

AIG AIG BANK
POLSKA SA

A Member Company of American International Group, Inc.



Annual Report 2004

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Dear Sir or Madam,

AIG Consumer Finance Group (CFG) operates in eight countries on four continents. Our goal is to provide high quality loan and deposit services to consumers, while earning an attractive return to our shareholders.

Poland plays a key role in our strategy. AIG entered the Polish consumer finance market in 1998. Over the past seven years, we have introduced new products and services, expanded our branch network, and increased the size of our customer franchise. The results have been rewarding to our customers, our employees and our shareholders.

Our bank in Poland has become a leader in the industry, with financial returns far in excess of the industry averages. At the same time it has provided invaluable assistance to other CFG businesses around the world. Staff members from AIG Bank Polska worked with their colleagues from Argentina to set up a successful sales finance business in Buenos Aires. Our systems infrastructure and product knowledge in Poland also constitute a key resource for further expansion in the emerging markets of Central and Eastern Europe.

We are optimistic about the future of our bank in Poland. We will continue to expand the successful AIGO branch program, and we plan several new product introductions in 2005. These actions will ensure the continuing growth in our customer base and continuing leadership in the Polish consumer finance market.

*Joel Epstein
Chairman of the Supervisory Board*



Dear Sir or Madam,

It is with great pleasure that I present you the next AIG Bank Poland SA (a joint-stock company) annual report.

2004 has been the best year in the history of the Bank's activity so far with the profit net worth exceeding 100 million Polish zloty and the balance amount exceeding two billion Polish zloty.

In 2004, all positive trends have continually reinforced. The Bank maintains high asset growth dynamics, the profitability maintains its high level and the assets quality is improving consistently.

Both external and internal factors constitute excellent bank results. The Bank has been able to make use of the favorable macroeconomic conditions. The increasing consumption, the economic revival, and the strong Polish zloty are the main factors that contribute to our growth. At the same time we have developed a network of AIGO branches with thirty two new outlets. Our constantly improving customer communication and increasingly better usage of the customer knowledge result in the balance increase and the decrease of credit risk.

Looking back on the history of AIG Bank Poland it is easy to notice the changes. Three years ago, the installment credits were the dominating part of the bank balance sheet. In 2004, the increase in the number of cash loans constituted 53% of the gross credit portfolio and is to grow in the future.

We are gradually expanding our range of products. In 2005, we shall introduce mortgage loans to our offer. We shall act along with the 'follow the customer' motto expanding the distribution network and tailoring our offer to the customer's needs and abilities.

The Bank has a stable base for development. The results achieved allow the Bank to maintain capital adequate to the growth of balance sheet. High credibility on the financial markets allowed us to finance the growth of the assets with the resources obtained from the professional financial markets. Being a member of the AIG Group we have access to its intellectual resources. We also explore the 'cross-selling' possibilities.

All we have achieved helped us build a foundation for a stable and controlled growth. We do have and are able to obtain intellectual, financial and technological resources enabling us to achieve our goals.

And most importantly, we have a million of customers whose needs we understand and who are satisfied with the services we provide.

*Piotr Stefan Juda
President of the Board*

Bank's Authorities

Members of the Bank's Supervisory Board as at 31 December 2004:

Joel Epstein – Chairman
Emilio Ernesto Iribarren Ledermann – Vice-Chairman
Mark Richard Siebold – Member
Michel Khalaf – Member
Krzysztof Stupnicki – Member

Members of the Bank's Management Board as at 31 December 2004:

Piotr Stefan Juda – President
Bernard Jakub Afeltowicz – Vice President
Grzegorz Bronisław Rojewski – Member
Ryszard Jerzy Zadora – Member
Leszek Sołtysik – Member

In 2004 the following changes in Bank's Supervisory Board composition took place:

- On 15 March 2004 Łukasz Kalinowski, President of the Management Board of AIG Powszechnie Towarzystwo Emerytalne SA (AIG General Pension Society j.s.c.) resigned as a Member and Secretary of the Supervisory Board,
- On 25 June 2004 Krzysztof Stupnicki, President of the Management Board of AIG Towarzystwo Funduszy Inwestycyjnych SA (AIG Mutual Fund Company j.s.c.) , was appointed as a new Member.

No changes took place in the composition of the Bank's Management Board during 2004.

Information on the Shareholder Structure and Shareholders' Equity

The share capital of AIG Bank Polska SA (the “Bank”) did not change from 2003, remaining at PLN 111.9 million as at the end of 2004. The AIG Consumer Finance Group (“AIG CFG”) owns 99.9% of the shares of AIG Bank Polska. AIG CFG offers a broad range of consumer financial products including credit cards, personal and auto loans, mortgages, deposits and sales finance. It currently operates in the United States, Hong Kong, Taiwan, Thailand, the Philippines, Poland, Mexico and Argentina with total assets in excess of USD 5 billion.

AIG CFG is a wholly owned subsidiary of the American International Group, Inc. (“AIG”), the world's leading international insurance and financial services organization, with operations in more than 130 countries and jurisdictions. For the year-ended 31 December 2004, AIG had total assets of USD 798.7 billion, total shareholders' equity of USD 80.6 billion, and net income of USD 9.7 billion. AIG's global businesses include retirement services, financial services and asset management. AIG's financial services businesses include consumer finance, aircraft leasing, financial products, trading and market making. AIG's common stock is listed in the United States on the New York Stock Exchange and ArcaEx, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

AIG Bank Polska SA

The Bank, a Polish corporation, is a rapidly growing financial services organization serving individual consumers in Poland. For the year ended December 31, 2004, the Bank had net profit of PLN 156.5 million, finance receivables of PLN 1 799 million, and equity of PLN 171 million. The Bank offers hire purchase and cash loans, as well as retail and corporate deposit products to customers throughout Poland. As successor to Bank Podlaski SA, founded in 1992, the Bank had 56 branches in Poland and employed 857 persons as at December 31, 2004. The Bank's headquarters are located in Warsaw.

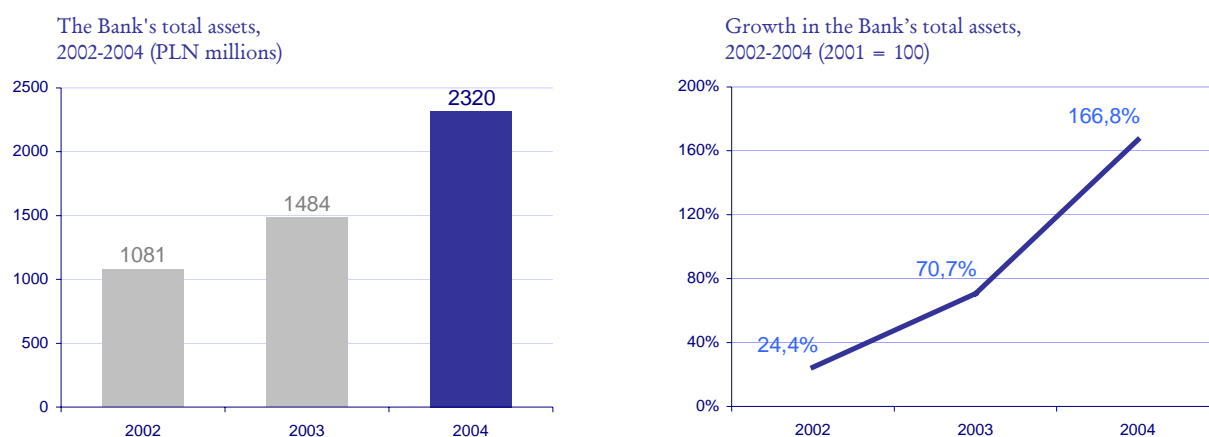
The Bank co-operates closely with AIG Credit SA, a wholly owned subsidiary of AIG CFG. AIG Credit is a leading servicer of consumer loans in Poland and provides origination and collection services for the Bank's credit products through its network of branches and sales representatives.

Regulation

The Bank is subject to Polish law and is regulated by the National Bank of Poland.

Assets

Total assets were PLN 2 320.3 and PLN 1 484.1 million at December 31, 2004 and 2003, respectively, an increase of 56.3%. The principal factor in the increase in total assets was the increase in loan receivables. The increase in loan receivables was primarily due to higher value of new loans, which were PLN 2 523.3 million in 2004 versus PLN 1 866.7 million in 2003, a growth of 35%. The number of loans granted to customers rose to 1 276.353, an increase of 19,1%.

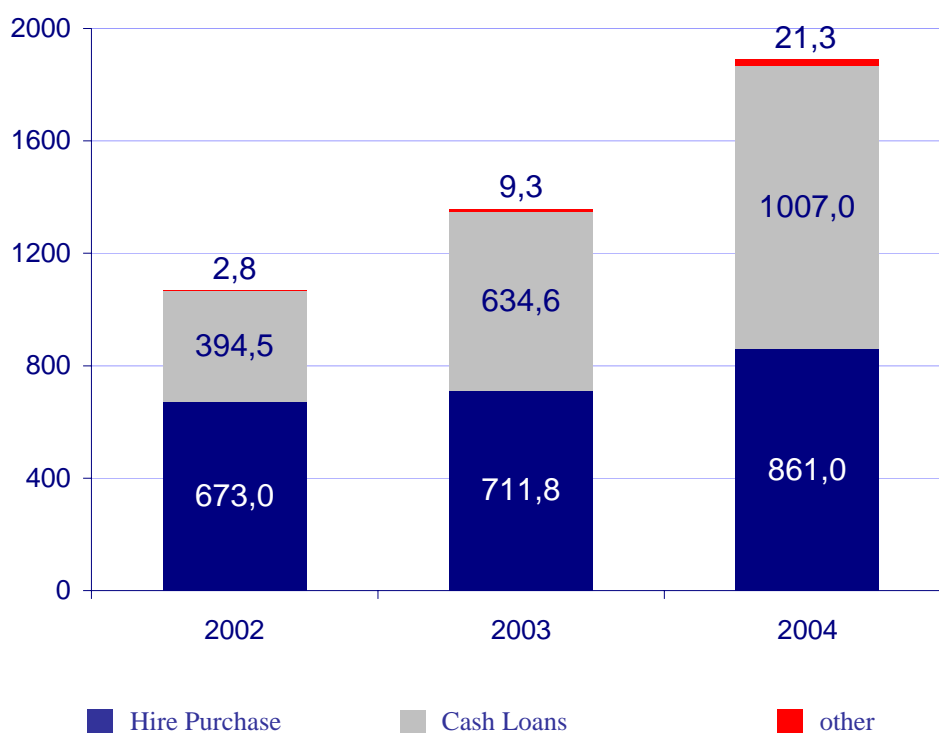


The total assets of the Bank rose in the years 2001-2004 at an average annual rate of 56%.

Hire purchase loans, also known as retail sales finance contracts, are generally for the purchase of items such as household electronics and appliances, automobiles, furniture and home improvements. The terms of retail sales finance contracts differ based on the amount financed and the credit quality of the customer. Generally, retail sales finance contracts have terms ranging from 1 to 36 months. For 2004 and 2003, granted hire purchase loans totaled PLN 1 325 million and PLN 1 079 million, respectively, representing 53% and 58% of total granted loans.

Cash loans, or unsecured personal loans to individuals, are made directly to consumers and generally not secured by real estate or other property. Personal loan contract terms range from 1 to 36 months and generally require payments on an installment basis. In general, personal loans are made for the purpose of home improvement, education and purchasing appliances and other durable goods. Personal loans are marketed through direct mail, advertising, referrals and the solicitation of existing retail sales finance customers. For 2004 and 2003, granted cash loans totaled PLN 1 197 million and PLN 787 million, respectively, representing 47% and 42% of total granted loans.

The graph below shows the amount and structure of the gross credit outstandings of the Bank in the years 2002-2004 (PLN millions)



The Bank uses credit-scoring models to evaluate risk and other factors in extending credit to its customers. In 2004, the Bank adjusted its procedures for approving and delivering cash loans. Based on the development of automated credit scoring models, the Bank increased its internal limits on the size of cash loans for both existing and new customers. The result was an increase in the average size of a cash loan of 11%, from PLN 2 573 in 2003 up to PLN 2 851 in 2004. Information considered by the Bank in the credit-scoring model includes, among other things, the customer's capacity to repay (e.g., income, debt ratio and employment stability), credit history and home ownership. Additionally, the Bank automated the delivery of both hire purchase and cash loans via electronic settlement systems. The result of these enhancements was a substantial increase in the Bank's lending activity, without a significant impact on credit quality. The level of non-performing receivables in the portfolio declined from 14% in 2003 to 10 % in 2004.

Liabilities

The Bank funds its lending activities through a combination of wholesale Certificates of Deposit, retail and corporate deposits, bank loans, Money Market borrowings and equity. Total outstanding debt was PLN 1 741 and PLN 1 130 million at December 31, 2004 and 2003, respectively, an increase of 54%. The increase resulted primarily from the growth in finance receivables.

The Bank issues Certificates of Deposit under a PLN 700 million Certificate of Deposit Program. Certificates of Deposit balances were PLN 491 million and PLN 342 million for the years ended 2004 and 2003, respectively, a growth of 44%.

Money market deposit balances were PLN 198 million and PLN 154 million for the years ended 2004 and 2003, respectively, a growth of 29%. Bank loans balances were PLN 477 million and PLN 110 million for the years ended 2004 and 2003, respectively.

Balances of deposits collected from non-financial and government sectors (including local governments) were PLN 549 million and PLN 498 million for the years ended 2004 and 2003, respectively, a growth of 10%. At December, 31 2004 the total non-financial sector deposit balance was composed of PLN 462 million of retail and PLN 82 million of corporate deposits. The most dynamic growth in 2004 was in corporate deposits, where the year end balance increased by 51%.

The Bank offers the following deposit products to its customers:

Direct+: A traditional deposit with fixed interest rates and tenors from 1 to 36 months.

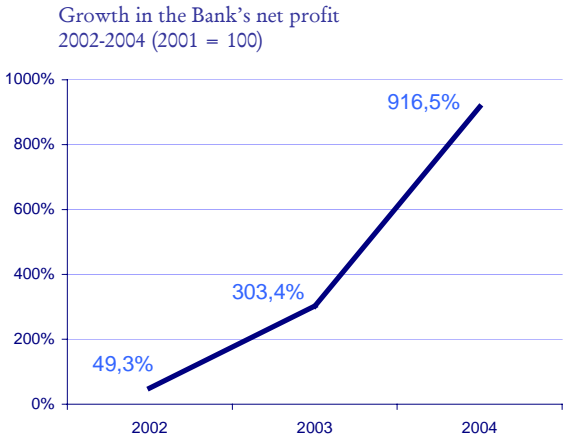
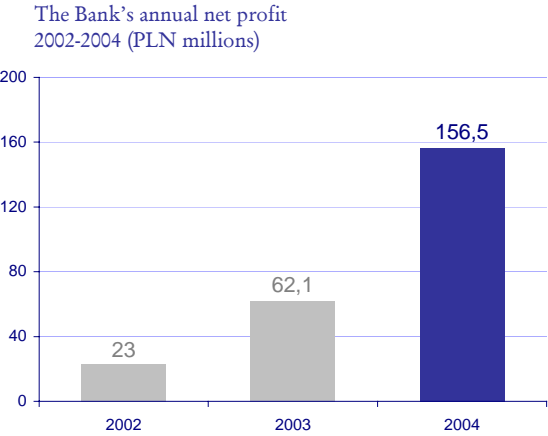
Direct Premium deposit: A deposit offering a floating interest rate indexed to WIBID (Warsaw Interbank Bid Rate), with tenors from 1 to 10 years.

Direct+ Komfort: A deposit offering fixed interest rate from 6 to 36 months, which may be redeemed by the depositor after 30 days.

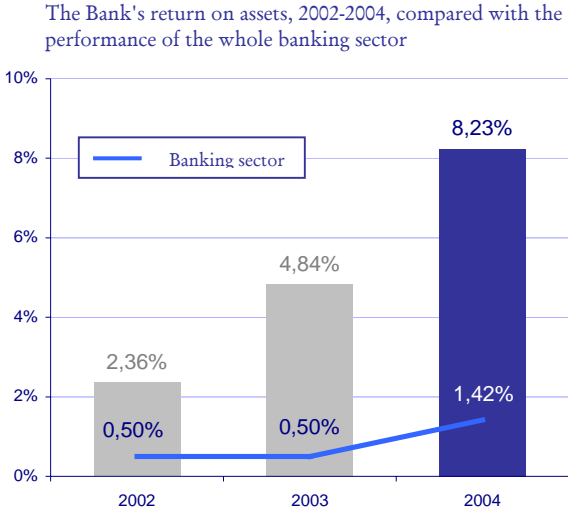
Direct+ Corporate: A deposit offered to corporate clients, in denominations above PLN 100 thousand, and offering fixed interest rate for tenors from 7 to 365 days.

Earnings

For the years ended 2004 and 2003, the Bank's net profit increased to PLN 156 million from PLN 62 million. The increases were primarily due to higher net interest income associated with larger loan balances, offset by an increase in operational expenses and net provisions. The Bank's profit on banking activities increased to PLN 325 million from PLN 200 million. The increase was primarily due to the increase in net interest income to PLN 371 million from PLN 271 million and a decrease in net commission expense to PLN 45 million from PLN 72 million. The Bank's operational expenses increased primarily due to the Bank's growing operations, primarily its branch network. The Bank's provisions increased primarily due to the growth in Bank's lending activity.



The net profit of the Bank grew in the years 2001-2004 at an average annual rate of 306%.

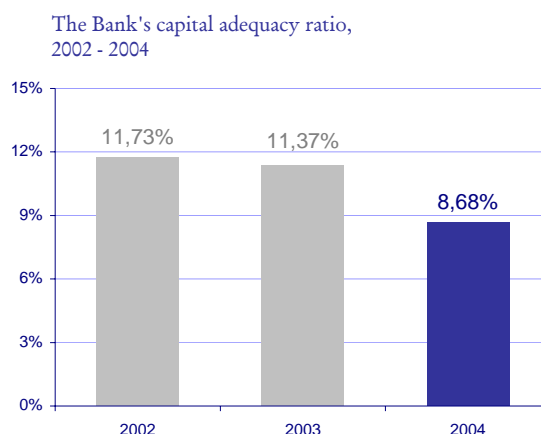
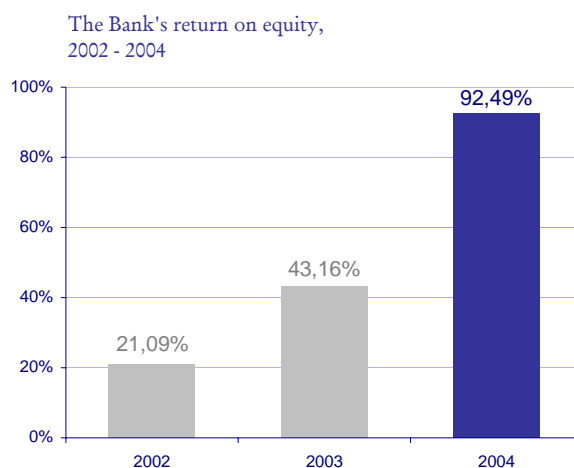


The growing net profit of the Bank and effective cost and credit risk management result in a steadily increasing return on assets.

Equity

Bank's equity rose from PLN 167.3 million in 2003 to PLN 171 million in 2004. The increase in 2004 equity was partially offset by a dividend of PLN 57 million paid to AIG CFG.

The capital adequacy ratio at December 31, 2004 was 8.68% versus 11.37% in 2003. However, taking into consideration a subordinated loan of PLN 63 million from Amplico Life First American-Polish Life Insurance and Reinsurance Company j.s.c (Amplico Life SA), which was subsequently approved by the Commission for Banking Supervision in supplementary funds at January 21, 2005, the capital adequacy ratio increased from 8.68% to 11.97%.



Optimal capital management results in growing return on equity.

Liquidity & risk management

The Bank maintains a disciplined approach to the management of liquidity, capital, and interest rate risk. The Bank has a formal process for managing its liquidity to ensure that funds are available at all times to meet the Bank's commitments. The Bank seeks to maintain a conservative liquidity position and actively manages its liability and capital levels, debt maturities, diversification of funding sources and asset liquidity to ensure that it is able to meet its obligations as they mature.

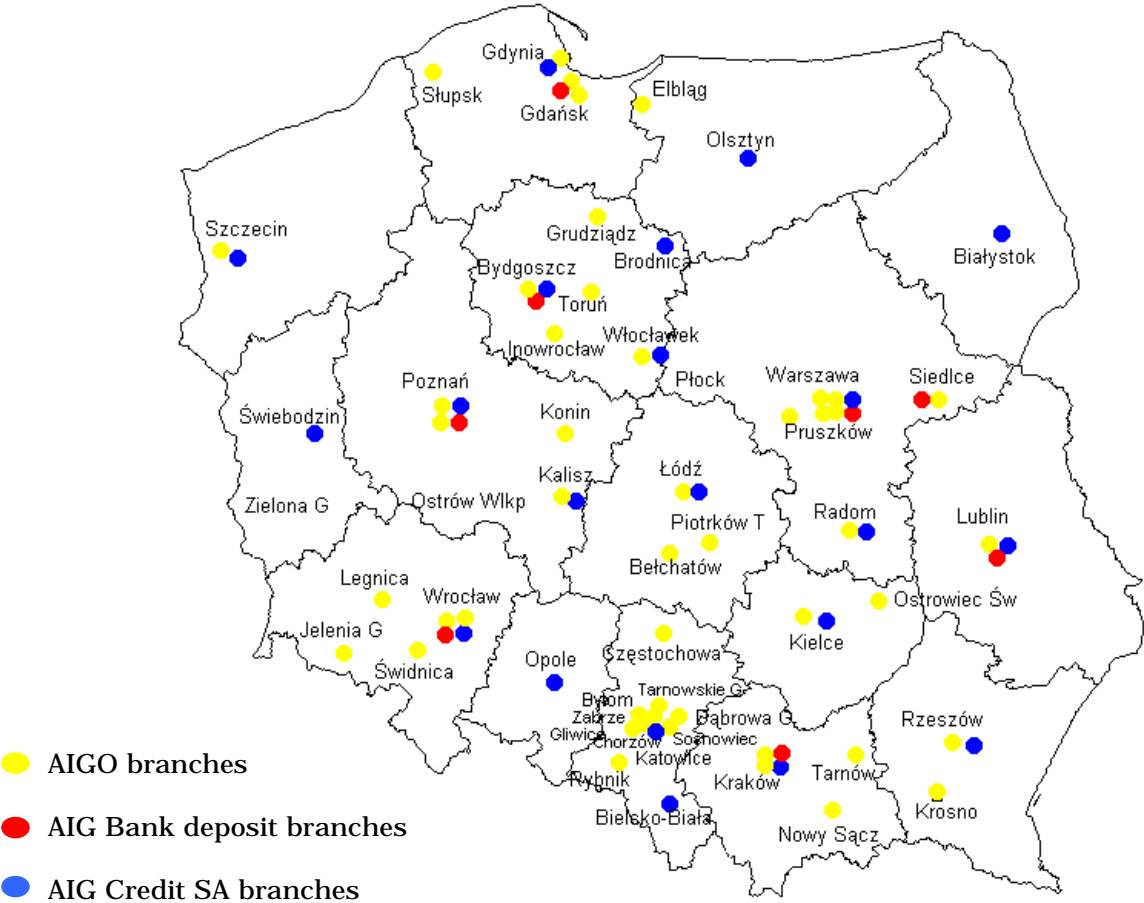
Interest rate risk is measured and controlled through the use of static gap analysis and financial forecasting, both of which incorporate assumptions about future events. The Bank measures its gap position at various time horizons. The Bank also uses a simulation model to evaluate the impact on earnings under a variety of scenarios.

Distribution network

The Bank distributes its loans using different channels of distribution. Hire Purchase loans are originated via retailers co-operating with AIG Credit SA while cash loans are distributed via AIGO branches as well as AIG Credit SA branches. AIGO branches are aimed solely at distribution of Bank's credit products. The Bank opened its first AIGO branch in 2002 and had 48 branches open by year-end 2004. The Bank expects to open an additional 31 branches in 2005.

The Bank distributes its deposit products via deposit branches as well as via a Call Center located in Wrocław. As at the end of 2004 Bank had 8 deposit branches in Bydgoszcz, Gdańsk, Kraków, Lublin, Siedlce, Warszawa, Wrocław and Poznań.

The following map presents geographical dispersion of AIGO branches, deposit branches and AIG Credit S.A. branches as at December 31, 2004.



Bank's distinctions and position in rankings in 2004.

- **„Best Bank 2004”** – 1st place in category „Specialized Banks” ranking „Best Banks” Publisher by „Gazeta Bankowa”, 20.06.2005.
- **„Best financial institutions in 2004”** – 2nd place in category „Best Banks” ranking „Rzeczpospolita” daily, 15.06.2005.
- **„Laurel 2004” – The Most Effective Financial Products Sector Institution** prize awarded by Instytut Nauk Ekonomicznych PAN, „Polish Market” monthly and „Gazeta Giełdy PARKIET” daily, 19.04.2005.
- **Nominee to the prize „Rzeczpospolita Eagles 2004”** ranking „Rzeczpospolita” daily – „The biggest Rzeczpospolita companies”, 20.04.2005.
- **„Customer Friendly Company” for 2004/2005** prize of Management Institute, 23.06.2005.

Financial Statements

**REGISTERED AUDITOR'S OPINION
ON THE ABBREVIATED FINANCIAL REPORT
TO THE SHAREHOLDERS OF AIG BANK POLSKA S.A.**

The attached abbreviated financial report of AIG Bank Polska S.A., Warsaw, ul. Przemysłowa 26A (hereafter referred as "the Bank") was prepared by the Executive Board of the Bank based on the audited annual financial statements of the Bank for the year ended 31st December 2004 ("the financial statements").

We have audited the annual financial statements of the Bank from which the abbreviated financial report was derived. On 20 May 2005 we issued an unqualified audit opinion on these financial statements.

In our opinion, the accompanying abbreviated financial report in the scope presented is consistent, in all material respects, with the Bank's annual financial statements from which it was derived.

For a better understanding of the Bank's financial position and the results of its operation for the year ended 31 December 2004, the financial statements with our opinion and audit report thereon should be read.

On behalf of PricewaterhouseCoopers Sp. z o.o.:

Adam Celiński
Member of the Management Board

PricewaterhouseCoopers Sp. z o.o.

Registered auditor
No. 90033/7039

Registered Audit Company No. 144

Warsaw, 20 May 2005

TRANSLATION ONLY

BANK'S BALANCE SHEET

in PLN

No.	ASSETS	As at 31.12.2003	As at 31.12.2004
I	Cash and balances with the Central Bank	10 107 124,87	47 873 417,95
	1. Current account	10 107 124,87	47 873 417,95
	2. Mandatory reserve	0,00	0,00
	3. Other	0,00	0,00
II	Debt securities eligible for rediscounting at the Central Bank	0,00	0,00
III	Amounts due from financial institutions	6 452 788,99	450 324,38
	1. Current	6 452 788,99	450 324,38
	2. Term	0,00	0,00
IV	Amounts due from non-financial sector	1 271 479 815,63	1 798 611 963,07
	1. Current	6 689 130,00	16 673 948,94
	2. Term	1 264 790 685,63	1 781 938 014,13
V	Amounts due from the public sector	0,00	0,00
	1. Current	0,00	0,00
	2. Term	0,00	0,00
VI	Amounts due in respect of the purchase of securities with a repurchase clause	0,00	0,00
VII	Debt securities	56 659 650,31	288 951 566,88
	1. Issued by banks	197 710,27	239 874 871,88
	2. Issued by the State Treasury and local authorities	56 461 940,04	49 076 695,00
	3. Other	0,00	0,00
VIII	Shares in subsidiaries	0,00	0,00
	1. In financial institutions	0,00	0,00
	2. In other entities	0,00	0,00
IX	Shares in co-subsidiaries	0,00	0,00
	1. In financial institutions	0,00	0,00
	2. In other entities	0,00	0,00
X	Shares in associates	0,00	0,00
	1. In financial institutions	0,00	0,00
	2. In other entities	0,00	0,00
XI	Shares in other entities	57 181,95	57 222,74
	1. In financial institutions	0,00	40,79
	2. In other entities	57 181,95	57 181,95
XII	Other securities and other financial assets	0,00	0,00
XIII	Intangible assets, including:	7 419 357,12	4 935 380,90
	- goodwill	0,00	0,00
XIV	Tangible fixed assets	4 913 439,44	4 729 131,00
XV	Other assets	597 739,88	12 012 997,15
	1. Assets repossessed	0,00	0,00
	2. Other	597 739,88	12 012 997,15
XVI	Prepayments and deferred costs	126 421 661,86	162 719 504,67
	1. Deferred tax assets	39 072 991,00	60 083 796,00
	2. Other	87 348 670,86	102 635 708,67
	TOTAL ASSETS	1 484 108 760,05	2 320 341 508,74

BANK'S BALANCE SHEET

No. EQUITY AND LIABILITIES	As at 31.12.2003	As at 31.12.2004
I Amounts due to the Central Bank	0,00	0,00
II Amounts due to financial institutions	283 397 098,52	690 599 785,73
1. Current	4 039 786,83	22 378 439,04
2. Term	279 357 311,69	668 221 346,69
III Amounts due to non-financial sector	500 234 992,94	553 753 781,16
1. Savings accounts, including:	0,00	0,00
a) current	0,00	0,00
b) term	0,00	0,00
2. Other, including:	500 234 992,94	553 753 781,16
a) current	941 464,30	1 246 738,76
b) term	499 293 528,64	552 507 042,40
IV Amounts due to the public sector	4 665 884,99	5 304 679,79
1. Current	0,00	0,00
2. Term	4 665 884,99	5 304 679,79
V Liabilities in respect of the sale of securities with a repurchase clause	0,00	0,00
VI Liabilities resulting from debt securities issued	341 600 000,00	491 013 326,01
VII Other liabilities in respect of financial instruments	281 831,10	2 542 080,62
VIII Special funds and other liabilities	15 340 238,00	36 743 401,88
IX Accruals, deferred income and qualified income	103 838 417,76	142 358 078,76
1. Accrued expenses	854 696,97	4 448 793,81
2. Negative goodwill	0,00	0,00
3. Other deferred and qualified income	102 983 720,79	137 909 284,95
X Provisions	5 267 033,34	6 998 609,15
1. Deferred tax provisions	2 299 036,00	5 307 574,00
2. Other provisions	2 967 997,34	1 691 035,15
XI Subordinated liabilities	0,00	63 514 873,97
XII Share capital	111 856 690,00	111 856 690,00
XIII Share capital not paid up (negative amount)	0,00	0,00
XIV Treasury shares (negative amount)	0,00	0,00
XV Supplementary capital	19 927 009,14	24 894 861,68
XVI Revaluation reserve	-972 451,20	-2 311 125,12
XVII Other reserves	36 573 858,68	36 573 858,68
1. General banking risk fund	2 350 000,00	2 350 000,00
2. Other	34 223 858,68	34 223 858,68
XVIII Retained earnings/(Accumulated losses)	0,00	0,00
XIX Net profit/(loss)	62 098 156,78	156 498 606,43
TOTAL EQUITY AND LIABILITIES	1 484 108 760,05	2 320 341 508,74

BANK'S INCOME STATEMENT

No.	Description	For 2003 in PLN	For 2004 in PLN
I	Interest income	325 020 664,11	447 086 131,91
	1. From financial institutions	1 524 561,33	2 762 454,97
	2. From non-financial sector	318 413 227,83	437 660 733,15
	3. From the public sector	0,00	0,00
	4. From fixed income securities	5 082 874,95	6 662 943,79
II	Interest expense	53 595 469,81	76 154 666,60
	1. From financial institutions	29 585 880,50	45 476 785,56
	2. From non-financial sector	23 914 548,20	29 301 623,52
	3. From the public sector	95 041,11	1 376 257,52
III	Net interest income (I - II)	271 425 194,30	370 931 465,31
IV	Commission income	925 801,66	34 375 008,11
V	Commission expense	72 738 164,61	79 839 211,54
VI	Net commission expense (IV - V)	-71 812 362,95	-45 464 203,43
VII	Income from shares, other securities, and other financial instruments with variable yield	75 342,77	0,00
	1. From subsidiaries	0,00	0,00
	2. From co-subsidiaries	0,00	0,00
	3. From associates	0,00	0,00
	4. From other entities	75 342,77	0,00
VIII	Result on financial operations	6 000,00	0,00
	1. With securities and other financial instruments	6 000,00	0,00
	2. Other	0,00	0,00
IX	Net foreign exchange result	-131 273,83	-43 443,14
X	Profit on banking activities (III + VI + VII + VIII+IX)	199 562 900,29	325 423 818,74
XI	Other operating income	12 173 744,55	12 286 850,08
XII	Other operating expenses	13 220 749,70	7 488 511,97
XIII	Bank's overheads	41 375 315,05	74 497 138,62
	1. Wages and salaries	17 221 131,77	26 027 186,05
	2. Insurance and other charges	3 435 960,83	6 033 808,79
	3. Other	20 718 222,45	42 436 143,78
XIV	Depreciation and amortisation	4 848 435,96	5 349 767,50
XV	Provisions and remeasurement	173 373 799,99	153 223 181,44
	1. Specific provisions and general banking risk reserves	173 173 799,99	153 223 181,44
	2. Remeasurement of financial assets	200 000,00	0,00
XVI	Release of provisions and reversal of remeasurement	129 188 914,64	95 614 595,14
	1. Release of specific provisions and general banking risk reserves	129 188 914,64	95 614 595,14
	2. Reversal of the remeasurement of financial assets	0,00	0,00
XVII	Net provisions and remeasurement (XV - XVI)	44 184 885,35	57 608 586,30
XVIII	Operating profit	108 107 258,78	192 766 664,43
XIX	Net extraordinary gains/(losses)	0,00	0,00
	1. Extraordinary gains	0,00	0,00
	2. Extraordinary losses	0,00	0,00
XX	Profit/(Loss) before tax	108 107 258,78	192 766 664,43
XXI	Income tax expense	46 009 102,00	36 268 058,00
XXII	Other mandatory profit reductions (loss increases)	0,00	0,00
XXIII	Net profit/(loss)	62 098 156,78	156 498 606,43

OFF BALANCE SHEET ITEMS

PLN

No.	Description	As at 31.12.2003	As at 31.12.2004
I	Contingent liabilities granted and received	73 434 829,97	59 477 272,26
	1. Commitments granted:	17 434 829,97	3 477 272,26
	a) related to financing	16 916 984,70	2 807 023,67
	b) guarantees	517 845,27	670 248,59
	2. Commitments received:	56 000 000,00	56 000 000,00
	a) related to financing	56 000 000,00	56 000 000,00
	b) guarantees	0,00	0,00
II	Liabilities related to purchase/sale transactions	110 000 000,00	0,00
III	Other	1 555 006,83	333 834 359,07
		184 989 836,80	393 311 631,33

CASH FLOW STATEMENT		2003	2004
A	Cash flows from operating activities	-170 933 575,68	-231 514 773,41
I.	Net profit/(loss)	62 098 156,78	156 498 606,43
II.	Total adjustments:	-233 031 732,46	-388 013 379,84
1	Amortization and depreciation	4 848 435,96	5 349 767,50
2	Foreign exchange (gains)/losses	0,00	0,00
3	Interest and shares in profits (dividends)	14 230 972,15	30 495 315,07
4	(Gains)/losses on investing activities	675 523,31	-29 975,16
5	(Increase)/decrease in provisions	-1 156 917,66	1 644 123,81
6	(Increase)/decrease in debt securities	0,00	0,00
7	(Increase)/decrease in amounts due from financial institutions	0,00	0,00
8	(Increase)/decrease in amounts due from customers and the public sector	-273 920 418,24	-527 132 147,44
9	(Increase)/decrease in amounts due in respect of the purchase of securities with a repurchase clause	0,00	0,00
10	(Increase)/decrease in shares, other securities, and other financial (trading) assets	0,00	0,00
11	(Increase)/decrease in amounts due to financial institutions	-38 685 845,24	33 599 025,10
12	(Increase)/decrease in amounts due to customers and the public sector	98 053 128,32	54 157 583,02
13	(Increase)/decrease in liabilities in respect of the sale of securities with a repurchase clause	0,00	0,00
14	(Increase)/decrease in liabilities arising from securities	0,00	0,00
15	(Increase)/decrease in other liabilities	-2 460 532,66	9 987 906,61
16	Change in accruals and prepayments	-37 270 282,01	-31 010 501,72
17	Change in deferred and qualified income	2 907 737,12	34 925 564,16
18	Other adjustments	-253 533,51	-40,79
III	Net cash from operating activities (I + II)	-170 933 575,68	-231 514 773,41
B	Cash flows from investing activities	-29 200 831,65	-227 687 210,74
I	Cash inflows from investing activities	1 508 624 584,03	1 552 216 189,43
1	Sale of shares in subsidiaries	0,00	0,00
2	Sale of shares in co-subidiaries	0,00	0,00
3	Sale of shares in associates	0,00	0,00
4	Sale of shares in other entities, other securities, and other financial assets (investments)	1 506 269 366,00	1 550 650 000,00
5	Sale of intangible assets and tangible fixed assets	1 110 024,38	117 579,73
6	Other cash inflows from investing activities	1 245 193,65	1 448 609,70
II	Cash outflows on investing activities	-1 537 825 415,68	-1 779 903 400,17
1	Purchase of shares in subsidiaries	0,00	0,00
2	Purchase of shares in co-subidiaries	0,00	0,00
3	Purchase of shares in associates	0,00	0,00
4	Purchase of shares in other entities, other securities, and other financial assets (investments)	-1 532 164 972,84	-1 777 134 312,76
5	Purchase of intangible assets and tangible fixed assets	-5 660 442,84	-2 769 087,41
6	Other cash outflows on investing activities	0,00	0,00
III	Net cash from investing activities (I + II)	-29 200 831,65	-227 687 210,74
C	Cash flows from financing activities	198 611 529,03	490 965 812,62
I	Cash inflows from financial activities	1 292 911 529,03	1 557 445 357,50
1	Long-term loans raised with other banks	110 000 000,00	366 730 000,00
2	Long-term loans raised with financial institutions other than banks	0,00	63 000 000,00
3	Issue of debt securities for other financial institutions	1 157 936 095,60	1 127 715 357,50
4	Increase in subordinated liabilities	0,00	0,00
5	Net proceeds from the issue of shares and repayable contributions from shareholders	24 975 433,43	0,00
6	Other cash inflows from financial activities	0,00	0,00
II	Cash outflows on financial activities	-1 094 300 000,00	-1 066 479 544,88
1	Repayment of long-term loans to other banks	0,00	0,00
2	Repayment of long-term loans to financial institutions other than banks	0,00	0,00
3	Redemption of debt securities from other financial institutions	-1 092 500 000,00	-1 000 000 000,00
4	Other financial liabilities	0,00	0,00
5	Payment of finance lease liabilities	0,00	0,00
6	Decrease in subordinated liabilities	0,00	0,00
7	Dividends and other payments to shareholders	0,00	-57 130 304,24
8	Cash outflows in respect of the appropriation of profit other than payments to shareholders	0,00	0,00
9	Purchase of own shares	0,00	0,00
10	Other cash outflows on financing activities	-1 800 000,00	-9 349 240,64
III	Net cash from financing activities (I + II)	198 611 529,03	490 965 812,62
D	Net increase/(decrease) in cash and cash equivalents (A+/- B +/- C)	-1 522 878,30	31 763 828,47
E	Change in cash and cash equivalents in the balance sheet, including: - - change in cash and cash equivalents due to changes in exchange rates	-1 522 878,30	31 763 828,47
F	Cash and cash equivalents at the beginning of the year	18 082 792,16	16 559 913,86
G	Cash and cash equivalents at the end of year (F+/-D)	16 559 913,86	48 323 742,33

STATEMENT OF CHANGES IN EQUITY

	2003	2004
I Equity as at the beginning of the year (OB)	143 360 571,11	144 624 496,54
correction of fundamental errors	0,00	0,00
I a Equity as at the beginning of the year (OB), as adjusted	143 360 571,11	144 624 496,54
1. Share capital as at the beginning of the year	95 601 810,00	111 856 690,00
1.1. Changes in share capital	16 254 880,00	0,00
a) increase (due to)	16 254 880,00	0,00
- issue of shares	16 254 880,00	0,00
- other	0,00	0,00
b) decrease (due to)	0,00	0,00
- redemption of shares	0,00	0,00
- other	0,00	0,00
1.2. Share capital as at the end of the year	111 856 690,00	111 856 690,00
2. Share capital not paid up as at the beginning of the year	0,00	0,00
2.1. Change in share capital not paid up	0,00	0,00
a) increase (due to)	0,00	0,00
- ...	0,00	0,00
b) decrease (due to)	0,00	0,00
- ...	0,00	0,00
2.2. Share capital not paid up as at the end of the year	0,00	0,00
3. Treasury shares as at the beginning of the year	0,00	0,00
a) increase	0,00	0,00
b) decrease	0,00	0,00
3.1. Treasury shares as at the end of the year	0,00	0,00
4. Supplementary capital as at the beginning of the year	9 155 608,66	19 927 009,14
4.1. Changes in supplementary capital	10 771 400,48	4 967 852,54
a) increase (due to)	10 795 972,49	4 967 852,54
- share premium	8 745 125,44	0,00
- transfer from profit (mandatory)	1 839 350,00	4 967 852,54
- transfer from profit (above the mandatory minimum amount)	0,00	0,00
- difference on the revaluation of fixed assets sold (Art.31.4 of the Accounting Act)	211 497,05	0,00
b) decrease (due to)	24 572,01	0,00
- offset of loss	0,00	0,00
- share issue costs	24 572,01	0,00
4.2. Supplementary capital as at the end of the year	19 927 009,14	24 894 861,68
5. Revaluation reserve as at the beginning of the year	189 943,77	-972 451,20
- changes in accounting policies	0,00	0,00
5a. Revaluation reserve as at the beginning of the year, as adjusted	189 943,77	-972 451,20
5.1. Zmiany kapitału (funduszu) z aktualizacji wyceny	-1 162 394,97	-1 338 673,92
a) increase (due to)	0,00	0,00
- ...	0,00	0,00
b) decrease (due to)	1 162 394,97	1 338 673,92
- sale or scrapping of fixed assets	211 497,05	0,00
- write-downs of financial assets charged to the income statement	0,00	0,00
- other decreases	950 897,92	1 338 673,92
5.2. Revaluation reserve as at the end of the year	-972 451,20	-2 311 125,12
6. General risk fund as at the beginning of the year	2 350 000,00	2 350 000,00
6.1. Changes in general risk fund	0,00	0,00
a) increase (due to)	0,00	0,00
- appropriation of profit	0,00	0,00
b) decrease (due to)	0,00	0,00
- ...	0,00	0,00
6.2. General risk fund as at the end of the year	2 350 000,00	2 350 000,00
7. Other reserves as at the beginning of the year	15 673 021,89	34 223 858,68
7.1. Changes in other reserves	18 550 836,79	0,00
a) increase (due to)	18 550 836,79	0,00
- appropriation of profit	18 550 836,79	0,00
b) decrease (due to)	0,00	0,00
- ...	0,00	0,00
7.2. Other reserves as at the end of the year	34 223 858,68	34 223 858,68

8. Retained earnings/(Accumulated losses) as at the beginning of the year	20 390 186,79	62 098 156,78
8.1. Retained earnings as at the beginning of the year	22 991 816,95	62 098 156,78
- correction of fundamental errors	0,00	0,00
8.2. Retained earnings as at the beginning of the year, as adjusted	22 991 816,95	62 098 156,78
8.3. Change in retained earnings	-22 991 816,95	-62 098 156,78
a) increase (due to)	0,00	0,00
- appropriation of prior year profit	0,00	0,00
b) decrease (due to)	22 991 816,95	62 098 156,78
- transfer of profit to supplementary capital	1 839 350,00	4 967 852,54
- transfer of profit to general risk fund	0,00	0,00
- transfer of profit to other reserves	18 550 836,79	0,00
- transfer of profit to accumulated losses	2 601 630,16	0,00
- transfer of profit for dividend	0,00	57 130 304,24
8.4. Retained earnings as at the end of the year	0,00	0,00
8.5. Accumulated losses as at the beginning of the year	-2 601 630,16	0,00
- correction of fundamental errors	0,00	0,00
- changes in accounting policies	0,00	0,00
8.6. Accumulated losses as at the beginning of the year, as adjusted	-2 601 630,16	0,00
8.7. Change in accumulated losses	2 601 630,16	0,00
a) increase (due to)	0,00	0,00
- ...	0,00	0,00
b) decrease (due to)	2 601 630,16	0,00
- loss offset	2 601 630,16	0,00
8.8. Accumulated losses as at the end of the year	0,00	0,00
8.9. Retained earnings/(Accumulated losses) as at the end of the year	0,00	0,00
9. Net profit/loss	62 098 156,78	156 498 606,43
a) net profit	62 098 156,78	156 498 606,43
b) net loss	0,00	0,00
II Equity as at the end of the year (CB)	229 483 263,40	327 512 891,67
III Equity, as adjusted for the proposed appropriation of profit (offset of loss, payment of dividend)	144 624 496,54	232 597 059,72