranteed nor amounts or frequency of the payment can be foreseen.

Specific information about the dividend will be announced in the daily *Rzeczpospolita*, and will be available in the Head Office of the Bank.

The Charter of the Bank contains no limitation or privileges in respect to payment of the dividend.

## 9. TAXATION OF INCOME FROM SHARES

In accordance with current Tax Laws, the income tax on dividend income has been set in the form of 20% of the income received.

Income received by legal persons from shares in a company being a legal person, having its seat within the territory of the Republic of Poland which is spent during the fiscal year for the purchase of shares from the State Treasury is exempt from tax, provided that the shares so purchased are not disposed of until 31 December 1995.

Natural persons purchasing Shares have the right to deduct from their tax base the amount of Zł 12,360,000, provided that they do not dispose of their Shares until 31 December 1995.

The income from the sale of shares is subject to income tax in accordance with the general principles stated in the Tax Laws, except that during the period from 1 January 1993 until 31 December 1995, the income from the sale of shares introduced to the public trading is exempt from income tax, provided such a sale is not the object of commercial activity of the seller.

International agreements on the avoidance of double taxation which apply to Poland shall have an impact on the taxation of income obtained from sale of shares held by foreign investors.

The purchase of shares from the State Treasury is not subject to stamp duty. The sale of shares in the secondary market, but not through brokerage houses, is subject to stamp duty in the amount of 2% of the value of each contract. Entry into a contract through a brokerage house is not subject to stamp duty.

The above mentioned information is of a general nature. Potential investors should obtain professional advice from tax specialists.

## 10. UNDERWRITING AND GUARANTEES

The sale by the Introducer of the Shares has not been contractually underwritten or guaranteed. Shares not sold in this Tender and Public Offer will remain in the hands of the Introducer until they are sold or disposed of in another way.

## 11. THE PARTY INTRODUCING THE SHARES TO TRADING

The party introducing the Shares to trading is the State Treasury represented by the Minister of Finance.

In accordance with art. 114 paragraphs 1 and 2 of the Law on Public Trading of Securities, the introducer of securities to public trading as well as the issuer (BSK S.A.) are liable for any harm caused to any person on account of defects in the shares or untrue or misleading information in documents required by the Law, unless those persons or their subordinates are not at fault.

## 12. THE PARTY OFFERING THE SHARES FOR TRADING

The party offering the Shares of Bank Śląski S.A. w Katowicach is the Brokerage House of Bank Śląski S.A. w Katowicach.

## 13. THE NETWORK SELLING BSK S.A. SHARES

For the purposes of this Offer, the Brokerage House of Bank Śląski S.A. in Katowice has organised a consortium made up of the brokerage offices of the following institutions and/or specialised firms:

- Bank Depozytowo-Kredytowy S.A. w Lublinie (BDK);
- Bank Gdański S.A. (BG);
- Bank Gospodarki Żywnościowej w Warszawie (BG);
- Bank Przemysłowo-Handlowy S.A. w Krakowie (BPH);
- Bank Rozwoju Eksportu S.A. w Warszawie (BRE);
- Bank Śląski S.A. w Katowicach (BSK);
- Bank Zachodni S.A. we Wrocławiu (BZ);
- Bydgoski Bank Komunalny S.A. w Bydgoszczy (BBK);
- Pomorski Bank Kredytowy S.A. w Szczecinie (PBKS);
- Powszechny Bank Gospodarczy S.A. w Łodzi (PBG);
- Powszechna Kasa Oszczędności Bank Państwowy (PKO BP);
- Powszechny Bank Kredytowy S.A. w Warszawie (PBK);
- Wielkopolski Bank Kredytowy S.A. w Poznaniu (WBK);
- Aabski i Gawor Sp. c., Kraków (AG) (associated with DM BSK S.A.);
- Penetrator S.A., Kraków (PEN) (associated with DM BSK S.A.);
- Glob S.A. Warszawa (GLOB) (associated with BM BG S.A.);
- Wielkopolskie Centrum Inwestycji Kapitałowych Spółka z o.o. Poznań (WCIK) (associated with DM BSK S.A.).

The list of Sales Points is included in Part IX of the Prospectus (Attachment 2).

## 14. PERSONS ENTITLED TO PURCHASE SHARES

### 14.1 Domestic Investors

Domestic investors entitled to purchase Shares on the terms described in the Prospectus are:

- individuals permanently residing in Poland;
- legal persons with a registered office in Poland;
- partnerships of the above mentioned persons which do not have the status of legal persons.

In accordance with art. 29 of the Law on Privatisation of State-Owned Enterprises, state-owned legal persons may not apply for purchase of Shares or buy Shares without a written permission of the Minister of Finance. Hence, such consent must be presented while bidding to the Tender or applying for purchasing Shares in the Public Offer. Evidence of such consent must be presented at the time of filing an application for Shares.



## 14.2 Foreign Investors

Foreign investors entitled to purchase Shares on the terms described in this Prospectus are:

- individuals residing abroad;
- legal persons with registered office abroad;
- partnerships of persons mentioned above without the status of legal persons established under the law of foreign states.

Foreign investors may also purchase Shares of the Tender and Offer outside the Republic of Poland, but the conditions for effective transfer of ownership of shares are:

- execution of the transaction through a Polish brokerage office;
- meeting the requirements defined in this Prospectus, in particular in paragraphs 16 and 17.

## 14.3 Acting Through a Proxy

Domestic and foreign investors are entitled to present bids and apply for the Public Offer through a properly empowered proxy. The person appearing in this role is obliged to present the following documents:

- a written power of attorney from the investor, containing the empowerment to make the purchase and the following information about the proxy:
  - a) for individuals: surname and given name, address, and PESEL or identity document number or passport number for foreign individuals;
  - b) for legal persons: name, address, REGON and extract from commercial register, or from the proper commercial register;
- same information as above for the investor.

The written power of attorney or a copy will be retained by the institution selling the Shares.

## 15. GENERAL CONDITIONS FOR THE TENDER AND PUBLIC OFFER

The Shares offered for sale have been divided into the Tender and Public Offer.

The Minister of Finance reserves the exclusive right to a final transfer of Shares between the Tender and the Public Offer within the limits described in paragraph 16 below. Such transfer of Shares can be made even after the Tender has been opened.

In accordance with art. 72 of the Law on Public Trading of Securities, a purchaser of the number of shares in the number which entitles to at least 10%, 20%, 33%, 50%, 66%, or 75% of votes in the General Meeting is obliged to inform the Securities Commission, the Anti-Monopoly Office and the Bank of the purchase within seven days thereof.

In accordance with requirements of art. 78 of the Banking Law, a transfer of Shares in a consequence of which a single shareholder shall hold such a number of Shares which entitles him to more than 10%, 20%, 33%, 50%, 66% or 75% of votes in the General Meeting requires an approval of the President of the National Bank of Poland to be obtained via the Bank.

Finally, in accordance of art. 78 of the Banking law, a person intending to purchase the Shares or rights in the Shares is obliged to inform the Bank of a purchase if the purchased Shares together with the Shares already in the possession of that person constitute a package entitling to

execution of over 5% of votes at the General Meeting of Shareholders of the Bank.

## 16. PROCEDURE FOR THE SALE OF SHARES IN THE TENDER

The Tender consists of 4,167,000 Shares. The State Treasury reserves the right to re-allocate up to 1,400,000 Shares from the Tender to the Public Offer and to increase the number of Shares offered in the Tender by 1,000,000 by reducing the number of Shares it plans to retain in the Bank by an equivalent number. Bids for Shares in the Tender will be accepted from 14 September 1993 until 15 October 1993.

### 16.1 Conditions of Application

Bids will be accepted only for a minimum of 185,000 Shares and a maximum of 2,400,000 Shares in the Tender. The number of Shares bid for must be a multiple of 5. Bidders must follow the application procedure as described hereafter.

### 16.2 Tender Form

Bidders or their proxies may use the tender forms accompanying this Prospectus. Additional Tender forms are available from the following addresses:

Head Office of Bank Śląski S.A. w Katowicach  
ul. Warszawska 14  
40-950 Katowice  
Tel. (48.32) 537-281/4 Fax (48.32) 537-364

Brokerage House of Bank Śląski S.A. w Katowicach  
ul. Mickiewicza 3  
40-951 Katowice  
Tel. (48.32) 588-526 Fax (48.32) 588-881

Brokerage House of Bank Śląski S.A. w Katowicach  
Branch of BSK S.A. in Warsaw  
ul. Nowowiejska 5/7  
00-643 Warsaw  
Tel. (48.22) 259-449 Fax (48.22) 259-453

Ministry of Finance  
Banking System and Financial Institutions Department  
ul. Świętokrzyska 12  
00-916 Warsaw  
Tel. (48.22) 268-987 Fax (48.2) 694-39-50

### 16.3 Information on the Tender Procedure

The Tender conditions set forth by the Bidders will be presented to the State Treasury in two separate envelopes bearing the letters A and B.

Envelope A should contain the following information:

- surname and given name of the Bidder or name of a legal person;
- correspondence address, telephone and facsimile transmission numbers;
- identification number or company registration number (PESEL or REGON in the case of domestic investors);
- bank name, address and Bidder's account number;
- Bidder's legal status;
- the number of Shares bid for;
- commitment concerning the period of time for which the Bidder binds himself not to dispose of acquired Shares;

- declaration that having studied the contents of the Prospectus, the Bidder has accepted the terms set therein;

and a confidentiality clause with the following wording:

"The Bidder binds himself to make best efforts in order to ensure confidentiality of all the information obtained on BSK S.A. which is not publicly available as well as the conditions of his own bid including the proposed price per Share, and undertakes not to make this information available to third parties without prior consent of BSK S.A."

Failure to include the specifications stated above shall result in the elimination of the Bidder from the Tender. At the discretion of the Bidder, Envelope A may also include:

- Financial Statements of the Bidder;
- brief description of the strategic interest the investment of the Bidder would represent for BSK S.A.;
- CVs of the individuals the Bidder would propose that the General Meeting of Shareholders should appoint to the Bank Council of BSK S.A.;
- any other condition or information considered appropriate by the Bidder.

The Bidder should specify which of the conditions he sets forth is *sine qua non*, if any.

Envelope B should contain the following information:

- surname and given name of the Bidder or name of a legal person;
- correspondence address, telephone and facsimile transmission numbers;
- the number of Shares bid for;
- the proposed price per Share;
- the total amount;
- the form of payment.

The State Treasury shall not consider any bid below Zł 230,000 per Share.

Both envelopes shall be sealed by the Bidder and bear the name or stamp of the Bidder. They shall be delivered by the Bidder no later than 15 October 1993, midday Warsaw time to Ms Christine Fortea, member of the management board at Jeantet & Associés Polska Sp. z o.o., ul. Wiejska 12a, 00-490 Warsaw, Tel. (48.2) 628-24-12, Fax (48.2) 628-24-11, either by registered mail or by hand delivery. The receipt will be confirmed by the above.

#### 16.4 Cash Deposit

Each Bidder should make a cash deposit equivalent to 10% of the minimum price multiplied by the number of Shares he bids for to the Brokerage House of BSK S.A. at the address stated above in paragraph 16.2 to the Account No. 310024-198-139-113 for payment in Zlotys, to the Account No. 310024-198-154-6 for cash payments in foreign currencies or to one of the BSK S.A. *nostro* accounts with correspondent banks listed in Attachment 4, Part IX of the Prospectus.

The deposit will be made up to the day defined as the closing date in paragraph 16 in a form selected from those defined in paragraph 16.5.4 and 16.5.5 of this Prospectus (with the exception of CTBs).

The minimum deposit is Zł 4,255 million (four billion two hundred fifty five million Zlotys).

The amount of the deposit will be deducted from the payment for Shares. For this purpose, deposits denominated in foreign currencies will be converted at the buyer exchange rate set by the National Bank of Poland at the date of the payment for Shares as defined in paragraph 16.5.3 below.

In the event a Bidder receives fewer Shares than he applied for and, as a result, the amount of the deposit is higher than the payment due for Shares, the excess deposit will be returned to the Bidder within five working days after the closing date of the Tender.

Attention of Bidders is drawn to the fact that the State Treasury will be authorised to retain as a penalty the deposit made by the Tender date only if:

- in Envelope B the Bidder did not clearly propose the price, or the price proposed by the Bidder in Envelope B is lower than the minimum price of Zł 230,000 per Share;
- the Bidder withdraws from his bid, but not if he does so because the State Treasury has refused to comply with any condition specified as *sine qua non* by the Bidder in Envelope A.

Return of deposits to Bidders eliminated from the Tender will take place within five working days after the closing date of the Tender.

The closing date of the Tender is the day of the allocation of Shares.

#### 16.5 Procedure for Allocation of Shares

##### 16.5.1 Pre-selection

The State Treasury will pre-select Bidders at its sole discretion based on the information in Envelope A.

The State Treasury retains the right to propose to a Bidder in writing submission of supplementary information and/or amendments to the terms and conditions included in Envelope A before making the pre-selection.

A Bidder communicated to should submit a written answer to the State Treasury through Ms Christine Fortea, member of the management board at Jeantet & Associés Polska Sp. z o.o. within five working days following the date of receipt of the State Treasury's proposal.

Names of the pre-selected Bidders will be communicated to Ms Christine Fortea, who will destroy the Envelope B presented by each of the eliminated Bidders. The result of the pre-selection will not be made public.

##### 16.5.2 Allocation

The Minister of Finance will open Envelope B presented by the pre-selected Bidders, in the presence of representatives of the BSK S.A. Brokerage House. Any proposal which would not respect the minimum price of Zł 230,000 per Share shall be rejected. The State Treasury will decide of the definitive size of the Tender between the minimum of 2,767,000 Shares and the maximum of 5,167,000 Shares. The Shares offered for sale will be allocated according to the following method:

- the Bidder having proposed the highest price will receive the number of Shares he bid for within the limit of Shares offered for sale in the Tender;
- should Shares remain for sale after this first allocation, the Bidder having proposed the second highest price will receive the number of Shares he applied for within the limit of Shares remaining for sale in the Tender.

Should a discrepancy occur between the deposited amount and the number of Shares bid for, the allocation committee will act under the

assumption that the Bidder declared interest in purchase of appropriately lower number of Shares.

In case Shares remain for sale in the Tender after the second allocation, the same procedure shall be applied until all remaining Shares are allocated and there are no Bidder left. In the event there is not enough Shares for sale in the Tender to satisfy the bids of two or several Bidders having proposed the same price, the Shares will be allocated between those Bidders pro-rata to the number of Shares they bid for.

Should a Bidder require a minimum allocation as a *sine qua non* condition and not enough Shares remain available to satisfy his request, such a Bidder shall be no longer considered in the allocation process. The State Treasury will have no obligation to increase the number of Shares offered in the Tender above the minimum of 2,767,000 Shares in order to satisfy the demand of that Bidder.

All Bidders who will be allocated Shares will purchase them at the same price which is going to be the lowest price offered by those Bidders.

All Bidders will be informed individually by the Minister of Finance of the result of the selection. The State Treasury will then enter a contract with the selected Bidders to confirm that they will retain the Shares for the period they indicated in Envelope A.

The State Treasury reserves the right to reject any bid or to cancel the Tender if such action would be in the best interest of the State Treasury and/or BSK S.A.

#### 16.5.3 Procedure of Payment for Shares

Payment must be made during five working days following the receipt by the applicant of the written notification of the final result of the Tender. This notification will state the price set in the Tender as well as the number of Shares allocated to the applicant.

The date of payment is:

- for domestic investors: the date of acknowledgement of the account of the BSK S.A. Brokerage House or the date on which CTBs were deposited in that office;
- for foreign investors: the date of acknowledgement of the BSK S.A. account.

Should a Bidder fail to comply with the payment requirement specified above, he would be considered as withdrawing from his bid within the meaning of paragraph 16.4 above, and would lose his right to his Share allocation. In such an event, the State Treasury will have the right to propose the Shares allocated to the failing Bidder to the other selected Bidders or to shift those Shares to the Public Offer.

Moreover, the State Treasury will retain as a penalty the deposits made by the Bidders who do not make the final payment within the specified period, unless the State Treasury has refused to comply with any of the conditions specified as *sine qua non* by the Bidder in Envelope A.

#### 16.5.4 Procedure of Payment by Domestic Investors

Payment can be made in any of the following forms to the account of the BSK S.A. Brokerage House stated on the tender form:

- cash in Zlotys;
- wire transfer with a statement on the transfer form "payment for the purchase of BSK shares";
- CTBs;
- a combination of the above methods of payment.

In case CTBs are used to make the payment, cash must be used to make up for any difference between the amount due and the value of CTBs presented, if lower. The value CTBs taken into account will be the value posted by Bank Gospodarstwa Krajowego on the day the payment is made.

The value of a CTB depends on the date of issue and the nominal value of the bond. The value posted by BSK S.A. Brokerage House will reflect the 20% premium on a bond's value which is awarded when bonds are exchanged for Shares in companies being privatised. The right to use CTB's as a form of payment for Shares is limited to natural persons who are Polish citizens permanently residing in Poland.

#### 16.5.5 Procedure of Payment by Foreign Investors

Payment by foreign investors can be made either in Zlotys, documented as proceeding forme an exchange performed by a Polish foreign exchange bank in line with the current foreign currency regulations, to the account of BSK S.A. Brokerage House stated on the application form or in foreign currency to the account of Bank Śląski S.A. w Katowicach converted at the buyer exchange rate set by the National Bank of Poland on the payment date in any of the following forms:

- banker's draft with a statement "payment for the purchase of BSK shares";

Banker's draft made out to BSK S.A. Brokerage House and drawn to Bank Śląski S.A. w Katowicach by a correspondent bank of BSK S.A. should be advised by that bank with a SWIFT code MT 110 "Advice of cheque" with a statement "payment for the purchase of BSK shares" addressed to:

SKAT PL PK

Banker's drafts may be submitted by investors in person or via a courier at:

Bank Śląski S.A. w Katowicach  
Oddzia BSK S.A. w Warszawie  
00-643 Warsaw  
Filia ul. Nowowiejska 5/7  
Tel. (48.22) 259-449 Fax (48.22) 259-453

- payment order in the form of a SWIFT message MT 100 or MT 202 addressed to SKAT PL PK or tested telex addressed to Nos. 315690 BSK PL or 313821 BSK PL with the value date not later than five working days from the date the Bidder receives notification on the result of the Tender, in keeping with the payment procedure described in paragraph 16.5.3. The transfer should specify BSK S.A. as beneficiary for such payment and state the purpose as "payment for the purchase of BSK shares".

Cover for the payment order should be directed to one of the BSK S.A. *nostro* accounts with its foreign correspondent banks listed in Annex 4, Part IX of the Prospectus.

The NBP has made the following statement regarding the issue of foreign exchange permits:

"The National Bank of Poland confirms that since banks are not regulated by the Law on Companies with Foreign Participation of 14 June 1991 (J.L. No. 60, item 253, with later changes), foreign investors, as defined in paragraph 15.2, who wish to purchase Shares of Bank Śląski S.A. w Katowicach under Tender, Public Offer or on the public market, and who apply to the NBP for individual foreign exchange permits to repatriate dividends, to repatriate the proceeds arising on a sale or redemption of BSK S.A. (after having paid for such Shares by the method set out in article 10 of the Law on Companies with Foreign Participation) or to repatriate the proceeds due to them in the event of liquidation of BSK S.A., will receive foreign exchange permits on the same terms, as far as possible, as those applying to foreign investors carrying such activities, under the provisions of articles 25 and 26, paragraphs 1 and 2, of the Law on Companies with Foreign Participation. In addition, the National Bank of Poland confirms

that in the event that the provisions of articles 25 and 26, paragraphs 1 and 2, of the Law on Companies with Foreign Participation are amended after the date of publication of the BSK S.A. Prospectus, the terms on which foreign investors purchasing Shares of BSK S.A. will obtain foreign exchange permits will be no less favourable than those in the amended provisions and in this declaration."

## 17. PROCEDURE FOR THE SALE OF SHARES IN THE PUBLIC OFFER

The Public Offer consists of 1,389,000 Shares. The State Treasury reserves the right to re-allocate to the Public Offer up to 1,400,000 Shares offered for sale in the Tender which would remain unsold.

### 17.1 Procedure of Application

The application period will begin on 3 November 1993 and end on 17 November 1993, however the State Treasury retains the right to extend the application period. Application forms will be available in all Sale Points.

The application shall be directed to one of the Sales Points listed in Annex 2 of this Prospectus.

The minimum application is 10 Shares. Application for a greater number of Shares must be made in multiples of 5 Shares. The maximum number of Shares available to each applicant may not exceed 5,000 Shares. An application requesting more than the maximum number of Shares will be treated as an application for purchase of 5,000 Shares. Each applicant is entitled to file only one application.

Application form will include the following information:

- domestic applicants: surname, given name, address, PESEL or identification document number or REGON number;
- foreign applicants: surname, given name, address, passport number or number of the appropriate registry and legal status;

and both types of applicants should indicate the number of Shares applied for and the method of payment.

Domestic and foreign investors must sign a declaration stating that they have read this Prospectus, that they accept the terms and conditions of the Public Offer, and that the given application is their sole application within the Public Offer.

The above mentioned application and declaration should be submitted in person or by a courier with return receipt requested or by registered mail to a selected Sales Point no later than on the closing day of the Offer.

Each applicant will receive a copy of his application form, which will constitute the sole evidence of his application.

### 17.2 Conditions of Payment

Payment must be made before the closing date of the Public Offer.

An application is valid only when the BSK S.A. Brokerage House has received full payment or confirmation from another brokerage office listed in paragraph 13 that full payment has been made.

In the event that an applicant requests purchase of more than 5,000 Shares or is allocated fewer Shares than he applied for and, as a result, the payment made at the time of application is higher than the price of the Shares allocated to that applicant, the excess payment will be returned to the applicant in the manner specified in the application form within five working days after the decision of allocation.

#### 17.2.1 Payment by Domestic Investors

Payment for sale Shares in the Public Offer by domestic investors must be made in Zlotys in one the following forms:

- cash;
- CTBs;
- wire transfer with a statement on the transfer form "payment for the purchase of BSK shares";
- a combination of the above methods of payments.

The right to use CTBs as a form of payment is limited to natural persons who are Polish citizens permanently living in Poland. Under no circumstances may the value of CTBs be higher than the price of requested Shares. Cash must be used by applicants to make up any difference between the value of the shares and the value of the CTBs presented, if lower. The value of CTBs taken into account will be the value posted by Bank Gospodarstwa Krajowego on the day the payment is made.

The value of a CTB depends upon the date of issue and the nominal value of the bond. Each Sales Point will display the current value of CTBs. The displayed values will reflect the 20% premium on a CTB's value which is awarded when bonds are exchanged for shares in companies being privatised.

#### 17.2.2 Payment by Foreign Investors

Payment by foreign investors can be made either in Zlotys, documented as proceeding forme an exchange performed by a Polish foreign exchange bank in line with the current foreign currency regulations, to the account of BSK S.A. Brokerage House stated on the application form or in a convertible foreign currency to the account of Bank Śląski S.A. w Katowicach in any of the following forms:

- banker's draft with a statement "payment for the purchase of BSK shares";

Banker's draft made out to BSK S.A. Brokerage House and drawn to Bank Śląski S.A. w Katowicach by a correspondent bank of BSK S.A. should be advised by that bank with a SWIFT code MT 110 "Advice of cheque" addressed to:

SKAT PL PK

Banker's drafts may be submitted by investors in person or via a courier at:

Bank Śląski S.A. w Katowicach  
Oddział BSK S.A. w Warszawie  
00-643 Warsaw  
Filia ul. Nowowiejska 5/7  
Tel. (48.22) 259-449 Fax (48.22) 259-453

not later than two working days before closing of the Offer.

The value date of the payment made in respect of a draft should not be later than 17 November 1993.

- payment order made in the for of a SWIFT message MT 100 addressed to SKAT PL PK or tested telex addressed to Nos. 315690 BSK PL or 313821 BSK PL with the value date not later than the closing of the Offer. The transfer should specify BSK S.A. as beneficiary for such payment and state the purpose as "payment for the purchase of BSK shares".

The cover for the payment order should be directed to one of the BSK S.A. *nostro* accounts with its foreign correspondent banks listed in Annex 4, Part IX of the Prospectus.

The dates of transfer and notification of BSK S.A. on acknowledgement of its account in a foreign correspondent bank in respect of "payment for the purchase of BSK shares" may not be later than two working days prior to closing of the Offer.

In the case of payment being made in a foreign currency, exchange into Zlotys shall be made at the with NBP buyer rate on the date of allocation of Shares.

The NBP has made the following statement regarding the issue of foreign exchange permits:

"The National Bank of Poland confirms that since banks are not regulated by the Law on Companies with Foreign Participation of 14 June 1991 (J.L. No. 60, item 253, with later changes), foreign investors, as defined in paragraph 15.2, who wish to purchase Shares of Bank Śląski S.A. w Katowicach under Tender, Public Offer or on the public market, and who apply to the NBP for individual foreign exchange permits to repatriate dividends, to repatriate the proceeds arising on a sale or redemption of BSK S.A. (after having paid for such Shares by the method set out in article 10 of the Law on Companies with Foreign Participation) or to repatriate the proceeds due to them in the event of liquidation of BSK S.A., will receive foreign exchange permits on the same terms, as far as possible, as those applying to foreign investors carrying such activities, under the provisions of articles 25 and 26, paragraphs 1 and 2, of the Law on Companies with Foreign Participation. In addition, the National Bank of Poland confirms that in the event that the provisions of articles 25 and 26, paragraphs 1 and 2, of the Law on Companies with Foreign Participation are amended after the date of publication of the BSK S.A. Prospectus, the terms on which foreign investors purchasing Shares of BSK S.A. will obtain foreign exchange permits will be no less favourable than those in the amended provisions and in this declaration."

### 17.3 Rules of Allocation

The State Treasury will allocate Shares by 7 December 1993 according to the following rules:

- Each investor shall be allocated the number of Shares he applied for if the total number of Shares applied for through valid applications is not greater than the number of Shares offered for sale;
- If the total number of Shares applied for is greater than the number of Shares offered for sale, the State Treasury will calculate an average application by dividing the number of Shares offered for sale by the number of applications received. The figure obtained will be rounded to the preceding multiple of 5. In the case the average application such as defined above is below 5, the figure obtained will be rounded down to the preceding full number.

Investors applying for Shares in an amount up to the average application will be allocated the full amount of Shares they applied for.

Investors applying for Shares in an amount higher than the average application will be allocated Shares in the amount of the average application.

In case the average application, such as defined above, is below 1, a lottery will be organised to allocate Shares among the applicants.

- In the case Shares remain available after the first allocation, such as described above, they will be allocated among the applicants having applied for a number of Shares higher than the average application pro-rata to their unfulfilled application according to the formula as follows:

$$N = (A - B) \times \frac{(C - D)}{(E - D)}$$

- N is the second allocation of Shares to any given applicant;
- A is the number of Shares applied for by any given applicant;
- B is the average allocation such as defined above;
- C is the total number of Shares offered in the Public Offer;
- D is the number of Shares offered in the Public Offer already allocated;

- E is the total number of Shares applied for.  
The number of Shares obtained (N) will be rounded down to the closest multiple of 5.
- The possible remainder of Shares after the rounding off will constitute a technical reserve of the Offerer, and will be disposed of at the discretion of the State Treasury.

### 18. STOCK MARKET TRANSACTIONS

Upon closing of the Public Offer, the Bank shall apply for permission of the WSE to introduce Shares to trading on the Warsaw Stock Exchange.

Foreign investors should be advised that for a transaction concluded by such an investor to be valid it must be effected through a Polish brokerage office.

### 19. BSK S.A. EMPLOYEE OFFER

The State Treasury has reserved 10% of BSK S.A. Shares in order to provide for the rights of the employees in respect to purchase of Shares on preferential terms.

In the event the total number of Shares allotted for the above purpose to the employees on the basis of art. 24 of the Law on Privatisation of State-Owned Enterprises and art. 86 of the Banking Law exceeds 10% of the existing share capital, the State Treasury will reduce the number of Shares it intends to keep for itself. In case the number of Shares allotted to the employees on the terms specified above is lower than 10%, the difference between the 10% of the share capital and the number of allotted Shares will constitute the employees' Share reserve. This reserve will be offered exclusively to the BSK S.A. employees.

If the total number of Shares set aside for purchase by the employees on preferential terms and purchased by them from the employees' Share reserve represents less than 10% of the existing Shares of the Bank, the State Treasury reserves the right to sell the remaining Shares.

Shares will be made available on preferential terms not later than within two months from the day the first Shares are made available via the Public Offer. The employee right to purchase Shares on preferential term will expire one year from the date they were made available to them. The Shares made available within the employees' Share reserve will be offered to them between 22 November 1993 and 3 December 1993.

Detailed terms and conditions of allocation of Shares made available on preferential terms and offered within the employees' Share reserve are contained in the rules and regulations regarding allocation of BSK S.A. Shares to the employees of the Bank, a resolution voted in by the Bank Council and approved by the General Meeting of Shareholders.

Shares offered on preferential terms shall be sold to employees at half the price and Shares offered within the employees' reserve at 100% of the price set on the first day of sale in the Public Offer.

In line with the Law on Privatisation of State-Owned Enterprises, the total value of the discount granted to the employees of BSK S.A. on purchasing the Shares cannot exceed the value of a product of the average salary in six sectors of the national economy for 12 months preceding the date of registration of the Bank as a joint-stock company and the number of the employees entitled to purchase Shares on preferential terms. All employees of BSK S.A. who were employed by the Bank on 30 June 1993 are entitled to purchase Shares in the employees' Share reserve.

The procedures set out above do not in any way limit the rights of the employees of the Bank to purchase Shares in the Tender or the Public Offer in accordance with the procedures set out in this Prospectus. However, the total number of Shares subscribed to by the employees of BSK S.A. within the employees' Share reserve and the Public Offer

may not exceed 5,000 Shares.

Should new legislation regarding participation of employees in privatisation be adopted between the time this Prospectus is submitted to the Securities Commission and the first day of sale of Shares to employees on preferential terms, the new legislation will apply.

# PART III

## INFORMATION ON BSK S.A.

### I. GENERAL INFORMATION

Name of the Company

The name of the Bank is: Bank Śląski Spółka Akcyjna w Katowicach.  
The Bank uses the abbreviation "BSK S.A.".

Address:

Bank Śląski S.A. w Katowicach  
ul. Warszawska 14  
40-950 Katowice

Telephone numbers:

537-281-4	telephone exchange
538-906	secretariat of the President of the Bank Management Board
538-424	General secretariat
588-526	Brokerage House

Telex: 0312727

Facsimile: 537-364  
588-881 Brokerage House

Statistical identification number (REGON)

P-271514909-08000000  
61-1-941-27101

### 2. LEGAL STATUS

Bank Śląski Spółka Akcyjna w Katowicach was established as a result of the transformation of the state bank "Bank Śląski" into a joint-stock company, by a notarial act, list of acts A. No. III – 16951/91 of 8 October 1991, drawn up in the State Notarial Office in Warsaw. The company was registered on 18 October 1991 in the Commercial Register at the Regional Court in Katowice.

### 3. FOUNDER OF BSK S.A.

The founder of the Bank is the State Treasury represented by the Minister of Finance. The State Treasury took over possession of all of the shares of the newly formed Company.

### 4. REGISTRATION COURT

The Registration court for BSK S.A. is the Regional Court in Katowice, Registration Division VIII. By a decision of this Court the Bank was registered on 18 October 1991, document symbol RHB X, H-3346/91 register in section B under number RHB 7130.

### 5. TERRITORY OF THE COMPANY'S OPERATIONS

The Bank operates on the territory of the Republic of Poland and outside its borders. The Banks may establish branches and other units at home and abroad.

### 6. SCOPE OF BSK S.A. ACTIVITIES

The main business of the Bank is to collect money, grant loans, make settlements, and engage in other banking activities on the basis of the Banking Law.

The business of the Bank was defined in paragraph 7 of the Bank Charter. The Charter of BSK S.A. is included in Part IX of the Prospectus as Attachment 1.

In particular the business of the Bank includes :

- opening and managing bank accounts;
- accepting savings deposits and fixed-term deposits;
- issuing its own securities, including bonds and certificates, and trading these securities, performing tasks ordered connected with issuing or financial servicing of securities and buying and selling securities in its own name and for its own account or for customers' accounts, managing security deposits accounts;
- granting or taking out loans, acting as broker and acting jointly with others in obtaining loans;
- trading in foreign currency assets, including the purchase and sale of foreign banknotes, cheques, payment orders and other foreign payment instruments as well as coins and precious metals, and also purchasing foreign securities specified by the President of the National Bank of Poland;
- providing financial services for foreign trade in goods and services, including settlements and payments in forms accepted in domestic and international banking practice;
- conducting payment settlements, operations in bills of exchange and cheques, receiving and issuing bank pledges and guarantees, and contracting various kinds of liabilities;
- collection of financial documents and all kinds of other documents evidencing the existence of debt;
- signing and performing contracts with enterprises, including foreign ones, for canvassing payment to bank accounts and for the purchase of goods and services in the domestic market;
- making payments as called for by contracts and agreements between banks;

- financial and operational participation in international projects and ventures;
- receiving and making fixed-term deposits with domestic and foreign banks;
- accepting objects, documents, and securities for deposit and renting safe deposit boxes;
- performing custodial services;
- on request of other banks performing certain banking activities belonging to the business of the ordering banks;
- other joint undertakings with domestic, foreign, and international banks and financial institutions within the scope of the Bank activities;
- at the order of the Minister of Privatisation performing tasks connected with the privatisation of state-owned enterprises;
- administering shares of the State Treasury not sold within the time stipulated in the Law on Privatisation of State-Owned Enterprises;
- performing leasing, factoring, underwriting, and other financial services for individuals and legal persons;
- performing economic and financial advisory services;
- performing other activities permitted to banks within the scope defined by particular acts of law.

#### 7. EQUITY OF BSK S.A.

The capital of BSK S.A. was established through a contribution of funds from "Bank Śląski in Katowice", a state bank.

The closing balance sheet of the state bank was drawn up on 30 June 1991. The statutory fund of the transformed state bank, amounting to Zł 926,000,000,000 (nine hundred twenty six billion) was contributed to cover the share capital of BSK S.A., a joint-stock company solely owned by the State Treasury. The reserve fund and fixed assets fund of the transformed state bank became the reserve capital of BSK S.A.

The share capital of the Bank has not changed since the date of its registration.

The Bank did not issue utility shares based on art. 364 of the Commercial Code. The Bank Charter did not provide for issuance of such shares.

As at 30 June 1993 the proprietary funds of the Bank amounted to (in millions of Złotys):

- Share capital	926,000
- Reserve capital	309,000
- Supplementary capital	175,788
- General Risk Fund	218,774
<b>Total</b>	<b>1,629,562</b>

In accordance with the previous version of the Statute of the Bank, the annual transfer for the reserve capital should amount at least 10% of the net profit until the fund attains the level of 50% of the share capital of the Bank. Amendments introduced to the Statute by the General Meeting of 8 June 1993 bring into it regulations of the Commercial Code in the referred to matter, i.e. the annual transfer to the reserve capital should be equivalent to at least 8% of net profit until the time the reserve capital reaches the amount equivalent to one third of the share capital of the Bank (Commercial Code, art. 427 paragraph 1).

#### 8. FACTS ABOUT SHAREHOLDERS DIRECTLY OR INDIRECTLY HOLDING MORE THAN 5% OF THE SHARE CAPITAL OF BSK S.A.

The sole shareholder of BSK S.A. is the State Treasury.

#### 9. IMPORTANT CONTRACTUAL AGREEMENTS BETWEEN BSK S.A. AND ITS MAJOR SHARE- HOLDERS

In the opinion of BSK S.A., there are no contractual agreements between the Bank and enterprises operated by the shareholder mentioned in the previous point or parties controlled by it whose terms would vary from the normal terms offered to other customers

#### 10. BSK S.A. SHARES IN THE POSSESSION OF THE BANK AND ENTITIES CONTROLLED BY BSK S.A.

As at 31 August 1993, BSK S.A. was not an owner of its own Shares. Neither is any party controlled by the Bank an owner of the Shares.



## PART IV

# INFORMATION ON BSK S.A. MANAGEMENT

The governing bodies of the Bank are the General Meeting of Shareholders, Bank Council, and the Bank Management Board.

### 1. GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest authority of BSK S.A. according to paragraph 18 of BSK S.A. Charter. Ordinary General Meetings must be convened no later than 31 May in each year.

The major tasks of the General Meeting include:

- assessment and approval of reports of the Company's Management, its balance sheet as well as profit and loss account,
- passing resolutions regarding distribution of profit or funding of losses and disbursement of dividends,
- holding the company's management accountable for performance of their duties,
- introduction of changes in the Company's activities,
- amendment of the Company's Charter,
- mergers or transformations, dissolution or liquidation of the Company,
- issuance of bonds.

### 2. BANK COUNCIL

The Bank Council is responsible for supervising the activities of the Company and its functions are *inter alia*:

- determining the directions of the Bank development;
- examination of the balance sheet and the profit and loss account;
- examination of the Company's Management reports and the Management's motions as to the distribution of profits or covering of losses;
- presentation of reports on the above activities to the General Meeting;
- passing resolutions on the Company's Management Rules and Regulations;
- appointing and recalling of the President of the Management Board, and as proposed by him or with his consent, appointing of Vice-Presidents and Members of the Management Board.

The appointments of the Bank Council, which had been appointed on 8 October 1991 by the Minister of Finance representing the State Treasury as sole owner of the Company, have been extended for a

further period of three years through a resolution of the General Meeting of Shareholders held on 8 June 1993.

The following persons are currently the members of the Bank Council :

**Krzysztof Opawski** - Chairman of the Bank Council  
Graduate of the University of Łódź, where he also obtained a doctorate in economics. He also studied at the University of Zuerich (Switzerland) and the University of Giessen (Germany). He is employed at the Institute of Economic Sciences of the Polish Academy of Sciences. He also performs the duties of the Director of the National Council of Economic Societies. He resides in Warsaw.

**Maciej Olex-Szczytowski** - Deputy Chairman of the Bank Council  
Graduate of the London School of Economics (University of London) and INSEAD (Fontainebleau, France). He has been employed in commercial and investment banks in England, Austria and the USA (Chase, Citibank, Lloyds). From 1985, he was a Director (Board Member) of Lloyds Merchant Bank, while in the years 1987-90 he was the Director of the Capital Markets Group in Lloyds. In the years 1990-91 he worked as an adviser to the Polish Deputy Prime Minister Leszek Balcerowicz, and in the years 1991-92 he was the Deputy President and one of the founders of Polski Bank Rozwoju S.A. (Polish Development Bank). At present he is an adviser in the fields of finance and investment. He resides in Warsaw.

**Andrzej Popczyk** - Secretary of the Bank Council  
Graduate of the Department of Law of the University of Wrocław. A legal adviser and barrister, he conducts a private legal office in Katowice. He holds the position of Deputy President of the Polish Council of Legal Advisers. He was previously a Director of the Legal Department at the Ministry of Industry. He resides in Katowice.

**Stanisław Książek** - Member of the Bank Council  
Comprehensive secondary school education. He gained a wide and thorough experience in banking as an organiser of National Bank of Poland branches. He held the positions of the Chief Accountant and Deputy Director in the Kielce regional branch of the National Bank of Poland. Retired, he resides in Kielce.

**Jerzy Rokita** - Member of the Bank Council  
Graduate of the Higher School of Economics in Katowice. He is a professor of economics and holds a doctorate in economic sciences. He is the Head of the Department of Management in the Academy of Economics in Katowice and the President of the auditing firm "Auditex" Sp. z o.o. He resides in Katowice.

**Wojciech Roman** - Member of the Bank Council  
Graduate of the Central School of Planning and Statistics (SGPiS) in Warsaw and of the University of Illinois (USA). In his professional career he participated as a manager in establishing and restructuring of a number private companies. He was employed by UNDP, a UN Agency. Since 1992, he has been employed by the international advisory firm Deloitte & Touche. He resides in Warsaw.

### 3. MEMBERS OF THE MANAGEMENT BOARD

The Bank is managed and represented by the Management Board. All matters which are not reserved for other bodies of the Bank are within the scope of activity of the Management Board.

The Management Board conducts its activities based on the Rules and Regulations passed by the Bank Council. The Rules and Regulations specify the issues which require decisions of the Management Board. The President of the Management Board is appointed and recalled by the Bank Council. On his recommendation or with his consent, the Bank Council also appoints Vice-Presidents and Members of the Management Board. The duration of a Management Board term is three years. However, the first Management Board term is two years.

The Management Board is made up of between three and eight members including the President, Vice-Presidents and Members.

On 8 October 1991, the following Management Board was appointed:

Marian Rajczyk	President of the Management Board
Krystyna Studenska	Vice-President of the Management Board
Stanislaw Nowicki	Vice-President of the Management Board
Andrzej Bodzichowski	Member of the Management Board, Director of BSK S.A. Branch in Częstochowa
Janusz Martyniewicz	Member of the Management Board, Director of BSK S.A. Branch in Bielsko Biala
Zygmunt Popek	Member of the Management Board, Director of BSK S.A. Branch in Rybnik

On 26 March 1992, the Bank Council undertook resolutions on changes in the structure of the Management Board (Resolution No. 13/7/92) whereby it accepted the resignations of Andrzej Bodzichowski, Janusz Martyniewicz and Zygmunt Popek (the said persons continue as employees of the Bank and occupy posts of directors of branches of the Bank). It appointed as new members (with effect from 1 April 1992) Brygida Banasiak, Krystyna Janusz, Aleksandra Lesik-Galka and Brunon Bartkiewicz (Resolution No. 14/7/92).

The present Management Board, whose term expires on the day of approval of the 1993 balance sheet, i.e. no later than 31 May 1994, is composed of the following persons:

#### **Marian Rajczyk - President of the Management Board**

Graduate of the Higher School of Economics in Katowice. He holds a doctorate in economics. He has over 40 years of experience in banking. Between the years 1951-1989 he continually held management positions with the National Bank of Poland. A lecturer at the Academy of Economics in Katowice in the years 1974-1980, and a lecturer at the College of Banking in 1990. In 1988, the plenipotentiary to organise Bank Śląski w Katowicach, and the President of this Bank in the years 1989-1991. He has occupied the position of the President of Management Board since 1991, when BSK became a joint-stock company. He has published many studies in the field of economics and banking, *inter alia* "Commercial Banks in Poland" (1992). He also holds the position of a Member of the Supervisory Council of the Warsaw Stock Exchange. He is not engaged in any activity that could compete with the business of BSK S.A. He resides in Częstochowa.

**Krystyna Studenska - Vice-President of the Management Board**  
Graduate of the Silesian University in Katowice; holds an MA in administration. She has 33 years of experience in banking. In the years 1959-1989 she held various independent and managerial positions with the National Bank of Poland. In the years 1989-1991 she was a Vice-President of Bank Śląski. In 1990 she was a lecturer at the Banking College of Academy of Economics in Katowice. She became a Vice-President of the Management Board in 1991, when BSK became a joint-stock company. She is also a Member of the Supervisory Board of the Hard Coal Agency S.A. She is not engaged in any activity that could compete with the business of BSK S.A. She resides in Katowice.

**Stanislaw Nowicki - Vice-President of the Management Board**  
Graduate of the Superior School of Economics in Poznań; holds an MA in economics. He has been employed in banking since 1979. He held the position of the Director of Czechowice-Dziedzice branch of the National Bank of Poland in the years 1980-1988. In the years 1989-1991 he was a Deputy President of Bank Śląski. In 1990 he was a lecturer at the Banking College of Academy of Economics in Katowice. He became a Vice-President of the Management Board in 1991, when BSK became a joint-stock company. He is also a Member of the Supervisory Board of the Śląska Fabryka Kabli S.A. (Silesian Cable Factory) in Czechowice-Dziedzice. He is not engaged in any activity that could compete with the business of BSK S.A. He resides in Czechowice-Dziedzice.

**Brygida Banasiak - Member of the Management Board**  
Graduate of the Academy of Economics in Katowice, holds MA in economics. In the years 1959-1989 she worked in branches of the National Bank of Poland holding independent and managerial positions since 1969. In the years 1989-1991 she was the Head of the Credit Department in Bank Śląski. In 1991, she was a lecturer in banking at the Academy of Economics in Katowice. Since the establishment of BSK S.A. in 1991, she has been responsible for credit activity of the Bank. She is also a Member of the Supervisory Board of Zakłady Przemysłu Cukierniczego "OLZA" S.A. (a confectionery factory). She is not engaged in any activity that could compete with the business of BSK S.A. She resides in Katowice.

**Brunon Bartkiewicz - Member of the Management Board**  
Graduate of the Central School of Planning and Statistics in Warsaw (SGPiS), holds MA in economics. In the years 1986-1989 he worked as an assistant in the Department of Foreign Trade Finance in SGPiS in Warsaw. In the years 1988-1990 he was the Project Manager of the Digital Laboratories International Project in Warsaw. In the years 1990-1991 he was a Vice-President of the Penetrator S.A. company in Cracow. Since 1991 he has been with Bank Śląski, and after its transformation into BSK S.A. he supervised the computerisation and IT activity in the Bank. He is not engaged in any activity that could compete with the business of BSK S.A. He resides in Morawica.

**Krystyna Janusz - Member of the Management Board**  
Graduate of the Academy of Economics in Katowice, holds MA in economics. In banking since 1965. Since 1971 she has been holding various independent and managerial positions. In the years 1985-1989 she was a Deputy Manager of Branch III of the National Bank of Poland in Katowice. In 1990 she was a lecturer at the Banking College of Academy of Economics in Katowice. In the years 1989-1991 she was the Head of the Economics Department in Bank Śląski. Since 1991 she has been the Head of that department in BSK S.A. She is not engaged in any activity that could compete with the business of BSK S.A. She resides in Katowice.

**Aleksandra Lesik-Galka - Member of the Management Board**  
Graduate of the Academy of Economics in Katowice, holds MA in economics. In the years 1969-1980 she taught at the Academy of Economics in Katowice. In banking since 1980, in the years 1980-1989 with the National Bank of Poland. Since 1990 she has been responsible for the international banking activity of Bank Śląski and has continued in that post after its transformation into BSK S.A. She is not engaged in any activity that could compete with the business of BSK S.A. She resides in Bytom.

#### **4. OTHER DETAILS**

In 1992, the overall compensation and bonuses of the members of Bank Council was Zl 322,500,000 and of the Bank Management Board Zl 2,995,640,000.

As at 31 December 1992, the overall value of outstanding loans to members of the Management Board was Zl 153,094,000.

Spouses, children and parents of the members of the Management Board and Bank Council do not conduct business activities, do not hold shares in other business entities and are not members of managing bodies, with the exception of three persons whose activities bear no relation with the activities of BSK S.A. and are in no way in competition with the business of the Bank.

#### **5. NUMBER OF SHARES OF BSK S.A. IN THE POSSESSION OF MEMBERS OF BSK S.A. BANK COUNCIL AND MANAGEMENT BOARD**

As at 31 August 1993, members of the Management Board and the Bank Council did not hold any Shares of BSK S.A.

Members of the Management Board are entitled to purchase Shares on preferential terms within the BSK S.A. employee offer, as described in paragraph 19, Part II of this Prospectus.

## PART V

# INFORMATION ON THE ACTIVITIES OF THE BANK

Bank Śląski, its legal successor being Bank Śląski Spółka Akcyjna w Katowicach, was established on 1 February 1989 as part of the reorganisation of the NBP on the basis of a decree of the Council of Ministers dated 11 April 1988. Bank Śląski took over the 36 branches of the NBP in seven Voivodships (Provinces) together with their banking activity, premises and staff. At the moment of its establishment the capital funds of the Bank were Zł 36 billion.

Since the establishment of the Bank, 19 new organisational units have been opened including nine new branches and the Brokerage House. Bank Śląski S.A. currently operates a network of 52 organisational units comprising 45 branches located in nine Voivodships.

The Bank has the status of a commercial bank and is licensed to conduct all types of banking operation and related business in Poland and abroad. In an attempt to meet its clients' requirements as well as to develop its customer base, the Bank is developing its range of activity. Newly introduced services such as foreign exchange operations <sup>(2)</sup> and securities trading illustrate this. However, traditional intermediation operations in Złoty remain the main activity of the Bank and generate most of its net income.

The lending activity of the Bank is still dominated by large state-owned enterprises. However, BSK S.A. has undertaken effective actions in order to shift structure of its credit portfolio in favour of private business entities.

In order to cope with the expansion of its network and its present and planned range of activities, the staff of the Bank has grown from 2,395 in February 1989 to 4,231 persons at the end of 1992.

## 1. ACTIVITY OF THE BANK

### 1.1 Source of funds

As at 31 December 1992, the liabilities used by the Bank to finance its activity were mainly made up of deposits from customers and local budgetary units (64.8%), deposits from the NBP for financing central investment projects (7.7%), and of equity funds and retained earnings (11.6%).

Bank Śląski S.A. is not going to draw on the funds for recapitalisation of banks as described in Chapter 5 of the Act of 3 February 1993, the Law on Enterprise and Bank Financial Restructuring and Changes to Certain Acts of Law (J.L. No. 18, item 82).

Table 3. Structure of deposits by currency

Deposits	1990		1991		1992		91/90 %	92/91 %
	Zł billion	%	Zł billion	%	Zł billion	%		
Złoty	6,611.6	74.9	10,312.2	80.2	13,851.6	76.4	+55.9	+34.3
Foreign Currency	2,215.2	25.1	2,546.8	19.8	4,267.7	23.6	+14.9	+67.6
TOTAL	8,826.8	100.0	12,859.0	100.0	18,119.3	100.0	+45.7	+40.9

<sup>(2)</sup> Bank Śląski S.A. w Katowicach is a licensed foreign exchange bank, as defined in art. 24. of the Foreign Exchange Law.

### 1.2 Deposits

The deposits from customers and local authorities' units have gone up by 105.2% in two years.

These deposits have been collected from corporations, individuals, local authorities' units and financial institutions, other than the NBP.

In the course of 1992, the share of deposits from state-owned enterprises, local authorities' units and financial institutions dropped by 5 percentage points, whereas the volume of deposits collected from private entities (individuals and firms) grew significantly by 72%.

As a result, over the last two years, the number of deposit accounts has increased by 55% and the number of term deposits has nearly doubled.

As at 31 December 1992, sight deposits amounted only to 40.5% of the total deposits lodged by customers in the Bank, compared to 50% as at the end of 1990.

The structure of deposits in Złoty is one of the main factors influencing the profitability of the Bank. There is currently a wide spread between the interest rates paid to sight depositors and the interest rates paid to term depositors, as evidenced in the following table:

The amount of both Złoty and foreign currency deposits has been rising steadily over the past two years.

In this respect, the services of the Bank were enhanced and broadened when in 1992 it has commenced offering to its customers certificates of deposit for either one, two or three months and with a face value of either Zł 1 million, 5 million, 10 million or 50 million. Before, the Bank had not collected term deposits for less than three months. Moreover, each certificate bears a fixed interest rate for the whole life of the certificate.

As at the end of 1992, certificates of deposit issued amounted to Zł 96.9 billion.

### 1.3 Use of funds

Credits to customers, including the capitalised interest, amounted to Zł 11,797.1 billion as at 31 December 1992 or 42.6% of total assets. The remaining assets comprised stocks and bonds (25.8%, including 18.5% in treasury bills), loans to banks (6.5%), fixed assets and capital investments (2.7%), cash, obligatory reserves and accounts with the NBP (15.6%), and other assets (6.8%).

Table 4. Structure of deposits by type of entity

Type of entity (*)	31.12.1991		31.12.1992		92/91
	Zł billion	%	Zł billion	%	
State-owned companies	3,691.5	29.4	4,325.7	24.4	+17.2
Local authorities	2,136.8	17.0	2,022.5	11.4	-5.3
Other (**)	344.9	2.7	412.4	2.3	+19.6
Private	6,392.0	50.9	11,002.3	61.9	+72.1
private firms	524.6	4.2	949.8	5.3	+81.0
single partnership	269.1	2.1	332.9	1.9	+23.7
individuals	5,598.3	44.6	9,719.6	54.7	+73.6
TOTAL	12,565.2	100.0	17,762.9	100.0	+41.4

(\*) Excluding deposits from banks and other financial institutions

(\*\*) Trade unions, associations, foundations, etc.

Table 5. Number of deposit accounts

Type of account	31.12.1990		31.12.1991		31.12.1992		91/90	92/91
	Number	%	Number	%	Number	%		
Sight deposits	245,754	49.7	241,165	38.5	279,890	36.6	-1.9	+16.1
Term deposits	248,154	50.3	385,984	61.5	484,640	63.4	+55.5	+25.6
TOTAL	493,908	100.0	627,149	100.0	764,530	100.0	+27.0	+21.9

Table 6. Structure of deposits by maturity

Type of account	31.12.1990		31.12.1991		31.12.1992		91/90	92/91
	Zł billion	%	Zł billion	%	Zł billion	%		
Sight deposits	4,215.1	50.0	5,946.0	47.3	7,210.6	40.5	+41.1	+21.3
Term deposits	4,217.3	50.0	6,621.1	52.7	10,622.2	59.5	+57.0	+60.4
TOTAL (*)	8,432.4	100.0	12,567.1	100.0	17,832.8	100.0	+49.0	+41.9

(\*) Certificates of deposit excluded.

Table 7. Interest rates for deposits as at 30 June 1993

Type of deposit	Rate of interest serviced to the customers	Rate of compulsory reserves (*)	Net cost of deposits
Sight deposits	16.0%	23.0%	20.8%
individuals	6.0%	23.0%	7.8%
corporations			
Term deposits			
3 months	30.0%	10.0%	33.3%
6 months	34.0%	10.0%	37.8%
1 year	38.0%	10.0%	42.2%
2 years	40.0%	10.0%	44.4%

(\*) Compulsory reserves are kept on a non interest bearing account with the NBP and as cash at hand.

#### 1.4 Loans to customers

The loan portfolio as at 31 December 1992 may be broken down as follows per currency of denomination:

Zloty loans	92.7%
Foreign currency loans	2.1%
Zloty loans indexed on a foreign currency rate of exchange	5.2%

The Bank grants the following three types of credits to commercial entities:

- short term loans and discount of promissory notes for financing the current needs of the borrowers;
- overdrafts, only authorised for good customers with temporary and periodic needs for cash;
- investment loans for financing the purchase in Poland and abroad of machinery and equipment related to the implementation of new investment projects or modernisation of existing production facilities.

When clients are implementing development projects aiming at improving their effectiveness, the Bank may provide them with foreign currency loans. These are funded either with the foreign currency resources of the Bank or with funds drawn from credit lines made available to the Bank by foreign institutions.

When customers export a significant portion of their sales, the Bank may extend Zloty loans to them, the repayment of which is indexed on a foreign currency rate. The interest rate charged is then similar to the rate applicable to a credit in the given currency; the interest amount is payable in Zloty indexed on the foreign currency rate.

The Bank also extends hire purchase credits, pawn loans and mortgage

loans, notably to individuals.

As at 31 December 1992, 36.9% of the loan portfolio consisted of about 100 long term investment loans comprising mainly:

- 11 loans for central investment projects guaranteed by the State Treasury and granted to state-owned enterprises;
- 79 loans for restructuring the agro-industry (dairy sector), the repayment of which is guaranteed by the Ministry of Agriculture and Food Economy as to 60% of their principal amount plus the corresponding interest amount.

As investment loans are usually long term commitments, their repayment is normally guaranteed by the State or fully secured by appropriate collateral, such as real estate mortgages, chattel mortgages on equipment, deposit pledges and the assignment of debtors from trustworthy clients.

The total of investment loans explains the fact that a portion of the loan portfolio has a maturity exceeding five years (see financial data in Part VII of the Prospectus).

The other loans cover mainly short term credits, which are appropriately secured.

The central investment loans yield 4% above the NBP refinancing rates, while the interest rate applied to other loans are negotiated between the Bank and the customers. They have decreased until now in line with the NBP rate.

The loans to customers have gone up by 62.6% over the last two years. Such growth is due to:

- the rapid increase of the volume of credits to the private sector in

**Table 8. The share of investments loans in the loan portfolio**

Loans	31.12.1990		31.12.1991		31.12.1992		91/90 %	92/91 %
	Zl billion	%	Zl billion	%	Zl billion	%		
Central investment loans secured by the State	1,040.6 841.7	14.6	1,662.0 1,612.6	16.4	2,369.5 2,328.9	20.4	+59.7	+42.6
Other investment loans	358.3	5.0	1,994.1	19.6	1,914.3	16.5	+456.5	-4.0
Total investment loans	1,398.9	19.6	3,656.1	36.0	4,283.8	36.9	+161.4	+17.2
Other loans	5,743.6	80.4	6,508.5	64.0	7,326.4	63.1	+13.3	+12.6
TOTAL LOANS (*)	7,142.5	100.0	10,164.6	100.0	11,610.2	100.0	+42.3	+14.2

(\*) These figures include notably the bills discounted and the Bank's share in syndicated loans led by other banks.

**Table 9. Structure of loans by sector**

Sectors	31.12.1990		31.12.1991		31.12.1992		91/90 %	92/91 %
	Number	Value in Zl billion	Number	Value in Zl billion	Number	Value in Zl billion		
Public sector	774.0	6,750.5	444.0	8,791.3	371.0	9,698.1	+30.2	+10.3
Private sector	4,726.0	392.0	7,565.0	1,373.5	10,339.0	1,912.1	+250.4	+39.2
TOTAL	5,500.0	7,142.5	8,009.0	10,164.8	10,710.0	11,610.2	+42.3	+14.2

the two years (371.6%);

- the increase of 44.5% in the amount of loans to the public sector, mainly for financing the investments of state-owned enterprises.

The number of loans to private customers has more than doubled in two years while the number of credits to state-owned enterprises has dropped by 52%.

In the meantime, the list of borrowers has changed dramatically. For instance, in 1992, 96 state-owned enterprises and 7,308 private firms and individuals were granted new credits whereas 150 state-owned enterprises and 4,553 private firms and individuals fully repaid their loans and did not ask for any new money.

Nevertheless, as at 31 December 1992, 356 customers were still benefiting from 92.8% of the outstanding loans to customers.

As at the 31 December 1992, the aggregate amount of loans to the seven biggest customers and of guarantees issued on their behalf (with individual exposures of Zl 100 billion and more) rose to 22% of the total exposure of the Bank towards its customers, local authorities' units included.

As at 31 December 1992, the total outstanding commitments towards customers which were regarded by the Bank as the isolated portfolio of bad debts currently under restructuring amounted to Zl 2,192 billion (guarantees of Zl 259 billion included).

#### 1.5 Domestic and foreign guarantees

The Bank also issues guarantees and bonds on behalf of selected clients. The fee charged to issue such guarantees is usually lower than the interest margin charged for a loan to the same customer, although

the risks incurred are the same in both cases.

The outstanding guarantees as at 31 December 1992 amounted to Zl1,445.2 billion and included guarantees denominated in foreign currency in the aggregate amount of Zl 951.1 billion. These amounts had grown in one year by respectively 42.9% and 30.4%. The number of guarantee agreements had increased from 130 at the end of 1991 to 214 at the end of 1992.

#### 1.6 Securities other than shares

Since the Bank collects deposits in the amount exceeding the volume of credit it may safely extend to its customers, the Bank has developed its money market activities in order to place its excess liquidity in Zloty and in foreign currencies.

The Bank is investing in State Treasury bills and State Treasury bonds purchased at the auctions arranged by the National Bank of Poland.

As at 31 December 1992, the Bank held fixed rate treasury bills and certificates of deposits an aggregate amount of Zl 5,162.9 billion (at purchase price) compared to Zl 1,571 billion as at 31 December 1991, and State Treasury bonds in an aggregate amount of Zl 420.9 billion.

#### 1.7 Money market

The average amount of loans to domestic banks come out at Zl 204.2 billion in 1990, Zl 0.416 billion in 1991 and Zl 86.4 billion in 1992. Whereas the average life of transactions in 1990 and 1991 was longer, it became shorter during the second half of 1992 when the Bank became active on the inter-bank market. During the second half of 1992, the Bank entered into 141 transactions for an average life of 8 days versus 493 deals of shorter tenor between 1 January 1993 and 30 June 1993 (3 days being the average tenor).

Table 10. Securities other than shares

Zl thousand

Type of security	Date	Nominal value of bills	Purchase price of bills	Profit before tax	Accrued interest income
the NBP bills	31.12.1990	50,000,000	48,250,000	89,179,610 (*)	1,750,000
the NBP bills	31.12.1991	600,000,000	566,460,000	90,569,707 (*)	33,540,000
State Treasury bills		1,050,000,000	1,005,020,000	110,130,700 (*)	44,980,000
	Total 1st half-year 2nd half-year	1,650,000,000	1,571,480,000 57,073,000 143,628,000	200,700,407 (*)	78,520,000
the NBP bonds denominated in USS		1,331,300,000	1,331,300,000		
State Treasury bills	31.12.1992	6,057,100,000	5,122,914,060 without tax	1,757,051,750 83,227,500	934,185,940
NBP bonds denominated in USS		1,490,000,000	1,490,000,000		
State Treasury bonds		420,900,000	417,666,000	7,242,000	
PBR S.A. certificates of deposit		40,000,000	40,000,000		

(\*) Until 31 December 1991, income on State Treasury bills was not taxable. Beginning 1 January 1992, all income from State Treasury bill purchased after that date is taxable.

The Bank has also extensively increased the volume of its loans in foreign currency to foreign banks, to PKO S.A. and to Bank Handlowy S.A. w Warszawie. Those amounted to Zł 1,513.7 billion as at 31 December 1992. Meanwhile, the number of transactions rose to 852 between 1 January 1993 and 31 May 1993, versus 347 in 1992 and only 48 in 1991. These transactions have been mostly concluded with seven banks:

- Bank Handlowy w Warszawie S.A. London Branch
- Bank Handlowy International S.A. Luxembourg
- Bank Handlowy International S.A. Luxembourg Belgian Branch
- Berliner Bank A.G. London Branch
- Berliner Handels-und-Frankfurter Bank London Branch
- Svenska Handelsbanken Stockholm
- PKO S.A. Paris Branch

### 1.8 International activities

In 1990, the Bank has set up an international division. After transformation of BSK S.A. into a joint-stock company, the unit became the international department, which has built up a network of correspondent banking comprising (at 30 June 1993) 68 foreign banks located in 15 different countries. This network allowed the Bank to progressively develop documentary credit operations and money transfers to and from foreign countries.

During the past two years, the international department opened 199 import documentary credits for an aggregate amount of about US\$ 30 million, and processed in 44 export documentary credits for an aggregate amount of about US\$ 7 million. The Bank performed an average of 100 documentary collections per annum.

The value of a single import collection varied from DEM 215 to US\$ 1 million and the value of a single export collection varied from US\$2,500 to DEM 160,000.

In addition, the international department processed an average of 1,600 payment orders per month in 1992. In the course of the first six months of 1993, a total of 20,294 payment orders were processed.

### 1.9 Brokerage House

The BSK S.A. Brokerage House is a separate unit within the Bank, with its own organisation and accounting system. This unit comprises a head office in Katowice, an operating unit in Warsaw with a seat on the WSE and 46 receiving centres in the branches of the Bank.

The Bank has been a member of the WSE since its inception and is currently operating one of the largest brokerage houses in Poland. The BSK S.A. Brokerage House employs 19 licensed brokers and maintains 10,000 customer accounts throughout the country. It carries out over 15% of the total amount of transactions on the WSE and is the specialist for six companies listed on the stock exchange, setting prices and performing intervention transactions to improve liquidity on the market. Being a member of the National Securities Depository, the brokerage house represents brokerage firms which are not members of the stock exchange in the National Securities Depository and in respect of the WSE.

The BSK S.A. Brokerage House also plays a significant role on the primary market: it introduces securities into public trading as either a lead manager or a member of the consortium set up for the purpose.

In addition, the brokerage house sells units of "Pioneer", The First Polish Mutual Fund, through the network of the Bank.

Finally, the BSK S.A. Brokerage House trades the unquoted State Treasury bonds of the II issue either on behalf of its customers or for the Banks account.

## 2. AGREEMENTS IMPORTANT TO THE ACTIVITY OF THE BANK

The following agreements have major importance to the activity of Bank:

- The agreement signed with the NBP on refinance credit. The agreement is renewed annually on the basis of the budget law; contracted on 23 March 1993, it is in the amount of Zł 2,552 billion and serves to finance central investments and connected investments;
- The agreement with the the NBP signed on 8 June 1993 relating to BSK S.A. being a dealer on the money market;
- The agreement with the NBP signed on 28 May 1991 relating to the NBP taking over the financial debt of the state budget resulting from exchange differences during the years 1989-1990;
- The credit agreement contracted with the Ministry of Agriculture and Food Economy in 1991: the credit line amounts to Zł 224 billion. Preference is given to customers involved in the development of production and processing in the dairy sector;
- The agreement signed on 12 October 1992 with FSM S.A. in Bielsko-Biala at the amount of ECU 61 million. The agreement regulates the debt of FSM S.A. which will become a part of Fiat Auto-Poland S.A. as soon as the agreement between the State Treasury, FSM S.A. and Fiat-Auto S.p.a. comes into force;
- The guarantee agreement contracted on 12 October 1992 with the Minister of Finance. The agreement secures the BSK S.A. exposure amounting to Zł 183 billion resulting from the fact that BSK S.A. participates in a bank syndicate financing the development of FSM S.A. The agreement will be come binding at the moment the agreement between the State Treasury, FSM S.A. and Fiat-Auto S.p.a. comes into force, and expires on 31 December 1996;
- The agreement signed on 6 September 1990 with the NBP which provides the customers of the Bank with the proceeds of two credit lines opened in favour of the NBP by the IBRD (The World Bank). The first one in the aggregate amount of US\$ 260 million is for financing the "industrial exports", the second one in the aggregate amount of US\$ 100 million for financing the "export of food and agricultural products";
- The agreement signed on 16 April 1990 with Bank Handlowy International S.A. Luxembourg, in pursuance of which a credit line of US\$ 5 million has been granted for 4 years in order to finance various trade and investment projects of the Bank customers;
- The agreement of membership with Visa International signed on 17 June 1991 providing the Bank with the status of a Principal member;
- The agreement with IBM Eastern Europe, signed on 25 January 1993 relating to the supply of computer equipment, installation services, staff training, repairs and other services. This agreement replaces the contract SIP 001 concluded with IBM World Trade in November 1990;
- The license agreement signed on 28 January 1993 with FISERV Ltd. regarding the purchase of a license of banking software;
- The agreement signed on 28 April 1992 with IDOM Consultants S.A. on consultancy support in implementation of a computer system.

## 3. PRINCIPAL CLIENTS OF THE BANK

The Bank has provided its credits mainly to state-owned enterprises. As at 31 December 1992, loans extended to that sector accounted for over



80% of the loan portfolio. The principal clients of the Bank are:

- chemical sector: Nitrogen Plant in Kędzierzyn-Koźle, Nitrogen Plant in Tarnów, ZTS "Krywald-Erg" in Knurów, Silesian Refinery S.A. in Czechowice-Dziedzice, ZFiL "Polifarb" S.A.;
- coal mining sector: KWK "Krupiński", KWK "Pniówek", KWK "Morcinek";
- steel sector: iron and steel mills of the Silesian region entered in the government restructuring programme for that sector, e.g. "Katowice", "Zawiercie", "Florian", "Baildon".

The principal clients of the private sector are enterprises of the agro-industry sector, *inter alia* dairy co-operatives of Rypin, Włocławek, owicz, Kraków and Nowy Sącz and meat plants, e.g. "Rapid" S.c. in Tarnów. The Bank operations in the private sector further include construction (e.g. "Exbud" S.A. in Kielce) and retail trade (e.g. PSS "Spolem" in Tychy, "Leta" S.c. in Wodzisław) as significant clients.

#### 4. DATA ON REAL ESTATE HELD BY BSK S.A. AS THE OWNER OR THE PERPETUAL USUFRUCTER

##### 4.1 Branches of the Bank

- Będzin, ul. Saczewska 12

Pursuant to a purchase-sale contract, concluded in the form of a notarial act, Repertory A No.1701/92, of 2 July 1992, BSK S.A. has acquired the ownership right to 16/17 of a plot of land in the total area of 946 square meters and the ownership right to 16/17 of a building of the total area of 1682 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 26489. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 21 June 1993).

- Bielsko-Biała, Pl. Chrobrego 1

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod (Governor) of Bielsko-Biała, in the decision No. GG.I-7227/90/91 of 12 August 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 628 square meters and the ownership right to a building of the total area of 1600 square meters, located thereon.

- Bytom, ul. Strzelców Bytomskich 1

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/627a/91, of October 6, 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1596 square meters and the ownership right to a building of the total area of 2162 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 56. There are no entries in Chapters III and IV thereof (the legal status as of 1 March 1993).

- Cieszyn, ul. Mennicza 1

Pursuant to Art. 2 of the Act of 29 September, 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Bielsko-Biała, in the decision No. GG.I-7227/49/91-93 of 9 March 1993, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1000 square meters and the ownership right to a building of the total area of 2969 square meters, located thereon.

- Czechowice-Dziedzice, ul. Niepodległości 10

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/5/92, of June 15, 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1033 square meters and the ownership right to a building of the total area of

1142 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 1152. There are no entries in Chapters III and IV thereof (the legal status as of 26 February 1993).

- Czeladź, ul. Rynek 2

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No.2534/92, of 4 August 1992, BSK S.A. has acquired the right of perpetual usufruct to a plot of land in the total area of 612 square meters and the ownership right to the building of the total area of 260 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW No. 21643 (the legal status as of 4 August 1992).

- Częstochowa, al. NMP 34

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Częstochowa, in the decision No. GKG-IV-7227/201/91 of 25 August 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 3103 square meters and the ownership right to a building of the total area of 2460 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW No. 2522 (the legal status as of 3 March 1993).

- Dąbrowa Górnicza, ul. 3 Maja 1

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/748/2/91, of 14 April 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 814 square meters and the ownership right to a building of the total area of 1615 square meters, located thereon.

- Gliwice, ul. Górnych Wałów (Branch No. 1)

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/627c/91, of 6 October 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1412 square meters and the ownership right to a building of the total area of 1729 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 12246. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 22 March 1993).

- Gliwice, ul. Zwycięstwa 28 (Branch No. 3)

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/2/92, of 29 June 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1435 square meters and the ownership right to a building of the total area of 3330 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 3201. There are no entries in Chapters III and IV thereof (the legal status as of 10 March 1993).

- Jaworzno, ul. Narutowicza 1a

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/634d/91, of 8 May 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 2514 square meters and the ownership right to a building of the total area of 1346 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 8564. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 10 May 1993).

- Katowice, ul. Warszawska 14 (The Head Office)

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the

Voivod of Katowice, in the decision No. G.II-5/8224/517/91, of 2 September 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1374 square meters and the ownership right to a building of the total area of 1321 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW Katowice register no. 1594, volume 48 (the legal status as of 1 March 1993).

- Katowice, ul. Mickiewicza 3, (Branch No. 7)  
ul. Piotra Skargi 2 (Branch No. 1)  
ul. Mickiewicza 3a (The BSK S.A. Brokerage House)

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/1099/91, of 28 April 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1747 square meters and the ownership right to a building of the total area of 6842 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Registers: KW Katowice register no. 1745, volume 53 and KW Katowice register no. 1750, volume 53 (the legal status as of 1 March 1993).

- Kielce, ul. Staszica 3

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Kielce, in the decision No. GP.VII-72240/3/92, of 15 January 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 638 square meters and the ownership right to a building of the total area of 937 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 3543. There are no entries in Chapters III and IV thereof (the legal status as of 5 March 1993).

- Krapkowice, ul. 1 Maja 2

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Opole, in the decision No. G.IV-7242-325/91, of 23 March 1992, decreed the acquisition by BSK S.A., as of December 5, 1990, of the right of perpetual usufruct of a plot of land in the total area of 1390 square meters and the ownership right to a building of the total area of 771 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 36286. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 29 March 1993).

- Krynica, ul. Leśna 10

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Nowy Sącz, in the decision No. GKG.III-7224-100/93, of 26 February 1993, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 2743 square meters and the ownership right to a building of the total area of 1432 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Registers: KW No. 5905 and KW No. 6480 (the legal status as of 4 March 1993).

- Legionowo, ul. Handlowa 14

Pursuant to a purchase-sale contract, concluded in the form of a notarial act, Repertory A No.266/93, of 22 January 1993, BSK S.A. has acquired the right of perpetual co-usufruct /in 23.2%/ of a plot of land in the total area of 1224 square meters and the ownership right to premises of the total area of 515 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 38319. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 22 April 1993).

- Lubliniec, ul. Plebiscytowa 2

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Częstochowa, in the decision No. GKG-IV-7224/157/91 of 14 February 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 589 square meters and the ownership right to buildings

of the total area of 1086 square meters, located thereon. Chapter III of the Real Estate Register KW No. 1165 includes an entry on an encumbrance on behalf of KW Dom Lublinieć WL 227, there are no entries in Chapter IV thereof (the legal status as of 26 February 1993).

- Myszków, ul. M. Fornalskiej 12

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Częstochowa, in the decision No. GKG-IV-7224/218/91 of 12 May 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 674 square meters and the ownership right to buildings of the total area of 630 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 35105. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 28 May 1993).

- Nysa, ul. Piastowska 33

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Opole, in the decision No. G.IV-7242-85/92, of 24 July 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 2158 square meters and the ownership right to a building of the total area of 2132 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 32638. There are no entries in Chapters III and IV thereof (the legal status as of 16 March 1993).

- Nysa, ul. Prudnicka 9

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Opole, in the decision No. G.IV-7242-85/92, of 24 July 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 698 square meters and the ownership right to a building of the total area of 2162 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 20380. There are no entries in Chapters III and IV thereof (the legal status as of 16 March 1993).

- Olesno, ul. Powstańców Śląskich 6

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Częstochowa, in the decision No. GKG-IV-7224/95/91, of 30 July 1991, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1958 square meters and the ownership right to a building of the total area of 487 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 7708. There are no entries in Chapters III and IV thereof (the legal status as of 23 January 1992).

- Olkusz, ul. Króla Kazimierza Wielkiego 21

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/634c/91, of 16 March 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1865 square meters and the ownership right to a building of the total area of 1595 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 28346. There are no entries in Chapters III and IV thereof (the legal status as of 17 March 1993).

- Piekary Śląskie, ul. Bytomska 88

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/634b/91, of 2 October 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1596 square meters and the ownership right to a building of the total area of 830 square meters, located thereon. There are no entries in

Chapters III and IV of the Real Estate Register KW No. 38452 (the legal status as of 28 June 1990).

- Pinczów, ul. Klasztorna 4

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Kielce, in the decision No. GP.VII-72240/4/92, of 23 June 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1060 square meters and the ownership right to a building of the total area of 1167 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 8210. There are no entries in Chapters III and IV thereof (the legal status as of 22 September 1992).

- Pszczyna, ul. Bankowa 1

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/748/1/91, of 26 February 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 614 square meters and the ownership right to a building of the total area of 1666 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 1063. There are no entries in Chapters III and IV thereof (the legal status as of 1 March 1993).

- Praszka, ul. Styczniowa 13

Pursuant to a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 811/91, of 6 June 1991, BSK S.A. has acquired the right of perpetual usufruct of 18% of a plot of land in the total area of 3920 square meters and the ownership right to premises of the total area of 734 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 27999. There are no entries in Chapters III and IV thereof (the legal status as of 6 September 1991).

- Racibórz, ul. Sienkiewicza 2

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), BSK S.A. has acquired the right of perpetual usufruct of 37.6% of a plot of land in the total area of 2304 square meters and the ownership right to premises of the total area of 1415 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW No. 29175 (the legal status as of 6 January 1992).

As of the date of drawing up of this Prospectus, the appropriate Voivod has not issued a pertinent decision.

- Ruda Śląska, ul. Wolności 4

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 601 square meters and the ownership right to a building of the total area of 376 square meters, located thereon.

As of the date of drawing up of this Prospectus, the appropriate Voivod has not issued a pertinent decision.

- Rybnik, ul. Wieniawskiego 3

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/420a/91, of 16 March 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 809 square meters and the ownership right to a building of the total area of 789 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 113286. Chapter III thereof includes an entry on the right to a road, there are no entries in Chapter IV thereof (the legal status as of 21 April 1993).

Furthermore, pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79,

Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/420/91, of 16 March 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of 75% of a plot of land in the total area of 642 square meters and the ownership right to 75% of a building of the total area of 1424 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 114135. There are no entries in Chapters III and IV thereof (the legal status as of 21 April 1993).

- Sosnowiec, ul. Małachowskiego 7

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/627b/91, of 6 October 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 3479 square meters and the ownership right to a building of the total area of 2194 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 1099. There are no entries in Chapters III and IV thereof (the legal status as of 1 March 1993).

- Starachowice, ul. Krzosa 4

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Kielce, in the decision No. GP.VII-7224/383/91-92, of 15 May 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 5200 square meters and the ownership right to a building of the total area of 2666 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 713. There are no entries in Chapters III and IV thereof (the legal status as of 26 March 1993).

- Tarnowskie Góry, ul. Sobieskiego 3

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/1271/91, of 10 April 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 4264 square meters and the ownership right to buildings of the total area of 2047 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW No. 19349 (the legal status as of 17 July 1992).

- Tychy, ul. Niepodległości 55

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II/8224/634a/91, of 18 June 1993, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 3153 square meters and the ownership right to a building of the total area of 3302 square meters, located thereon. Chapter IV of the Real Estate Register KW No. 48037 contains no entries. There is entry of the right of management for the benefit of Bank Śląski w Katowicach in Chapter III thereof.

- Ustroń, ul. Daszyńskiego 6

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Bielsko-Biała, in the decision No. GG.I-7227/293/91 of 26 May 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 1415 square meters and the ownership right to a building of the total area of 1063 square meters, located thereon.

- Wadowice, Rynek 19

Pursuant to a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 3160/92, of 30 July 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 406 square meters and the ownership right to the building of the total area of 484 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 48164 (the legal status as of 30 July 1992).

- Wisła, ul. 22 lipca 12

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Bielsko-Biala, in the decision No. GG.I-7227/284/91 of February 13, 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 3359 square meters and the ownership right to a building of the total area of 1610 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW No. 35609 (the legal status as of 30 March 1993).

- Wrocław, ul. św. Katarzyny 16

Pursuant to a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 4710/91, of 10 June 1991, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 1442 square meters and the ownership right to the building of the total area of 2060 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 44760. There are no entries in Chapters III and IV thereof (the legal status as of 8 January 1992).

- Zakopane, ul. Piaseckiego 28

BSK S.A. has a cooperative ownership right to commercial premises, intended for banking purposes, of the total area of 189 square meters.

As of the date of drawing up this Prospectus, there was no Real Estate Register for this real property.

- Zawiercie, ul. Leśna 6

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Katowice, in the decision No. G.II-5/8224/748/3/91, of 15 June 1992, decreed the acquisition by BSK S.A., as of 5 December 1990, of the right of perpetual usufruct of a plot of land in the total area of 3517 square meters and the ownership right to buildings of the total area of 1520 square meters located thereon, which has been confirmed by the entry in Chapter II of the Real Estate Register KW No. 23740. There are no entries in Chapters III and IV of this Real Estate Register (the legal status as of 30 March 1993).

#### **4.2 Other real estate which is the property of the Bank or land on which the right of perpetual usufruct by the Bank has been established**

Cieszyn, a building lot consisting of two plots:

1) ul. Bielska 27

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), BSK S.A. has acquired the right of perpetual usufruct of a plot of land of the total area of 845 square meters.

As of the date of drawing up of this Prospectus, the appropriate Voivod has not issued a pertinent decision.

2) ul. Bielska 29

Pursuant to a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 10683/1990, of 13 November 1990, BSK S.A. has acquired the ownership right to a plot of land of the total area of 939 square meters and to the building of the total area of 167 square meters, located thereon.

- Czechowice-Dziedzice, ul. Niepodległości 10

Pursuant to purchase-sale contracts, concluded in the form of notarial acts, Repertory A No. 1088/90, of 7 May 1990 and Repertory A No. 3363/90, of 12 October 1990, BSK S.A. has acquired the ownership right to a plot of land in the total area of 3434 square meters and to the building located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 740. There are no entries in Chapters III and IV thereof (the legal status as of 3 March 1993).

- Częstochowa, ul. Jana Pawła II 112

Based on purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 1760/91, of 30 July 1991, BSK S.A. has acquired

the ownership right to a plot of land in the total area of 861 square meters, which was certified by registration in Chapter II of the Real Estate Register KW No. 4348. There are no entries in Chapters III and IV thereof (the legal status as of 29 August 1991).

- Katowice, ul. Dworcowa 5/7

Based on the purchase-sale contract concluded in the form of a notarial act, Repertory A No. 378/93, of 1 July 1993, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 1955 square meters and the ownership right of a building of the total area of 6423 square meters, located thereon. There are no entries in Chapters IV of the Real Estate Registers KW No. 28970 and KW No. 28981. Chapters III of these Real Estate Registers contain the limitations in the form of prohibition of sale or encumbrance of the real estate in question without a consent of the supervisory authority of the Society FENIKS. According to the statement of the previous owner this entry is without merit.

- Kędzierzyn Koźle, ul. Piastowska 14

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 6232/1992, of July 7, 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 4367 square meters and the ownership right to a building of the total capacity of 4402 cubic meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 32104. There are no entries in Chapters III and IV thereof (the legal status as of 26 February 1993).

- Kęty, ul. Różana 2

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 3160/1992, of 3 July 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 248 square meters and the ownership right to a building of the total area of 302.5 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 8220 (the legal status as of 21 September 1992).

- Kielce - a lot on which a bank building is under construction, consisting of four plots of land:

1) ul. Piotrkowska 8

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 615 square meters.

As of the date of drawing up of this Prospectus, the appropriate Voivod has not issued a pertinent decision.

2) ul. Piotrkowska 10

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 14807/90, of 31 July 1990, BSK S.A. has acquired the ownership right to a plot of land in the total area of 494 square meters, which was certified by registration in Chapter II of the Real Estate Register KW No. 14813. Chapter III thereof includes an entry on the right to pass through the plot 57/2 held by the owner of the plot 57/1. There are no entries in Chapter IV thereof (the legal status as of 5 March 1993).

3) ul. Piotrkowska 12

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 310 square meters.

As of the date of drawing up of this Prospectus, the appropriate Voivod has not issued a pertinent decision.

4) ul. Siłnicza 24

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 13289/91, of 25 September 1991, BSK S.A. has acquired the ownership right to a plot of land in the total area of 435 square meters, which was certified by registration in Chapter II of the

Real Estate Register KW No. 15750. There are no entries in Chapters III and IV thereof (the legal status as of 5 March 1993).

- Kraków, ul. św. Tomasza 20

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 2710/91, of 18 September 1991, BSK S.A. has acquired the ownership right to a plot of land in the total area of 527 square meters and to the building, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 5520. Chapter III thereof includes an entry on registration of the building in the Register of Cultural Heritage of Kraków. There are no entries in Chapter IV thereof (the legal status as of 27 July 1993).

- Krosno, ul. Rynek 8

Based on a purchase-sale contract concluded in the form of a notarial act, Repertory A No. 1345/93 of 27 May 1993, BSK S.A. has acquired the right of ownership of a plot of land in the total area of 684 square meters and the right of ownership of a building of the total area of 1105 square meters, located thereon. There are no entries in Chapters III and IV of the Real Estate Register KW No. 60387.

- Lubliniec, ul. Powstańców 4

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 3510/1992, of 12 November 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 264 square meters and the ownership right to the building, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 35543. There are no entries in Chapters III and IV thereof (the legal status as of 26 February 1993).

- Łódź, ul. Srebrna 32

Pursuant to Art. 2 of the Act of 29 September 1990 on the Amendments to the Real Estate and Expropriation Law (J.L. No. 79, Item 464), the Voivod of Lodz, in the decision No. GP/G.III-8224/2/330/91, of 26 March 1992, decreed the acquisition by BSK S.A., as of December 5, 1990, of the right of perpetual usufruct of a plot of land in the total area of 2103 square meters and the ownership right to the building, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 81735. There are no entries in Chapters III and IV thereof (the legal status as of 24 June 1992).

- Mikołów, ul. Karola Miarki

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 786/92, of 30 January 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 1628 square meters.

- Nowy Sącz, ul. Sobieskiego 24

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 9301/91, of 17 July 1991, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 1817 square meters and the ownership right to the building, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 29215. There are no entries in Chapters III and IV thereof (the legal status as of 17 December 1991).

- Olesno, ul. Reymonta 1

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 632/92, of 30 June 1992, BSK S.A. has acquired the right of perpetual usufruct of 70% of a plot of land in the total area of 574 square meters and the ownership right to 70% the building of the total area of 1320 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 28261. There are no entries in Chapters III and IV thereof (the legal status as of 13 January 1993).

- Przemyśl, ul. Dworskiego 43

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 2256/91, of 15 November 1991, BSK S.A. has acquired the ownership right to a plot of land in the total area of 2055 square meters and the ownership right to the building of the total area of 998 square meters, located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 50671.

There are no entries in Chapters III and IV thereof (the legal status as of 4 March 1993).

- Ruda Śląska, ul. Kolistka

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 361/92, of 13 March 1992, BSK S.A. has acquired the ownership right to a plot of land in the total area of 4120 square meters. There are no entries in Chapters III and IV of the Real Estate Register KW No. 27023 (the legal status as of 4 December 1991).

- Rybnik, ul. Wieniawskiego 3

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 1292/92, of 21 February 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 1955 square meters, which was certified by registration in Chapter II of the Real Estate Register KW No. 113286. Chapter III thereof includes an entry on the right to a road, there are no entries in Chapter IV thereof (the legal status as of 21 April 1993).

Furthermore, based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 5870/91, of 11 October 1991, BSK S.A. has acquired the ownership right to a plot of land in the total area of 758 square meters, which was certified by registration in Chapter II of the Real Estate Register KW No. 112902. There are no entries in Chapters III and IV thereof (the legal status as of 2 March 1993).

- Tarnów, ul. Słowackiego 33

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 15384/90, of 21 December 1990, BSK S.A. has acquired the ownership right to a plot of land in the total area of 5136 square meters and the ownership right to an unfinished building ('0' condition), located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 46179. There are no entries in Chapters III and IV thereof (the legal status as of 16 May 1991).

- Żory, Os. Sikorskiego

Based on a purchase-sale contract, concluded in the form of a notarial act, Repertory A No. 248/92, of 9 January 1992, BSK S.A. has acquired the right of perpetual usufruct of a plot of land in the total area of 2694 square meters and the ownership right to the building located thereon, which was certified by registration in Chapter II of the Real Estate Register KW No. 6528. There are no entries in Chapters III and IV thereof (the legal status as of 3 March 1993).

### Housing premises

1) Bielsko-Biała, ul. Grota-Roweckiego 26/27

Based on a purchase-sale contract concluded in the form of a notarial act, Repertory A No. 362/1991, of 8 January 1991, BSK S.A. has acquired the ownership right to housing premises of the total area of 47 square meters.

2) Częstochowa, ul. Warszawska

Furthermore, the Bank and the Gmina (Commune) of Częstochowa entered into the pre-contract of purchase-sale of 10 housing premises (along with the respective part in perpetual usufruct of the land) situated in the multi-apartment building, which is located on the plot no. 146 with the total area of 7190 square meters in Częstochowa. This real estate has the Real Estate Register KW No. 56366. There are no entries in Chapter III and IV thereof. The contract of purchase-sale were to be entered into before 31 August 1993.

3) Nysa, ul. Marcinkowskiego 5, Ap. 2

Based on a purchase-sale contract concluded in the form of a notarial act, Repertory A No. 4605/92, of 17 July 1992, BSK S.A. has acquired the right of perpetual usufruct of 3% of a plot of land in the total area of 394 square meters and the ownership right to housing premises of the total area of 49 square meters.

4) Nysa, ul. Marcinkowskiego 5, Ap. 5

Based on a purchase-sale contract concluded in the form of a notarial

act, Repertory A No. 4610/92, of 17 July 1992, BSK S.A. has acquired the right of perpetual usufruct of 6% of a plot of land in the total area of 394 square meters and the ownership right to housing premises of the total area of 82 square meters.

5) Nysa, ul. Marcinkowskiego 5, Ap. 7

Based on a purchase-sale contract concluded in the form of a notarial act, Repertory A No. 4622/92, of 17 July 1992, BSK S.A. has acquired the right of perpetual usufruct of 5% of a plot of land in the total area of 394 square meters and the ownership right to housing premises of the total area of 79 square meters.

Data on the real estate is of a general nature. Potential investors can obtain detailed explanations from the Head Office of BSK S.A.

As at the day this Prospectus is written, there are no known third party claims with respect to the real estate owned or perpetually usufructed by BSK S.A.

However, it should be pointed out that the existing legal regulations do not rule out potential third party claims with respect to some of the real estate in the possession of the Bank. The law offers the possibility to pursue an administrative remedy based on Art. 156 of the Code of Administrative Procedure and a civil claim based on Art. 222 of the Civil Code. Despite the uncertainty with respect to the framework of the future reprivatisation act, it is possible that law shall be applicable to some of the real estate currently held by BSK S.A. as the owner of the perpetual usufructer. In connection with this, considering the above factors, there is risk of potential third party claims with respect to eight properties. As at 31 December 1992, the net book value of these properties was Zł 27,668 million, which constituted approximately 1% of the assets of the Bank according to IAS.

## 5. ORGANISATION STRUCTURE

The organisation of the Bank is defined by regulations set out by the Board of Management and approved by the Bank Council.

The Bank is composed of "units of organisation", i.e. divisions or departments and offices of the Head Office as well as local and specialised branches.

The Head Office is responsible for planning, coordinating and controlling the activity throughout the whole Bank. The Head office prepares the balance sheet of the Bank. The functions performed by structural units of the Head Office are: servicing of customers, administration and management of the Bank. The units are grouped into divisions, which are managed by members of the Bank Management Board. Those are the direct superiors of the directors of the Head Office units and supervisors of the specialised units of the Bank.

1. The Credit Division sets out and monitors the credit policy of the Bank. As part of its duties it writes the instructions to be followed by the branches when reviewing a credit application or putting in place a credit line. This division also assesses the creditworthiness of all the credit applications exceeding the limits of the regional branches and reviews all the proposals for project financing. It performs periodically a thorough credit assessment of the loan portfolio of the Bank. Finally, this Division is also responsible for issuing all the foreign guarantees and discounts of promissory notes as well as for the organisation of certain operational services, e.g. safe custody facilities, ATM and payment cards.
- 1a. The "Working Out" Division supervises relations with the borrowers who have difficulty with fulfilling their obligations towards the Bank in a timely manner as a result of their economic and financial situation. This Division is, therefore, involved in the financial restructuring of the customers. Otherwise, it selects and makes use of all tactical and legal proceedings deemed appropriate to minimise the loss of the Bank.

2. The International Division is mainly responsible for ensuring efficient relationships with the correspondent banking network, obtaining credit lines from foreign banks, setting credit limits on foreign banks and maintaining liaison with foreign customers. In addition, the head of this Division oversees the treasury activity of the Bank and the international branch.

3. The Accounting and Controlling Division consolidates the financial data provided by each branch, draws up the financial statements of the Bank and all the reports to the National Bank of Poland. It also prepares and controls the budget of the Bank.

4. The General Administration Division sets out the rules regarding the Bank's employment, training and salary policies, and has them implemented. It is also responsible for the purchase and maintenance of the Bank premises and for the Bank security.

5. The EDP and Telecommunication Division takes care of the computerisation of the branches which is currently under way.

The following units of the Head Office report directly to the President of the Board of Management:

The Secretary of the Bank, the Strategy and Development Team, the Marketing and Communication Team, the Legal Advisers and the Internal Audit.

The local branch is the basic operating unit of the Bank. It services customers and prepares separate financial statements.

New branches are set up upon the decision of the Board of Management and the Council which is based on the development plan of the Bank. Branches require entry into the commercial registry.

The network of the Bank currently comprises 46 branches including the BSK S.A. Brokerage House, and spans nine Voivodships, most of the branches being located in the Katowice Voivodship. The Bank also owns a holiday resort in Krynica and a training centre in Wisla.

Each branch is managed by a director. The branch directors are appointed and dismissed by the President of the Board of Management to whom they directly report.

Sub-branches may be set up on the initiative of branch directors. Decisions to form sub-branches are undertaken by the Board of Management. Always linked to branches, sub-branches do not produce separate financial statements but include their accounts of operations and balances in the books of "parent" branches.

If within a branch geographical area an opportunity arises for provision of specific services, those services may be housed outside the seat of that particular branch in either a client service point or provincial agency.

All the branches are organised according to the following framework, although the directors are entitled to amend it with the previous approval of the Bank's Secretary:

- Credit section, in charge of assessing and monitoring the creditworthiness of the customers, and of the loan administration;
- Front-office, in charge of relationships with the customers (cashiers and employees servicing the customers);
- Back-office, mainly responsible for the processing, accounting and controlling transactions;

each with the status of either a section, team or an independent post.

A specialised unit is formed with the purpose of performing a particular function on behalf of the entire Bank which no other branch provides e.g. brokerage services (the BSK S.A. Brokerage House), foreign exchange (Branch I in Katowice) etc.

In order to speed up the decision process and adapt the Bank to the changing market conditions, branches have been grouped by region led by a regional branch.

The Team for Management Organisation monitors co-operation between the units of the Bank.

List of lead branches with regional branch status and local branches structurally subject to them:

**Bielsko - Biala Branch I**  
Cieszyn Branch  
Czechowice - Dziedzice Branch  
Pszczyna Branch

Ustroń Branch  
Wadowice Branch  
Zakopane Branch

**Częstochowa Branch II**  
Lubliniec Branch  
Myszków Branch  
Olesno Branch  
Olesno Branch -Praszka Sub-branch  
Zawiercie Branch

**Kielce Branch I**  
Pińczów Branch  
Starachowice Branch  
Tarnów Branch

**Rybnik Branch II**  
Gliwice Branch I  
Gliwice Branch III  
Racibórz Branch  
Ruďa Śl. Branch  
Wodzisław Branch  
Wodzisław Branch -  
Jastrzębie Sub-branch

**Warszawa Branch**  
Legionowo Branch  
Warszawa Branch - Warszawa Sub-branch  
Warszawa Branch - Warszawa Sub-branch  
Warszawa Branch - Warszawa Sub-branch

In 1993, the Bank plans to open new branches in the following locations: Kęty, Krosno, Łódź, Poznań. In the course of 1994 it will open further branches in Kędzierzyn-Koźle, Kraków, Przemyśl and Kielce.

A comprehensive list of operating units of Bank Śląski S.A. w Katowicach is contained in Part IX of the Prospectus (Attachment 3).

### 5.1 Credit procedure

The credit policy of the Bank is based upon precisely defined standards designed to ensure its expansion, but within limits of prudent risk taking.

Credit decisions are based on the economic viability of projects and the creditworthiness of the customer. Moreover, the credit committees are requested to approve only facilities appropriately secured in order to ensure repayment of the loans together with all interest and fees. Beyond Zł 100 billion, decisions are taken by the Board of Management.

Three levels of credit committees have been established and these may only approve facilities in Złoty falling within their respective authorised limits:

- Branch committee,
- Regional committee,
- 2 central committees chaired by two different members of the Board of Management. The first one deals with regular loans, whereas the second decides upon possible extensions of the duration of increased risk loans and on debt restructuring.

The branch and the regional committees are allowed to grant loans in Złotys to any kind of customer. However, their authorised limits depend upon the duration of the credit and the legal status of the customer. The above committees are not allowed to approve any credit if it will lead to an overall exposure towards a private customer exceeding five times the customer's equity.

The rules set out by the Bank include precise provisions regarding the quorum and majority, which should be complied with when the committee decides upon a proposal.

Facilities in foreign currencies are always approved by the Head Office.

Furthermore, in order to prevent undesirable high concentration of risk related to loans and guarantees, the Bank currently permits the engagement of up to 15% of its equity to a single borrower. A few customers are presently exceptions to this rule, with the previous approval of the President of the NBP.

Finally, the Board of Management has approved credit limits for domestic and foreign banks, which are trading with the dealing room.

### 6. STAFF

The personnel is usually employed on a contract basis. Normally, any newly hired employee signs a temporary contract for a three month period. At the end of the trial period and when the employee has proved his dedication and skill to the Bank, he signs, upon mutual agreement, a contract for an indefinite period of time.

Every employee is entitled to receive a basic monthly salary. In addition, every staff member may receive a quarterly bonus. Besides, every employee who has been working at least six months for the Bank may receive a premium depending upon the performance of that employee and of his unit. This premium is conferred out of the award fund to which the General Meeting of Shareholders will have specifically allocated a portion of the net profit of the Bank. In addition, the Bank sets aside a fund within the salary resources for the purpose of rewarding exceptionally commendable performance.

The Bank employed 4,231 persons as at 31 December 1992. The staff has increased by 76.7% since the inception of the Bank. This growth is linked with the expansion of the network and the broadening of the range of services to the customers.

In the course of 1992, the Bank increased its staff by 17.9%. The turnover of the staff remains stable around 12% per annum. The branches employed 93.2% and the Head Office 6.8% of the total number. The management constituted 11.5% of the staff.

Structure of employment by educational qualifications is as follows:

- University graduate	27.0%
- Secondary school	58.3%
- Vocational training	6.8%
- Primary education	7.9%

Approximately 70% of the staff employed in the Head Office are university graduates.

### 6.1 Employment structure by educational qualifications and age

Tables below present the employment profile by level of responsibility and type of employment relative to educational qualifications and age:

**Table 11. Employment structure by organisational hierarchy**

	Head Office	Branches	TOTAL
Senior Management (*)	17	55	72
Middle and Lower Management (**)	33	378	411
Credit Department	25	472	497
Front-Office (***)		916	916
Back-Office (****)	166	1,536	1,702
Support Personnel (*****)	44	589	633
<b>TOTAL</b>	<b>285</b>	<b>3,946</b>	<b>4,231</b>

(\*) Senior Management includes members of the Management Board and directors of branches, departments and other units of the Head Office and their deputies.

(\*\*) Middle and Lower Management includes the main accountants, managers of sub-branches, managers of the training centre and holiday resort, section heads and their deputies, leaders of teams and groups.

(\*\*\*) Front-Office includes personnel engaged in direct servicing of customers with the exception of credit staff.

(\*\*\*\*) Back-Office includes logistical personnel of the Bank.

(\*\*\*\*\*) Support Personnel includes technical and maintenance and service staff of the Bank.

## 6.2 Training

Human resources policy of BSK S.A. aims at development of well trained and highly skilled staff at all levels of the organisation. Driven by the reform taking place within the banking system, the range of tasks undertaken by the Bank is constantly expanding, thereby creating the need for a comprehensive employee training scheme. The scope of the training spans a large range of banking topics as well as the teaching of foreign languages.

In 1992, 1180 persons in the whole Bank, or 28% of the staff, attended training courses, and among them 160 persons were working in the Head Office, i.e. 56% of the staff employed by the Head Office.

The Bank has opened its own training centre in Wisla, where most of the courses take place. However, the Bank employees also attend training courses either in the branches and the Head Office or in external institutions, such as the Banking School in Katowice. In addition, some staff members went abroad for training purposes.

## 7. CAPITAL INVESTMENTS

The Bank holds Shares in a number of companies listed below.

These investments were financed with the net profit generated by BSK S.A. operations.

**Table 12. Employment structure by educational qualifications**

Education	University degree	Other degree	Secondary school	Vocational training	Primary education
Senior Management	71		1		
Middle and Lower Management	218	19	174		
Credit Department	335	23	139		
Front-Office	87	61	688	72	8
Back-Office	415	137	997	73	80
Support Personnel	17	14	211	144	247
<b>TOTAL</b>	<b>1,143</b>	<b>254</b>	<b>2,210</b>	<b>289</b>	<b>335</b>

**Table 13. Employment structure by age profile**

Age group	Below 30	31-35	36-45	46-55	over 55
Senior Management	3	7	19	24	19
Middle and Lower Management	29	62	157	123	40
Credit Department	136	82	179	68	32
Front-Office	371	168	260	110	7
Back-Office	611	268	464	237	122
Support Personnel	146	64	194	134	95
<b>TOTAL</b>	<b>1,296</b>	<b>651</b>	<b>1,273</b>	<b>696</b>	<b>315</b>

## 8. INFORMATION ON PROCEEDINGS

The Bank is not the subject of any liquidation, arrangements or insolvency proceedings.

However, an insolvency motion concerning the Bank filed by Centrala Przedsiębiorstwa Produkcyjno-Handlowego "Nawratronik" Sp. z o.o. in Katowice was rejected by the lower court at the trial held on 6 January 1993. Currently, a proceeding based on the appeal filed by the petitioner has begun. However, in the opinion of the legal department of the NBP and in keeping with art. 108, section 1 of the Banking Law, the sole person authorised to file for declaration of insolvency of the Bank is the President of NBP. Hence, the above mentioned petitioner has no formal grounds for filing the said motion.

Neither the Bank nor the members of its governing bodies are party to any proceeding which might in any way affect the Bank's activity. Neither the Bank nor its Shareholders holding more than 5% are to the best knowledge of the Management Board involved in any proceeding which might affect the operations or financial position of the Bank.



## 9. INFORMATION ON AGREEMENTS WITH THE ANTI-MONOPOLY OFFICE

On 7 October 1991, the Anti-Monopoly Office issued its consent to transformation of Bank Śląski into a joint-stock company.

Table 14. Capital investments as at 31 December 1992

No	Name and location	Principal activity	Capital of the company Zł million	Book value of shares held Zł million	% of capital held by the Bank
1	2	3	4	5	6
1	Bank Własności Pracowniczej S.A. Gdańk	Financing enterprise restructuring and privatisation	53,770	4,000	7.4
2	Warsaw Stock Exchange S.A. Warsaw	Operation of securities markets	60,000	19	0.03
3	Krajowa Izba Rozliczeniowa S.A. Warsaw	Provision of inter-bank settlement services	46,875	3,125	6.7
4	Spółka Telekomunikacyjna "TEL BANK" S.A. Warsaw	Provision of bank telecommunication services	465,820	25,000	5.4
5	Bank "Hipoteczny" S.A. Kraków (*)	Financing of urban renovation in Kraków		1,250	
6	Szkoła Bankowa Sp. z o.o. Katowice	Provision of training services	2,500	80	3.0
7	"Provint" Sp. z o.o. Tychy	Bottling and beer trade	100	50	50.0
8	"Próchnik" S.A. Łódź	Manufacture and trade in textile goods	30,000	1,737	2.3
9	Śląska Fabryka Kabli S.A. Czechowice	Manufacture and trade in copper cables and wires	50,000	61	0.0
10	Huta L.W. Sp. z o.o. Warsaw (**)	Manufacture of specialised steel products	1,023,293	28,892	2.8
11	Przedsiębiorstwo Handlowe "Savia" S.A. (**)	Trade in food and industrial goods	55,700	46,000	82.6
12	"Nor Sawa" Sp. z o.o. Warsaw (***)	Property development for BSK S.A.	1,000	510	51.0
13	Other			13	
TOTAL				110,836	

(\*) In July of 1993, Bank "Hipoteczny" S.A. Kraków lost its NBP license.

(\*\*) Shares taken over by the Bank as execution of collateral.

(\*\*\*) Shares of "Nor Sawa" Sp. z o.o. were sold by the Bank in July of 1993.

# PART VI

## INFORMATION ON THE PROSPECTS FOR DEVELOPMENT

### 1. CHANGES IN THE BANK ACTIVITIES

1.1 The General Meeting of Shareholders held on 8 June 1993 approved the financial statements for 1992 and took the following decisions:

- payment of a dividend of Zł 279,615.8 million to the shareholder, i.e. the State Treasury;
- allocation of Zł 50,028.9 million to the award fund from the net profit for 1992;
- allocation of Zł 109,387 million to the General Risk Fund;
- capital restructuring and allocation of a part of the reserve capital (Zł 720,940 million) and supplementary capital with the net results of revaluation of fixed assets (Zł 494,680 million) and a part of the 1992 profit, in the amount of Zł 190,135 million to loan loss provision.

The above allocations have been reflected in a pro forma balance sheet of 1 January 1993 and in the financial statements as of 30 June 1993.

The General Meeting of Shareholders renewed the mandates of all the members of the Bank Council for a period of three years.

1.2 The following real estates have been acquired by the Bank since 1 January 1993.

<i>Address</i>	<i>Purchase Price in Zł million</i>
- Katowice, ul. Dworcowa 5/7	11,100
- Krosno, Rynek 8	8,377
- Legionowo, ul. Handłowa 14	2,707
- Czeszochowa, ul. Warszawska (10 flats)	2,700

### 2. PROSPECTS FOR DEVELOPMENT OF THE BANK ACTIVITY

The development and expansion of the Bank is dependent on the general political and economic conditions. Integration of Poland into the world economy, the expected association and eventual membership in the EC, dictate the direction and pace of changes.

"BSK 2001" strategy developed by the Bank assumes that BSK S.A. should become a universal bank in the Polish banking system offering its services domestically and abroad.

Development of products and services will be closely linked with the needs dictated by the market.

The Bank intends to pursue its activity of servicing Polish enterprises and to establish a broad customer base, in particular by targeting the market of medium sized companies. The Bank has set plans for broadening the scope of its services with products generating income

from commission charges and fees, as these meet the needs of both sectors of the corporate markets.

Another strategic objective is provision of advisory services including development of restructuring and stabilisation programmes for economic subjects.

The Bank will continue to improve and broaden the range of services provided for individual customers so as to function in line with the approved western banking practice. Thus, the Bank is contemplating the idea of introducing new products of the savings market and the introduction of cash dispensing machines. In the second half of 1993, it began to issue Visa business cards. This step is aimed at attracting new individual customers, who will bring in sight deposits and in the longer perspective will be interested in capital market products (shares, bonds).

One of the BSK S.A. strategic objectives after privatisation is to cover the exposures relative to long term investment loans with long term funding instruments.

As Polish economy evidences high demand for appropriate long term instruments to finance the long term development of its industry, the Bank expects that bond market will emerge soon, and number of issues will grow relatively quickly. Considering the long standing relations of the Bank with many large companies, and professionalism of its western partners, it is likely that the BSK S.A. Brokerage House operating on the capital market will capture a major portion of the primary market. The ongoing development of the capital market will undoubtedly result in increased trading on the WSE, and should subsequently increase profits of the BSK S.A. Brokerage House.

As Polish international trade is expected to grow in the coming years, the Bank hopes to benefit from its in-depth knowledge of the Polish market and its relations abroad in two ways:

- by playing a significant and increasing role in financing international trade;
- by obtaining mandates from foreign investors seeking industrial partners in Poland.

Three general agreements are presently in their final stages of negotiation. Two are with the German banks and relate to credits secured by Hermes, and one with the Austrian banks and relates to credits refinanced by Kontrollbank. The said agreements will allow the Bank to acquire credit lines for financing import purchases of its customers.

In parallel to the above objectives, the Bank intends to gradually expand its network in order to cover all the major commercial centres in Poland. Warsaw as well as southern, western and central Poland will be focused on as priority targets. Branches and sub-branches of the Bank will be located in the cities of major economic importance.

Consistent computerisation of the Bank and maintaining the advantage held in that field over other Polish banks should be a major competitive determinant in providing quality customer services and processing of data. It will also improve the management information and reporting systems of the Bank. At the completion of the computerisation process, the management will be provided with detailed reports on the Bank activity and its financial results as well as a comprehensive system of controlling costs.

The Bank intends to set up a compensation scheme for its staff which would be based mainly on the profitability of individual units and the contribution of each employee to the income of his unit.

In addition, the Bank is at present negotiating a technical assistance contract with one of the renowned European banks.

The strategy specified above will allow the Bank to conform with changing circumstances affecting its activity. It is difficult to ensure that this strategy will be implemented in full, as it is to some extent dependant on economic conditions and the availability to the Bank of human and financial resources.

## PART VII

# FINANCIAL INFORMATION

### I. AUDITORS' REPORT

To the Members of the Management Board  
Bank Śląski Spółka Akcyjna w Katowicach  
Katowice  
Poland

This report is presented in connection with the tender and public offerings of shares of Bank Śląski Spółka Akcyjna w Katowicach (the "Bank") by the Ministry of Finance.

Balance sheets of the Bank as at December 31, 1992, 1991 and 1990 and profit and loss accounts and statements of changes in financial position for the years then ended are presented below. This information has been presented in accordance with the Decree of the Council of Ministers dated July 29, 1991 relating to prospectus presentation and disclosure requirements (the "Prospectus Requirements") as presented in the Official Journal No. 71 item 308. These financial statements are the responsibility of and have been prepared by the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In our opinion:

- the financial information in respect of the 1992, 1991 and 1990 fiscal years, as referred to above, has been accurately compiled in accordance with the Prospectus Requirements from audited financial statements of the Bank as at and for the years ended December 31, 1992, December 31, 1991 and December 31, 1990; and,
- based on the opinions of the auditors of the Bank's financial statements, as identified below, our audit of the Bank as at and for the year ended December 31, 1992 and our additional audit examination of the financial records of the Bank in respect of the 1990 and 1991 fiscal years, the financial information in respect of the 1992, 1991 and 1990 fiscal years, as referred to above, provides a true and fair view of the Bank's financial position as at December 31, 1992, 1991 and 1990 and the results of its operations for the years then ended.

The Bank did not record certain interest income and expenses on an accruals basis. Based on information provided by the Board of Directors of the Bank as well as the findings of KPMG Reviconsult Sp. z o.o., the application of the accruals basis in 1992 would have increased the net income of 1992 by Zł 26 billion. The Bank will adopt an accruals policy in 1993.

KPMG Reviconsult Sp. z o.o.  
Warsaw  
March 31, 1993, except as to Notes 4, 11 and 23  
which are as of July 21, 1993

### 1992 fiscal year

The financial statements of the Bank in respect of the year ended 31 December 1992 presented in accordance with applicable Polish accounting regulations were audited by KPMG Reviconsult Sp. z o.o. in a manner consistent with applicable Polish auditing regulations relating to the audit of banks (as issued by the National Council of Chartered Accountants).

The complete auditors' report in respect of this audit is as follows:

- I. The auditors' report presented below was prepared for Bank Śląski S.A.
- II. We have audited the financial statements of Bank Śląski S.A. including:
  1. balance sheet as at 31 December 1992 with total assets and liabilities (after tax effect) of Złmn 27,803,926;
  2. profit and loss account for the year ended 31 December 1992 with net profit of Złmn 761,950; andbooks which were the basis for preparation of the above mentioned financial statements.
- III. We have carried out the audit in accordance with:
  - a) the Act dated 19 October 1991 on Auditing and Publishing of Financial Statements, Certified Auditors and their Self-Government (Official Journal No. 111; item No. 480 and Official Journal No. 21/92, item No. 85);
  - b) provisional auditing standards issued by the National Council of the Certified Auditors with the considered adaptation and interpretation for the Banking Sector.
- IV. In our opinion, the financial statements of Bank Śląski S.A. have been prepared in accordance with:
  - (a) the Banking Law of January 31, 1989 (Official Journal No. 72/92);
  - (b) The Ordinance of the President of the National Bank of Poland of February 12, 1991 on "Bank Accounting Policy Regulations" (Official Journal of the National Bank of Poland No. 2 item 3); and,
  - (c) The Ordinance of the President of the National Bank of Poland (number 24/90 of December 31, 1990) relating to the rules, scope and dates of providing the National Bank of Poland with certain information from banks and the introduction of the new chart of accounts.

The financial statements provide a true and fair view of the financial result of economic activities for the 1992 fiscal year and the Bank's financial position as at 31 December 1992.

Edmund Roman Adler	KPMG Reviconsult
Certified Accountant No. c-5	Sp. z o.o.
Director	William Drysdale

### 1991 fiscal year

In 1992, the financial statements of the Bank in respect of the year ended December 31, 1991 were audited by a KPMG Peat Marwick Treuhand GmbH team, headed by Mr. Godehard Puckler.

In 1993, the additional audit examination was undertaken by a KPMG Reviconsult Sp. z o.o. team, headed by Mr. Edmund Roman Adler, Certified Accountant No. c-5. The objective of the work was to ensure that the financial statements have been prepared on a consistent basis and in accordance with other applicable Polish regulations.

On the basis of the KPMG Peat Marwick Treuhand GmbH audit and the additional audit examination undertaken by KPMG Reviconsult Sp. z o.o. it was confirmed that the financial statements provide a true and fair view of the financial result of economic activities for the 1991 fiscal year and the Bank's financial position as at 31 December 1991.

### 1990 fiscal year

The financial statements of the Bank as at and for the year ended December 31, 1990 were audited by a committee, comprising:

- Chairperson:  
Lidia Jurczyk  
(Senior Tax Officer in the Katowice Treasury Board)
- Members:  
Krystyna Myszor-Szonowska  
(Head of the Banking Supervision Division in Katowice)  
Edward Sikora  
(Deputy Director of the National Bank of Poland Regional Branch in Katowice)

Their audit opinion was as follows:

"All of the financial statements in respect of the 1990 fiscal year have been prepared on a fair basis and with appropriate care following the regulations resulting from the National Bank of Poland Chart of Accounts and Bank Slaski Head Office regulations.

As a result of the audit performed, the Committee states that all requirements leading to the official approval of the audited financial statements of Bank Slaski in respect of the 1990 fiscal year have been fulfilled."

In addition, the financial statements of the Bank in respect of the year ended December 31, 1990 were audited by KPMG Peat Marwick Treuhand GmbH in 1991. Additional audit examination was undertaken by KPMG Reviconsult Sp. z o.o. in 1993, with the objective of ensuring that the financial statements have been prepared on a consistent basis and in accordance with other applicable Polish regulations.

For the purposes of data comparison within the Prospectus, certain adjustments have been made to the audited financial statements originally prepared in accordance with Polish accounting regulations applicable to banks so as to enable the financial statements presented within this Prospectus to provide a true and fair view of the Bank's financial position and results of operations for the fiscal years under review. These adjustments include changes in account classification and the recognition in the profit and loss accounts of an adverse taxation ruling in 1992.

## 2. PROFIT AND LOSS ACCOUNTS

The profit and loss accounts of the Bank for the years ended December 31, 1992, 1991 and 1990 are presented below. Unless otherwise stated all amounts are expressed in millions of Polish Zloty. The profit and loss accounts should be viewed in conjunction with the notes to the financial statements which form an integral part of the financial statements.

	Notes	1992	1991	1990
Interest and similar income	5	5,614,932	5,966,701	5,157,768
Interest and similar expenses		(3,288,374)	(3,966,913)	(2,464,244)
Income from shares	6	803	-	-
Commission income	7	623,345	508,193	393,217
Commission expense		(9,633)	(9,726)	(13,173)
Profit from financial operations		2,941,073	2,498,255	3,073,568
Other operating income		34,458	36,800	7,995
General expenses	8	(607,790)	(311,280)	(124,819)
Other operating expenses (net)		(189,702)	(18,678)	(46,942)
Adjustment to the value of loans (net)		(238,728)	(678,582)	(148,109)
Adjustment to the value of investments		(626)	(407)	-
Profit from ordinary activities		1,938,685	1,526,108	2,761,693
Extraordinary items:				
Income		3,078	1,400	71
Expenses		(192,494)	(203,051)	(14,573)
Profit before taxation		1,749,269	1,324,457	2,747,191
Corporate income taxes	9	(873,403)	(562,761)	(1,066,580)
Other taxes	10	(248,468)	(145,596)	(66,507)
Net income	11	627,398	616,100	1,614,104
Earnings per share (in Zloty)	12	67,754	66,533	174,309

### 3. BALANCE SHEETS

The balance sheets of the Bank as at December 31, 1992, 1991 and 1990 are presented below. Unless otherwise stated, all amounts are expressed in millions of Polish Zloty. The balance sheets should be viewed in conjunction with the notes to the financial statements which form an integral part of the financial statements.

In addition, an unaudited pro-forma balance sheet as at January 1, 1993 has also been presented which takes into consideration both the capital restructuring of the Bank, the legislated revaluation of fixed assets and the allocation of 1992 net income, all of which took place in 1993. These adjustments were not included in the Bank's accounts as at January 1, 1993, but were reflected in the accounts as at June 30, 1993. These figures are presented for comparative purposes only and have not been audited. See note 4.

	Notes	Pro-forma Jan. 1, 1993 (unaudited)	1992	1991	1990
<b>Assets</b>					
Cash and deposits with the					
National Bank of Poland		4,328,240	4,328,240	4,116,485	3,445,849
Discounted bills of exchange		92,784	92,784	141,923	693,029
Loans to financial institutions	13	1,808,970	1,808,970	288,781	666,407
Loans to other customers	14	11,797,126	11,797,126	9,845,638	6,289,279
Due from the State and local governments (net)	15	-	-	-	3,071,465
Debentures	16	7,070,561	7,070,561	2,981,276	50,000
Variable income securities	17	70,028	70,028	8,896	4,013
Participation shares	18	50	50	50	50
Shares in affiliated firms	19	46,510	46,510	510	-
Intangible assets (net)	20	2,213	2,213	1,730	356
Fixed assets (net)	21	733,014	687,434	400,697	139,269
Other assets		583,020	583,020	678,219	986,736
Interperiod settlement accounts		1,182,440	1,182,440	930,690	250,517
<b>Total assets</b>		<b>27,714,956</b>	<b>27,669,376</b>	<b>19,394,895</b>	<b>15,596,970</b>

	Notes	Pro-forma Jan. 1, 1993 (unaudited)	1992	1991	1990
<b>Liabilities &amp; equity</b>					
Obligations to financial institutions	22	2,590,458	2,590,458	1,820,470	1,902,476
Obligations to clients	23	17,929,803	17,929,803	12,567,607	10,726,642
Other obligations		914,941	585,297	299,643	359,935
Interperiod settlement accounts and unearned revenue		2,213,481	2,213,481	1,275,443	407,797
Provision for loan losses	24	2,545,886	1,140,131	827,099	148,109
		26,194,569	24,459,170	16,790,262	13,544,959
General risk fund		109,387	-	-	-
Share capital	25	926,000	926,000	926,000	-
Other capital accounts and equity fund	26	485,000	1,655,040	1,456,098	437,906
Undistributed profit		-	1,768	10,801	1
Net income for the year		-	627,398	616,100	1,614,104
Less amount allocated during year			-	(404,366)	-
Shareholder's equity	27	1,520,387	3,210,206	2,604,633	2,052,011
<b>Total liabilities &amp; equity</b>		27,714,956	27,669,376	19,394,895	15,596,970
Contingencies and commitments		1,596,939	1,596,939	1,262,515	308,975

#### 4. STATEMENTS OF CHANGES IN FINANCIAL POSITION

The statements of changes in financial position of the Bank for the years ended December 31, 1992, 1991 and 1990 are presented below. Unless otherwise stated, all amounts are expressed in millions of Polish

Zloty. The statements of changes in financial position should be viewed in conjunction with the notes to the financial statements which form an integral part of the financial statements.

	1992	1991	1990
<b>Source of funds</b>			
Net income	627,398	616,100	1,614,104
Amortization	23,159	11,478	2,862
Increase in provision for loan losses	313,032	678,990	148,109
Issuance of share capital	-	926,000	-
Other sources of funds	1,768	10,801	1
<b>Total sources of funds</b>	965,357	2,243,369	1,765,076
<b>Application of funds</b>			
Investment expenditures:			
Intangible and fixed assets (net)	(312,040)	(292,770)	(102,152)
Variable income securities, participation shares and shares in affiliated firms)	(107,132)	(5,393)	(4,063)
Contributions to social welfare funds	(21,932)	(53,216)	-
Allocation to share capital	-	(926,000)	-
<b>Total application of funds</b>	(441,104)	(1,277,379)	(106,215)
<b>Increase in working capital</b>	524,253	965,990	1,658,861

	1992	1991	1990
Changes in cash balances and deposits with the National Bank of Poland	211,755	670,636	2,033,180
Changes in discounted bills of exchange, loans to financial institutions and loans to other customers	3,422,538	2,627,627	5,730,384
Changes in amounts due from the State Treasury and local governments (net)	-	(3,071,465)	1,857,404
Changes in debentures	4,089,285	2,931,276	47,143
Changes in interperiod settlement accounts (net)	(686,288)	(187,473)	(123,734)
Changes in obligations to financial institutions and to clients	(6,132,184)	(1,758,959)	(7,552,910)
Changes in remaining liabilities	(285,654)	62,865	(237,521)
Changes in level of financial assets	619,452	1,274,507	1,753,946
Changes in other assets	(95,199)	(308,517)	(95,085)
<b>Increase in working capital</b>	<b>524,253</b>	<b>965,990</b>	<b>1,658,861</b>

## 5. NOTES TO THE FINANCIAL STATEMENTS

Unless otherwise indicated all tabular amounts are expressed in millions of Polish Zloty.

### 1) Legal Status and Principal Activities

The Bank was established on February 1, 1989 pursuant to Resolution No. 63/88 of the Council of Ministers, dated April 11, 1988.

Pursuant to a decree of the Council of Ministers dated May 14, 1991, certain State owned banks were transformed into joint stock companies with all shares being retained by the State. The new statute of the Bank, dated October 8, 1991, was attested by a notary and registered in the Companies' Register in Katowice on October 18, 1991 at which time the Bank was renamed Bank Śląski w Katowicach Spółka Akcyjna. The name of the Bank was changed into Bank Śląski Spółka Akcyjna w Katowicach at the General Meeting of Shareholders on April 30, 1992. The Bank has registered share capital of Zł 926,000 million made up of 9,260,000 shares of 100,000 Zloty each.

As presented in its statutes, the Bank is a credit, settlement and savings institution serving State owned enterprises, private enterprises and individual customers. The Bank operates throughout Poland and is based in Katowice.

The principal activities of the Bank during the period under review included the opening of bank accounts and activities relating to the maintenance of these accounts, as well as short and medium-term lending to private and State owned entities and local governments. The Bank's activities are mainly financed through deposits from corporate and private clients. The Bank also maintains accounts in foreign currencies, and investment fund accounts as well as extending guarantees.

### 2) Basis of preparation

The Bank maintains its accounting records in accordance with banking regulations prevailing in Poland and prepares its statutory accounts on such a basis. The accounts have been presented on a historical cost basis, except for the revaluations of certain fixed assets which have been made from time to time pursuant to legislated requirements.

### 3) Summary of Significant Accounting Policies

#### a) Intangible assets

Intangible assets are presented at cost less accumulated amortization calculated on a straight-line basis utilizing annual rates of amortization ranging from 10% to 20% as prescribed by the Polish Ministry of Finance

#### b) Fixed assets

Fixed assets are presented at cost, subject to periodic legislated revaluation, less accumulated depreciation calculated on a straight-line basis utilizing annual rates of depreciation prescribed by the Polish Minister of Finance, as follows:

Office equipment	14 %
Motor vehicles	20 %
Computer equipment	17 - 20 %
Technical equipment	10 - 20 %
Buildings	1.5 - 4 %

Expenditures on fixed assets less than 5,000,000 Zloty are expensed as incurred with the exception of certain technical banking equipment and furniture which are depreciated on a straight-line basis at an annual rate of 20%.



c) Investments  
Investments are carried at cost. Investments are classified as Shares in affiliated firms if an interest greater than fifty percent is held and Participation shares if an interest of between ten and fifty percent is held.

d) Loans  
Loans are carried at their principal amount outstanding. The provision for loan losses is separately presented in the balance sheet.

e) Interest income and interest expense  
Interest income and interest expense is not accrued by the Bank, but is accounted for on a cash basis.

f) Foreign currency translation

Assets and liabilities at December 31, 1992 denominated in foreign currencies are translated at applicable exchange rates at that date. Losses arising in 1990 from the translation of foreign currency denominated balances as a result of the depreciation of the Polish Zloty were partially compensated by the National Bank of Poland. Such losses arising in 1992 and 1991 have been capitalized and are being amortized to the profit and loss accounts over three years.

#### 4) Pro-forma financial information

Pro-forma financial information presented in the balance sheet as at January 1, 1993 is based on the audited December 31, 1992 balance sheet and, in addition, takes into consideration the following: capital restructuring of the Bank, the legislated fixed asset revaluation and the distribution of 1992 net income, all of which took place in 1993.

- Capital restructuring: pursuant to a motion of the General Assembly of the Bank dated June 8, 1993, the capital of the Bank was restructured whereby certain components of the Bank's capital accounts were transferred to the Provision for loan losses (see Note 26).
- Fixed assets revaluation: pursuant to an Ordinance of the Ministry of Finance (Official Journal No. 30/92 and 103/92) dated March 27, 1993 (as amended from time to time), the fixed assets of the Bank were revalued based on specific legislated indices (see Note 3(b)).
- Distribution of 1992 net income: pursuant to a motion of the General Assembly of the Bank dated June 8, 1993, net income in respect of the 1992 fiscal year was distributed to the Bank's bonus fund, Provision for loan losses, General risk fund (newly established) and to the State Treasury as a dividend (see Note 11).

These adjustments and distributions may be summarized as follows:

	December 31, 1992	Capital Restructuring	Fixed assets Revaluation	Distribution of 1992 net income	January 1, 1993 (unaudited)
Fixed assets	687,434	--	45,580	--	733,014
Other obligations	585,297	--	-	329,644	914,941
Provision for loan losses	1,140,131	1,215,620	-	190,135	2,545,886
General risk fund	-	--	-	109,387	109,387
Share capital	926,000	--	--	-	926,000
Supplementary capital	1,029,940	(720,940)	--	-	309,000
Reserve capital	625,100	(494,680)	45,580	-	176,000

The pro-forma financial information has been presented as if the aforementioned adjustments and distributions had all taken place as at January 1, 1993. The information is presented for comparative purposes only and has not been audited.

#### 5) Interest and similar income

Interest and similar income includes income on fixed income securities of Zl 1,827,063 million in 1992 (1991: Zl 250,446 million; 1990: Zl 89,180 million).

#### 6) Income from shares

Income from shares is made up entirely of income from shares which are included in Variable income securities.

#### 7) Commission income

Commission income includes Zl 2,358 million relating to the Bank's brokerage activities (1991: Zl 273 million; 1990: nil).

## 8) General expenses

	1992	1991	1990
Personnel expenses:			
Wages and professional fees	224,930	96,935	51,699
Special costs	3,055	1,647	375
Other personnel costs	100,396	40,608	21,428
Other general	279,409	172,090	51,317
	<u>607,790</u>	<u>311,280</u>	<u>124,819</u>

Included in general expenses are expenses relating to brokerage activity, which are as follows:

	1992	1991	1990
Personnel expenses:			
Wages and professional fees	2,256	408	-
Special costs	28	-	-
Other personnel costs	1,033	265	-
Other general	3,130	779	-
	<u>6,447</u>	<u>1,452</u>	<u>-</u>

## 9) Corporate income taxes

	1992	1991	1990
Profit before taxation	1,749,269	1,324,457	2,747,191
Add:			
Non-deductible expenses	396,793	73,987	15,174
Other additions	-	216,023	-
Less:			
National Bank of Poland bond revenues	(83,228)	(200,700)	(84,480)
Other deductions	(204,782)	-	-
Donations	(9,820)	(6,865)	(11,435)
	<u>(297,830)</u>	<u>(207,565)</u>	<u>(95,915)</u>
Taxable income	1,848,232	1,406,902	2,666,450
Income taxes (40% of taxable income)	739,293	562,761	1,066,580
Add taxes paid in 1992 in respect of an adverse tax ruling relating to the 1991 fiscal year	134,552	-	-
Less tax on dividends received	(442)	-	-
Corporate income taxes	<u>873,403</u>	<u>562,761</u>	<u>1,066,580</u>

Due to changes in taxation regulations in 1992, interest revenue, for tax purposes of that year, was calculated on a cash basis.

In 1992, tax relief on revenues from National Bank of Poland bonds related solely to such bonds that had been purchased prior to 31 December 1991.

#### 10) Other taxes

Other taxes is made up entirely of excess wages tax in respect of the 1992, 1991 and 1990 fiscal years.

#### 11) Distribution of net income

Allocations of net income are recognized in the fiscal year in which the allocations are approved by the Bank's General Assembly (or other applicable body prior to the transformation of the Bank in 1991) which, with the exception of 1991, is the fiscal year subsequent to that in which the net income was earned (see Note 26).

#### 12) Earnings per share

Earnings per share figures have been calculated on a pro-forma basis whereby it is assumed that the number of shares outstanding throughout all periods under review was 9,260,000, being the number of shares issued upon transformation of the Bank in 1991 and outstanding as at December 31, 1992.

	1992	1991	1990
Net income	627,398	616,100	1,614,104
Dividends received (net of taxes)	1,768	10,801	-
	<u>629,166</u>	<u>626,901</u>	<u>1,614,104</u>
Bonus fund	50,029	11,932	5,716
Housing fund	-	10,000	5,000
Social fund	-	-	42,500
Provision for loan losses	190,135	-	-
General risk fund (newly established)	109,387	-	-
Reserve capital	-	200,603	-
Statutory fund	-	100,000	650,000
Reserve fund	-	100,000	650,000
Investment and Fixed asset funds	-	204,366	258,316
Dividend to the State Treasury	279,615	-	--
Other distributions	-	-	2,572
	<u>629,166</u>	<u>626,901</u>	<u>1,614,104</u>

## 13) Loans to financial institutions

	1992	1991	1990
Current (one day demand)	564,417	174,302	251,962
Non - current:			
Under three months	1,232,890	42,983	56,395
Three months to one year	7,663	5,985	10,500
One year to five years	4,000	64,800	347,550
Greater than five years	-	711	-
	<u>1,808,970</u>	<u>288,781</u>	<u>666,407</u>

## 14) Loans to other customers

	1992	1991	1990
Current (one day demand)	217,629	216,933	317,433
Non - current:			
Under three months	5,101,833	5,323,613	3,873,856
Three months to one year	1,908,640	1,276,641	504,100
One year to five years	1,488,463	993,322	1,593,890
Greater than five years	3,080,561	2,035,129	-
	<u>11,797,126</u>	<u>9,845,638</u>	<u>6,289,279</u>

## 15) Adjustment to the value of loans

Adjustment to the value of loans reflects the provision for loan losses (see: note 24). Taking into account the provision level the net value of loans to customers is as follows:

	1992	1991	1990
Loans to other customers	11,797,126	9,845,638	6,289,279
Adjustment to the value of loans	(1,140,131)	(827,099)	(148,109)
	<u>10,656,995</u>	<u>9,018,539</u>	<u>6,141,170</u>

## 16) Debentures

	1992	1991	1990
Securities issued by the State or municipalities	5,540,580	1,050,000	-
Bonds issued by the National Bank of Poland denominated in United States dollars	1,489,981	1,331,276	-
Securities issued by other entities	40,000	-	-
Securities issued by the National Bank of Poland	-	600,000	50,000
	<u>7,070,561</u>	<u>2,981,276</u>	<u>50,000</u>

As at December 31, 1992, all of the above securities in respect of 1992 are transferable and a total of Zl 417,666 million are listed on securities exchanges. As at December 31, 1992, a total of Zl 873 million of these securities are the subject of the Bank's brokerage services. As at December 31, 1992, a total of Zl 5,371,111 million of these securities are due within one year and are, therefore, viewed by the Bank as being short-term marketable securities as opposed to long-term investments.

17) Variable income securities

Description	1992	1991	1990
Shares not listed on securities exchanges	62,478	5,774	4,013
Shares listed on securities exchanges	7,550	3,122	-
	70,028	8,896	4,013

As at December 31, 1992, a total of Zł 66,785 million of these securities are transferable. As at December 31, 1992, a total of Zł 5,752 million of these securities are the subject of the Bank's brokerage services and are viewed by the Bank as being short-term marketable securities; the remaining securities are viewed by the Bank as being long-term investments.

18) Participation shares

At December 31, 1992, the Bank held the following interest in participation shares:

Name of entity	Business activity of entity	Percentage of shares held	Book value Zł million
Przedsiębiorstwo Produkcyjno-Usługowe "Browint" Sp. z o.o. w Tychach	Beer production and trading	50%	50

The interest in the above participation shares are transferable but are not listed on securities exchanges.

19) Shares in affiliated firms

At December 31, 1992, the Bank held the following interests in shares in affiliated firms:

Name of entity	Business activity	Percentage of shares held	Book value Zł million
Przedsiębiorstwo Handlowe "Savia" S.A. w Bielsku-Białej	Retailing and wholesaling of consumer goods	82.6%	46,000
"NorSawa" Sp. z o.o. w Warszawie	Real estate agent for the Bank	51.0%	510
			46,510

All off the securities noted above are transferable (although none are listed on securities exchanges).

Additional information relating to these investments is as follows:

Name of entity	Total issued capital	Profit (loss) of most recent fiscal period	Unpaid shares held	Dividends received in most recent fiscal period
Przedsiębiorstwo Handlowe "Savia" S.A. w Bielsku-Białej	55,700	Zł 10,438 million (loss) for six month 1992 fiscal period	nil	nil
"NorSawa" Sp. z o.o. w Warszawie	1,000	n/a	nil	nil

## 20) Intangible assets

	1992	1991	1990
Computer software	2,623	1,829	366
Accumulated amortization	(410)	(99)	(10)
	<u>2,213</u>	<u>1,730</u>	<u>356</u>

## 21) Fixed assets (net)

	1992	1991	1990
Land and buildings used by the Bank for its own activities	114,298	44,329	32,303
Other land and buildings	5,779	3,723	3,763
Equipment and installations	155,545	68,822	34,386
Prepayments for investments and investment projects in progress	410,910	282,725	67,719
Other fixed assets	902	1,098	1,098
	<u>687,434</u>	<u>400,697</u>	<u>139,269</u>

## 22) Obligations to financial institutions

	1992	1991	1990
Current (one day demand)	2,474,837	1,699,934	385,238
Non - current:			
Under three months	15,645	92,032	411,214
Three months to one year	1,121	13,462	15,201
One year to five years	35,787	15,042	1,090,823
Greater than five years	63,068	-	-
	<u>2,590,458</u>	<u>1,820,470</u>	<u>1,902,476</u>

## 23) Obligations to clients

	1992	1991	1990
Savings deposits:			
Current (one day demand)	7,210,634	5,946,005	6,509,319
Non - current:			
Under three months	5,683,840	3,653,422	2,175,121
Three months to one year	4,005,257	2,263,580	1,334,509
One year to five years	933,083	704,163	707,693
Greater than five years	52,437	-	-
	<u>17,832,866</u>	<u>12,567,607</u>	<u>10,726,642</u>
Certificates of deposit:	96,937	-	-
	<u>17,929,803</u>	<u>12,567,607</u>	<u>10,726,642</u>

All certificates of deposit are due within three months.

24) Provision for loan losses

The assessment of the credit portfolio of the Bank is subject to uncertainties in respect of the success of the implementation of restructuring measures and the effects of the general economic environment in Poland.

One of the Bank's major borrowers, FSM S.A. in Bielsko-Biala, is the subject of a conditional contract for the acquisition by Fiat Italy of a controlling interest. When this contract becomes unconditional there is a commitment by the Polish Government and others to restructure the indebtedness of FSM. Until this takeover has occurred, the Bank's credit exposure to FSM is subject to significant risk for which no provision has been made in the financial statements prepared in accordance with Polish accounting standards as at 31 December 1993

As at June 8, 1993, being the date of the General Assembly of the Bank, the aforementioned conditional acquisition contract between the Polish government and Fiat had not been finalized. Accordingly, the Bank has included within the enhanced loan loss provision established pursuant to the capital restructuring approved by the General Assembly (see Note 4), an amount equal to 50% of the FSM loan exposure.

25) Share capital

	1992	1991	1990
Share capital:			
Opening balance	926,000	-	-
Transfer from Statutory fund	-	926,000	-
Closing balance	926,000	926,000	-

26) Other capital accounts and equity funds

	Pro-forma Jan. 1, 1993 (unaudited)	1992	1991	1990
Supplementary capital	309,000	1,029,940	1,029,701	-
Reserve capital	176,000	625,100	426,397	-
Statutory fund	-	-	-	176,000
Reserve fund	-	-	-	160,000
Investment and Fixed asset funds	-	-	-	101,906
	485,000	1,655,040	1,456,098	437,906

Allocations of net income are recognized in the fiscal year in which the allocations are approved by the Bank's General Assembly (or other applicable body prior to transformation of the Bank in 1991) which is typically the fiscal year subsequent to that in which the net income was earned. In 1991, however, an allocation was made of certain of the net income earned in 1991 prior to the transformation of the Bank into a joint stock company.

	Pro-forma Jan. 1, 1993 (unaudited)	1992	1991	1990
<b>Supplementary capital:</b>				
Opening balance	1,029,940	1,029,701	-	-
Capital restructuring (Note 4)	(720,940)	-	-	-
Other (adjustment to previous year)	-	239	-	-
Transfer from Reserve fund	-	-	910,000	-
Transfer from Fixed assets fund	-	-	102,183	-
Changes due to fixed asset movements	-	-	17,518	-
<b>Closing balance</b>	<b>309,000</b>	<b>1,029,940</b>	<b>1,029,701</b>	<b>-</b>
<b>Reserve capital:</b>				
Opening balance	625,100	426,397	-	-
Capital restructuring (Note 4)	(449,100)	-	-	-
Allocation of prior year's net income	-	200,603	-	-
Other (adjustment to previous year)	-	2,800	-	-
Depreciation of certain fixed assets	-	(4,700)	-	-
Transfer from Investment fund	-	-	456,215	-
Changes due to fixed asset movements	-	-	(29,818)	-
<b>Closing balance</b>	<b>176,000</b>	<b>625,100</b>	<b>426,397</b>	<b>-</b>
<b>Statutory fund:</b>				
Opening balance	-	-	176,000	26,000
Allocation of prior year's net income	-	-	650,000	150,000
Allocation of current year's net income	-	-	100,000	-
Transfer to Share capital	-	-	(926,000)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,000</b>
<b>Reserve fund:</b>				
Opening balance	-	-	160,000	10,000
Allocation of prior year's net income	-	-	650,000	150,000
Allocation of current year's net income	-	-	100,000	-
Transfer to Supplementary capital	-	-	(910,000)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,000</b>
<b>Investment and Fixed asset funds:</b>				
Opening balance	-	-	101,906	21,704
Allocation of prior year's net income	-	-	258,316	44,606
Allocation of current year's net income	-	-	204,366	-
Net movement in funds relating to fixed asset transactions	-	-	(6,190)	35,596
Transfer to Supplementary capital	-	-	(102,183)	-
Transfer to Reserve capital	-	-	(456,215)	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,906</b>



27) Shareholder's equity

Shareholder's equity, being the net assets of the Bank, is equal to the total assets of the Bank less its liabilities.

28) Leasing transactions

The Bank was not a party to any capital type leases during 1992.

29) Assets of the Bank held as collateral

None of the Bank's assets are held as collateral at December 31, 1992 for either its own obligations or obligations it has made to third parties in the form of guarantees.

30) Guarantees of the Bank relating to the issuance of securities

The Bank has no guarantees outstanding at December 31, 1992 relating to its involvement in the issuance of securities.

31) The Bank did not engage in any *foreign activities* during 1992 whereby the value of the Bank's assets, *proceeds*, profits before taxes or net income relating to such activities exceeded ten percent of the Bank's total assets, *proceeds*, profits before taxes or net income of 1992, respectively (*foreign activities* and *proceeds* being defined terms as presented in Dziennik Ustaw Nr 71, poz. 308).

## 1a. REVIEW ENGAGEMENT REPORT

To the Members of the Management Board  
Bank Śląski Spółka Akcyjna w Katowicach  
Katowice  
Poland

We have reviewed the balance sheet of Bank Śląski Spółka Akcyjna w Katowicach as at 30 June 1993 and the related statement of profit and loss and changes in the financial position for the period then ended, which have been prepared by the management of the Bank, in accordance with International Standards on Auditing applicable to reviews.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with Polish accounting regulations (as defined by the Resolution of the President of the National Bank of Poland dated 12 February 1991), as amended from time to time.

Attention is drawn to the fact that a change in accounting policy has been made in the six months to 30 June 1993, to recognise interest income and expense accruals, in accordance with Regulations of the National Bank of Poland. The effect is that an additional Zł 459,510 million of interest income and Zł 287,485 million of interest expense has been included in the profit and loss account in the six months to 30 June 1993. The net effect is to increase the net income in the six months to 30 June 1993 by Zł 172,025 million, from Zł 562,837 million to Zł 734,862 million. This amount is before taxation which will be 40 % of the net additional income. Taxation will be levied when the underlying transactions materialise in cash.

KPMG Reviconsult Sp. z o.o.  
Warsaw

## 2a. PROFIT AND LOSS ACCOUNT

The profit and loss account of the Bank for the six months ended 30 June 1993 and the year ended 31 December 1992 are presented below. Unless otherwise stated, all amounts are expressed in millions of Polish Złoty. The profit and loss account should be viewed in conjunction with the notes to the financial statements which form an integral part of the financial statements.

	Notes	Six months to 30 June 1993	Year to 31 December 1992
Interest and similar income	4	3,355,706	5,614,932
Interest and similar expenses		(2,062,433)	(3,288,374)
Income from shares	5	64,207	803
Commission income	6	479,402	623,345
Commission expense		(5,936)	(9,633)
Profit from financial operations		1,830,946	2,941,073
Other operating income		41,987	34,458
General expenses	7	(318,290)	(607,790)
Other operating expenses (net)		(109,515)	(189,702)
Adjustment to the value of loans (net)		(77,937)	(238,728)
Adjustment to the value of investments		-	(626)
Profit from ordinary activities		1,367,191	1,938,685
Extraordinary items:			
Income		4,650	3,078
Expenses		(144,732)	(192,494)
Profit before taxation		1,227,109	1,749,269
Corporate income taxes	8	(438,693)	(873,403)
Other taxes	9	(53,554)	(248,468)
Net income		734,862	627,398
Earnings per share (in Złoty)		79,359	67,754

### 3a. BALANCE SHEET

amounts are expressed in millions of Polish Zloty. The balance sheet should be viewed in conjunction with the notes to the financial statements which form an integral part of the financial statements.

The balance sheet at 30 June 1993 and pro-forma balance sheet at 1 January 1993 are presented below. Unless otherwise stated, all

	Notes	30 June 1993	Pro-forma 1 January 1993
<b>Assets</b>			
Cash and deposits with the National Bank of Poland		4,081,860	4,328,240
Discounted bills of exchange		98,334	92,784
Loans to financial institutions	10	3,086,730	1,808,970
Loans to other customers	11	12,781,853	11,797,126
Debentures	13	9,434,169	7,070,561
Variable income securities	14	66,428	70,028
Participation shares	15	50,050	50
Shares in affiliated firms	16	46,510	46,510
Intangible assets (net)	17	2,897	2,213
Fixed assets (net)	18	904,304	733,014
Other assets		1,588,794	583,020
Interperiod settlement accounts		1,004,677	1,182,440
<b>Total assets</b>		<b>33,146,606</b>	<b>27,714,956</b>
<b>Liabilities &amp; equity</b>			
Obligations to financial institutions	19	2,949,738	2,590,458
Obligations to clients	20	20,671,893	17,929,803
Other obligations		1,831,656	914,941
Interperiod settlement accounts and unearned revenue		2,706,839	2,213,481
Provision for loan losses	21	2,622,056	2,545,886
		<b>30,782,182</b>	<b>26,194,569</b>
General risk fund		218,774	109,387
Share capital	22	926,000	926,000
Other capital accounts and equity funds	23	484,788	485,000
Net income for the period		734,862	-
<b>Capital, own funds and general risk fund</b>	<b>24</b>	<b>2,364,424</b>	<b>1,520,387</b>
<b>Total liabilities &amp; equity</b>		<b>33,146,606</b>	<b>27,714,956</b>
Contingencies and commitments		1,697,381	1,596,939

#### 4a. STATEMENTS OF CHANGES IN FINANCIAL POSITION

The statements of changes in financial position of the Bank for the six months ended 30 June 1993, (based upon the pro-forma balance sheet at 1 January 1993), and for the year ended 31 December 1992 are

presented below. Unless otherwise stated, all amounts are expressed in millions of Polish Zloty. The statements of changes in financial position should be viewed in conjunction with the notes to the financial statements which form an integral part of the financial statements.

	Six months to 30 June 1993	Year to 31 December 1992
<b>Source of funds</b>		
Net income	734,862	627,398
Amortisation	30,395	23,159
Increase in specific provision for loan losses	76,170	313,032
Increase in general risk fund	109,387	-
Other sources of funds	-	1,768
<b>Total sources of funds</b>	<b>950,814</b>	<b>965,357</b>
<b>Application of funds</b>		
Investment expenditures:		
Intangible and fixed assets (net)	(202,581)	(312,040)
Variable income securities, participation shares and shares in affiliated firms	(46,400)	(107,132)
Distribution to the employee fund	-	(21,932)
<b>Total application of funds</b>	<b>(248,981)</b>	<b>(441,104)</b>
<b>Increase in working capital</b>	<b>701,833</b>	<b>524,253</b>
	Six months to 30 June 1993	Year to 31 December 1992
Changes in cash balances and deposits with the National Bank of Poland	(246,380)	211,755
Changes in discounted bills of exchange, loans to financial institutions and loans to other customers	2,268,037	3,422,538
Changes in debentures	2,363,608	4,089,285
Changes in interperiod settlement accounts (net)	(671,121)	(686,288)
Changes in obligations to financial institutions and to clients	(3,101,370)	(6,132,184)
Changes in remaining liabilities	(916,715)	(285,654)
Changes in level of financial assets	(303,941)	619,452
Changes in other assets	1,005,774	(95,199)
<b>Increase in working capital</b>	<b>701,833</b>	<b>524,253</b>

## 5a. NOTES TO THE FINANCIAL STATEMENTS

Unless otherwise indicated all tabular amounts are expressed in millions of Polish Zloty.

### 1) Basis of preparation

The Bank maintains its accounting records in accordance with banking regulations prevailing in Poland and prepares its statutory accounts on such a basis. The accounts have been presented on a historical cost basis, except for the revaluation of certain fixed assets which have been made from time to time pursuant to legislated requirements.

### 2) Pro-forma financial information

Pro-forma financial information presented in the balance sheet as at January 1, 1993 is based on the audited December 31, 1992 balance sheet and, in addition, takes into consideration the following: capital restructuring of the Bank, the legislated fixed asset revaluation and the distribution of 1992 net income, all of which took place in 1993.

– Capital restructuring: pursuant to a motion of the General Assembly of the Bank dated June 8, 1993, the capital of the Bank was restructured whereby certain components of the Bank's capital accounts were transferred to the Provision for loan losses. (Details are printed in audited financial statements set out in note 26).

– Fixed assets revaluation: pursuant to an Ordinance of the Ministry of Finance (Official Journal No. 30/92 and 103/92) dated March 27, 1993 (as amended from time to time), the fixed assets of the Bank were revalued based on specific legislated indices.

– Distribution of 1992 net income: pursuant to a motion of the General Assembly of the Bank dated June 8, 1993, net income in respect of the 1992 fiscal year was distributed to the Bank's bonus fund, Provision for loan losses, General risk fund (newly established) and to the State Treasury as a dividend. (Details are printed in audited financial statements set out in note 11).

These adjustments and distributions may be summarised as follows:

	31 December 1992	Capital restructuring	Fixed assets revaluation	Distribution of 1992 net income	1 January 1993 (unaudited)
Fixed assets	687,434	-	45,580	-	733,014
Other obligations	585,297	-	-	329,644	914,941
Provisions for loan losses	1,140,131	1,215,620	-	190,135	2,545,886
General risk fund	-	-	-	109,387	109,387
Share capital	926,000	-	-	-	926,000
Supplementary capital	1,029,940	(720,940)	-	-	309,000
Reserve capital	625,100	(494,680)	45,580	-	176,000

The pro-forma financial information has been presented as if the aforementioned adjustments and distributions had all taken place as at January 1, 1993. The information is presented for comparative purposes only and has not been audited. These adjustments were not actually included in the Bank's accounts as at 1 January 1993, but were reflected in the accounts as at 30 June 1993.

### 3) Summary of Significant Accounting Policies

#### a) Intangible assets

Intangible assets are presented at cost less accumulated amortisation calculated on a straight-line basis utilising annual rates of amortisation ranging from 10% to 20% as prescribed by the Polish Ministry of Finance.

#### b) Fixed assets

Fixed assets are presented at cost, subject to periodic legislated revaluation, less accumulated depreciation calculated on a straight-line basis utilising annual rates of depreciation prescribed by the Polish Minister of Finance, as follows:

Office equipment	14 %
Motor vehicles	20 %
Computer equipment	17 - 20 %
Technical equipment	10 - 20 %
Buildings	1.5 - 4 %

Expenditures on fixed assets less than 10,000,000 Zloty are expensed as incurred.

#### c) Investments

Investments are carried at cost. Investments are classified as Shares in affiliated firms if an interest greater than fifty percent is held and Participation shares if an interest of between ten and fifty percent is held.

#### d) Loans

Loans are carried at their principal amount outstanding. The provision for loan losses is separately presented in the balance sheet.

#### e) Interest income and interest expense

In 1993, in accordance with Bank Supervision, financial statements have been prepared on an accruals basis.

#### f) Foreign currency translation

Assets and liabilities at 30 June 1993, denominated in foreign currencies are translated at applicable exchange rates at that date. Losses arising in 1990 from the translation of foreign currency denominated balances as a result of the depreciation of the Polish Zloty were partially compensated by the National Bank of Poland.

The uncompensated losses were originally to be written off in three equal annual instalments ending 31 December 1993. Pursuant to a motion of the General Assembly, the third annual instalment has been fully charged in the six month period to 30 June 1993.

#### 4) Interest and similar income

Interest and similar income includes income on fixed income securities of Zł 1,417,358 million for the six months to 30 June 1993 (1992: Zł 1,827,063 million).

#### 5) Income from shares

Income from shares is made up entirely of income from shares which are included in Variable income securities.

6) Commission income

Commission income includes Zł 11,355 million relating to the Bank's brokerage activities (1992: Zł 2,358 million).

7) General expenses

	Six months to 30 June 1993	Year to 31 December 1992
Personnel expenses:		
Wages and professional fees	119,673	224,930
Special costs	5,035	3,055
Other personnel costs	53,791	100,396
Other general	139,791	279,409
	<u>318,290</u>	<u>607,790</u>

Included in general expenses are expenses relating to brokerage activity, which are as follows:

	Six months to 30 June 1993	Year to 31 December 1992
Personnel expenses:		
Wages and professional fees	1,869	2,256
Special costs	40	28
Other personnel costs	888	1,033
Other general	10,990	3,130
	<u>13,787</u>	<u>6,447</u>

8) Corporate income taxes

	Six months to 30 June 1993	Year to 31 December 1992
Profit before taxation	1,227,109	1,749,269
Add:		
Non-deductible expenses	449,438	396,793
Less:		
National Bank of Poland bond revenues	-	(83,228)
Other deductions	(587,295)	(204,782)
Donations	(8,200)	(9,820)
	<u>(308,010)</u>	<u>(297,830)</u>
Taxable income	1,081,052	1,848,232
Income taxes (40% of taxable income)	432,421	739,293
Add taxes paid in the period in respect of an adverse tax ruling relating to the 1991 fiscal year	6,272	134,552
Less tax on dividends received	-	(442)
Corporate income taxes	<u>438,693</u>	<u>873,403</u>

9) Other taxes

Other taxes is made up entirely of excess wages tax.

10) Loans to financial institutions

	30 June 1993	Pro-forma 1 January 1993
Current (one day demand)	555,477	564,417
Non - current:		
Under three months	2,527,493	1,232,890
Three months to one year	--	7,663
One year to five years	--	4,000
Greater than five years	3,760	-
	<u>3,086,730</u>	<u>1,808,970</u>

11) Loans to other customers

	30 June 1993	Pro-forma 1 January 1993
Current (one day demand)	101,737	217,629
Non - current:		
Under three months	1,741,611	5,101,833
Three months to one year	1,113,458	1,908,640
One year to five years	693,458	1,488,463
Greater than five years	9,131,589	3,080,561
	<u>12,781,853</u>	<u>11,797,126</u>

12) Adjustment to the value of loans

Adjustment to the value of loans reflects the provision for loan losses (see: note 21). Taking into account the provision level the net value of loans to customers is as follows:

	30 June 1993	Pro-forma 1 January 1993
Loans to other customers	12,781,853	11,797,126
Adjustment to the value of loans	(2,622,056)	(2,545,886)
	<u>10,159,797</u>	<u>9,251,240</u>

13) Debentures

	30 June 1993	Pro-forma 1 January 1993
Securities issued by the State or municipalities	7,964,232	5,540,580
Bonds issued by the National Bank of Poland denominated in United States dollars	1,439,937	1,489,981
Securities issued by other entities	30,000	40,000
	<u>9,434,169</u>	<u>7,070,561</u>

At 30 June 1993, all of the above securities are transferable and a total of Zl 586,939 million are listed on securities exchanges. At 30 June 1993, a total of Zl 2,064 million of these securities are the subject of the Bank's brokerage services, a total of Zl 7,636,206 million of these securities are due within one year and are, therefore, viewed by the Bank as being short-term marketable securities as opposed to long-term investments.

14) Variable income securities

	30 June 1993	Pro-forma 1 January 1993
Shares not listed on securities exchanges	37,478	62,478
Shares listed on securities exchanges	28,950	7,550
	<u>66,428</u>	<u>70,028</u>

At 30 June 1993, a total of Zl 63,185 million of these securities are transferable, of which Zl 28,950 million are quoted on the Warsaw Stock Exchange and Zl 27,152 million are the subject of the Bank's brokerage services and are viewed by the Bank as being short-term marketable securities; the remaining securities are viewed by the Bank as being long-term investments.

15) Participation shares

Name of entity	Business activity of entity	Percentage of shares held	Book value (Zl mn)
Przeds. Prod. - Usl "Browint" Sp. z o.o. w Tychach	Beer production and trading	50.0 %	50
Telbank S.A.	Inter bank networking	10.7 %	50,000
			<u>50,050</u>

16) Shares in affiliated firms

At 30 June 1993, the Bank held the following interests in shares in affiliated firms:

Name of entity	Business activity of entity	Percentage of shares held	Book value (Zl mn)
Przedsiębiorstwo Handlowe "Savia" S.A. w Bielsku-Bialej	Retailing and wholesaling of consumer goods	82.6 %	46,000
"NorSawa" Sp.z o.o. w Warszawie	Real estate agent for the Bank	51.0 %	510
			<u>46,510</u>

All off the securities noted above are transferable (although none are listed on securities exchanges).

Additional information relating to these investments is as follows:

Name of entity	Total issued capital	Profit (loss) of most recent fiscal period	Unpaid shares held	Dividends received in most recent fiscal period
Przedsiębiorstwo Handlowe "Savia" S.A. w Bielsku-Bialej	55,700	Zl 79,742 million (loss) for year ended 31 December 1992	nil	nil
"NorSawa" Sp. z o.o. w Warszawie	1,000	n/a	nil	nil

The investment in NorSawa was sold in July 1993.



## 17) Intangible assets

	30 June 1993	Pro-forma 1 January 1993
Computer software	3,545	2,623
Accumulated amortisation	(648)	(410)
	<u>2,897</u>	<u>2,213</u>

## 18) Fixed assets (net)

	30 June 1993	Pro-forma 1 January 1993
Land and buildings used by the Bank for its own activities	149,091	123,947
Other land and buildings	5,573	6,249
Equipment and installations	310,402	191,006
Prepayments for investments and investment projects in progress	438,336	410,910
Other fixed assets	902	902
	<u>904,304</u>	<u>733,014</u>

## 19) Obligations to financial institutions

	30 June 1993	Pro-forma 1 January 1993
Current (one day demand)	2,826,492	2,474,837
Non - current:		
Under three months	5,034	15,645
Three months to one year	514	1,121
One year to five years	46,590	35,787
Greater than five years	71,108	63,068
	<u>2,949,738</u>	<u>2,590,458</u>

## 20) Obligations to clients

	30 June 1993	Pro-forma 1 January 1993
Savings deposits:		
Current (one day demand)	7,656,192	7,210,634
Non - current:		
Under three months	6,343,761	5,683,840
Three months to one year	5,311,823	4,005,257
One year to five years	1,066,856	933,083
Greater than five years	13,684	52
	<u>20,392,316</u>	<u>17,832,866</u>
Certificates of deposit:	279,577	96,937
	<u>20,671,893</u>	<u>17,929,803</u>

All certificates of deposit are due within three months.

## 21) Provision for loan losses

The assessment of the credit portfolio of the Bank is subject to uncertainties in respect of the success of the implementation of restructuring measures and the effect of the economic environment in Poland.

One of the Bank's major borrowers, FSM S.A. in Bielsko-Biala, is the subject of a conditional contract for the acquisition by Fiat Italy of a controlling interest. When this contract becomes unconditional there is a commitment by the Polish Government and others to restructure the indebtedness of FSM. Until this takeover has occurred, the Bank's credit exposure to FSM is subject to significant risk.

As at June 8, 1993, being the date of the General Assembly of the Bank, the aforementioned conditional acquisition contract between the Polish government and Fiat Italy has not been finalized. Accordingly, the Bank has included within enhanced loan loss provision established pursuant to the capital restructuring approved by the General Assembly (see Note 2), an amount equal to 50% of the FSM loan exposure.

22) Share capital

The Bank has a registered share capital of Zl 926,000 million made up of 9,260,000 shares of 100,000 Zloty each.

23) Other capital accounts and equity funds

	30 June 1993	Pro-forma 1 January 1993
Supplementary capital	309,000	309,000
Reserve capital	175,788	176,000
	484,788	485,000

24) Capital, own funds and general risk fund

Capital, own funds and general risk fund, which are the net assets of the bank, are equal to total assets less liabilities.

25) Leasing transactions

The Bank was not a party to any capital type leases during the six months to 30 June 1993.

26) Assets of the Bank held as collateral

None of the Bank's assets are held as collateral at 30 June 1993 for either its own obligations or obligations it has made to third parties in the form of guarantees.

27) Guarantees of the Bank relating to the issuance of securities

The Bank has no guarantees outstanding at 30 June 1993 relating to its involvement in the issuance of securities.

28) The Bank did not engage in any *foreign activities* during the six months to 30 June 1993, whereby the value of the Bank's assets, *proceeds*, profits before taxes or net income relating to such activities exceeded ten percent of the Bank's total assets, *proceeds*, profits before taxes or net income of the six months to 30 June 1993, respectively (*foreign activities* and *proceeds* being defined terms as presented in Dziennik Ustaw No.71, pos. 308).

## PART VIII

# ADDITIONAL INFORMATION

a) Summary of financial information presented in accordance with International Accounting Standards

### AUDITORS' REPORT

To the Members of the Management Board  
Bank Śląski Spółka Akcyjna w Katowicach  
Poland

This report is presented in connection with the public offering of shares of Bank Śląski Spółka Akcyjna w Katowicach (the "Bank") by the Ministry of Finance.

Presented below is summarized financial information of the Bank (balance sheets, statements of retained earnings (deficit) and profit and loss accounts) as of and for the three years ended December 31, 1992, based upon the Bank's full financial statements prepared in accordance with International Accounting Standards for those three years.

We have audited those full financial statements for the two years ended December 31, 1991 in accordance with International Auditing Guidelines. Certain amounts presented in the 1991 and 1990 financial information have been restated to conform with the presentation adopted for the 1992 financial information.

We have audited, jointly with KPMG Reviconsult Sp. z o.o., the full financial statements prepared in accordance with International Accounting Standards for the year ended December 31, 1992. The Auditors' Report on those full financial statements has been signed both by ourselves and KPMG Reviconsult Sp. z o.o.

In our opinion, the summarized financial information below is consistent with the full financial statements prepared in accordance with International Accounting Standards for the three years ended December 31, 1992.

KPMG Peat Marwick Treuhand GmbH  
Frankfurt am Main  
March 31, 1993

*1992, 1991 and 1990 financial statements presented in accordance with International Accounting Standards*

### PROFIT AND LOSS ACCOUNTS

	Year ended Dec. 31, 1992	Year ended Dec. 31, 1991	Year ended Dec. 31, 1990
Interest income	6,823,597	6,616,320	4,972,612
Interest expense	3,863,004	4,393,102	2,477,417
	2,960,593	2,223,218	2,495,195
Fee and commission income	623,345	508,193	393,217
Other operating income	295,202	461,366	186,184
	918,547	969,559	579,401
Net exchange losses	186,437	7,133	39,125
Payroll and other staff costs	354,991	190,868	73,503
Other operating expenses	582,255	768,049	80,056
Profit before provision for loan losses and taxation	2,755,457	2,226,727	2,881,912
Provision for loan losses	567,558	1,235,345	741,952
Profit before tax	2,187,899	991,382	2,139,960
Taxation	1,122,571	707,657	1,133,087
Net income	1,065,328	283,725	1,006,873
Earnings per share (in Zloty)	115,046	30,640	-

STATEMENTS OF RETAINED EARNINGS (DEFICIT)

	Year ended Dec. 31, 1992	Year ended Dec. 31, 1991	Year ended Dec. 31, 1990
Opening retained earnings (deficit)	(267,718)	1,006,873	-
Net income	1,065,328	283,725	1,006,873
Transfers to share capital and reserves	(604,969)	(1,558,316)	-
Closing retained earnings (deficit)	192,641	(267,718)	1,006,873

BALANCE SHEETS

	Dec. 31, 1992	Dec. 31, 1991	Dec. 31, 1990
<b>Assets</b>			
Cash	2,116,925	1,144,819	800,176
Due from the National Bank of Poland	2,214,758	2,972,884	2,652,337
Cash balances with other banks	1,800,075	215,476	572,777
Securities	7,283,513	2,982,600	1,726,827
Due from government bodies	807,428	713,300	7,318,022
Loans, gross	10,798,545	9,450,923	7,132,324
Loan loss reserve	(2,544,855)	(1,977,297)	(741,952)
Loans, net	8,253,690	7,473,626	6,390,372
Investments	83,236	8,132	4,063
Other assets	867,103	433,092	274,789
Fixed assets	689,647	402,425	139,972
Total assets	24,116,375	16,346,354	19,879,335
<b>Liabilities and Shareholder's Equity</b>			
Due to the National Bank of Poland	2,138,907	1,503,027	1,735,074
Deposits from other banks	607,003	390,108	161,215
Due to government bodies	277,744	345,794	7,798,210
Household deposits	9,909,602	5,598,292	2,167,917
Corporate deposits	8,079,874	6,581,907	6,062,524
Certificates of deposits	96,936		
Other liabilities	232,628	217,212	509,617
	21,342,694	14,636,340	18,434,557
Share capital and reserves	2,581,040	1,977,732	437,905
Retained profit (deficit)	192,641	(267,718)	1,006,873
Shareholder's equity	2,773,681	1,710,014	1,444,778
Total liabilities and shareholder's equity	24,116,375	16,346,354	19,879,335
Contingencies and commitments	1,596,939	1,262,515	308,975

b) Reconciliation of financial information presented in accordance with International Accounting Standards with that presented in accordance with Polish accounting regulations

standards and presented in Part VII and the accounts prepared in accordance with International Accounting Standards presented above, the principle differences effecting net income for the years under review are as follows:

In addition to certain account classification differences between the accounts prepared in accordance with applicable Polish accounting

	1992	1991	1990
Net income (International Accounting Standards)	1,065,328	283,725	1,006,873
1. Net International Accounting Standards adjustment to loan loss provision	328,830	556,763	593,843
2. Recognition of accrued interest payable and receivable (net)	(643,669)	(503,381)	-
3. Write-off of foreign exchange losses	(123,294)	253,727	-
4. Other	203	25,566	13,388
Net income (Polish accounting regulations)	627,398	616,100	1,614,104

#### NOTES:

##### 1. *Loan loss provision*

In accordance with the enhanced principle of prudence applicable to International Accounting Standards relative to Polish accounting regulations applicable in the periods under review, the loan loss provision and the related charges in the income statements in the accounts prepared in accordance with the former have been consistently higher in the years 1990 through 1992, inclusive, than the amounts disclosed in the Polish accounts.

##### 2. *Recognition of accrued interest payable and receivable*

In the Polish accounts, certain elements of interest receivable and payable (in respect of Central Investment loans and capitalized and past-due interest) are carried in the balance sheet as assets or liabilities. In the International Accounting Standards accounts these amounts have been recognized in the profit and loss accounts in the year to which they relate; certain of these components of interest receivable have been provided for in the loan loss provision as considered necessary.

In addition, interest accruals are included in the International Accounting Standards accounts in respect of securities income and for interest payable on long-term foreign currency deposits which were not included in the Polish accounts.

##### 3. *Write-off Foreign Exchange Losses*

Losses arising from the translation of foreign currency balances arising as a result of the official depreciation of the Polish ZŁoty were partially compensated by the National Bank of Poland at the end of 1991. In the International Accounting Standards accounts these losses were charges against profits in 1991. In the Polish accounts these losses are being written-off in three equal installments over the years 1991 to 1993, inclusive.

c) Inflation adjusted financial information

Annual rates of inflation experienced in the Polish economy, as reflected in the Consumer Price Indices published by the Polish Central Statistical Office, during 1992, 1991 and 1990 were 44.3%, 60.4% and 249.3%, respectively. With the exception of the periodic revaluation of the fixed assets of the Bank, as discussed in the Notes to the Financial Statements in Part VII, no recognition has been given to the effects of inflation in the Bank's accounts.

The following table provides supplementary information relating to certain operating revenue and expense amounts of the Bank's for the 1992, 1991 and 1990 fiscal years adjusted for the effects of inflation. The monetary unit of measurement for all adjusted amounts is the December 31, 1992 Zloty equivalent. Given the limited availability of certain information, it was assumed that all interest revenues earned by the Bank in the years under review were earned evenly throughout the respective years.

	1992		1991		1990	
	(historical)	(adjusted)	(historical)	(adjusted)	(historical)	(adjusted)
Interest and similar income	5,614,932	6,498,514	5,966,701	10,037,328	5,157,768	15,303,139
Interest and similar expenses	(3,288,374)	(3,805,842)	(3,966,913)	(6,673,236)	(2,464,244)	(7,311,432)
Income from securities	803	929	-	-	-	-
Commission income	623,345	721,436	508,193	854,894	393,217	1,166,678
Commission expense	(9,633)	(11,149)	(9,726)	(16,361)	(13,173)	(39,084)
Profit from financial operations	2,941,073	3,403,888	2,498,255	4,202,625	3,073,568	9,119,301

# PART IX

## ATTACHMENTS

### ATTACHMENT I

#### THE CHARTER OF BANK ŚLĄSKI S.A. W KATOWICACH as at 31 August 1993

#### I. General Provisions

##### § 1

The name of the Bank shall be "Bank Śląski S.A. w Katowicach". The Bank may use an abbreviated form of its name "BSK S.A.".

##### § 2

The Bank is established by a virtue of transformation of "Bank Śląski" into a joint-stock company. The founder of the Bank is the State Treasury.

##### § 3

The seat of the Bank shall be Katowice.

##### § 4

The Bank shall operate in the Republic of Poland and abroad.

##### § 5

The Bank may establish branches and other units in Poland and abroad.

##### § 6

All issues which are not regulated by this Bank Charter shall be governed by the provisions of the Commercial Code, the Banking Law, the Foreign Exchange Law and other applicable provisions.

#### II. The Scope of Business of the Bank

##### § 7

1. The main business of the Bank is to collect money, to extend credits and loans, to make settlements and to engage in other banking activities pursuant to the provisions of the The Banking Law.

2. The scope of business of the Bank shall include in particular:

- 1) Opening and managing of bank accounts;
- 2) Accepting savings and fixed-term deposits;
- 3) Issuing its own securities, including bonds and certificates and trading these securities, performing tasks ordered connected with issuing or financial servicing of securities and buying and selling securities in its own name and for its own account or for customers' accounts, managing security deposit accounts;
- 4) Granting and taking loans, acting as broker and jointly with others in obtaining loans;

5) Trading in foreign currency assets, including purchase and sale of foreign banknotes, cheques, payment orders and other foreign payment instruments, coins and precious metals as well as purchasing foreign securities stipulated by the President of the National Bank of Poland;

6) Providing financial services for foreign trade in goods and services, including settlements and payments in forms accepted in domestic and international banking practice;

7) Conducting payment settlements, transactions in bills of exchange and issuing bank pledges and guarantees, and contracting various kinds of liabilities;

8) Collection of financial documents and all kinds of other documents evidencing debt;

9) Signing and performing contracts with enterprises, also foreign, for canvassing payment to bank accounts and for purchase of goods and services in the domestic market;

10) Making payments as called for by contracts and agreements between banks;

11) Financial and operational involvement in international projects and ventures;

12) Accepting and making fixed-term deposits with domestic and foreign banks;

13) Accepting objects, documents and securities for deposit and renting safe deposit boxes;

14) Provision of custodial services;

15) Upon request of other banks, performing certain banking activities belonging to the scope of business of the ordering bank;

16) Other joint undertakings with domestic, foreign and international banks and financial institutions within the scope of the Bank activities;

17) On the order of the Minister of Privatisation, performing tasks connected with privatisation of state-owned enterprises;

18) Administering shares of the State Treasury not sold within the time stipulated in the Law on Privatisation of State-Owned Enterprises;

19) Provision of leasing, factoring, underwriting and other financial services for individuals and legal persons;

20) Provision of economic, financial and logistical advisory services; and

21) Performing other activities permitted to banks pursuant to the provisions of applicable, separate acts of law.

### § 8

If a specific provision imposes a requirement for permits, activities provided for in §7 can be performed only after such permits have been granted.

### § 9

Satisfaction of the claim of the Bank to a property or right encumbered by virtue of lien shall be executed pursuant to the provisions of the Banking Law or the provisions on court or administrative execution or through taking over by the Bank of this property or right.

### III. The Capital of the Bank

#### § 10

The share capital of the Bank shall amount to Zł 926,000,000,000 (nine hundred twenty six billion) and has been divided into 9,260,000 (nine million two hundred sixty thousand) bearer shares of the nominal value of Zł 100,000 (one hundred thousand) each.

#### § 11

The State Treasury has acquired all shares. Shares of the Bank held by the State Treasury can be made available to third parties, pursuant to the applicable legal provisions.

#### § 12

Shares can be redeemed in an order stipulated by the Bank Council, upon approval by the General Meeting of Shareholders of the report and accounts for the fifth fiscal year.

#### § 13

Shares can be redeemed from net profit or separate capital which the Bank may establish for this purpose from annual profit allocations. Redemption of shares from net profit may be effected only upon determining a dividend for the previous fiscal year.

#### § 14

The amounts to be paid for redeemed shares shall be calculated based on the last balance sheet of the Bank.

#### § 15

Specific conditions for redemption of shares shall be determined by a resolution of the General Meeting of Shareholders. Redemption requires a consent of the shareholder whose shares are to be redeemed.

#### § 16

Redemption of shares may also be effected through decrease of the share capital. However, such redemption may not result in a decrease of the share capital below the amount stipulated by the President of the National Bank of Poland as the minimum required for establishment of a bank.

### IIIa. Purchase of Shares on Preferential Terms

#### § 16a

1. The Bank employees shall be entitled to purchase shares of the Company on preferential terms within the limits stipulated by law.
2. Specific manner of offering shares on preferential terms to particular groups of employees, as well as terms and schedule for payments shall be determined in the Rules and Regulations adopted by the Bank Council and approved by the General Meeting of Shareholders.

### IV. The Bank Governing Bodies

#### § 17

The governing bodies of the Bank are:

1. the General Meeting of Shareholders,
2. the Bank Council, and
3. the Bank Management Board.

### V. The General Meeting of Shareholders.

#### § 18.

1. The General Meeting of Shareholders can be ordinary or extraordinary.
2. An ordinary Meeting of Shareholders should be held annually, not later than in May.
3. Extraordinary Meeting of Shareholders shall be convened in cases provided for in the Commercial Code and when bodies or persons, authorised to convene General Meetings of Shareholders, pursuant to the Commercial Code, deem it necessary.
4. General Meetings shall be held at the Company seat or in other venue stipulated in the announcement of convening a General Meeting of Shareholders.

#### § 19

All issues submitted by the Bank Management Board to the General Meeting of Shareholders should be first presented to the Bank Council for consideration. Shareholders who want to submit a motion pertaining to the Bank matters at the General Meeting of Shareholders should first submit it in writing to the Bank Management Board which shall present it, together with its opinion, to the Bank Council.

#### § 20

Resolutions at the General Meeting of Shareholders are taken by a simple majority of votes unless the Commercial Code provides otherwise.

In cases stipulated in Art. 430 of the Commercial Code, a resolution on dissolution of the company is taken by the majority of three fourths of valid votes cast.

#### § 21

Each share shall entitle to one vote.

#### § 22

The Chairman or Deputy Chairman of the Bank Council shall open the General Meeting of Shareholders and shall conduct an election of a Chairman of the Meeting. If neither of them can open the General Meeting, one of the Bank Council members shall open it.

#### § 23

The General Meeting of Shareholders shall take resolutions on the following issues:

1. issuance of bonds;
2. determining the principles for remuneration of members of the Bank Council;
3. establishment and liquidation of special funds, except for funds which are required by law; and
4. other issues stipulated by law, the provision hereof or submitted by the Bank Council, the Management Board or shareholders.



## VI. Bank Council

### § 24

The Bank Council shall consist of five to ten members appointed by the General Meeting of Shareholders for the term of office of three years, however, the term of office of the first Bank Council shall be one year.

The Chairman of the Bank Council shall be elected by the General Meeting of Shareholders.

### § 24a

1. A member of the Bank Council can, at any time, be dismissed by a resolution of the General Meeting of Shareholders adopted by a majority of votes stipulated for appointment of members of the Bank Council.
2. Mandates of members of the Bank Council shall expire:
  - a) upon expiry of its term of office, on the day when the General Meeting of Shareholders approving the balance sheet, the report and profit and loss account for the last year of their term of office is held;
  - b) in case a member of the Bank Council resigns from its office, upon the day the resignation is accepted by the General Meeting of Shareholders;
  - c) in case a member of the Bank Council is dismissed, upon adoption of the relevant resolution;
  - d) upon death of a member of the Bank Council.

### § 25

Until the 50% of shares held by the State Treasury are sold, members of the Bank Council representing shares held by the State Treasury shall be appointed by the Minister of Finance in the number equal to the number of members of the first Bank Council. The remaining members of the Bank Council shall represent shareholders holding the remaining shares of the Bank, however, such shareholders shall have the right to appoint one member of the Bank for each started 10% of shares which they hold.

### § 26

The Bank Council shall elect from among themselves the Deputy Chairman and they may elect the Secretary.

### § 27

Members of the Bank Council may execute their duties only in person.

### § 28

The Bank Council shall act according to Rules and Regulations adopted by the General Meeting of Shareholders. The Rules and Regulations of the Bank shall determine its organisation and procedures.

### § 29

1. A meeting of the Bank Council shall be convened by its Chairman or the Deputy Chairman, upon request of the Management Board or upon request of at least two members of the Bank Council.
2. Meetings of the Bank Council shall be held at least twice a month.

### § 30

For a resolution of the Bank Council to be valid it is required that at least half of the Bank Council members be present including its Chairman or Deputy Chairman.

### § 31

1. Resolutions of the Bank Council are taken by an absolute majority of votes of the Bank Council members present at the meeting. In case of a tied vote, the vote of the person presiding the meeting shall decide.

2. In justified circumstances, the Chairman of the Bank Council may decide on a vote in writing, without holding a meeting. If such procedure is applied, a resolution shall be presented to all members of the Bank Council for approval and becomes valid when at least half of the Bank Council members including the Chairman have signed it.

A resolution on appointment or dismissal of members of the Management Board may not be adopted through such procedure.

### § 32

The Bank Council shall give its opinion on all motions and issues which require a resolution of the General Meeting of Shareholders.

### § 33

1. The Bank Council shall maintain constant supervision over the activities of the Bank.
2. Notwithstanding the powers and responsibilities of the Bank Council stipulated by law and the provisions hereof, it is within the competence of the Bank Council:
  - 1) to examine the balance sheet and the profit and loss account for their consistency with the books and documents and the true state of affairs;
  - 2) to determine the directions for the Bank development;
  - 3) to approve multi-year development plans for the Bank, as well as annual financial plans, drawn up by the Management Board;
  - 4) to approve motions of the Management Board pertaining to establishment and liquidation of branches and units of the Bank in Poland and abroad;
  - 5) to approve recommendations of the Management Board pertaining to establishment or joining companies in Poland and abroad by the Bank, except for the following cases:
    - when it is a swap of debt for shares;
    - it is an execution of collateral accepted by the Bank;
    - in another, direct way it is connected with restructuring of the Bank debtors;
  - 6) to review reports of the Management Board and its recommendations for distribution of shares or coverage of losses;
  - 7) to conclude employment contracts and other contracts with members of the Management Board on behalf of the Bank;
  - 8) to determine remuneration for the President, Vice-Presidents and members of the Management Board; and
  - 9) to adopt Rules and Regulations for the Management Board.

### § 34

Furthermore, a resolution of the Bank Council is required for:

- a) purchase, encumbrance, alienation or lease (rent, leasing), with the reservation of the provisions of the Commercial Code, of real estate, fixed assets, property right if the value of the real estate, fixed asset or property right exceeds one tenth of the contributed share capital.
- b) suspension in office for major reasons of members of the Management Board, as well as delegation of members of the Bank Council to perform temporarily the function of members of the Management Board who cannot perform their duties.

## VII. Management Board

### § 35

The Management Board shall consist of three to eight members, including the President, Vice-Presidents and members.

### § 36

1. The Bank Council shall appoint and dismiss the President of the Management Board, and upon his recommendation or approval, Vice-Presidents and Members of the Management Board.
2. The Bank Council shall confirm the election of the first Management Board.

### § 37

The term of office of the Management Board shall be three years, however, the term of office of the first Management Board shall be two years.

### § 38

The Management Board shall act according to the Rules and Regulations adopted by the Bank Council. The Rules and Regulations shall identify those matters the review of which by the Management Board requires a committee procedure.

### § 39

The Management Board manages the Bank and represents it. All matters which are not stipulated by law or by the provisions hereof for other governing bodies of the Bank shall be within the scope of activities of the Management Board.

### § 40

The following persons shall be authorised to make statements of will on behalf of the Bank:

- a) President of the Management Board - independently;
- b) two members of the Management Board jointly, or one member of the Management Board jointly with a procurator or two procurators jointly.

For performance of certain activities or particular kinds of activities, proxies may be empowered, to act independently or jointly with a person referred to in point b.

### § 41

The Management Board may authorise directors of branches or other units to extend and revoke authorisation to perform certain activities or particular kinds of activities in organisations which they manage.

## VIII. The Structure of the Bank

### § 42

The internal structure of the Bank is determined by the Rules and Regulations adopted by the Management Board and approved by the Bank Council.

## IX. Capitals and Funds of the Bank

### § 43

It is provided herein that the funds of the Bank, a joint-stock company shall include:

- Share capital,
- Reserve capital,
- Supplementary capital, and
- Special funds.

### § 44

Special funds are established and dissolved by a resolution of the General Meeting of Shareholders unless they are required by law.

Rules and Regulations relative to special funds shall be adopted by the Bank Council.

### § 45

The reserve capital shall be established from annual allocations from net profit, and is intended for coverage of losses in the balance sheet which may occur in the course of business activities of the Bank.

### § 46

The supplementary capital shall be established independently of the reserve capital of the Bank from annual allocations from net profit in the amount as resolved by the General Meeting of Shareholders.

This capital may also be financed from other sources.

### § 47

Specific principles for employment of the supplementary capital shall be determined in Rules and Regulations adopted by the Bank Council.

## X. Financial Management of the Bank, Profit Distribution and Accounting

### § 48

Financial management of the Bank shall be carried out on the basis of annual financial plans approved by the Bank Council.

Particular principles of financial management of the Banks shall be determined by the Management Board.

### § 49

Net profit of the Bank shall be allocated, in the amounts as resolved by the General Meeting of Shareholders, to:

- a) reserve capital;
- b) supplementary capital;
- c) dividend for shareholders;
- d) other specific funds, established from the net profit; and
- e) other purposes.

### § 50

The Bank shall maintain its accounting in compliance with the applicable provisions. Accounting shall be maintained based on a charter of accounts. Organisation and procedures of accounting shall be determined by the Management Board.

### § 51

An annual balance sheet, profit and loss account and annual report should be drawn up not later than within three months of the end of a fiscal year.

The fiscal year shall be a calendar year.

## XI. Final provisions

### § 52

Announcements required by law shall be published in *Rzeczpospolita*.

## ATTACHEMENT 2

## List of Brokerage Offices Receiving Orders for Shares

Shares are sold by brokerage offices of the following institutions and/or specialised firms:

Bank Depozytowo-Kredytowy S.A. w Lublinie (BDK);  
 Bank Gdański S.A. (BG);  
 Bank Gospodarki Żywnościowej w Warszawie (BGŻ);  
 Bank Przemysłowo-Handlowy S.A. w Krakowie (BPH);  
 Bank Rozwoju Eksportu S.A. w Warszawie (BRE);  
 Bank Śląski S.A. w Katowicach (BSK);  
 Bank Zachodni S.A. we Wrocławiu (BZ);  
 Bydgoski Bank Komunalny S.A. w Bydgoszczy (BBK);  
 Pomorski Bank Kredytowy S.A. w Szczecinie (PBKS);  
 Powszechny Bank Gospodarczy S.A. w Łodzi (PBG);  
 Powszechna Kasa Oszczędności Bank Państwowy (PKO BP);  
 Powszechny Bank Kredytowy S.A. w Warszawie (PBK);  
 Wielkopolski Bank Kredytowy S.A. w Poznaniu (WBK);  
 Arabski i Gawor Sp. c., Kraków (AG) (associated with DM BSK S.A.);  
 Penetrator S.A., Kraków (PEN) (associated with DM BSK S.A.);  
 Glob S.A. Warszawa (GLOB) (associated with BM BG S.A.);  
 Wielkopolskie Centrum Inwestycji Kapitałowych Spółka z o.o. Poznań (WCIK) (associated with DM BSK S.A.).

## List of Share Sales Points

Będzin	BSK	ul. Sączewskiego 12
Biała Podlaska	BDK	ul. Brzeska 21
Białystok	BG	Rynek Kościuszki 7
	PBG	ul. Sienkiewicza 42
	PKO BP	Rynek Kościuszki 16
	PBK	Rynek Kościuszki 7
Bielsko-Biała	BSK	pl. Chrobrego 1
	BPH	ul. Ks. Stojałowskiego 23
Bochnia	BPH	ul. K. Wielkiego 9
Bydgoszcz	BG	ul. Jagiellońska 4
	WBK	ul. Królowej Jadwigi 18
	PBKS	pl. Teatralny 4
	BGŻ	ul. Chodkiewicza 89/91
	BBK	pl. Wolności 1
	BBK	ul. Jagiellońska 34
	PKO BP	ul. Gdańska 21
	BZ	ul. Grunwaldzka 50
Bytom	BSK	ul. Strzelców Bytomskich 1
	BZ	ul. Dworcowa 4
Chelm	BDK	pl. Niepodległości 1
Chojnice	BG	ul. Sukienników 5
	BBK	Rynek 11/13
Chorzów	BSK	ul. Wolności 41 a
	BZ	ul. Katowicka 16 a
Ciechanów	BGŻ	ul. 17 Stycznia 60
	PBK	ul. 1 Maja 3
Cieszyn	BSK	ul. Mennicza 1
Czechowice Dziedzice	BSK	ul. Niepodległości 10a
Chodzież	WBK	ul. Krasieńskiego 31
Czeladź	BSK	Rynek 2
Częstochowa	BSK	al. NMP 34
	PKO BP	al. NMP 19
	BDK	ul. Piłsudskiego 5
Dąbrowa Górnicza	BSK	ul. 3 Maja 1
Dębica	BPH	ul. Kościuszki 6
Ełbląg	BG	ul. 1 Maja 16
Ełk	BGŻ	ul. Armii Krajowej 24
Gdańsk	BG	ul. Wały Jagiellońskie 16
	BG	ul. Długi Targ 14/16
	WBK	ul. Nowe Ogrody 8/12
	BG	ul. Grunwaldzka 19/23
	PBK	ul. Ogarna 116

Gdańsk-Wrzeszcz	BBK	ul. Uphagena 27
Gdynia	BG	ul. 3 Maja 25
	PBKS	ul. Waszyngtona 34/36
	WBK	ul. Starowiejska 25
Gliwice	BSK	ul. Górnych Wałów 14
	BSK	ul. Zwycięstwa 28
	BPH	ul. Konstytucji 6
Głogów	BZ	ul. Obrońców Pokoju 12
Gostyń	WBK	ul. Bojanowskiego 22
Gorzów Wielkopolski	PKO BP	ul. Jagielly 3
	BGŻ	ul. Wałczaka 3
	PBKS	ul. Wełniany Rynek 18
	BZ	ul. Kombatantów 2
Gniezno	WBK	ul. Sienkiewicza 17
Grodzisk Wlkp.	WBK	ul. 3 Maja 8
Grudziądz	BBK	ul. Dworcowa 3
	BG	ul. Sienkiewicza 19
Gubin	WBK	ul. Piastowska 4
Góra	WBK	ul. Piłsudskiego 13
Ilawa	BG	ul. Nowotki 45
Inowrocław	BBK	ul. Solankowa 23
	WBK	ul. Grodzka 5/7
Jasło	BDK	ul. Staszica 6
Jarocin	WBK	ul. Kilińskiego 2a
Jarosław	BDK	pl. Mickiewicza 2
Jaworzno	BSK	ul. Narutowicza 1 a
Jelenia Góra	BZ	ul. 15 Grudnia 5/7
	BGŻ	ul. 15 Grudnia 34
Kalisz	WBK	ul. Parczewskiego 9a
	PKO BP	ul. Rumińskiego 2
	BGŻ	al. Wolności 16
	PBG	ul. Śródmiejska 29
Katowice	BSK	pl. Gwarków 1
	BSK	ul. Mickiewicza 3
	BZ	ul. Wiosny Ludów 4
	BGŻ	ul. Teatralna 17a
	PBG	ul. Warszawska 8
	PKO BP	ul. Warszawska 7
	BPH	ul. Koszarowa 6a
	WBK	ul. Wita Stwosza 2
	BRE	ul. Mickiewicza 15
Kędzierzyn-Koźle	BPH	ul. Świerczewskiego 7
Kępno	WBK	ul. Kościuszki 6
Kielce	BZ	ul. Wspólna 2
	BGŻ	ul. Sienkiewicza 47
	BSK	ul. Staszica 3
	BPH	al. 1000-lecia 4
Koło	WBK	ul. Zielona 2
Konin	WBK	ul. Dworcowa 13
Koszalin	PBKS	ul. Rynek Staromiejski 8
	BG	ul. 1 Maja 36
	BGŻ	al. Trzydziestolecia 8
Kościan	WBK	al. Kościuszki 2
Kraków	BZ	ul. Batorego 14
	BDK	ul. Szpitalna 15
	PKO BP	ul. Wielopole 19/21
	BPH	ul. Grodzka 44
	BPH	ul. Józefińska 18
	BPH	Os. Wandy 18
	BRE	ul. Lubicz 25
	BGŻ	ul. Szlak 65
	AG	ul. Lubicz 25
	PBK	ul. Dunajewskiego 8
	PEN	ul. Bracka 4
Krapkowice	BSK	ul. 1 Maja 2
Kraśnik	BDK	ul. Kościuszki 6
Krosno	BGŻ	ul. Kościuszki 14a
	BDK	ul. Powstańców Warszawskich 3
Krosno Odrzańskie	WBK	ul. Bankowa 1
Krotoszyn	WBK	ul. Sienkiewicza 12a
Kutno	PBG	ul. 29 Listopada 11
Kwidzyn	BG	ul. Chopina 22
Legnica	WBK	ul. Witełona 8
	BGŻ	ul. Wjazdowa 2

Legionowo	BZ	ul. Lampego 3
Leszno	PKO BP	pl. Klasztorny 1
	BSK	ul. Handłowa 14
	WBK	ul. Słowiańska 33
	BGŻ	ul. Słowiańska 16
Lubiń	BZ	ul. Odrodzenia 5
Lublin	PKO BP	ul. Krakowskie Przedmieście 32
	BDK	ul. Krakowskie Przedmieście 64
	BRE	ul. Krakowskie Przedmieście 72
	BGŻ	ul. Karłowicza 4
Lubliniec	BSK	ul. Plebiscytowa 2
Lubsko	WBK	ul. XX-lecia 10
Łomża	BGŻ	ul. Dworna 12
Łódź	WBK	ul. Sienkiewicza 24
	BDK	ul. Dąbrowskiego 234
	PBG	al. Kościuszki 47
	PBG	ul. Piotrkowska 57
	PBG	al. Piłsudskiego 12
	BPH	ul. Wigury 21
	BRE	ul. Piotrkowska 148/150
	PKO BP	al. Kościuszki 15
	PBK	al. Kościuszki 63
Łuków	BDK	ul. Ks. Kard. Stefana Wyszyńskiego 21
Mielec	BDK	ul. Obrońców Pokoju 7
Mikołów	BSK	ul. Rajcy 2
Mińsk Mazowiecki	BDK	ul. Warszawska 87
Myszków	BSK	ul. Pułaskiego 12
Myślenice	BPH	Rynek 4
Nysa	BSK	ul. Piastowska 33
Nowa Sól	WBK	ul. Moniuszki 9
Nowy Sącz	BPH	ul. Jagiellońska 56
	BGŻ	ul. Nawojowska 4
	BPH	ul. Pokoju 4
Nowy Targ	WBK	ul. Poznańska 13
Nowy Tomyśl	BSK	ul. Powstańców Śl. 6
Olesno	BSK	ul. Kazimierza Wielkiego 21
Olkusz	BG	al. Piłsudskiego 1/17
Olsztyn	BRE	ul. Głowackiego 28
	PBK	ul. Dąbrowszczaków 11
	BGŻ	al. Piłsudskiego 11/17
Opoczno	PBG	pl. Kościuszki 16
Opole	BSK	ul. Katowicka 55
	BZ	ul. Ozimska 6
	PBG	ul. Damrota 2
	PKO BP	ul. Damrota 1/2a
	BGŻ	ul. Reymonta 30
Ostrołęka	BGŻ	ul. Reymonta 11
Ostrowiec Świętokrz.	BPH	ul. Wardyńskiego 11
Ostrów Wielkopolski	WBK	pl. Bankowy 1
Ostrzeszów	WBK	ul. Zamkowa 20
Pabianice	PBG	ul. Zamkowa 7
Piła	BG	ul. Sikorskiego 29
	PBKS	ul. Witaszka 2
	PKO BP	ul. Roosevelta 53
	WBK	ul. Sikorskiego 81
Piotrków Trybunalski	PBG	ul. Dąbrowskiego 7
Pińczów	BSK	ul. Klasztorna 4
Płock	BGŻ	ul. Otolińska 25
	BBK	ul. Wieczorka 13
	WBK	ul. Kolegialna 21
	PBG	ul. Kolegialna 14a
Police	PBKS	ul. Bankowa 32
Poznań	PKO BP	ul. Stary Rynek 44
	PBG	pl. Wolności 17
	BG	ul. Paderewskiego 10
	WBK	pl. Wolności 16
	WBK	ul. św. Marcin 66/72
	WBK	ul. św. Marcin 81
	WBK	pl. Wolności 15
	WBK	ul. Powstańców Wielkopolskich 18
	BGŻ	ul. Piekary 17
Przemysł	WCIK	ul. Paderewskiego 7
	BDK	ul. Mickiewicza 14

Pszczyna	BGŻ	ul. Franciszkańska 37
Puławy	BSK	ul. Bankowa 1
	BDK	ul. Partyzantów 8
	PKO BP	ul. Partyzantów 3
Racibórz	BSK	ul. Sienkiewicza 2
Radom	PBG	ul. Piłsudskiego 15
	PKO BP	ul. Czachowskiego 21a
	BGŻ	ul. Żeromskiego 38/40
Radomsko	PBG	ul. Piłsudskiego 20
Rawicz	WBK	Rynek 18
Ruda Śląska	BSK	ul. Woźności 4
Rybnik	BSK	ul. Wieniawskiego 3
Ryki	BDK	Stary Rynek 39
Rzeszów	BDK	ul. 3 Maja 21
	BGŻ	ul. Zygmuntowska 14
	BPH	ul. Bernardyńska 7
	PKO BP	ul. Grunwaldzka 17
Sandomierz	BDK	ul. Kościuszki 4
Sanok	BDK	ul. Kościuszki 4
Siedlce	BDK	ul. Piłsudskiego 70
	BGŻ	ul. B. Joselewicza 2
Siemianowice Śląskie	BSK	ul. Świerczewskiego 14
Sieradz	BGŻ	ul. Saramska 1
	PBG	ul. Rycerska 2
Skierniewice	PBG	ul. Gałęckiego 16
Słubice	WBK	ul. Kościuszki 2
Słupca	WBK	ul. Poznańska 16
Sosnowiec	BSK	ul. Małachowskiego 7
	BPH	ul. Małachowskiego 3
	PBK	ul. Kaliska 7
Stargard Gdański	BG	ul. Wojska Polskiego 1
Stargard Szczeciński	PBKS	ul. Czarnieckiego 16
Strzelece Opolskie	BZ	ul. Zamkowa 1
Stalowa Wola	BDK	ul. Woźności 17
Starachowice	BSK	ul. Krzosa 4
Sulechów	WBK	al. Niepodległości 5
Swarzędz	WBK	ul. Poznańska 25
Szamotoły	WBK	ul. Dworcowa 27
Szczecin	PBKS	al. Wojska Polskiego 1
	PBKS	ul. Obrońców Stalingradu 10/11
	BG	ul. Plk. Starzyńskiego 1
	PKO BP	pl. Zwycięstwa 4/5a
	BRE	ul. Tkacka 55
	BGŻ	ul. Obrońców Stalingradu 10/11
Szczytno	BG	ul. Chrobrego 4
Śrem	WBK	pl. 20 Października 31
Środa Wielkopolska	WBK	ul. Czerwonego Krzyża 6
Świebodzin	WBK	ul. Głogowska 8
Świdnica	BZ	pl. 1000-lecia Państwa Polskiego 1
	BGŻ	ul. Różana 1
Świętochłowice	BSK	ul. Bytomska 8
Świnoujście	BBK	ul. Niedziałkowskiego 9
	PBKS	ul. Monte Cassino 7
Tarnobrzeg	BGŻ	ul. Wyspiańskiego 5
	BDK	ul. 1 Maja 6
Tarnowskie Góry	BSK	ul. Sobieskiego 3
Tarnów	BSK	ul. Mickiewicza 2
	BPH	ul. Wołowa 10
	BGŻ	ul. Krakowska 19
Tomaszów Mazowiecki	PBG	ul. I. Mościckiego 31
Toruń	PBKS	ul. Wielkie Garbary 11
	WBK	ul. Szeroka 16
	PKO BP	ul. Szeroka 16
	BG	ul. Krasieńskiego 2
Turek	WBK	pl. Sienkiewicza 2
Tychy	BSK	ul. Niepodległości 55
Ustroń	BSK	ul. Daszyńskiego 6
Wałbrzych	BZ	ul. Słowackiego 23a
Wadowice	BSK	Rynek 19
Warszawa	BSK	ul. Złota 1
	BSK	ul. Nowowiejska 5
	BG	ul. Karowa 20
	WBK	ul. Kasprowicza 132

	WBK	pl. Inwalidów 3
	BDK	ul. Bieleńska 4a
	BPH	ul. Biała 4
	BPH	Al. Jerozolimskie 7
	BPH	ul. Królewska 27
	BPH	ul. Targowa 81
	PKO BP	pl. Powstańców W-wy 4
	PKO BP	ul. Sienkiewicza 12/14
	PKO BP	ul. Marszałkowska 100/102
	PKO BP	ul. Mysia 5
	BGŻ	ul. Grzybowska 4/6
	BRE	ul. Krucza 38/42
	BBK	Al. Jerozolimskie 2
	PBK	ul. Ks. J. Kłopotowskiego 15
	PBK	ul. Jasna 1
	PBK	ul. Nowogrodzka 50
	PBK	ul. Marynarska 10
	GLOB	ul. Gałczyńskiego 4
Wieluń	PBG	ul. K. Wielkiego 3
Wrocław	BG	ul. Żabia 2
	PBG	ul. Wojska Polskiego 2a
	BGŻ	ul. Kościuszki 15
Wodzisław	BSK	ul. Ks. W. Kubsza 27
Wolsztyn	WBK	Rynek 7
Wrocław	PKO BP	ul. Wita Stwosza 33/35
	PBKS	ul. Malarska 27/29
	WBK	pl. Kościuszki 7/8
	BZ	Rynek 9/11
	BZ	pl. Wolności 10
	BSK	ul. św. Katarzyny 16
	BPH	pl. Powstańców Śląskich 9
Września	WBK	ul. Warszawska 17
Wschowa	WBK	ul. Niepodległości 3a
Zabrze	BSK	ul. Wolności 289
	PBK	pl. Warszawski 9
Zakopane	BSK	ul. Piaseckiego 28
	BPH	ul. Krupówki 19
Zamość	BGŻ	ul. Żeromskiego 3
	BDK	ul. Partyzantów 10
Zawiercie	BSK	ul. Leśna 6
Zduńska Wola	PBG	ul. Kilińskiego 7/10
Zgierz	PBG	ul. Długa 59
Zielona Góra	BBK	al. Niepodległości 8a
	BZ	ul. Sikorskiego 9
	BPH	ul. Podgórna 9a
	WBK	ul. Bankowa 5
	PBKS	ul. Dr. Pieniężnego 24
Żyrardów	PBG	ul. 1 Maja 11

## ATTACHEMENT 3

## List of Organisational Units of Bank Śląski S.A. w Katowicach by Voivodship

<i>Charter code number</i>	<i>Name and address of unit</i>	<i>Director/Manager of unit</i>
<b>Katowice Voivodship</b>		
319997	Centrala BSK S.A. 40-950 Katowice ul. Warszawska 14 skr. poczt. 137  40-950 Katowice ul. Dworcowa 5 skr. poczt. 137	
312611	Oddział Będzin 42-500 Będzin ul. Sączewskiego 12 skr. poczt. 91192	Gabriela Szelağ
312624	II Oddział Bytom 41-902 Bytom ul. Strzelców Bytomskich 1 skr. poczt. 34	Danuta Limańska
312637	Oddział Chorzów 41-500 Chorzów ul. Wolności 41a skr. poczt. 147	Andrzej Capiga
312640	Oddział Czechowice-Dziedzice 43-502 Czechowice-Dziedzice ul. Niepodległości 10 skr. poczt. 5 lub 6	Teresa Gregerecka
312653	Oddział Czeladź 41-251 Czeladź ul. Rynek 2 skr. poczt. 2	Jan Czerw
312666	Oddział Dąbrowa Górnicza 41-300 Dąbrowa Górnicza ul. 3 Maja 1 skr. poczt. 171 lub 172	Alina Kapral
312679	I Oddział Gliwice 44-101 Gliwice ul. Górnych Wałów 14 skr. poczt. 225	Leszek Poptawski
312682	III Oddział Gliwice 44-100 Gliwice ul. Zwycięstwa 28 skr. poczt. 24	Lubomir Pachnik
312695	Oddział Jaworzno 32-510 Jaworzno ul. Narutowicza 1a skr. poczt. 77	Maria Kosek
319870	I Oddział Katowice 40-091 Katowice ul. Piotra Skargi 2	Marek Staško



319867	III Oddział Katowice 40-009 Katowice pl. Gwarków 1 skr. poczt. 189	Teresa Richter
312608	VII Oddział Katowice 40-951 Katowice ul. Mickiewicza 3 skr. poczt. 205	Andrzej Szędzielarz
319854	Oddział Mikołów 43-190 Mikołów ul. Rajcy 2 skr. poczt. 66	Janina Gruszka-Madeja
319838	Oddział Olkusz 32-300 Olkusz ul. Króla Kazimierza Wielkiego 21	Maria Rzepka
312709	Oddział Pszczyna 43-200 Pszczyna ul. Bankowa 1 skr. poczt. 63	Józef Machalica
312712	Oddział Racibórz 47-401 Racibórz ul. Sienkiewicza 2 skr. poczt. 107	Piotr Gładcki
312725	Oddział Ruda Śląska 41-700 Ruda Śląska ul. Wolności 4 skr. poczt. 74	Ewa Piętoń
312738	II Oddział Rybnik 44-201 Rybnik ul. Wieniawskiego 3 skr. poczt. 54	Zygmunt Popek
312741	Oddział Siemianowice 41-100 Siemianowice ul. Świerczewskiego 14 skr. poczt. 52	Norbert Grzesik
312754	II Oddział Sosnowiec 41-200 Sosnowiec ul. Malachowskiego 7 skr. poczt. 295	Mirosława Celeban
312767	Oddział Świętochłowice 41-600 Świętochłowice ul. Bytomska 8 skr. poczt. 1	Jan Szczepanik
312770	Oddział Tarnowskie Góry 42-600 Tarnowskie Góry ul. Sobieskiego 3 skr. poczt. 76	Maria Zawisłak
312783	Oddział Tychy 43-100 Tychy al. Niepodległości 55 skr. poczt. 71 lub 72	Regina Łatak
312796	Oddział Wodzisław 44-301 Wodzisław Śl. ul. Płk. ks. W. Kubsza 27 skr. poczt. 64	Henryk Szymański
319809	I Oddział Zabrze 41-800 Zabrze ul. Wolności 289 skr. poczt. 178	Lidia Mozgol

319812	Oddział Zawiercie 42-400 Zawiercie ul. LeŃna 6 skr. poczt. 7	Marek Słomski
	Dom Maklerski 40-951 Katowice ul. Mickiewicza 3a	Gabriela Kroker
319825	F. Jastrzębie (Oddział Wodzisław Śl.) 44-335 Jastrzębie Zdrój ul. Zielona ( pawilon 33 )	Teresa Kacperek
319883	F. Katowice ( III Oddział Katowice ) 40-920 Katowice ul. Słowackiego 45/47	Jacek Rauk
319841	F. Piekary Śl. (Oddział Tarnowskie Góry) 41-940 Piekary Śl. ul. Bytomska 88 skr. poczt. 21	Alojzy Słabik
<b>Bielsko-Biała Voivodship</b>		
310604	I Oddział Bielsko-Biała 43-301 Bielsko-Biała ul. pl. Chrobrego 1 skr. poczt. 144	Janusz Martyniewicz
310617	Oddział Cieszyn 43-400 Cieszyn ul. Mennicza 1 skr. poczt. 78	Stanisław Gandor
310620	Oddział Ustroń 43-450 Ustroń ul. Daszyńskiego 6 skr. poczt. 2	Elżbieta Piaskura
310633	Oddział Wadowice 34-100 Wadowice ul. Rynek 19	Andrzej Potoczny
	Ośrodek Szkoleniowy w Wiśle 43-460 Wisła ul. 22 Lipca 12	Krzysztof Dorda
<b>Częstochowa Voivodship</b>		
311409	II Oddział Częstochowa 42-200 Częstochowa al. NMP 34 skr. poczt. 46	Andrzej Bodziachowski
311412	Oddział Lubliniec 42-701 Lubliniec ul. Plebiscytowa 2 skr. poczt. 62	Mirosław Szura
311425	Oddział Myszków 42-300 Myszków ul. K. Pułaskiego 12 skr. poczt. 76	Wacław Hagno
311438	Oddział Olesno 46-300 Olesno ul. Powstańców Śl. 6 skr. poczt. 95	Jan Ziółkowski

311441	F. Praszka (Oddział Olesno) 46-320 Praszka ul. Styczniowa 12	Irena Szymańska
<b>Kielce Voivodship</b>		
312800	I Oddział Kielce 25-953 Kielce ul. Staszica 3 skr. poczt. 173	Henryk Kłaczekiewicz
312813	Oddział Pińczów 28-400 Pińczów ul. Klasztorna 4 skr. poczt. 6	Stanisław Podraza
312826	Oddział Starachowice 27-200 Starachowice ul. Krzosa 4 skr. poczt. 88	Leszek Księski
<b>Nowy Sącz Voivodship</b>		
314804	Oddział Zakopane 34-500 Zakopane ul. Piaseckiego 28 skr. poczt. 91	Jan Bednarz
	Ośrodek Wypoczynkowy w Krynicy 33-380 Krynica ul. Leśna 10	Krystyna Majewska
<b>Opole Voivodship</b>		
315205	Oddział Krapkowice 47-300 Krapkowice ul. 1 Maja 2 skr. poczt. 34	Edyta Więcek
315218	Oddział Nysa 48-300 Nysa ul. Piastowska 33 skr. poczt. 6	Krzysztof Orłowski
315221	Oddział Opole 45-061 Opole ul. Katowicka 55 skr. poczt. 43	Alina Jakubowska-Kieter
<b>Wrocław Voivodship</b>		
319203	Oddział Wrocław 50-954 Wrocław ul. św. Katarzyny 16 skr. poczt. 2045	Marian Łącki
<b>Tarnów Voivodship</b>		
318408	Oddział Tarnów 33-100 Tarnów ul. Mickiewicza 2 skr. poczt. 59	Beata Dżiduszko
<b>Warszawa Voivodship</b>		
310008	Oddział Legionowo 05-120 Legionowo ul. Handłowa 14	Marek Niedziółka

310011	Oddział Warszawa 00-950 Warszawa ul. Złota 1 skr. poczt. 1023	Jacek Bartkiewicz
310024	F. Warszawa (Oddział Warszawa) 00-643 Warszawa ul. Nowowiejska 5/7	Ewa Kondracka
310037	F. Warszawa (Oddział Warszawa) 02-094 Warszawa ul. Grójecka 81/87	Gabriel Główka
310040	F. Warszawa (Oddział Warszawa) 00-762 Warszawa ul. Belwederska 20/22	Jadwiga Kowalewska-Wróbel

## ATTACHEMENT 4

## List of Currencies and Correspondents of Bank Śląski S.A. w Katowicach Mediating in Payments for Purchase of BSK S.A. Shares

<i>Currency</i>	<i>Bank Name</i>
DEM	Deutsche Bank AG, Frankfurt/M Dresdner Bank AG, Frankfurt/M Berliner Handels-und-Frankfurter Bank, Frankfurt/M Bayerische Vereinsbank AG, Muenchen Berliner Bank AG, Berlin
USD	Citibank N.A., New York
ATS	Girokredit AG, Wien Raiffeisen Zentralbank Oesterreich AG, Wien Z-Laenderbank Bank Austria AG, Wien Centro Internationale Handelsbank AG, Wien
GBP	Barclays Bank PLC, London Bank Handlowy w Warszawie S.A., London
CHF	Credit Swiss, Zuerich Swiss Bank Corporation, Zuerich
FRF	Banque Nationale de Paris, Paris Bank Polska Kasa Opieki S.A., Paris

**note**

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MINISTRY OF FINANCE

00-950 WARSZAWA ULICA ŚWIĘTOKRZYSKA 12