

<b>CONSOLIDATED BALANCE SHEET</b>	Note	<b>2004 current year</b>	<b>2003 previous year</b>
<b>ASSETS</b>			
<b>I. Cash and balances with Central Bank</b>	1	<b>872 630</b>	<b>805 242</b>
<b>II. Debt securities eligible for rediscount at Central Bank</b>		<b>9 993</b>	<b>11 189</b>
<b>III. Amounts due from financial sector</b>	2	<b>3 182 818</b>	<b>1 248 688</b>
1. Short-term		3 112 338	1 207 316
a) current		19 775	60 017
b) other		3 092 563	1 147 299
2. Long-term		70 480	41 372
<b>IV. Amounts due from non-financial sector (customers)</b>	3	<b>6 795 824</b>	<b>9 720 687</b>
1. Short-term		2 407 754	5 213 559
a) current		852 881	1 809 119
b) other		1 554 873	3 404 440
2. Long-term		4 388 070	4 507 128
<b>V. Amounts due from public sector</b>	4	<b>409 009</b>	<b>506 053</b>
1. Short-term		40 017	366 253
a) current		4 987	6 872
b) other		35 030	359 381
2. Long-term		368 992	139 800
<b>VI. Receivables from securities bought with sell-back clause</b>	5	<b>80 651</b>	<b>100 358</b>
<b>VII. Debt securities</b>	6	<b>6 915 891</b>	<b>4 834 303</b>
<b>VIII. Receivables from subordinated companies subject to equity method</b>	2, 3	<b>0</b>	<b>155 521</b>
1. Subsidiaries		0	0
2. Jointly-controlled subsidiaries		0	0
3. Associated companies		0	155 521
<b>IX. Shares in subsidiaries subject to equity method</b>	7, 10	<b>0</b>	<b>767</b>
<b>X. Shares in jointly-controlled subsidiaries subject to equity method</b>	8, 10	<b>0</b>	<b>0</b>
<b>XI. Shares in associated companies subject to equity method</b>	9, 10	<b>0</b>	<b>0</b>
<b>XII. Other shares</b>	11	<b>23 948</b>	<b>1 223 807</b>
<b>XIII. Other securities and other financial assets</b>	12	<b>547 602</b>	<b>676 919</b>
<b>XIV. Intangible assets of which:</b>	14	<b>39 239</b>	<b>225 750</b>
- goodwill		3 895	5 163
<b>XV. Goodwill of subordinated companies</b>	15	<b>0</b>	<b>0</b>
<b>XVI. Tangible fixed assets</b>	16	<b>570 827</b>	<b>678 854</b>
<b>XVII. Other assets</b>	17	<b>434 907</b>	<b>91 048</b>
1. Repossessed assets - for resale		1 022	3 393
2. Inventories		184	1 479
3. Other		433 701	86 176
<b>XVIII. Accrued costs and prepayments</b>	18	<b>557 127</b>	<b>553 406</b>
1. Deferred income tax assets		273 851	286 366
2. Other		283 276	267 040
<b>TOTAL ASSETS</b>		<b>20 440 466</b>	<b>20 832 592</b>

**LIABILITIES AND EQUITY**

<b>I. Amounts due to Central Bank</b>		<b>1</b>	<b>0</b>
<b>II. Amounts due to financial sector</b>	21	<b>1 580 267</b>	<b>2 762 570</b>
1. Current		223 930	1 288 615
a) current accounts		70 100	231 131
b) other		153 830	1 057 484
2. Noncurrent		1 356 337	1 473 955
<b>III. Amounts due to non-financial sector (customers' deposits)</b>	22	<b>12 433 476</b>	<b>10 835 580</b>
1. Current		11 861 253	10 472 210

a) current accounts, of which:		2 843 621	3 138 928
- savings		0	0
b) other, of which:		9 017 632	7 333 282
- savings		0	0
2. Noncurrent, of which:		572 223	363 370
- savings		0	0
<b>IV. Amounts due to public sector</b>	23	<b>874 071</b>	<b>920 191</b>
1. Current		874 058	919 949
a) current accounts		510 812	581 065
b) other		363 246	338 884
2. Noncurrent		13	242
<b>V. Liabilities from securities sold with buy-back clause</b>	24	<b>1 405 500</b>	<b>1 535 478</b>
<b>VI. Liabilities from debt securities</b>	21,22,23,25	<b>355 249</b>	<b>1 005 361</b>
1. Current		256 604	759 302
2. Noncurrent		98 645	246 059
<b>VII. Other liabilities from financial instruments</b>		<b>390 636</b>	<b>444 204</b>
<b>VIII. Liabilities to subordinated companies subject to equity method</b>	21, 22	<b>199</b>	<b>6 349</b>
1. Subsidiaries		199	6 269
2. Jointly-controlled subsidiaries		0	0
3. Associated companies		0	80
<b>IX. Special funds and other liabilities</b>	26	<b>287 124</b>	<b>198 882</b>
<b>X. Accrued &amp; deferred costs, other deferred and restricted incomes</b>	27	<b>436 186</b>	<b>627 461</b>
1. Accrued and deferred costs		105 185	119 470
2. Negative goodwill		0	0
3. Other deferred & restricted incomes		331 001	507 991
<b>XI. Negative goodwill of subordinated companies</b>	28	<b>0</b>	<b>0</b>
<b>XII. Provisions</b>	29	<b>355 876</b>	<b>383 448</b>
1. Provision for deferred income tax		133 969	166 504
2. Other		221 907	216 944
a) short-term		906	3 285
b) long-term		221 001	213 659
<b>XIII. Subordinated debt</b>	30	<b>326 978</b>	<b>378 162</b>
<b>XIV. Minority interests</b>	31	<b>0</b>	<b>0</b>
<b>XV. Share capital</b>	32	<b>849 182</b>	<b>849 182</b>
<b>XVI. Unpaid share capital (negative value)</b>		<b>0</b>	<b>0</b>
<b>XVII. Treasury stock (negative value)</b>	33	<b>0</b>	<b>0</b>
<b>XVIII. Supplementary capital</b>	34	<b>760 716</b>	<b>781 348</b>
<b>XIX. Revaluation reserve</b>	35	<b>52 375</b>	<b>32 882</b>
<b>XX. Other reserves</b>	36	<b>206 104</b>	<b>145 677</b>
<b>XXI. Foreign exchange gains and losses for subordinated companies</b>		<b>0</b>	<b>0</b>
<b>XXII. Unappropriated earnings or uncovered loss from prior years</b>		<b>-113 978</b>	<b>-115 078</b>
<b>XXIII. Net income (loss)</b>		<b>240 504</b>	<b>40 895</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>20 440 466</b>	<b>20 832 592</b>
<b>Capital adequacy ratio (%)</b>	37	<b>22,41%</b>	<b>12,15%</b>
<b>Book value</b>		<b>1 994 903</b>	<b>1 734 906</b>
<b>Number of shares</b>		<b>849 181 744</b>	<b>849 181 744</b>
<b>Book value per share (in PLN)</b>	38	<b>2,35</b>	<b>2,04</b>
<b>Diluted number of shares</b>		<b>-</b>	<b>-</b>
<b>Diluted book value per share (in PLN)</b>	38	<b>-</b>	<b>-</b>

<b>OFF-BALANCE SHEET ITEMS</b>	<b>Note</b>	<b>2004 current year</b>	<b>2003 previous year</b>
<b>I. Contingent liabilities</b>		<b>4 249 345</b>	<b>3 342 886</b>
1. liabilities granted:	39	3 196 044	2 291 750
a) financial		2 827 709	1 879 753
b) guarantees		368 335	411 996
2. liabilities received:	40	1 053 301	1 051 136
a) financial		0	0
b) guarantees		1 053 301	1 051 136
<b>II. Commitments resulting from sale/purchase transactions</b>		<b>12 855 155</b>	<b>17 588 727</b>
<b>III. Other off-balance sheet items</b>		<b>22 776 037</b>	<b>18 754 295</b>
- interest rate swaps		21 361 292	17 927 082
- options		514 510	186 677
- FRAs		900 000	640 000
- other		235	536
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>		<b>39 880 537</b>	<b>39 685 907</b>

<b>CONSOLIDATED INCOME STATEMENT</b>	Note	<b>2004 current year</b>	<b>2003 previous year</b>
I. Interest income	41	1 797 813	1 454 846
II. Interest expense	42	1 209 499	896 862
<b>III. Net interest income (I-II)</b>		<b>588 314</b>	<b>557 984</b>
IV. Commission income	43	279 863	263 501
V. Commission expense		36 712	45 190
<b>VI. Net commission income (IV-V)</b>		<b>243 151</b>	<b>218 311</b>
VII. Sales of products, goods for resale and materials		0	0
VIII. Cost of products, goods for resale and materials sold		0	0
IX. Selling expenses		0	0
<b>X. Profit on sales (VII-VIII-IX)</b>		<b>0</b>	<b>0</b>
<b>XI. Income from shares, other securities and other variable-income financial instruments, of which from:</b>	44	<b>384 008</b>	<b>44 552</b>
1. Subsidiaries		952	0
2. Jointly-controlled subsidiaries		0	0
3. Associated companies		0	0
4. Other		383 056	44 552
<b>XII. Profit (loss) on financial operations</b>	45	<b>161 232</b>	<b>51 239</b>
<b>XIII. Foreign exchange gains (losses)</b>		<b>87 276</b>	<b>80 465</b>
<b>XIV. Profit / (loss) on banking activity</b>		<b>1 463 981</b>	<b>952 551</b>
XV. Other operating income	46	257 850	154 369
XVI. Other operating expenses	47	219 652	111 606
XVII. General and administrative expenses	48	721 642	781 001
XVIII. Depreciation and amortization		340 329	115 907
XIX. Charges to provisions and revaluation	49	940 101	1 528 820
1. Charges to specific provisions and general banking risk provisions		938 515	1 527 194
2. Revaluation of financial assets		1 586	1 626
XX. Release of provisions and decreases resulting from revaluation	50	852 715	1 389 422
1. Release of specific provisions and general banking risk provisions		851 215	1 389 422
2. Revaluation of financial assets		1 500	0
XXI. Net provisions and revaluation (XIX- XX)		87 386	139 399
<b>XXII. Operating profit</b>		<b>352 822</b>	<b>-40 992</b>
<b>XXIII. Extraordinary gains / (losses)</b>		<b>-6</b>	<b>0</b>
1. Extraordinary gains	52	4	0
2. Extraordinary losses	53	10	0
XXIV. Write-offs of goodwill of subordinated companies	54	874	11 264
XXV. Write-offs of negative goodwill of subordinated companies	55	0	0
<b>XXVI. Profit before taxes</b>		<b>351 942</b>	<b>-52 256</b>
XXVII. Corporate income tax	56	112 725	-57 706
1. Current		131 417	2 342
2. Deferred		-18 692	-60 048
XXVIII. Other obligatory charges to profit / (loss)	57	0	0
XXIX. Net income (loss) of subordinated companies subject to equity method		1 287	35 445
XXX. Minority interests		0	0
<b>XXXI. Net income (loss)</b>	58	<b>240 504</b>	<b>40 895</b>
<b>Net income (loss) (for 12 months)</b>		<b>240 504</b>	<b>40 895</b>
<b>Weighted average number of ordinary shares</b>		<b>849 181 744</b>	<b>849 181 744</b>
<b>Earnings (losses) per ordinary share (in PLN)</b>	59	<b>0,28</b>	<b>0,05</b>

<b>Weighted average number of ordinary shares, diluted</b>		-	-
<b>Diluted earnings (losses) per ordinary share (in PLN)</b>	59	-	-

<b>STATEMENT OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' EQUITY</b>	<b>2004 current year</b>	<b>2003 previous year</b>
<b>I. Shareholders' Equity at the beginning of the period (opening balance)</b>	<b>1 734 906</b>	<b>1 737 572</b>
a) changes in adopted accounting policies	0	0
b) material errors corrected	0	0
<b>I.a. Shareholders' Equity at the beginning of the period (opening balance) as restated to comparable data</b>	<b>1 734 906</b>	<b>1 737 572</b>
<b>1. Share capital at the beginning of the period</b>	<b>849 182</b>	<b>849 182</b>
1.1. Movements in share capital		
a) increases (of which)	0	0
- issue of shares		
-		
b) decreases (of which)	0	0
- redemption of shares		
-		
<b>1.2. Share capital at the end of the period</b>	<b>849 182</b>	<b>849 182</b>
<b>2. Unpaid share capital at the beginning of the period</b>		
2.1. Movements in unpaid share capital		
a) increases (of which)	0	0
-		
b) decreases (of which)	0	0
-		
<b>2.2. Unpaid share capital at the end of the period</b>	<b>0</b>	<b>0</b>
<b>3. Treasury stock at the beginning of the period</b>	<b>0</b>	<b>0</b>
a) increases (of which)	0	0
-		
b) decreases - sale	0	0
-		
<b>3.1. Treasury stock at the end of the period</b>	<b>0</b>	<b>0</b>
<b>4. Supplementary capital at the beginning of the period</b>	<b>781 348</b>	<b>755 449</b>
4.1. Movements in supplementary capital		
a) increases (of which)	14 878	49 932
- share issue premium	0	0
- appropriation of net income	14 878	49 817
- other	0	115
b) decreases (of which)	35 510	24 033
- to cover losses	35 510	24 033
- other	0	0
-		
<b>4.2. Supplementary capital at the end of the period</b>	<b>760 716</b>	<b>781 348</b>
<b>5. Revaluation reserve at the beginning of the period</b>	<b>32 882</b>	<b>76 560</b>
a) changes in adopted accounting policies	0	0
<b>5a. Revaluation reserve at the beginning of the period, as restated to comparable data</b>	<b>32 882</b>	<b>76 560</b>
5.1. Movements in revaluation reserve		
a) increases (of which)	22 858	0
- purchase and valuation of financial assets available for sale	22 858	0
b) decreases (of which)	3 365	43 678
- sale and valuation of financial assets available for sale	3 365	43 563
- transfer to reserve capital	0	115
<b>5.2. Revaluation reserve at the end of the period</b>	<b>52 375</b>	<b>32 882</b>
<b>6. General banking risk reserve at the beginning of the period</b>	<b>44 738</b>	<b>44 738</b>
6.1. Movements in the general banking risk reserve		
a) increases (of which)	40 895	0
- appropriation of earnings	40 895	0
b) decrease (of which)	0	0
- other	0	0

<b>6.2. General banking risk fund at the end of the period</b>	<b>85 633</b>	<b>44 738</b>
<b>7. Sundry components of other reserve capital (funds) at the beginning of the period</b>	<b>100 939</b>	<b>98 953</b>
7.1. Movements in sundry components of other reserves		
a) increases (of which)	19 532	1 986
- appropriation of earnings	19 532	1 986
- other	0	0
-		
b) decrease (of which)	0	0
-		
<b>7.2. Sundry components of other reserve capital at the end of the period</b>	<b>120 471</b>	<b>100 939</b>
<b>8. Foreign exchange gains and losses for subordinated companies</b>		
<b>9. Retained earnings or losses brought forward at the beginning of the period</b>	<b>-115 078</b>	<b>-266 410</b>
9.1. Retained earnings at the beginning of the period	0	0
a) changes in adopted accounting policies	0	0
b) material errors corrected	0	0
<b>9.2. Retained earnings at the beginning of the period, as restated to comparable data</b>	<b>0</b>	<b>0</b>
<b>9.3. Movements in retained earnings</b>		
a) increases (of which)	0	0
- appropriation of earnings from previous years	0	0
-		
b) decrease (of which)	0	0
-		
<b>9.4. Retained earnings at the end of the period</b>	<b>0</b>	<b>0</b>
<b>9.5. Losses brought forward at the beginning of the period</b>	<b>-115 078</b>	<b>-266 410</b>
a) changes in adopted accounting policies	0	0
c) material errors corrected	0	0
<b>9.6. Losses brought forward at the beginning of the period, as restated to comparable data</b>	<b>-115 078</b>	<b>-266 410</b>
<b>9.7. Movements in losses brought forward</b>		
a) increases (of which)	194 002	295 906
- transfer of loss brought forward	30 497	41 925
- amortization of goodwill on consolidation	11 264	45 056
- appropriation of earnings	75 305	51 804
- elimination of changes in provisions for intragroup transactions	4 361	103 739
- unrealized intragroup profits	71 613	21 960
- other	962	31 422
b) decreases (of which)	195 102	447 238
- transfer of retained earnings for prior year	125 305	123 272
- interest in net income of associated companies subject to equity method	34 287	122 736
- exclusion from consolidation of PTE BIG BG	0	169 407
- loss covered from supplementary capital	35 510	24 033
- amortization of negative goodwill	0	7 790
- other		
<b>9.8. Losses brought forward at the end of the period</b>	<b>-113 978</b>	<b>-115 078</b>
<b>9.9. Retained earnings or losses brought forward at the end of the period</b>	<b>-113 978</b>	<b>-115 078</b>
<b>10. Net result</b>	<b>240 504</b>	<b>40 895</b>
a) net income	240 504	40 895
b) net loss	0	0
<b>II. Shareholders' Equity at the end of the period (closing balance)</b>	<b>1 994 903</b>	<b>1 734 906</b>
<b>III. Shareholders' Equity after proposed appropriation of income (coverage of loss)</b>		

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
<b>A. Cash flows from operating activities - indirect method</b>		
<b>I. Net income (loss)</b>	<b>240 504</b>	<b>40 895</b>
<b>II. Adjusted by:</b>	<b>828 525</b>	<b>-1 013 898</b>
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of subordinated companies subject to equity method	-1 287	-35 445
3. Depreciation and amortization, of which:	341 203	127 171
- goodwill and negative goodwill of subordinated companies	874	11 264
4. Foreign exchange gains/(losses)	-196 505	177 122
5. Interest and dividends	108 307	126 194
6. Profit/(loss) on investing activities	-378 762	-34 312
7. Changes in other provisions	-46 566	-355 100
8. Change in inventories	1 295	643
9. Change in debt securities	329 066	-1 659 294
10. Change in amounts due from financial sector	-1 876 169	-275 656
11. Change in amounts due from non-financial and public sectors	3 052 488	313 165
12. Change in receivables from securities purchased with sell-back option	19 707	44 677
13. Change in securities, other securities and other financial assets	-159 463	15 943
14. Change in amounts due to financial sector	-1 120 178	107 419
15. Change in amounts due to non-financial and public sectors	1 545 706	47 362
16. Change in liabilities from securities sold with buy-back option	-129 978	-408 903
17. Change in liabilities from securities	-600 153	445 350
18. Change in other liabilities	108 977	238 282
19. Change in accrued expenses and prepayments	-10 594	1 123
20. Change in deferred and restricted incomes	-159 419	110 147
21. Other	850	214
<b>III. Net cash from (used for) operating activities (I+/-II) - indirect method</b>	<b>1 069 029</b>	<b>-973 003</b>
<b>B. Cash flows from investing activities</b>		
<b>I. Cash from investing activities</b>	<b>1 264 212</b>	<b>1 516 096</b>
1. Sale of shares in subsidiaries	0	0
2. Sale of shares in jointly-controlled subsidiaries	0	0
3. Sale of shares in associated companies	0	0
4. Sale of shares in other companies, other securities and other financial assets	1 200 000	1 492 450
5. Sale of intangible assets and tangible fixed assets	32 428	11 416
6. Sale of investments in real estate and intangible assets	0	0
7. Other	31 784	12 230
<b>II. Cash used for investing activities</b>	<b>2 126 424</b>	<b>91 553</b>
1. Purchase of shares in subsidiaries	56	0
2. Purchase of shares in jointly-controlled subsidiaries	0	0
3. Purchase of shares in associated companies	0	0
4. Purchase of shares in other companies, other securities and other financial assets	2 097 146	0
5. Purchase of intangible assets and tangible fixed assets	29 222	91 553
6. Capital expenditure in real estate and intangible assets	0	0
7. Other capital expenditures	0	0
<b>III. Net cash from (used for) investing activities (I-II)</b>	<b>-862 212</b>	<b>1 424 543</b>
<b>C. Cash flows from financing activities</b>		
<b>I. Cash from financing activities</b>	<b>45 687</b>	<b>903 480</b>
1. Long-term bank loans	0	838 181
2. Long-term borrowings from financial institutions other than banks	0	0
3. Issue of debt securities	45 687	65 299
4. Increase in subordinated debt	0	0

5. Net proceeds from issues of shares and additional capital paid-in	0	0
6. Other	0	0
<b>II. Cash used for financing activities</b>	<b>191 582</b>	<b>827 935</b>
1. Repayment of long-term bank loans	0	584 128
2. Repayment of long-term borrowings from financial institutions other than banks	0	0
3. Redemption of debt securities	75 299	84 306
4. Other financial liabilities	0	0
5. Financial leasing liabilities	0	0
6. Decrease in subordinated debt	0	0
7. Dividends and other payments to owners	0	0
8. Dividends and other shares in profit paid to minority shareholders	0	0
9. Other payments from appropriated earnings	0	0
10. Purchase of treasury stock	0	0
11. Other	116 283	159 501
<b>III. Net cash from (used for) financing activities (I-II)</b>	<b>-145 895</b>	<b>75 545</b>
<b>D. Net cash flows, total (A.III+/-B.III+/-C.III)</b>	<b>60 922</b>	<b>527 085</b>
<b>E. Change in cash and cash equivalents, of which:</b>	<b>60 922</b>	<b>527 085</b>
- resulting from foreign exchange gains and losses		
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>821 890</b>	<b>294 805</b>
<b>G. Cash and cash equivalents at the end of the period (F+/- D), of which</b>	<b>882 812</b>	<b>821 890</b>
- assets of limited availability		



**NOTES AND EXPLANATIONS****A. NOTES****NOTES TO THE CONSOLIDATED BALANCE SHEET**

Information on encumbrance of assets is presented in item 6 of Additional Notes.
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**Note 1**

<b>CASH AND BALANCES WITH CENTRAL BANK</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current account	631 049	435 034
b) mandatory reserve	0	0
c) Banking Guarantee Fund	0	0
d) other	241 581	370 208
<b>Total cash and balances with central bank</b>	<b>872 630</b>	<b>805 242</b>

<b>CASH AND CASH EQUIVALENTS (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	819 972	739 207
b. in foreign currencies (by currency and after translating into PLN)	52 658	66 035
b1. unit/currency 1000/USD	6 904	7 302
PLN '000	20 646	27 314
b2. unit/currency 1000/EURO	6 636	7 534
PLN '000	27 073	35 536
b3. unit/currency 1000/GBP	95	152
PLN '000	546	1 011
...		
other currencies (in PLN '000)	4 393	2 174
<b>Total cash and cash equivalents</b>	<b>872 630</b>	<b>805 242</b>

**Note 2**

<b>AMOUNTS DUE FROM FINANCIAL SECTOR (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	10 182	16 648
b) loans, deposits and borrowings, of which:	3 154 105	1 486 117
- deposits at other banks and other financial institutions	3 074 496	1 105 753
c) purchased receivables	432	29 183
d) realized guarantees	0	0
e) other receivables (of which)	9 320	15 990
- brokerage activities	8 675	15 939
-		
-		
- other	645	51
f) interest:	8 939	31 206
- accrued, but not due	8 918	1 721
- due and payable	21	29 485
<b>Total (gross) amounts due from financial sector</b>	<b>3 182 978</b>	<b>1 579 144</b>
g) provision for irregular receivables from financial sector (negative amount)	-160	-174 935
<b>Total (net) amounts due from financial sector</b>	<b>3 182 818</b>	<b>1 404 209</b>

<b>(GROSS) AMOUNTS DUE FROM FINANCIAL SECTOR (BY TIME TO MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	19 738	60 017
b) term, with time to repayment from the balance sheet date:	3 154 301	1 487 921
- up to 1 month	2 644 931	1 117 689
- over 1 month to 3 months	265 654	82 009
- over 3 months to 1 year	173 076	225 470
- over 1 year to 5 years	70 480	40 455
- over 5 years	0	0
- overdue	160	22 298
c) interest	8 939	31 206
- accrued, but not due	8 918	1 721
- due and payable	21	29 485
<b>Total (gross) amounts due from financial sector</b>	<b>3 182 978</b>	<b>1 579 144</b>

<b>(GROSS) AMOUNTS DUE FROM FINANCIAL SECTOR (BY ORIGINAL MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	19 738	60 017
b) term, with time to repayment:	3 154 301	1 487 921
- up to 1 month	2 369 639	1 015 892
- over 1 month to 3 months	343 654	105 203
- over 3 months to 1 year	288 980	252 631
- over 1 year to 5 years	115 476	85 900
- over 5 years	36 552	28 295
c) interest	8 939	31 206
- accrued, but not due	8 918	1 721
- due and payable	21	29 485
<b>Total (gross) amounts due from financial sector</b>	<b>3 182 978</b>	<b>1 579 144</b>

<b>(GROSS) AMOUNTS DUE FROM FINANCIAL SECTOR (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	2 000 907	734 475
b. in foreign currencies (by currency and after translating into PLN)	1 182 071	844 669
b1. unit/currency 1000/USD	358 759	168 687
PLN '000	1 072 832	630 974
b2. unit/currency 1000/EURO	24 687	30 674
PLN '000	100 700	144 685
b3. unit/currency 1000/CHF	510	19 010
PLN '000	1 348	57 563
...		
other currencies (in PLN '000)	7 191	11 447
<b>Total (gross) amounts due from financial sector</b>	<b>3 182 978</b>	<b>1 579 144</b>

<b>(GROSS) AMOUNTS DUE FROM FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Regular	3 173 774	1 236 543
2. Watched	75	0
3. Threatened, of which:	190	311 395
a) substandard	7	161
b) doubtful	3	48
c) lost	180	311 186
4. Interest	8 939	31 206
a) accrued, but not due	8 918	1 721
b) due and payable	21	29 485
- on regular and watched amounts due	1	0
- on threatened amounts due	20	29 485
<b>Total (gross) amounts due from financial sector</b>	<b>3 182 978</b>	<b>1 579 144</b>

<b>COLLATERAL DEDUCTED FROM THE BASE USED TO DETERMINE SPECIFIC PROVISIONS FOR IRREGULAR AMOUNTS DUE FROM FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) watched	75	0
b) threatened	29	136 457
-substandard	7	161
- doubtful	1	40
- lost	21	136 256
<b>Total collateral deducted from the base used to determine specific provisions for irregular amounts due from financial sector</b>	<b>104</b>	<b>136 457</b>

<b>PROVISIONS FOR AMOUNTS DUE FROM FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) watched	0	0
b) threatened	160	174 935
-substandard	0	0
- doubtful	1	5
- lost	159	174 930
<b>Total provisions for irregular amounts due from financial sector</b>	<b>160</b>	<b>174 935</b>

<b>MOVEMENTS IN PROVISIONS FOR AMOUNTS DUE FROM FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Provisions for amounts due from financial sector at the beginning of the period	174 935	47 351
a) additions (of which)	110 128	181 534
- provisions for watched and threatened receivables	110 123	135 975
- change of classification from provisions for receivables from non-financial sector	0	45 559
- foreign exchange gains and losses	5	0
b) utilization (of which)	23 158	18 971
- receivables charged to provisions	23 158	18 971
- other	0	0
...		
c) release (of which)	261 745	34 979
- for watched and threatened categories	34 998	34 979
- consolidation of Prolim S.A.	226 747	0
- transfer to general risk provision	0	0
2. Provisions for amounts due from financial sector at the end of the period	160	174 935
3. Required provisions for amounts due from financial sector at the end of the period, in accordance with laws and regulations in force	160	174 935

As a result of consolidation of Prolim S.A. (the Company), provisions of PLN 226,747 thousand established by the Bank in respect of credit exposure towards the Company (eliminated on consolidation) are allocated to cover risks connected with assets of the Company in the consolidated financial statements. In accordance with the asset structure of the Company, the aforementioned provisions were reclassified as follows (the number of a relevant note where the transfer of provisions is presented in the balance sheet is given in the brackets):

- amounts due from customers: PLN 19,354 thousand (Note 3H);
- fixed assets: PLN 205,310 thousand (Note 16B);
- other assets: PLN 2,083 thousand (the format of financial statements does not include changes in provisions for other assets).

<b>(GROSS) AMOUNTS DUE FROM FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) subordinated companies subject to equity method	0	155 521
b) other companies	3 182 978	1 423 623
<b>Total (gross) amounts due from financial sector</b>	<b>3 182 978</b>	<b>1 579 144</b>

Total threatened receivables amounted to 5.41% of total assets.

### Note 3

<b>AMOUNTS DUE FROM NON-FINANCIAL SECTOR (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) loans and borrowings	5 365 958	8 432 434
b) purchased receivables	150 129	210 863
c) realized guarantees	11 776	5 378
d) other, of which:	1 636 483	1 578 952
- leasing	1 631 906	1 577 279
- brokerage operations	1 506	1 366
- other	3 071	307
e) interest:	138 434	439 363
- accrued, but not due	36 237	60 101
- due and payable	102 197	379 262
<b>Total (gross) amounts due from non-financial sector</b>	<b>7 302 780</b>	<b>10 666 990</b>
f) provision for irregular receivables from non-financial sector (negative amount)	-506 956	-946 303
<b>Total (net) amounts due from non-financial sector</b>	<b>6 795 824</b>	<b>9 720 687</b>

<b>(GROSS) AMOUNTS DUE FROM NON-FINANCIAL SECTOR (BY TIME TO MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	852 881	1 809 119
b) term, with time to repayment from the balance sheet date:	6 311 465	8 418 508
- up to 1 month	313 174	385 139
- over 1 month to 3 months	201 078	372 102
- over 3 months to 1 year	983 353	1 122 765
- over 1 year to 5 years	1 860 646	2 975 896
- over 5 years	2 700 909	3 013 534
- overdue	252 305	549 072
c) interest	138 434	439 363
- accrued, but not due	36 237	60 101
- due and payable	102 197	379 262
<b>Total (gross) amounts due from non-financial sector</b>	<b>7 302 780</b>	<b>10 666 990</b>

<b>(GROSS) AMOUNTS DUE FROM NON-FINANCIAL SECTOR (BY ORIGINAL MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	852 881	1 809 119
b) term, with time to repayment:	6 311 465	8 418 508
- up to 1 month	394 591	270 850
- over 1 month to 3 months	98 109	118 359
- over 3 months to 1 year	661 701	830 407
- over 1 year to 5 years	1 992 708	2 162 943
- over 5 years	3 164 356	5 035 949
c) interest	138 434	439 363
- accrued, but not due	36 237	60 101
- due and payable	102 197	379 262
<b>Total (gross) amounts due from non-financial sector</b>	<b>7 302 780</b>	<b>10 666 990</b>

<b>(GROSS) AMOUNTS DUE FROM NON-FINANCIAL SECTOR (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	3 523 542	3 611 239
b. in foreign currencies (by currency and after translating into PLN)	3 779 238	7 055 751
b1. unit/currency 1000/USD	274 751	376 004
PLN '000	821 686	1 406 444
b2. unit/currency 1000/EURO	271 905	445 167
PLN '000	1 109 107	2 099 854
b3. unit/currency 1000/CHF	684 727	1 154 198
PLN '000	1 809 118	3 495 026
...		
other currencies (in PLN '000)	39 327	54 427
<b>Total (gross) amounts due from non-financial sector</b>	<b>7 302 780</b>	<b>10 666 990</b>

<b>(GROSS) AMOUNTS DUE FROM NON-FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Regular	5 474 735	7 245 040
2. Watched	602 140	671 791
3. Threatened, of which:	1 087 471	2 310 796
a) substandard	539 305	900 558
b) doubtful	118 704	313 871
c) lost	429 462	1 096 367
4. Interest	138 434	439 363
a) accrued, but not due	36 237	60 101
b) due and payable	102 197	379 262
- on regular and watched amounts due	385	5 950
- on threatened amounts due	101 812	373 312
<b>Total (gross) amounts due from non-financial sector</b>	<b>7 302 780</b>	<b>10 666 990</b>

<b>COLLATERAL DEDUCTED FROM THE BASE USED TO DETERMINE SPECIFIC PROVISIONS FOR IRREGULAR AMOUNTS DUE FROM NON-FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) regular	0	0
b) watched	396 409	431 995
c) threatened	225 768	943 664
-substandard	99 459	408 984
- doubtful	39 797	154 946
- lost	86 512	379 734
<b>Total collateral deducted from the base used to determine specific provisions for irregular amounts due from non-financial sector</b>	<b>622 177</b>	<b>1 375 659</b>

<b>PROVISIONS FOR AMOUNTS DUE FROM NON-FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) regular	3 799	32
b) watched	5 246	3 975
c) threatened	497 911	942 296
-substandard	100 923	103 430
- doubtful	41 776	100 154
- lost	355 212	738 712
<b>Total provisions for amounts due from non-financial sector</b>	<b>506 956</b>	<b>946 303</b>

<b>MOVEMENTS IN PROVISIONS FOR AMOUNTS DUE FROM NON-FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Provisions for amounts due from non-financial sector at the beginning of the period	946 303	1 162 124
a) additions (of which)	802 214	1 236 239
- provisions for regular, watched and threatened receivables	730 808	1 209 840
- transfer from general provisions	0	7 511
- transfer from provisions for off-balance sheet receivables	3 265	0
- transfer of provisions as a result of consolidation of Prolim S.A.	19 354	
- consolidation of Prolim S.A.	48 787	0
- foreign exchange gains and losses	0	18 888
b) utilization (of which)	507 816	263 307
- receivables charged to provisions	507 816	263 307
...		
c) release (of which)	733 745	1 188 753
- regular, watched and threatened receivables	720 966	1 143 194
- change of classification for provisions for receivables from financial sector	0	45 559
- differences from valuation of provisions in foreign currencies	12 779	0
...		
2. Provisions for amounts due from non-financial sector at the end of the period	506 956	946 303
3. Required provisions for amounts due from non-financial sector at the end of the period, in accordance with laws and regulations in force	506 956	946 303

The table above presents changes in provisions as a result of the transfer of provisions following the consolidation of Prolim S.A. as explained in Note 2H. In addition, the consolidation of Prolim increased provisions of the Bank Millennium Group for amounts due from non-financial sector by provisions of PLN 48,787 thousands recorded by Prolim S.A. as of the date of its consolidation (October 1, 2004).

<b>(GROSS) AMOUNTS DUE FROM NON-FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) subordinated companies subject to equity method	0	0
b) other companies	7 302 780	10 666 990
<b>Total (gross) amounts due from non-financial sector</b>	<b>7 302 780</b>	<b>10 666 990</b>

#### Note 4

<b>AMOUNTS DUE FROM PUBLIC SECTOR (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) loans and borrowings	404 347	506 961
b) purchased receivables	298	7 789
c) realized guarantees	3	0
d) other, of which:	0	0
- other	0	0
e) interest:	6 621	5 200
- accrued, but not due	6 205	2 837
- due and payable	416	2 363
<b>Total (gross) amounts due from public sector</b>	<b>411 269</b>	<b>519 950</b>
f) provision for irregular receivables from public sector (negative amount)	-2 260	-13 897
<b>Total (net) amounts due from public sector</b>	<b>409 009</b>	<b>506 053</b>

<b>(GROSS) AMOUNTS DUE FROM PUBLIC SECTOR (BY TIME TO MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	4 987	6 872
b) term, with time to repayment from the balance sheet date:	399 661	507 878
- up to 1 month	11 470	14 674
- over 1 month to 3 months	239	1 053
- over 3 months to 1 year	16 700	20 439
- over 1 year to 5 years	114 372	162 537
- over 5 years	256 416	306 097
- overdue	464	3 078
c) interest	6 621	5 200
- accrued, but not due	6 205	2 837
- due and payable	416	2 363
<b>Total (gross) amounts due from public sector</b>	<b>411 269</b>	<b>519 950</b>

<b>(GROSS) AMOUNTS DUE FROM PUBLIC SECTOR (BY ORIGINAL MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current accounts	4 987	6 872
b) term, with time to repayment:	399 661	507 878
- up to 1 month	11 342	14 311
- over 1 month to 3 months	0	0
- over 3 months to 1 year	506	8 242
- over 1 year to 5 years	62 465	104 735
- over 5 years	325 348	380 590
c) interest	6 621	5 200
- accrued, but not due	6 205	2 837
- due and payable	416	2 363
<b>Total (gross) amounts due from public sector</b>	<b>411 269</b>	<b>519 950</b>

<b>(GROSS) AMOUNTS DUE FROM PUBLIC SECTOR (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	325 354	398 588
b. in foreign currencies (by currency and after translating into PLN)	85 915	121 362
b1. unit/currency 1000/USD	0	0
PLN '000	0	0
b2. unit/currency 1000/EURO	2 447	3 999
PLN '000	9 982	18 863
b3. unit/currency 1000/CHF	28 740	33 849
PLN '000	75 933	102 499
...		
other currencies (in PLN '000)	0	0
<b>Total (gross) amounts due from public sector</b>	<b>411 269</b>	<b>519 950</b>

<b>(GROSS) AMOUNTS DUE FROM PUBLIC SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Regular	386 837	477 749
2. Watched	301	0
3. Threatened, of which:	17 510	37 001
a) substandard	9 292	10 929
b) doubtful	7 813	18 212
c) lost	405	7 860
4. Interest	6 621	5 200
a) accrued, but not due	6 205	2 837
b) due and payable	416	2 363

- on regular and watched amounts due	0	338
- on threatened amounts due	416	2 025
<b>Total (gross) amounts due from public sector</b>	<b>411 269</b>	<b>519 950</b>

<b>COLLATERAL DEDUCTED FROM THE BASE USED TO DETERMINE SPECIFIC PROVISIONS FOR IRREGULAR AMOUNTS DUE FROM PUBLIC SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) regular	0	0
b) watched	301	0
c) threatened	7 990	10 434
-substandard	887	0
- doubtful	6 741	10 434
- lost	362	0
<b>Total collateral deducted from the base used to determine specific provisions for irregular amounts due from public sector</b>	<b>8 291</b>	<b>10 434</b>

<b>PROVISIONS FOR AMOUNTS DUE FROM PUBLIC SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) regular	0	0
b) watched	0	0
c) threatened	2 260	13 897
-substandard	1 681	2 215
- doubtful	536	3 889
- lost	43	7 793
<b>Total provisions for amounts due from public sector</b>	<b>2 260</b>	<b>13 897</b>

<b>MOVEMENTS IN PROVISIONS FOR AMOUNTS DUE FROM PUBLIC SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Provisions for amounts due from public sector at the beginning of the period	13 897	14 723
a) additions (of which)	3 002	16 079
- provisions for threatened receivables	3 002	15 488
- reclassification from general reserve	0	591
b) utilization (of which)	4 667	3 393
- write-offs	4 667	3 393
...		
c) release (of which)	9 972	13 512
- threatened receivables	9 972	13 512
- other	0	0
2. Provisions for amounts due from public sector at the end of the period	2 260	13 897
3. Required provisions for amounts due from public sector at the end of the period, in accordance with laws and regulations in force	2 260	13 897

## Note 5

<b>RECEIVABLES FROM SECURITIES BOUGHT WITH SELL-BACK CLAUSE</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) from financial sector	80 334	100 358
b) from non-financial sector	0	0
c) from public sector	0	0
d) interest	317	0
<b>Total receivables from securities bought with sell-back clause</b>	<b>80 651</b>	<b>100 358</b>



**Note 6**

<b>DEBT SECURITIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) issued by central banks, of which:	843 861	166 917
- bonds denominated in foreign currencies	0	0
b) issued by other banks, of which:	128 245	112 232
- denominated in foreign currencies	0	0
c) issued by other financial institutions, of which:	98 011	90 009
- denominated in foreign currencies	0	0
d) issued by non-financial institutions, of which:	282 180	341 401
- denominated in foreign currencies	282 180	338 032
e) issued by the State Treasury, of which:	5 471 131	4 030 788
- denominated in foreign currencies	16 706	929
f) issued by local government, of which:	92 463	92 956
- denominated in foreign currencies	0	0
g) repurchased own debt securities	0	0
<b>Total debt securities</b>	<b>6 915 891</b>	<b>4 834 303</b>

<b>DEBT SECURITIES (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Issued by the State Treasury, of which:	5 471 131	4 030 788
a) bonds	4 749 602	3 039 300
b) T-bills	721 529	991 488
c) other (by type):	0	0
...		
2. Issued by parent company , of which:	0	0
a) bonds		
b) other (by type):	0	0
...		
3. Issued by major investor , of which:	0	0
a) bonds		
b) other (by type):	0	0
...		
4. Issued by subsidiaries, of which:	0	0
a) bonds		
b) other (by type):	0	0
...		
5. Issued by jointly controlled subsidiaries, of which:	0	0
a) bonds		
b) other (by type):	0	0
...		
6. Issued by associated companies, of which:	0	0
a) bonds		
b) other (by type):	0	0
...		
7. Issued by other entities, of which:	1 444 760	803 515
a) bonds	768 041	803 515
b) other (by type):	676 719	0
- commercial paper	676 719	0
<b>Total debt securities</b>	<b>6 915 891</b>	<b>4 834 303</b>

<b>MOVEMENTS IN DEBT SECURITIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Debt securities at the beginning of the period	4 834 303	4 825 889
- opening balance adjustment in respect of modified accounting principles	0	0
Debt securities at the beginning of the period after adjustment	4 834 303	4 825 889
a) additions (of which)	2 081 588	8 414
- increase in the Group's net investments	2 081 588	3 914
- transfer of provisions in respect of permanent diminution in value of debt securities to provisions for issue guarantee	0	4 500
b) decreases (of which)	0	0
- decrease in the Group's net investments	0	0
- permanent diminution in value charged to provisions from general risk provisions	0	0
- permanent diminution in value charged to expenses	0	0
<b>Debt securities at the end of the period</b>	<b>6 915 891</b>	<b>4 834 303</b>

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

## Note 7

<b>SHARES IN SUBSIDIARIES SUBJECT TO EQUITY METHOD</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) banks	0	0
b) other financial institutions	0	767
c) non-financial institutions	0	0
<b>Total shares in subsidiaries subject to equity method</b>	<b>0</b>	<b>767</b>

<b>MOVEMENTS IN SHARES IN SUBSIDIARIES SUBJECT TO EQUITY METHOD</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Shares in subsidiaries subject to equity method at the beginning of the period	767	891
a) additions (of which)	0	0
- share in profits of entities subject to equity method		0
...		
b) decreases (of which)	767	124
- share in losses of entities subject to equity method	0	124
- depreciation of shares in an entity subject to equity method	767	0
<b>Total shares in subsidiaries subject to equity method at the end of the period</b>	<b>0</b>	<b>767</b>

## Note 8

<b>SHARES IN JOINTLY-CONTROLLED SUBSIDIARIES SUBJECT TO EQUITY METHOD</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) banks	0	0
b) other financial institutions	0	0
c) non-financial institutions	0	0
<b>Total shares in jointly-controlled subsidiaries subject to equity method</b>	<b>0</b>	<b>0</b>

<b>MOVEMENTS IN SHARES IN JOINTLY-CONTROLLED SUBSIDIARIES SUBJECT TO EQUITY METHOD</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Shares in jointly-controlled subsidiaries subject to equity method at the beginning of the period	0	0
a) additions (of which)	0	0
-		
...		
b) decreases (of which)	0	0
-		
...		
<b>Total shares in jointly-controlled subsidiaries subject to equity method at the end of the period</b>	<b>0</b>	<b>0</b>

**Note 9**

<b>SHARES IN ASSOCIATED COMPANIES SUBJECT TO EQUITY METHOD</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) banks	0	0
b) other financial institutions	0	0
c) non-financial institutions	0	0
<b>Total shares in associated companies subject to equity method</b>	<b>0</b>	<b>0</b>

<b>MOVEMENTS IN SHARES IN ASSOCIATED COMPANIES SUBJECT TO EQUITY METHOD</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Shares in associated companies subject to equity method at the beginning of the period	0	423 365
a) additions (of which)	0	36 414
- earnings of consolidated associated companies allocated to the Group	0	36 414
-	0	0
b) decreases (of which)	0	459 779
- elimination of PZU dividend paid to the Group	0	12 953
- discontinuation of valuation by equity method of PZU S.A. shares from 31 March 2003	0	444 481
- creation of provision in respect of permanent diminution in value of PROLIM S.A. shares	0	1 500
- losses of consolidated associated companies allocated to the Group	0	845
<b>Shares in associated companies subject to equity method at the end of the period</b>	<b>0</b>	<b>0</b>

**Note 10**

SHARES IN SUBORDINATED COMPANIES												
No.	a	b	c	d	e	f	g	h	i	j	k	l
	Company name and legal form	Location	Business	Capital relation (subsidiary, jointly controlled subsidiary, associated company, including direct and indirect relations)	Consolidation / equity method or not subject to consolidation / equity method	Date of acquisition of control / joint control / significant influence	Shares at purchase price	Revaluation write-offs net	Book value of shares	% of shares held	% of votes at a GM	Domination other than in j) or k)
1.	Bank Millennium S.A.	Warszawa	banking services	Dominating entity	consolidation	-----	-----	-----	-----	-----	-----	-----
2.	Millennium Dom Maklerski S.A.	Warszawa	brokerage services	subsidiary /Bank Millennium S.A.	consolidation	05.06.1995 r.	16 500	0	16 500	100,00%	100,00%	-----
3.	BBG Finance BV	Rotterdam	funding companies from the Group	subsidiary /Bank Millennium S.A.	consolidation	22.11.2001 r.	4 968	0	4 968	100,00%	100,00%	-----
4.	Bel Leasing Sp.z o.o.	Warszawa	leasing	subsidiary /Bank Millennium S.A.	consolidation	18.03.1991 r.	20 694	0	20 694	100,00%	100,00%	-----
5.	TBM Sp.z o.o.	Warszawa	financial operations - equity markets, advisory services	subsidiary /Grupa Millennium	consolidation	22.03.1996 r.	11 412	-6 797	4 615	100,00%	100,00%	-----
6.	Forin Sp.z o.o.	Warszawa	managing other companies	subsidiary /Bank Millennium S.A.	consolidation	25.02.1992 r.	38 579	0	38 579	100,00%	100,00%	-----
7.	BIG BG Inwestycje S.A.	Warszawa	investing activities on capital markets	subsidiary /Grupa Millennium	consolidation	24.02.1997 / 31.08.1999	1 058 218	0	1 058 218	100,00%	100,00%	-----
8.	TFI Millennium S.A.	Warszawa	managing investment funds	subsidiary /Millennium Dom Maklerski	consolidation	1.06.2001 r.	10 450	0	10 450	100,00%	100,00%	-----
9.	BESTA Sp. z o.o.	Warszawa	supporting insurance and pension fund operations	subsidiary /Bank Millennium S.A.	equity method	17.07.1998 r.	50	0	50	100,00%	100,00%	-----
10.	PROLIM S.A.	Sopot	leasing	associated /Bank Millennium S.A.	consolidation	25.08.1998 r.	3 976	-1 553	2 423	100,00%	100,00%	-----
11.	MP Plaza Sp. z o.o.	Warszawa	leasing	subsidiary/Bel Leasing Sp. z o.o.	-	07.09.2004 r.	50	0	50	100,00%	100,00%	-----
12.	BG Leasing S.A.	Gdańsk	leasing	subsidiary /Bank Millennium S.A.	-	24.02.1997 r.	900	-900	0	74,00%	74,00%	-----
13.	Lubuskie Fabryki Mebli S.A.	Świebodzin	furniture manufacturer	subsidiary /Bank Millennium S.A.	-	05.12.1997 r.	6 700	-2 700	4 000	50,00%	50,00%	-----
14.	Accon Services Sp. z o.o.	Warszawa	accounting services	subsidiary /Forinwest	-	10.07.2000 r.	255	0	255	100,00%	100,00%	-----

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in PLN' 000

15.	Rees Trading Sp. z o.o.	Warszawa	financial operations in capital markets	subsidiary /Bank Millennium Group	-	19.06.1999 r.	100	0	100	100,00%	100,00%	-----
16.	Hevelius Management Sp. z o.o.	Warszawa	management of an investment fund	associated /Bank Millennium S.A.	-	24.02.1997 r.	959	-959	0	39,99%	39,99%	-----
17.	Pomorskie Hurtowe Centrum Rolno - Spożywcze S.A.	Gdańsk	wholesale market	associated /Bank Millennium S.A.	-	16.06.1997 r.	8 200	-3 400	4 800	38,39%	42,92%	-----
18.	Towarzystwo Handlowe "Weiman i S-ka"	Łódź	manufacturing and trading in sanitary ceramics	associated /Bank Millennium S.A.	-	20.10.1993 r.	0,04	0,04	0	40,00%	40,00%	-----
19.	SPC S.A.	Warszawa	investing activities	associated /Forin	-	13.12.1995 r.	33	33	0	33,00%	33,00%	-----

**Note 10 cont.**

SHARES IN SUBORDINATED COMPANIES - continued																		
No.	m							n			o			p	r	s	t	
	Shareholders' Equity, of which:							Liabilities			Receivables			Assets (total)	Sales	Portion of shares not paid in by the Issuer	Dividends received or receivable for the last financial year	
	Share capital	Additional capital payable (negative amount)	Supplementary capital	Other of which:														
					Retained earnings (loss brought forward)	Net income (loss)	of which:	current	non-current	of which:	short-term	long-term						
1.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.	43 629	16 500	0	13 423	13 706	0	13 706	336 948	314 661	22 287	11 106	11 106	0	388 260	39 934	-	-	
3.*	6 166	85	0	5 660	421	-78	498	533 021	0	533 021	533 021	0	533 021	540 301	0	-	-	
4.	186 078	20 000	0	197 845	-31 767	-78 853	41 277	1 350 717	427 067	923 650	1 491 932	553 663	938 269	1 815 851	206 671	-	-	
5.	5 044	500	0	2 008	2 536	0	129	0	0	0	0	0	0	5 900	60	-	-	
6.	52 951	86 318	0	32 788	-66 155	-66 856	701	235 525	5 037	230 488	268 741	10 638	258 103	324 743	23 442	-	-	
7.	1 500 346	1 054 000	0	2 551	443 795	0	433 993	0	0	0	0	0	0	1 614 380	0	-	-	
8.	11 898	10 100	0	0	1 798	-503	2 301	0	0	0	0	0	0	13 875	14 492	-	-	
9.	92	50	0	8 462	-8 420	-8 444	23	5	5	0	47	47	0	246	0	-	-	
10.	9 435	16 204	0	11 960	-18 728	-21 111	2 197	396 271	279 324	116 947	150 259	42 330	107 929	430 125	16 112	-	-	
11.**	49	50	0	0	-1	0	-1	0	0	0	0	0	0	49	0			
12.	under bankruptcy															-	-	
13.***	17 369	13 400	0	526	3 443	0	3 426	6 919	6 919	0	6 852	6 852	0	24 358	44 421	-	951	
14.****	229	200	0	24	5	3	2	337	337	0	485	485	0	1 148	396	-	-	
15.	114	100	0	5	9	0	6	0	0	0	0	0	0	114	0	-	-	
16.	spółka w upadłości															-	-	
17.*****	16 499	21 357	0	494	-5 352	-18 612	1 874	64 372	11 875	52 497	1 068	1 068	0	85 198	8 654	-	-	
18.	no operating activities - company does not prepare financial statements															-	-	
19.	no operating activities - company does not prepare financial statements															-	-	
* - as of 31.12.2003, ** - as of 30.09.2004, *** - as of 31.10.2004, **** - as of 30.11.2004, ***** - as of 30.06.2004																		

**Note 11**

<b>SHARES IN OTHER COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) financial institutions	12 399	1 211 015
- short-term	0	0
- long-term	12 399	1 211 015
b) non-financial sector	11 549	12 792
- short-term	296	215
- long-term	11 253	12 577
<b>Total shares in other companies</b>	<b>23 948</b>	<b>1 223 807</b>

<b>MOVEMENTS IN SHARES IN OTHER COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
At the beginning of the period	1 223 807	63 052
- adjustment for changes in accounting principles	0	0
Opening balance after adjustments	1 223 807	63 052
a) additions (of which)	44 745	1 255 517
- purchase of shares	44 724	34 497
- change in receivables for shares as a result of client restructuring	0	20 585
- revaluation	21	1 259
- reclassification of PZU S.A. shares in respect of discontinuation of valuation by equity method from 31 March 2003	0	1 199 161
- foreign exchange gains (losses)	0	15
- other	0	0
b) decreases (of which)	1 244 604	94 762
- sale of PZU S.A. shares	1 192 760	0
- sale of other shares	45 355	73 736
- sale of shares acquired as a result of client restructuring	0	20 585
- revaluation	17	441
- adjusted value of PZU shares on elimination of part of dividend received	6 401	0
- established provisions	53	0
- foreign exchange gains and losses	18	0
<b>Shares in other companies at the end of the period</b>	<b>23 948</b>	<b>1 223 807</b>





## SHARES IN OTHER COMPANIES

No.	a Company name	b Location	c Business	d Book value	e % of	f % of	g Shareholders' equity,		h shares unpaid	i dividends received or receivable
	and legal form			of shares	shares held	votes at a GM	of which:	- share capital	by the Issuer	for the last financial year
1.	Elmor S.A.	Gdańsk	electronics	86	8,38%	8,38%	11 520	7 203	0	0
2.	Krajowa Izba Rozliczeniowa S.A.	Warszawa	interbank settlements	313	5,74%	5,74%	74 702	5 445	0	750
3.	Centralna Tablica Ofert S.A.	Warszawa	providing information on OTC market transactions	140	1,87%	1,87%	5 019	7 500	0	0
4.	Biuro Informacji Kredytowej SA	Warszawa	preparing and selling reports about financial liabilities	400	2,50%	2,50%	12 236	15 550	0	0
5.	Giełda Papierów Wartościowych S.A.	Warszawa	stock exchange	29	0,04%	0,04%	348 229	42 000	0	0
6.	SWIFT	Bruksela	telecom services	89	0,02%	0,02%	51 033	5 109	0	0
7.	PTH Trybunalskie S.A.	Piotrków Trybunalski	traveling services	267	17,16%	17,16%	2 900	1 750	0	0
8.	Bank Przemysłowy S.A.	Łódź	banking	134	0,24%	0,48%	n/a	55 347	0	0
9.	Huta L.W. S.A.	Warszawa	steel mill	0	0,37%	0,37%	260 039	380 000	0	0
10.	PZL "Krosno" S.A.	Krosno	aerospace	244	9,34%	9,34%	12 399	5 500	0	0
11.	International Factor Group SCRL	Brussel	association of factoring companies	25	1,00%	1,00%	2 727	168	0	0
12.	Servibanca	Lizbon	clearing	31	2,67%	2,67%	n/a	1 324	0	0
13.	Wschodni Bank Cukrownictwa S.A.	Lublin	banking	10 806	5,46%	5,46%	242 577	200 191	0	0
14.	Other companies			162						
15.	Shares in subsidiaries not subject to consolidation or equity method (presented in Note "Shares in subsidiaries")			9 205						
16.	Shares listed on Warsaw Stock Exchange and earmarked for trading			2 017						

\* - as of 31.12.2003

**Note 12**

<b>OTHER SECURITIES AND OTHER FINANCIAL ASSETS (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) preemptive rights	0	0
b) derivative rights	0	0
c) other (by type)	547 602	676 919
- participation units of investment funds	4 249	289 357
- assets in respect of valuation of financial instruments linked with securities	0	0
- derivatives	543 353	387 562
<b>Total other securities and other financial assets</b>	<b>547 602</b>	<b>676 919</b>

<b>OTHER SECURITIES AND OTHER FINANCIAL ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) short-term	543 353	387 562
b) long-term	4 249	289 357
<b>Total other securities and other financial assets</b>	<b>547 602</b>	<b>676 919</b>

<b>MOVEMENTS IN OTHER SECURITIES AND OTHER FINANCIAL ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Other securities and other financial assets at the beginning of the period	676 919	498 440
a) additions (of which)	160 040	292 100
- purchase of participation units of investment funds	4 000	287 425
- valuation of participation units of investment funds	249	3 772
- change in derivatives	155 791	451
- purchase of investment certificates	0	0
- valuation of investment certificates	0	452
b) decreases (of which)	289 357	113 621
- change in derivatives	0	0
- sale of investment certificates	0	0
- sale/redemption of participation units of investment funds	289 357	113 621
<b>Other securities and other financial assets at the end of the period</b>	<b>547 602</b>	<b>676 919</b>

<b>OTHER SECURITIES AND OTHER FINANCIAL ASSETS (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	547 602	676 919
b. in foreign currencies (by currency and after translating into PLN)	0	0
...		
other currencies (in PLN '000)	0	0
<b>Total other securities and other financial assets</b>	<b>547 602</b>	<b>676 919</b>

**Note 13**

<b>FINANCIAL ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) tradable	3 075 104	3 244 050
b) monetary assets	882 928	821 890
c) loans and borrowings granted by the bank and receivables held, non-tradable	10 458 004	11 714 660
d) held to maturity	202 252	112 232
e) available for sale	4 210 085	3 378 749
<b>Total financial assets</b>	<b>18 828 373</b>	<b>19 271 581</b>

<b>FINANCIAL ASSETS (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	13 650 201	11 521 178
b. in foreign currencies (by currency and after translating into PLN)	5 178 172	7 750 403
b1. unit/currency 1000/EURO	339 571	491 970
in PLN '000	1 385 129	2 320 562
b2. unit/currency 1000/USD	648 424	539 267
in PLN '000	1 939 054	2 017 189
b3. unit/currency 1000/CHF	683 077	1 106 118
in PLN '000	1 804 758	3 349 369
b4. unit/currency 1000/GBP	91	139
in PLN '000	522	926
other currencies (in PLN '000)	48 708	62 356
<b>Total financial assets</b>	<b>18 828 373</b>	<b>19 271 581</b>

<b>TRADABLE FINANCIAL ASSETS (BY MARKETABILITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
A. Unlimited marketability, listed on stock exchange (book value)	1 722 990	1 913 148
a) shares (book value):	296	215
- fair value	296	215
- market value	296	215
- value at purchase price	295	220
b) bonds (book value):	1 722 694	1 912 933
- fair value	1 722 694	1 912 933
- market value	1 722 694	1 912 933
- value at purchase price	1 689 108	1 897 551
c) other - by type (book value):	0	0
c1)	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
...		
B. Unlimited marketability, listed in OTC markets (book value)	0	0
a) shares (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
b) bonds (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
c) other - by type (book value):	0	0
c1)	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
...		
C. Unlimited marketability, not listed in regulated markets (book value)	808 761	943 339
a) shares (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
b) bonds (book value):	0	0
- fair value	0	0

- market value	0	0
- value at purchase price	0	0
c) other - by type (book value):	808 761	943 339
c1) T-bills	127 793	943 339
- fair value	127 793	943 339
- market value	127 793	943 339
- value at purchase price	126 498	940 888
c2) participation units	4 249	0
- fair value	4 249	0
- market value	4 249	0
- value at purchase price	4 000	0
c2) NBP bills	676 719	0
- fair value	676 719	0
- market value	676 719	0
- value at purchase price	676 719	0
...		
<b>D. Limited marketability (book value)</b>	<b>543 353</b>	<b>387 563</b>
a) shares (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
b) bonds (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
c) other - by type (book value):	543 353	387 563
c1) assets connected with financial instruments	543 353	387 563
- fair value	543 353	387 563
- market value	543 353	387 563
- value at purchase price	0	0
...		
<b>Total value at purchase price</b>	<b>2 496 620</b>	<b>2 838 659</b>
<b>Total value at the beginning of the period</b>	<b>3 244 050</b>	<b>1 689 401</b>
<b>Total adjustments (for the period)</b>	<b>557 835</b>	<b>393 298</b>
<b>Total book value</b>	<b>3 075 104</b>	<b>3 244 050</b>

<b>FINANCIAL ASSETS HELD TO MATURITY (BY MARKETABILITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
<b>A. Unlimited marketability, listed on stock exchange (book value)</b>	<b>74 007</b>	<b>0</b>
a) bonds (book value):	74 007	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value at purchase price	69 620	0
b) other - by type (book value):	0	0
b1)	0	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value at purchase price	0	0
...		
<b>B. Unlimited marketability, listed in OTC markets (book value)</b>	<b>0</b>	<b>0</b>
a) bonds (book value):	0	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value at purchase price	0	0

b) other - by type (book value):	0	0
b1)	0	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value at purchase price	0	0
...		
C. Unlimited marketability, not listed in regulated markets (book value)	0	0
a) restructuring bonds issued by the State Treasury (book value):	0	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	50 122
- value at purchase price	0	0
b) other - by type (book value):	0	0
b1)	0	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value at purchase price	0	0
...		
D. Limited marketability (book value)	128 245	112 232
a) bonds (book value):	128 245	112 232
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	112 232	206 359
- value at purchase price	74 750	74 750
b) other - by type (book value):	0	0
b1)	0	0
- valuation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value at purchase price	0	0
...		
<b>Total value at purchase price</b>	<b>144 370</b>	<b>74 750</b>
<b>Total value at the beginning of the period</b>	<b>112 232</b>	<b>256 481</b>
<b>Total valuation adjustments (for the period)</b>	<b>0</b>	<b>0</b>
<b>Total book value</b>	<b>202 252</b>	<b>112 232</b>

<b>FINANCIAL ASSETS AVAILABLE FOR SALE (BY MARKETABILITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
A. Unlimited marketability, listed on stock exchange (book value)	2 952 901	1 126 367
a) shares (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
b) bonds (book value):	2 952 901	1 126 367
- fair value	2 952 901	1 126 367
- market value	2 952 901	1 126 367
- value at purchase price	2 897 302	1 111 960
c) other - by type (book value):	0	0
c1)	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
...		
B. Unlimited marketability, listed in OTC markets (book value)	0	0
a) shares (book value):	0	0
- fair value	0	0
- market value	0	0

- value at purchase price	0	0
b) bonds (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
c) other - by type (book value):	0	0
c1)	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
...	0	
C. Unlimited marketability, not listed in regulated markets (book value)	1 043 058	815 395
a) shares (book value):	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
b) bonds (book value):	449 322	477 889
- fair value	449 322	477 889
- market value	449 322	477 889
- value at purchase price	441 520	465 202
c) other - by type (book value):	593 736	337 506
c1) bills of NBP	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
c2) T-bills	593 736	48 149
- fair value	593 736	48 149
- market value	593 736	48 149
- value at purchase price	586 903	47 620
c3) participation units of investment funds	0	289 357
- fair value	0	289 357
- market value	0	289 357
- value at purchase price	0	288 849
D. Limited marketability (book value)	214 126	1 436 987
a) shares (book value):	23 652	1 223 589
- fair value	23 652	1 223 589
- market value	23 652	1 223 589
- value at purchase price	33 454	1 080 454
b) bonds (book value):	190 474	213 398
- fair value	190 474	213 398
- market value	190 474	213 398
- value at purchase price	173 060	205 080
c) other - by type (book value):	0	533
c1) T-bills allocated to fund for protection of guaranteed assets (book value)	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
c2) commercial paper (book value)	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0
c3) financial instruments	0	0
- fair value	0	0
- market value	0	0
- value at purchase price	0	0

<b>Total value at purchase price</b>	4 132 239	3 199 165
<b>Total value at the beginning of the period</b>	3 378 749	3 464 786
<b>Total adjustments (for the period)</b>	<b>10 749</b>	<b>18 718</b>
<b>Total book value</b>	<b>4 210 085</b>	<b>3 378 749</b>

**Note 14**

<b>INTANGIBLE ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) completed research and development programs	0	0
b) goodwill	3 895	5 163
c) concessions, patents, licenses and similar assets, of which:	35 333	220 570
- computer software	35 333	42 055
- rights to Millennium	0	178 500
d) other intangible assets	11	17
e) prepayments for intangible assets	0	0
<b>Total intangible assets</b>	<b>39 239</b>	<b>225 750</b>

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

## MOVEMENTS IN INTANGIBLE ASSETS (BY GROUP)

14. CHANGES IN INTANGIBLE ASSETS (BY TYPE)	completed research and development projects	goodwill	concessions, patents, licenses and similar assets		other intangible assets	prepayments for intangible assets	TOTAL
			of which:	computer software			
<b>a) gross intangible assets at the beginning of the period</b>	<b>25</b>	<b>10 030</b>	<b>360 190</b>	<b>150 069</b>	<b>41</b>	<b>0</b>	<b>370 286</b>
<b>b) additions (of which)</b>	<b>0</b>	<b>0</b>	<b>29 748</b>	<b>29 748</b>	<b>0</b>	<b>0</b>	<b>29 748</b>
- purchase	0	0	412	412	0	0	412
- transfer from investments, capital expenditures	0	0	7 971	7 971	0	0	7 971
- consolidation of PROLIM S.A.	0	0	14 706	14 706	0	0	14 706
- expenditures for intangible assets	0	0	6 655	6 655	0	0	6 655
- other	0	0	4	4	0	0	4
<b>c) decreases (of which)</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>13</b>
- sale	0	0	0	0	0	0	0
- liquidation	0	0	13	12	0	0	13
-	0	0	0	0	0	0	0
- other	0	0	0	0	0	0	0
<b>d) gross intangible assets at the end of the period</b>	<b>25</b>	<b>10 030</b>	<b>389 925</b>	<b>179 805</b>	<b>41</b>	<b>0</b>	<b>400 021</b>
<b>e) accumulated amortization at the beginning of the period</b>	<b>25</b>	<b>4 867</b>	<b>139 620</b>	<b>108 014</b>	<b>24</b>	<b>0</b>	<b>144 536</b>
<b>f) amortization charges in the period</b>	<b>0</b>	<b>1 268</b>	<b>214 972</b>	<b>36 458</b>	<b>6</b>	<b>0</b>	<b>216 246</b>
- current charges (income statement)	0	1 265	28 803	18 293	4	0	30 072
- one off charge /permanent diminution due to change in economic useful life pattern	0	0	171 471	3 471	0	0	171 471
- decrease in respect of sale and liquidation	0	0	-13	-11	0	0	-13
- consolidation of PROLIM S.A.	0	0	14 706	14 706	0	0	14 706
-	0	0	0	0	0	0	0
- other	0	3	5	-1	2	0	10
<b>g) accumulated amortization at the end of the period</b>	<b>25</b>	<b>6 135</b>	<b>354 592</b>	<b>144 472</b>	<b>30</b>	<b>0</b>	<b>360 782</b>
<b>h) charges for permanent diminution in value at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- additions	0	0	0	0	0	0	0
- decreases	0	0	0	0	0	0	0
<b>i) charges for permanent diminution in value at the end of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>j) net intangible assets at the end of the period</b>	<b>0</b>	<b>3 895</b>	<b>35 333</b>	<b>35 333</b>	<b>11</b>	<b>0</b>	<b>39 239</b>



<b>INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) owned	39 239	225 750
b) used under a lease, rent or similar agreement, of which:	0	0
-		
-		
<b>Total intangible assets</b>	<b>39 239</b>	<b>225 750</b>

**Note 15**

<b>GOODWILL - SUBORDINATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) goodwill - subsidiaries	0	0
b) goodwill - jointly controlled companies	0	0
c) goodwill - associated companies	0	0
<b>Total goodwill - subordinated companies</b>	<b>0</b>	<b>0</b>

<b>MOVEMENTS IN GOODWILL - SUBSIDIARIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) opening balance	0	0
b) additions (of which)	874	0
- purchase of Prolim S.A. shares	874	
c) decreases (of which)	0	0
...		
d) closing balance (gross)	874	0
e) accumulated amortization at the beginning of the period		
f) amortization write-off in the period (of which)	874	0
- Prolim S.A.	874	
g) accumulated amortization at the end of the period	874	0
h) net goodwill at the end of the period	0	0

**Calculation of the goodwill of Prolim S.A. (in PLN '000)**

Price of purchase of 100% shares of Prolim S.A. by Millennium Group	5 201
Adjustment of value of Prolim shares on account of equity method valuation of a block of 25% shares of Prolim S.A.	-712
Provision created by Millennium Group on account of impairment of Prolim S.A. shares	-1 552
value of net assets of Prolim S.A. as at the day of consolidation	-2 063
goodwill of Prolim S.A. as at the day of consolidation	874

<b>MOVEMENTS IN GOODWILL - JOINTLY CONTROLLED SUBSIDIARIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) opening balance	0	0
b) additions (of which)	0	0
...		
c) decreases (of which)	0	0
...		
d) closing balance (gross)	0	0
e) accumulated amortization at the beginning of the period		
f) amortization write-off in the period (of which)	0	0
...		
g) accumulated amortization at the end of the period	0	0
h) net goodwill at the end of the period	0	0

<b>MOVEMENTS IN GOODWILL - ASSOCIATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) opening balance	0	901 111
b) additions (of which)	0	0
...		
c) decreases (of which)	0	901 111
- discontinuation of valuation of PZU S.A. shares by equity method as of 31 March 2003	0	901 111
...		
d) closing balance (gross)	0	0
e) accumulated amortization at the beginning of the period	0	135 167
f) amortization write-off in the period (of which)	0	-135 167
- PZU S.A.	0	11 264
- discontinuation of valuation of PZU S.A. shares by equity method as of 31 March 2003	0	-146 431
g) accumulated amortization at the end of the period	0	0
h) net goodwill at the end of the period	0	0

## Note 16

<b>TANGIBLE FIXED ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) fixed assets, of which:	536 685	623 709
- land (of which perpetual usufruct)	202 615	182 746
- structures, premises and surface and water installations	242 594	294 972
- technical equipment	56 646	99 965
- vehicles	10 768	12 847
- other	24 062	33 179
b) assets under construction	34 142	55 145
c) prepayments for assets under construction	0	0
<b>Total tangible fixed assets</b>	<b>570 827</b>	<b>678 854</b>

In result of consolidation of the company Prolim S.A., conducting lease activity, in the consolidated balance sheet item "tangible fixed assets" fixed assets for sale, held by this company, were reported.

**MOVEMENTS IN TANGIBLE FIXED ASSETS (BY TYPE)**

<b>16. MOVEMENTS IN TANGIBLE FIXED ASSETS (BY TYPE)</b>	land (including perpetual usufruct)	buildings, structures, premises, water and civil engineering installations	equipment, fixtures and fittings	vehicles	other	<b>Total</b>
<b>a) gross fixed assets at the beginning of the period</b>	<b>184 909</b>	<b>420 772</b>	<b>393 367</b>	<b>28 125</b>	<b>100 074</b>	<b>1 127 247</b>
<b>b) additions (of which)</b>	<b>23 524</b>	<b>176 767</b>	<b>93 488</b>	<b>4 114</b>	<b>8 447</b>	<b>306 340</b>
- purchase	0	0	873	577	585	2 035
- transfer from assets under construction	0	20 839	23 573	2 488	5 955	52 855
- consolidation of PROLIM S.A.	23 430	149 352	68 330	289	1 331	242 732
- transfer from financial lease	42	6 379	473	760	0	7 654
- other	52	197	239	0	576	1 064
<b>c) decreases (of which)</b>	<b>1 340</b>	<b>40 331</b>	<b>21 993</b>	<b>7 036</b>	<b>4 550</b>	<b>75 250</b>
- sale	1 340	30 906	8 667	6 599	2 932	50 444
- liquidation	0	9 186	13 202	61	575	23 024
-	0	0	0	0	0	0
-	0	0	0	0	0	0
- other	0	239	124	376	1 043	1 782
<b>d) gross fixed assets at the end of the period</b>	<b>207 093</b>	<b>557 208</b>	<b>464 862</b>	<b>25 203</b>	<b>103 971</b>	<b>1 358 337</b>
<b>e) accumulated depreciation at the beginning of the period</b>	<b>163</b>	<b>117 226</b>	<b>293 388</b>	<b>15 278</b>	<b>66 895</b>	<b>492 950</b>
<b>f) depreciation charges in the period (of which)</b>	<b>-104</b>	<b>47 005</b>	<b>51 052</b>	<b>-843</b>	<b>12 200</b>	<b>109 310</b>
- current charges (income statement)	47	32 056	39 808	4 614	12 310	88 935
- one off charge /permanent diminution due to change in economic useful life pattern	0	21 435	25 700	0	2 716	49 851
- adjustments for sale and liquidation	-170	-14 031	-17 762	-5 985	-3 039	-40 987
- consolidation of PROLIM S.A.	15	5 643	3 281	355	240	9 534
- transfer from financial lease	0	1 878	9	321	0	2 208
- other	4	24	-84	-148	-27	-231
<b>g) accumulated depreciation at the end of the period</b>	<b>59</b>	<b>164 231</b>	<b>344 440</b>	<b>14 435</b>	<b>79 095</b>	<b>602 260</b>
<b>h) charges for permanent diminution in value at the beginning of the period</b>	<b>2 000</b>	<b>8 574</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>10 588</b>
- additions	2 419	148 883	63 776	0	814	215 892
- transfer of provisions on consolidation of PROLIM S.A.	2 419	138 301	63 776	0	814	205 310
- decreases	0	7 074	14	0	0	7 088
<b>i) charges for permanent diminution in value at the end of the period</b>	<b>4 419</b>	<b>150 383</b>	<b>63 776</b>	<b>0</b>	<b>814</b>	<b>219 392</b>
<b>j) net fixed assets at the end of the period</b>	<b>202 615</b>	<b>242 594</b>	<b>56 646</b>	<b>10 768</b>	<b>24 062</b>	<b>536 685</b>

In 2004 the Bank analysed the period of usability of fixed assets in connection with adjustment to International Accounting Standards and in keeping with the Accounting Law (which was described at length under Note 14 A). in result of the verification the Bank effected a non-recurrent depreciation writeoff on account of change of estimated periods of depreciation of fixed assets, the part of this writeoff in the amount of PLN 24.2 million, presented in the above note, concerns impairment of real estate.

<b>ON-BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) owned	536 685	623 709
b) used under a lease, rent or similar agreement, of which:	0	0
-		
...		
<b>Total on-balance sheet fixed assets</b>	<b>536 685</b>	<b>623 709</b>

<b>OFF-BALANCE SHEET FIXED ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
- used under a lease, rent or similar agreement, of which:	0	0
- land under perpetual usufruct		
-		
...		
<b>Total off-balance sheet fixed assets</b>	<b>0</b>	<b>0</b>

**Note 17**

<b>OTHER ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) repossessed assets for resale	1 022	3 393
b) other, of which:	433 885	87 655
- settlement accounts	9 562	20 911
- settlements in respect of sale of PZU S.A. shares	400 000	0
- sundry debtors	6 438	32 342
- balances with the State Treasury	15 848	31 453
- other	2 037	2 949
<b>Total other assets</b>	<b>434 907</b>	<b>91 048</b>

<b>REPOSSESSED ASSETS FOR RESALE</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) fixed assets under construction	0	0
b) real estate	771	1 098
c) other	251	2 295
<b>Total repossessed assets for resale</b>	<b>1 022</b>	<b>3 393</b>

<b>MOVEMENTS IN REPOSSESSED ASSETS FOR RESALE (BY TITLE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Opening balance (by title)	3 393	7 641
- real estate	1 098	1 098
- other	2 295	6 543
a) additions (of which)	4 727	1 392
- acquisitions	4 727	1 392
- other	0	0
b) decreases (of which)	7 098	5 640
- sale	4 935	5 640
- charged to costs and provisions	2 163	0
<b>Closing balance (by title)</b>	<b>1 022</b>	<b>3 393</b>
- real estate	771	1 098
- other	251	2 295

<b>MOVEMENTS IN REPOSSESSED ASSETS FOR RESALE - AFFILIATED COMPANIES (BY TITLE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Opening balance (by title)	149	231
- real estate	0	0
- other	149	231
a) additions (of which)	109	7
- acquisition	109	7
...		
b) decreases (of which)	7	89
- sale	7	89
...		
<b>Reposessed assets for resale - affiliated companies (by title)</b>	<b>251</b>	<b>149</b>
- real estate	0	0
- other	251	149

## Note 18

<b>ACCRUED COSTS AND PREPAYMENTS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) long-term	548 789	546 819
- deferred income tax assets	273 851	286 366
- other	274 938	260 453
b) short-term, of which:	8 338	6 587
- expenses to be settled or prepaid	8 276	6 560
- other	62	27
<b>Total accrued costs and prepayments</b>	<b>557 127</b>	<b>553 406</b>

<b>MOVEMENTS IN DEFERRED INCOME TAX ASSETS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Deferred income tax assets at the beginning of the period	286 366	489 031
- adjustment in respect of changes in accounting principles	5 186	0
1. Deferred income tax assets, of which:	291 552	489 031
a) posted to financial result	274 530	472 009
...		
b) posted to shareholders' equity	17 022	17 022
...		
c) posted to goodwill or negative goodwill	0	0
...		
2. Increases	125 362	89 041
a) posted to financial result for the period in respect of negative timing differences (of which)	125 362	89 041
- timing differences, of which:	107 339	84 702
- operations on derivatives	0	87
- accrued interest	26 357	2 689
- capitalized interest	6 325	0
- depreciation of fixed assets	27 599	0
- unrealized foreign exchange losses	8 478	0
- increase in provisions	5 460	66 323
- valuation and termination of lease agreements	21 254	940
- general provision	0	9 223
- income received in advance	8 879	2 961
- other	2 987	2 479
- changes in tax rates	0	-43 657
- tax loss	18 023	47 996
b) posted to financial result for the period in respect of tax loss (of which)	0	0

...		
c) posted to shareholders' equity in respect of negative timing differences (of which)	0	0
...		
d) posted to shareholders' equity in respect of tax loss (of which)	0	0
...		
e) posted to goodwill or negative goodwill in respect of negative timing differences (of which)	0	0
...		
3. Decreases	143 063	291 706
a) posted to financial result for the period in respect of negative timing differences (of which)	143 063	291 706
- reversal of timing differences (of which):	48 158	255 368
- realized interest	798	4 518
- accrued interest	0	0
- valuation of leasing receivables (principal)	3 652	19 244
- release of provisions	22 347	16 825
- settlement of restructuring costs	0	13 636
- settlement of costs of sale of shares	5 925	10 915
- realized foreign exchange losses	12 284	188 594
- other	3 152	1 636
...		
- change of tax rates	0	20 011
-write-offs in respect of deferred income tax	0	9 577
- utilization of tax loss	94 905	6 750
- year 2000	0	0
- year 2001	0	0
- year 2002	0	0
b) posted to financial result for the period in respect of tax loss (of which)	0	0
- year 1999/2000	0	0
- year 2002	0	0
...		
c) posted to shareholders' equity in respect of negative timing differences (of which)	0	0
- reversal of eliminations regarding treasury stock	0	0
...		
d) posted to shareholders' equity in respect of tax loss (of which)	0	0
-		
...		
e) posted to goodwill or negative goodwill in respect of negative timing differences (of which)	0	0
...		
4. Total deferred income tax assets at the end of the period, of which:	273 851	286 366
a) posted to financial result	256 829	269 344
-		
...		
b) posted to shareholders' equity	17 022	17 022
-		
...		
c) posted to goodwill or negative goodwill	0	0
-		
...		

<b>OTHER ACCRUED COSTS AND PREPAYMENTS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) accrued costs, of which:	283 214	265 992
- expenses to be settled or prepaid	283 214	265 992
- other	0	0
b) other prepayments, of which:	62	1 048
- other	62	1 048
...		
<b>Total other accrued costs and prepayments</b>	<b>283 276</b>	<b>267 040</b>

## Note 19

### SUBORDINATED LOANS

1. Company	2. Principal		3. Interest terms	4. Repayment date
	currency	PLN '000		
-	0	0	-	-
...				

## Note 20

Total revaluation write-offs for permanent diminution in value of disclosed / reversed items is insignificant for net result of the reporting period.

## Note 21

<b>AMOUNTS DUE TO FINANCIAL SECTOR (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) balances on accounts and deposits, of which:	205 226	1 249 609
- deposits of banks and other financial institutions	140 367	1 037 306
b) loans and borrowings taken	1 356 337	1 480 747
c) own bills of exchange	0	0
d) own securities issued	0	0
e) other (of which)	7 424	19 141
- brokerage operations	2 332	18 838
- other	5 092	303
f) interest	11 280	13 154
<b>Total amounts due to financial sector</b>	<b>1 580 267</b>	<b>2 762 651</b>

<b>AMOUNTS DUE TO FINANCIAL SECTOR (BY MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current	70 100	231 141
b) term, payable (from the balance sheet date) within:	1 498 887	2 518 356
- up to 1 month	110 141	846 997
- over 1 month to 3 months	32 200	141 067
- over 3 months to 1 year	209	56 337
- over 1 year to 5 years	795 405	913 023
- over 5 years to 10 years	10 932	10 932
- over 10 years to 20 years	550 000	550 000
- over 20 years	0	0
- overdue	0	0
c) interest	11 280	13 154
<b>Total amounts due to financial sector</b>	<b>1 580 267</b>	<b>2 762 651</b>

<b>AMOUNTS DUE TO FINANCIAL SECTOR (BY ORIGINAL MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current	70 100	231 141
b) term, payable within:	1 498 887	2 518 356
- up to 1 month	23 991	837 966
- over 1 month to 3 months	106 687	129 830
- over 3 months to 1 year	11 937	76 604
- over 1 year to 5 years	795 340	913 024
- over 5 years to 10 years	10 932	10 932
- over 10 years to 20 years	550 000	550 000
- over 20 years	0	0
- overdue	0	0
c). interest	11 280	13 154
<b>Total amounts due to financial sector</b>	<b>1 580 267</b>	<b>2 762 651</b>

<b>AMOUNTS DUE TO FINANCIAL SECTOR (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	722 466	1 406 527
b. in foreign currencies (by currency and after translating into PLN)	857 801	1 356 124
b1. unit/currency 1000/USD	619	64 102
PLN '000	1 852	239 772
b2. unit/currency 1000/EURO	206 067	234 611
PLN '000	840 547	1 106 658
b3. unit/currency 1000/CHF	4 300	2 500
PLN '000	11 362	7 570
...		
other currencies (in PLN '000)	4 040	2 124
<b>Total amounts due to financial sector</b>	<b>1 580 267</b>	<b>2 762 651</b>

<b>AMOUNTS DUE TO FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) subordinated companies subject to equity method	0	80
b) other companies	1 580 267	2 762 571
<b>Total amounts due to financial sector</b>	<b>1 580 267</b>	<b>2 762 651</b>

## Note 22

<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) balances on accounts and deposits, of which:	11 805 934	10 451 204
b) loans and borrowings taken	0	0
c) own bills of exchange	0	0
d) own securities issued	0	0
e) other (of which)	543 947	356 466
- factoring	0	4 000
- brokerage operations	312 049	287 034
- assets of customers of TFI Millennium	0	799
- other	231 898	64 633
...		
f) interest	83 794	34 179
<b>Total amounts due to non-financial sector</b>	<b>12 433 675</b>	<b>10 841 849</b>



<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR - SAVING DEPOSITS (BY MATURITY)</b>	<b>2003 current year</b>	<b>2003 current year</b>
a) current		
b) term, payable (from the balance sheet date) within:	0	0
- up to 1 month		
- over 1 month to 3 months		
- over 3 months to 1 year		
- over 1 year to 5 years		
- over 5 years to 10 years		
- over 10 years to 20 years		
- over 20 years		
- overdue		
c) interest		
<b>Total amounts due to non-financial sector - saving deposits</b>	<b>0</b>	<b>0</b>

<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR - SAVING DEPOSITS (BY ORIGINAL MATURITY)</b>	<b>2003 current year</b>	<b>2003 current year</b>
a) current		
b) term, payable within:	0	0
- up to 1 month		
- over 1 month to 3 months		
- over 3 months to 1 year		
- over 1 year to 5 years		
- over 5 years to 10 years		
- over 10 years to 20 years		
- over 20 years		
- overdue		
c) interest		
<b>Total amounts due to non-financial sector - saving deposits</b>	<b>0</b>	<b>0</b>

<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR - OTHER (BY MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current	2 840 239	3 139 197
b) term, payable (from the balance sheet date) within:	9 509 642	7 668 473
- up to 1 month	4 131 796	3 152 117
- over 1 month to 3 months	1 518 066	2 350 077
- over 3 months to 1 year	3 287 557	1 802 909
- over 1 year to 5 years	506 350	272 200
- over 5 years to 10 years	65 580	90 991
- over 10 years to 20 years	0	100
- over 20 years	293	79
- overdue	0	0
c) interest	83 794	34 179
<b>Total amounts due to non-financial sector - other</b>	<b>12 433 675</b>	<b>10 841 849</b>

<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR - OTHER (BY ORIGINAL MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current	2 840 239	3 139 197
b) term, payable within:	9 509 642	7 668 473
- up to 1 month	2 698 059	1 802 391
- over 1 month to 3 months	2 262 267	3 098 939
- over 3 months to 1 year	3 400 844	2 024 678
- over 1 year to 5 years	1 072 059	643 525
- over 5 years to 10 years	76 120	98 761

- over 10 years to 20 years	0	90
- over 20 years	293	89
- overdue	0	0
c) interest	83 794	34 179
<b>Total amounts due to non-financial sector - other</b>	<b>12 433 675</b>	<b>10 841 849</b>

<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	10 987 894	9 317 875
b. in foreign currencies (by currency and after translating into PLN)	1 445 781	1 523 974
b1. unit/currency 1000/USD	282 152	278 201
PLN '000	843 746	1 040 612
b2. unit/currency 1000/EURO	144 806	98 380
PLN '000	590 663	464 058
b3. unit/currency 1000/GBP	1 045	891
PLN '000	6 028	5 939
...		
other currencies (in PLN '000)	5 344	13 365
<b>Total amounts due to non-financial sector</b>	<b>12 433 675</b>	<b>10 841 849</b>

<b>AMOUNTS DUE TO NON-FINANCIAL SECTOR</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) subordinated companies subject to equity method	199	6 269
b) other companies	12 433 476	10 835 580
<b>Total amounts due to non-financial sector</b>	<b>12 433 675</b>	<b>10 841 849</b>

## Note 23

<b>AMOUNTS DUE TO PUBLIC SECTOR (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) balances on accounts and deposits, of which:	869 589	915 139
b) loans and borrowings taken	0	0
c) own bills of exchange	0	0
d) own securities issued	0	0
e) other (of which)	3 559	3 562
-		
- other	3 559	3 562
f) interest	923	1 490
<b>Total amounts due to public sector</b>	<b>874 071</b>	<b>920 191</b>

<b>AMOUNTS DUE TO PUBLIC SECTOR - SAVING DEPOSITS (BY MATURITY)</b>	<b>2003 current year</b>	<b>2003 current year</b>
a) current		
b) term, payable (from the balance sheet date) within:	0	0
- up to 1 month		
- over 1 month to 3 months		
- over 3 months to 1 year		
- over 1 year to 5 years		
- over 5 years to 10 years		
- over 10 years to 20 years		
- over 20 years		
- overdue		
c) interest		
<b>Total amounts due to public sector - saving deposits</b>	<b>0</b>	<b>0</b>

<b>AMOUNTS DUE TO PUBLIC SECTOR - SAVING DEPOSITS (BY ORIGINAL MATURITY)</b>	<b>2003 current year</b>	<b>2003 current year</b>
a) current		
b) term, payable within:	0	0
- up to 1 month		
- over 1 month to 3 months		
- over 3 months to 1 year		
- over 1 year to 5 years		
- over 5 years to 10 years		
- over 10 years to 20 years		
- over 20 years		
- overdue		
c) interest		
<b>Total amounts due to public sector - saving deposits</b>	<b>0</b>	<b>0</b>

<b>AMOUNTS DUE TO PUBLIC SECTOR - OTHER (BY MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current	510 812	581 065
b) term, payable (from the balance sheet date) within:	362 336	337 636
- up to 1 month	336 036	300 277
- over 1 month to 3 months	23 553	30 640
- over 3 months to 1 year	2 734	6 477
- over 1 year to 5 years	13	240
- over 5 years to 10 years	0	2
- over 10 years to 20 years	0	0
- over 20 years	0	0
- overdue	0	0
c) interest	923	1 490
<b>Total amounts due to public sector - other</b>	<b>874 071</b>	<b>920 191</b>

<b>AMOUNTS DUE TO PUBLIC SECTOR - OTHER (BY ORIGINAL MATURITY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) current	510 812	581 065
b) term, payable within:	362 336	337 636
- up to 1 month	286 000	182 320
- over 1 month to 3 months	55 853	119 492
- over 3 months to 1 year	20 330	35 582
- over 1 year to 5 years	153	240
- over 5 years to 10 years	0	2
- over 10 years to 20 years	0	0
- over 20 years	0	0
- overdue	0	0
c) interest	923	1 490
<b>Total amounts due to public sector - other</b>	<b>874 071</b>	<b>920 191</b>

<b>AMOUNTS DUE TO PUBLIC SECTOR - (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	824 624	900 499
b. in foreign currencies (by currency and after translating into PLN)	49 447	19 692
b1. unit/currency 1000/USD	3 319	1 405
PLN '000	9 924	5 257
b2. unit/currency 1000/EURO	9 684	3 054
PLN '000	39 501	14 408
b3. unit/currency 1000/GBP	0	4

PLN '000	0	26
...		
other currencies (in PLN '000)	22	1
<b>Total amounts due to public sector</b>	<b>874 071</b>	<b>920 191</b>

**Note 24**

<b>LIABILITIES FROM SECURITIES SOLD WITH BUY-BACK CLAUSE</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) to financial sector	1 206 807	1 326 687
b) to non-financial and public sectors	191 049	188 964
c) interest	7 644	19 827
<b>Total liabilities from securities sold with buy-back clause</b>	<b>1 405 500</b>	<b>1 535 478</b>

**Note 25**

<b>LIABILITIES FROM ISSUE OF DEBT SECURITIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) bonds	304 929	936 134
b) certificates	0	0
c) other (of which)	45 687	65 299
- commercial paper	0	0
- own bills of exchange	45 687	65 299
d) interest	4 633	3 928
<b>Total liabilities from issue of debt securities</b>	<b>355 249</b>	<b>1 005 361</b>

<b>MOVEMENTS IN LIABILITIES FROM ISSUE OF DEBT SECURITIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Opening balance	1 005 361	552 355
a) additions (of which)	536 549	1 838 168
- issue of bonds	464 207	1 692 032
- foreign exchange gains and losses	0	22 993
- purchase of bill of exchange by NBP	45 687	65 299
- discount settlement	163	48 526
- accrued interest	26 492	9 318
b) decreases (of which)	1 186 661	1 385 162
- repurchase of bill of exchange from NBP	65 299	76 906
- redemption of bonds from NBP	10 000	7 400
- redemption of bonds	1 064 136	1 295 208
- repayment of interest	25 784	5 648
- foreign exchange gains and losses	21 055	0
- discount settlement	387	0
<b>Total liabilities from issue of debt securities at the end of the period</b>	<b>355 249</b>	<b>1 005 361</b>

**LONG-TERM LIABILITIES RESULTING FROM ISSUED DEBT SECURITIES**

a	b	c	d	e	f	g	h
debt securities	nominal value	coupon	maturity	underwriting arrangements	additional rights	market	other
bonds of BBG Finance B.V.	89 738	2,622%	1/2 - 12.12.2006 r. 1/2 - 12.12.2007 r.	-	-	Stock Exchange in Luxembourg	
bonds of Bank Millennium S.A. II Issue Program	6 878	4,460%	10.11.2006 r.			CeTO	
bonds of Bank Millennium S.A. II Issue Program	2 029	4,460%	8.12.2006 r.			CeTO	
...							

In accordance with the agreement with the NBP the restructuring bonds were redeemed by the Bank in 2004, bill of exchange will be rolled on every year up to 2006.

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

**Note 26**

<b>SPECIAL FUNDS AND OTHER LIABILITIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) special funds (of which)	39 406	37 755
- Employee Social Fund	39 406	37 755
- other	0	0
...		
b) other liabilities (of which)	247 718	161 127
- sundry creditors	83 434	93 219
- interbank settlements	20 319	35 683
- interbranch settlements	269	1 648
- leasing installments prepaid by customers	15 284	21 150
- liabilities due to the State Treasury	103 047	5 180
- settlements in respect of derivatives and securities	22 263	0
- other	3 102	4 247
<b>Total special funds and other liabilities</b>	<b>287 124</b>	<b>198 882</b>

**Note 27**

<b>ACCRUED AND DEFERRED COSTS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) short-term, of which:	78 007	102 720
- costs payable	78 007	102 720
- other		
b) long-term, of which:	27 178	16 750
- costs payable	27 178	16 750
...		
<b>Total accrued and deferred costs</b>	<b>105 185</b>	<b>119 470</b>

<b>MOVEMENTS IN NEGATIVE GOODWILL</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Opening balance	0	0
a) additions (of which)	0	0
...		
b) decreases (of which)	0	0
...		
<b>Negative goodwill at the end of the period</b>	<b>0</b>	<b>0</b>

<b>OTHER DEFERRED AND RESTRICTED INCOMES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) short-term, of which:	138 372	38 015
- restricted income	0	1 868
- other	138 372	36 147
...		
b) long-term, of which:	192 629	469 976
- restricted income	191 352	461 633
- other	1 277	8 343
-		
...		
<b>Total other deferred and restricted income</b>	<b>331 001</b>	<b>507 991</b>

## Note 28

<b>NEGATIVE GOODWILL - SUBORDINATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) negative goodwill - subsidiaries	0	0
b) negative goodwill - jointly controlled subsidiaries	0	0
c) negative goodwill - associated companies	0	0
<b>Total negative goodwill - subordinated companies</b>	<b>0</b>	<b>0</b>

<b>MOVEMENTS IN NEGATIVE GOODWILL - SUBSIDIARIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) gross negative goodwill at the beginning of the period	0	0
b) additions (of which)	0	0
- purchase of additional shares in BESTA Sp. z o.o.	0	0
- consolidation of TFI Millennium	0	0
c) decreases (of which)	0	0
...		
d) gross negative goodwill at the end of the period	0	0
e) accumulated amortization of negative goodwill at the beginning of the period	0	0
f) write-off in the period (of which)	0	0
- BG S.A.	0	0
- one-off charge for TFI Millennium S.A.	0	0
- one-off charge for BESTA Sp. z o.o.	0	0
g) accumulated amortization of negative goodwill at the end of the period	0	0
<b>h) net negative goodwill at the end of the period</b>	<b>0</b>	<b>0</b>

<b>MOVEMENTS IN NEGATIVE GOODWILL - JOINTLY CONTROLLED SUBSIDIARIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) gross negative goodwill at the beginning of the period	0	0
b) additions (of which)	0	0
-		
...		
c) decreases (of which)	0	0

-		
...		
d) gross negative goodwill at the end of the period	0	0
e) accumulated amortization of negative goodwill at the beginning of the period	0	0
f) write-off in the period (of which)	0	0
-		
...		
g) accumulated amortization of negative goodwill at the end of the period	0	0
<b>h) net negative goodwill at the end of the period</b>	<b>0</b>	<b>0</b>

<b>MOVEMENTS IN NEGATIVE GOODWILL - ASSOCIATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) gross negative goodwill at the beginning of the period	0	0
b) additions (of which)	0	0
- valuation of PROLIM S.A. by equity method	0	0
...		
c) decreases (of which)	0	0
-		
...		
d) gross negative goodwill at the end of the period	0	0
e) accumulated amortization of negative goodwill at the beginning of the period	0	0
f) write-off in the period (of which)	0	0
- PROLIM S.A.	0	0
...		
g) accumulated amortization of negative goodwill at the end of the period	0	0
<b>h) net negative goodwill at the end of the period</b>	<b>0</b>	<b>0</b>

## Note 29

<b>MOVEMENTS IN PROVISIONS FOR DEFERRED INCOME TAX</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Provisions for deferred income tax at the beginning of the period	166 504	429 145
- opening balance adjustments resulting from changes in accounting principles/ fundamental error	4 608	0
1. Provisions for deferred income tax at the beginning of the period, after opening balance adjustments, of which:	171 112	429 145
a) posted to financial result	158 574	401 303
-		
...		
b) posted to shareholders' equity	12 537	27 842
-		
...		
c) posted to goodwill or negative goodwill	0	0
-		
...		
2. Additions	27 676	27 123
a) posted to financial result for the period in respect of positive timing differences (of which)	23 078	27 123
- positive timing differences, of which in respect of	23 078	62 402
- accrued interest	8 412	11 400
- valuation of financial assets	4 407	9 437
- prepaid expenses	3 837	0
- valuation of leasing principal	0	16 880
- valuation of securities	54	5 204
- leasing operations	5 312	3 551

- difference between accounting and tax depreciation	0	15 120
- other	1 056	810
- change of tax rates	0	-35 279
b) posted to shareholders' equity in respect of positive timing differences (of which)	4 598	0
- recognized timing differences	4 598	0
...		
c) posted to goodwill or negative goodwill in respect of positive timing differences (of which)	0	0
...		
3. Decreases	64 817	289 764
a) posted to financial result for the period in respect of positive timing differences (of which)	64 817	274 459
- reversal of timing differences (utilization of provisions for deferred income tax ), of which:	64 817	250 722
- realized income from securities, interest on loans and derivatives	9 062	21 029
- provisions released	0	151
- valuation of financial assets	52	10 859
- difference between accounting and tax depreciation	10 640	0
- valuation of leasing principal	38 618	0
- leasing operations	0	0
- foreign exchange gains and losses	5 272	217 528
- other	1 173	1 155
- change of tax rates	0	23 737
b) posted to shareholders' equity in respect of positive timing differences (of which)	0	15 305
- sale of tradable assets	0	0
- sale of assets available for sale	0	0
- valuation of financial instruments	0	0
- reversed timing differences (utilization of deferred tax provision)	0	0
- realized income from securities, interest on loans and derivatives	0	15 305
c) posted to goodwill or negative goodwill in respect of positive timing differences (of which)	0	0
...		
4. Total provisions for deferred income tax at the end of the period, of which:	133 970	166 504
a) posted to financial result	116 834	153 967
-		
...		
b) posted to shareholders' equity	17 135	12 537
-		
...		
c) posted to goodwill or negative goodwill	0	0
-		
...		

<b>PROVISIONS FOR DEFERRED INCOME TAX (BY CURRENCY)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a. in PLN	133 970	166 504
b. in foreign currencies (by currency and after translating into PLN)	0	0
b1. unit/currency...../.....		
PLN '000		
...		
other currencies (in PLN '000)		
<b>Total provisions for deferred income tax</b>	<b>133 970</b>	<b>166 504</b>

<b>OTHER PROVISIONS (BY TYPE):</b>	<b>2004</b>	<b>2003</b>
------------------------------------	-------------	-------------



	current year	previous year
- off-balance sheet contingent liabilities	32 537	29 439
- general risk provision	166 891	171 691
- factoring receivables	0	902
- leasing receivables	17 748	11 627
- shares in subsidiaries subject to equity method	3 825	0
- restructuring provision	0	2 552
- other	906	733
<b>Total other provisions</b>	<b>221 907</b>	<b>216 944</b>

OTHER PROVISIONS	2004 current year	2003 previous year
a) short-term (by type):	906	3 285
- restructuring provision	0	2 552
- other	906	733
- off-balance sheet contingent liabilities	0	0
b) long-term (by type):	221 001	213 659
- leasing and factoring	17 748	12 529
- general risk provision	166 891	171 691
- off-balance sheet contingent liabilities	32 537	29 439
- shares in subsidiaries subject to equity method	3 825	0
<b>Total other provisions</b>	<b>221 907</b>	<b>216 944</b>

OTHER PROVISIONS (BY CURRENCY)	2004 current year	2003 previous year
a. in PLN	221 907	216 938
b. in foreign currencies (by currency and after translating into PLN)	0	6
b1. unit/currency 1000/EURO	0	0
PLN '000	0	0
b1. unit/currency 1000/CHF	0	2
PLN '000	0	6
...		
other currencies (in PLN '000)	0	0
<b>Total provisions (by currency)</b>	<b>221 907</b>	<b>216 944</b>

MOVEMENTS IN SHORT-TERM OTHER PROVISIONS	2004 current year	2003 previous year
Provisions at the beginning of the period (by type)	3 285	45 811
- off-balance sheet contingent liabilities	0	0
- restructuring provision	2 552	45 790
- other	733	21
a) additions (of which)	379	746
-	0	0
- other	379	746
b) utilization (of which)	2 758	36 527
- restructuring reserve	2 552	36 493
- other	206	34
c) releases (of which)	0	6 745
- restructuring reserve	0	6 745
- off-balance sheet contingent liabilities	0	0
Provisions at the end of the period (by type)	906	3 285
- restructuring provision	0	2 552
- other	906	733
<b>Total short-term other provisions at the end of the period</b>	<b>906</b>	<b>3 285</b>

<b>MOVEMENTS IN LONG-TERM OTHER PROVISIONS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Provisions at the beginning of the period	213 659	259 283
- leasing and factoring	12 529	34 495
- general risk provision	171 691	177 190
- off-balance sheet contingent liabilities	29 439	47 598
- other	0	0
a) additions (of which)	92 960	155 600
- off-balance sheet liabilities	25 954	53 627
- leasing and factoring	10 185	13 370
- transfer from specific provisions for debt securities to provisions for off-balance sheet liabilities	0	4 500
- general risk	46 900	84 103
- shares in subsidiaries subject to equity method	3 825	0
- consolidation of Prolim S.A.	6 096	0
- other	0	0
b) utilization (of which)	740	586
- off-balance sheet liabilities	0	0
- leasing and factoring	740	586
- other	0	0
c) releases (of which)	84 878	200 638
- general risk provision	51 700	89 602
- leasing and factoring	9 420	26 649
- off-balance sheet liabilities provision	22 856	76 286
- transfer of provisions for factoring operations to provisions for receivables from non-financial and public sectors	0	8 101
- transfer from provision for factoring operations to provisions for deferred liabilities	902	0
Long-term other provisions at the end of the period (by type)	221 001	213 659
- leasing and factoring	17 748	12 529
- general risk provision	166 891	171 691
- off-balance sheet contingent liabilities	32 537	29 439
- shares in subsidiaries subject to equity method	3 825	0
<b>Total long-term other provisions at the end of the period</b>	<b>221 001</b>	<b>213 659</b>

**Note 30****SUBORDINATED DEBT**

a	b		c	d	e	f
company	principal		interest terms	repayment date	current balance	interest
	currency	PLN'000				
-	EUR	326 320	3,622%	12.12.2011	326 978	658
...						

<b>MOVEMENTS IN SUBORDINATED DEBT</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Subordinated debt at the beginning of the period	378 162	322 423
a) additions (of which)	13 491	70 928
- foreign exchange gains and losses	0	55 744
- accrued interest	13 491	15 184
b) decreases (of which)	64 675	15 189
- interest repaid	13 635	15 189
- foreign exchange gains and losses	51 040	0
<b>Subordinated debt at the end of the period</b>	<b>326 978</b>	<b>378 162</b>

**Note 31**

<b>MOVEMENTS IN MINORITY INTERESTS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Minority interests at the beginning of the period	0	0
a) additions (of which)	0	0
...		
b) decreases (of which)	0	0
...		
<b>Minority interests at the end of the period</b>	<b>0</b>	<b>0</b>

**Note 32****SHARE CAPITAL (STRUCTURE)**

Series / issue	Type	Preferences	Restrictions of title to shares	Number	Series / issue at par value	Payment method	Registration date	Title to dividends from
A	registered founders*	2 votes per share		106 850	106 850	cash	30.06.1989	30.06.1989
B1	ordinary registered*			150 000	150 000	cash	13.06.1990	01.01.1990
B2	ordinary registered*			150 000	150 000	cash	13.12.1990	01.01.1990
C	ordinary bearer			4 693 150	4 693 150	cash	17.05.1991	01.01.1991
D1	ordinary bearer			1 700 002	1 700 002	cash	31.12.1991	01.01.1992
D2	ordinary bearer			2 611 366	2 611 366	cash	31.01.1992	01.01.1992
D3	ordinary bearer			1 001 500	1 001 500	cash	10.03.1992	01.01.1992
E	ordinary bearer			6 000 000	6 000 000	cash	28.05.1993	01.01.1992
F	ordinary bearer			9 372 721	9 372 721	cash	10.12.1993	01.01.1993
G	ordinary bearer			8 000 000	8 000 000	cash	30.05.1994	01.10.1993
H	ordinary bearer			7 082 129	7 082 129	cash	24.10.1994	01.10.1994
Increase in nominal value from PLN 1 to 4					122 603 154	supplementary capital	24.11.1994	
Split 1:4				122 603 154			5.12.1994	
I	ordinary bearer			65 000 000	65 000 000	cash	12.08.1997	01.10.1996
J	ordinary bearer			196 120 000	196 120 000	capital of Bank GDAŃSKI S.A.	12.09.1997	01.10.1996
K	ordinary bearer			424 590 872	424 590 872	cash	31.12.2001	01.01.2001
...								
<b>Total number of shares</b>				849 181 744				
<b>Total share capital</b>					849 181 744			
<b>Nominal value of each share = PLN 1.00</b>								
* - as a result of a conversion the number of registered shares decreased to 123 636 as of 31.12.2003, of which 66 400 founders' shares								

From January 1 to December 31, 2004 there were no changes in share capital.

Shareholders that owned at least 5% share capital of the Bank as of December 31, 2004 were as follows:

	Number of shares	%	Number of votes at GSM	%
Banco Comercial Portugues S.A.	424,624,072	50.00	424,624,072	50.00
Carothers Trading Limited	84,833,256	9.99	84,833,256	9.99
Priory Investments Group Corp.	84,833,256	9.99	84,833,256	9.99
M+P Holding S.A.	84,833,256	9.99	84,833,256	9.99

At a General Shareholders' Meeting:

- total number of shares: 849,181,744;

- total number of votes: 849,248,144.

**Note 33****TREASURY STOCK**

a	b	c	d	e
number	value at purchase price	book value	reason of purchase	intended purpose
0	-	-	-	-
...				

**ISSUER'S SHARES OWNED BY ITS SUBORDINATED COMPANIES**

a	b	c	d
company, location	number of shares	value at purchase price	book value
-	0	-	-
...			

**Note 34**

<b>SUPPLEMENTARY CAPITAL</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) sale of shares in excess of their nominal value	508 095	542 970
b) statutory	0	0
c) created pursuant to the By-Laws in excess of the statutory limit	252 621	238 378
d) additional capital paid in by shareholders	0	0
e) other, of which:	0	0
- other	0	0
<b>Total supplementary capital</b>	<b>760 716</b>	<b>781 348</b>

**Note 35**

<b>REVALUATION RESERVE</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) revaluation of fixed assets	31 008	31 008
b) deferred income tax	-5 012	-439
c) foreign exchange gains and losses from foreign branches	0	0
d) other, of which:	26 379	2 313
- valuation of assets available for sale	26 379	2 313
...		
<b>Total revaluation reserve</b>	<b>52 375</b>	<b>32 882</b>

**Note 36**

<b>OTHER RESERVES (BY PURPOSE), of which:</b>	<b>2004 current year</b>	<b>2003 previous year</b>
- general banking risk fund	85 633	44 738
- reserve capital transferred from risk fund pursuant to Art.174 of the Banking Law	0	0
- statutory reserve	60 141	60 141
- other	60 330	40 798
...		
<b>Total other reserves</b>	<b>206 104</b>	<b>145 677</b>

**Note 37**

Equity of the Bank MILLENNIUM Group as of December 31, 2004 (PLN '000):	
Share capital	849 182
Supplementary capital	760 716
Other reserves	206 104
<b>Basic equity</b>	<b>1 816 002</b>
Revaluation reserve	52 375
Adjustment in respect of valuation of financial instruments available for sale	-21 167
Subordinated debt	275 000
<b>Supplementary funds</b>	<b>306 208</b>
<b>Total decreases of equity</b>	<b>-153 217</b>
 <b>Equity of the Millennium Group</b>	 <b>1 968 993</b>
Capital requirements	
Credit risk	689 490
Market risk excluded from the model, of which:	13 380
Price risk of equity securities	1 003
General interest rate risk	11 567
Settlement, delivery and contractor risks	810
<b>Total capital requirements for the Group</b>	<b>702 870</b>
 <b>Capital adequacy ratio</b>	 <b>22,41%</b>

**Note 38**

Book value per share (PLN '000):	
Share capital	849 182
Supplementary capital	760 716
Reserves (including revaluation reserve)	258 479
<b>Total basic equity</b>	<b>1 868 377</b>
Treasury stock	0
Retained earnings from previous years	-113 978
Negative goodwill	0
Net income	240 504
 <b>Book value</b>	 <b>1 994 903</b>
<b>Number of shares</b>	<b>849 181 744</b>
 <b>Book value per share</b>	 <b>2.35</b>

**Note 39**

CONTINGENT LIABILITIES DUE TO AFFILIATES (BY TYPE)	2004 current year	2003 previous year
a) guarantees granted, of which:	0	86
- subsidiaries	0	0
- jointly controlled subsidiaries	0	0
- associated companies	0	86
- major investor	0	0
- parent company	0	0
b) other, of which:	0	281
- opened credit lines, of which	0	281
- subsidiaries	0	0

- jointly controlled subsidiaries	0	0
- associated companies	0	281
- major investor	0	0
- parent company	0	0
<b>Total contingent liabilities due to affiliates</b>	<b>0</b>	<b>367</b>

**Note 40**

<b>CONTINGENT LIABILITIES DUE FROM AFFILIATES (BY TYPE)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) guarantees granted, of which:	0	0
- subsidiaries	0	0
- jointly controlled subsidiaries	0	0
- associated companies	0	0
- major investor	0	0
- parent company	0	0
b) other, of which:	0	0
- subsidiaries	0	0
- jointly controlled subsidiaries	0	0
- associated companies	0	0
- major investor	0	0
- parent company	0	0
<b>Total contingent liabilities due from affiliates</b>	<b>0</b>	<b>0</b>

**NOTES TO THE INCOME STATEMENT****Note 41**

<b>INTEREST INCOME</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) Financial sector	890 304	516 282
- of which on derivative instruments	822 807	478 317
b) Non-financial sector	589 121	706 660
- of which on derivative instruments	8 890	9 196
c) Public sector	26 623	31 752
d) Fixed-income securities	291 765	200 152
e) Other	0	0
<b>Total interest income</b>	<b>1 797 813</b>	<b>1 454 846</b>

**Note 42**

<b>INTEREST EXPENSE</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) Financial sector	771 161	475 675
- of which derivative instruments	553 951	241 718
b) Non-financial sector	390 036	373 603
- of which derivative instruments	12 542	8 034
c) Public sector	48 302	47 584
d) Other	0	0
<b>Total interest expense</b>	<b>1 209 499</b>	<b>896 862</b>

**Note 43**

<b>COMMISSION INCOME</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) Banking operations	229 772	227 918
b) Brokerage operations	50 091	35 583
<b>Total commission income</b>	<b>279 863</b>	<b>263 501</b>

**Note 44**

<b>INCOME FROM SHARES, OTHER SECURITIES AND FINANCIAL INSTRUMENTS (VARIABLE INCOME)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) Subsidiaries	952	0
b) Jointly controlled subsidiaries	0	0
c) Associated companies	0	0
d) Other entities	383 056	44 552
<b>Total income from shares, other securities and financial instruments (variable income)</b>	<b>384 008</b>	<b>44 552</b>

Following the agreement made by Bank Millennium and its subsidiary BIG BG Inwestycje S.A. with EUREKO B.V., the investment held in PZU S.A. was sold for a minimum price of PLN 1.6 billion, resulting in a gain of PLN 382 million which was recognised in the income statement of 2004.

The minimum value of PLN 1.6 billion will be paid in two tranches, the first one of PLN 1.2 billion was received in December 2004 and the second tranche of PLN 400 million which has to be received by the end of 2005 and is secured with a pledge on the shares sold.

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

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

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

<b>Settlement of the sale of shares in PZU S.A. (PLN '000)</b>
--

<b>Minimum sale price of PZU S.A. shares</b>	<b>1 600 000</b>
<b>Purchase price of PZU S.A. shares paid by the Bank Millennium Group</b>	<b>1 047 042</b>
<b>Reversal of the effect of valuation of PZU S.A. shares under the equity method applied until March 31, 2003</b>	<b>145 717</b>
<b>Discounted second settlement payable by December 31, 2005 (PLN 400 million!)*</b>	<b>24 941</b>
<b>GROSS PROFIT REALIZED ON SALE OF PZU S.A. SHARES</b>	<b>382 300</b>
<b>Tax due</b>	<b>95 153</b>
<b>Deferred tax on discount</b>	<b>-4 739</b>
<b>NET PROFIT ON SALE OF PZU S.A. SHARES</b>	<b>291 886</b>

\* amount due in respect of the second installment (PLN 400 million) is presented as other assets in the balance sheet (Note 17 A)

effect of discounted second installment is presented as other deferred and restricted incomes in the balance sheet (Note 27 C)



**Note 45**

<b>PROFIT / (LOSS) ON FINANCIAL OPERATIONS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) Securities and other financial instruments	22 105	51 721
- income	242 951	143 440
- expenses	220 846	91 719
b) Other	139 127	-482
<b>Total profit / (loss) on financial operations</b>	<b>161 232</b>	<b>51 239</b>

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

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

**Note 46**

<b>OTHER OPERATING INCOME</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) asset management on behalf of a third party	0	0
b) sale or liquidation of fixed assets, assets for sale and intangible assets	168 495	54 084
c) overdue, amortized and lost receivables recovered	53 812	1 818
d) indemnification, penalties and fines	17 321	19 900
e) donations	0	0
f) other, of which:	18 222	78 567
- sale of services	5 516	6 113
- development and administrative services	1 297	3 260
- reimbursement of incurred costs and fees	0	903
- sundry income	4 024	8 072
- release of provisions charged to general and administrative expenses	0	21 949
- release of restructuring provision	0	6 745
- other	7 385	31 525
<b>Total other operating income</b>	<b>257 850</b>	<b>154 369</b>

Significant increase in other operating income and other operating expenses in respect of sale or liquidation of fixed assets is attributed to the termination of an important lease agreement before its term and sale of the leased asset.

**Note 47**

<b>OTHER OPERATING EXPENSES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) asset management on behalf of a third party	0	0
b) sale or liquidation of fixed assets, assets for sale and intangible assets	177 435	74 428
c) receivables written-off	0	3 985
d) indemnification, penalties and fines	4 518	1 663
e) donations	580	218
f) other, of which:	37 119	31 312
- fees connected with operations of TFI Millennium	0	0
- costs related to leasing activity	8 795	12 807
- costs related to development and administrative services	1 041	1 086
- sundry expenses	4 068	3 407

- other	23 215	14 012
<b>Total other operating expenses</b>	<b>219 652</b>	<b>111 606</b>

**Note 48**

<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) salaries	260 100	278 794
b) social insurance and other benefits	49 113	51 170
c) material expenses	373 582	417 188
d) taxes and fees	28 093	18 707
e) contributions to the Banking Guarantee Fund	5 113	7 415
f) other (of which)	5 641	7 727
- other	5 641	7 727
...		
<b>Total general and administrative expenses</b>	<b>721 642</b>	<b>781 001</b>

**Note 49**

<b>CHARGES TO PROVISIONS AND REVALUATION</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) charged to provisions for:	933 275	1 518 075
- regular and watched receivables	8 367	7 572
- off-balance sheet liabilities	25 954	53 627
- threatened receivables	835 565	1 353 731
- factoring operations (general risk)	0	2 558
- leasing operations (general risk)	10 185	10 812
- general banking risk	46 900	84 103
- other	6 304	5 672
b) revaluation:	6 826	10 745
- financial assets	1 586	1 626
-		
...		
- other	5 240	9 119
<b>Total charges to provisions and revaluation</b>	<b>940 101</b>	<b>1 528 820</b>

**Note 50**

<b>PROVISIONS RELEASED AND REVALUATION</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) released provisions for:	851 215	1 389 391
- regular and watched receivables	3 329	9 023
- off-balance sheet liabilities	22 856	76 286
- threatened receivables	762 609	1 182 662
- general banking risk	51 700	89 602
- leasing operations (general risk)	9 421	26 649
...		
- other	1 300	5 169
b) revaluation:	1 500	31
- financial assets	1 500	0
-		
...		
- other	0	31
<b>Total provisions released and revaluation</b>	<b>852 715</b>	<b>1 389 422</b>

Net provisions established by the Bank Millennium Group in the twelve months of 2004 amounted to PLN 87.4 million. Significant portion of these provisions was accounted for on a one-off basis and resulted from the initial estimation of possible credit losses made by the Bank in view of the adoption of new International Financial Reporting Standards (IFRS) on January 1, 2005.

**Note 51**

<b>PROFIT (LOSS) ON SALE OF ALL OR PART OF SHARES IN SUBORDINATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) profit on sale of shares in	0	0
- subsidiaries	0	0
- jointly controlled subsidiaries	0	0
- associated companies	0	0
b) loss on sale of shares in	0	0
- subsidiaries	0	0
- jointly controlled subsidiaries	0	0
- associated companies	0	0
<b>Total profit (loss) on sale of all or part of shares in subordinated companies</b>	<b>0</b>	<b>0</b>

**Note 52**

<b>EXTRAORDINARY GAINS</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) extraordinary	0	0
b) other	4	0
- other	4	0
...		
<b>Total extraordinary gains</b>	<b>4</b>	<b>0</b>

**Note 53**

<b>EXTRAORDINARY LOSSES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) extraordinary	0	0
b) other	10	0
- other	10	0
...		
<b>Total extraordinary losses</b>	<b>10</b>	<b>0</b>

**Note 54**

<b>WRITE-OFF OF GOODWILL OF SUBORDINATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) subsidiaries	874	0
b) jointly controlled subsidiaries	0	0
c) associated companies	0	11 264
<b>Total write-off of goodwill of subordinated companies</b>	<b>874</b>	<b>11 264</b>

**Note 55**

<b>WRITE-OFF OF NEGATIVE GOODWILL OF SUBORDINATED COMPANIES</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) subsidiaries	0	0
b) jointly controlled subsidiaries	0	0
c) associated companies	0	0
<b>Total write-off of negative goodwill of subordinated companies</b>	<b>0</b>	<b>0</b>

**Note 56**

<b>CORPORATE INCOME TAX (CURRENT)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
1. Consolidated profit (loss) before tax	351 942	27 153
1a. Profits (losses) of companies with negative taxable base	6 723	32 732
2. Consolidation adjustments	175 805	7 025
3. Differences between profit before tax and taxable income:	211 285	-230
- increases of income	770 103	176
- income reductions	-1 178 308	-1 381
- increases of costs	-640 344	-1 289
- reductions of costs	1 744 657	5 749
- settled losses from previous years	-427 130	-2 118
- tax deductible donations	-363	-1 366
- adjustment of taxable income for 2003 in respect of indemnification for terminated lease agreements	-57 330	0
...		
4. Taxable income	732 309	1 216
5. Income tax 19% / 27%	139 139	328
6. Increases, waivers, exemptions, deductions and reductions of tax	-7 889	-17
7. Current income tax reported (presented) in the tax return for the period, including:	131 417	2 342
- reported in the income statement	131 250	311
- on dividends reported in the income statement	167	2 031

<b>DEFERRED INCOME TAX REPORTED IN THE INCOME STATEMENT</b>	<b>2004 current year</b>	<b>2003 previous year</b>
- reduction (increase) in respect of transitional differences occurred and reversed	-24 039	-54 248
- increase - 8% receivables from Internal Revenue Service in respect of created specific provisions in 2002	5 348	0
- reduction (increase) in respect of change of tax rates	0	0
- reduction (increase) in respect of previously unreported tax loss, tax relief or transitional differences of previous period	0	0
- reduction (increase) in respect of write-offs of deferred income tax assets or inability to use deferred income tax provision	0	0
- other deferred tax items (by type)	0	9 577
- restructuring reserve	0	9 577
- other	0	0
-		
Total deferred income tax	-24 039	-44 671

<b>TOTAL DEFERRED TAX</b>	<b>2004 current year</b>	<b>2003 previous year</b>
- reported in equity	113	-4 485
- reported in goodwill or negative goodwill	0	0

<b>CORPORATE INCOME TAX REPORTED IN THE INCOME STATEMENT FOR:</b>	<b>2004 current year</b>	<b>2003 previous year</b>
- discontinued operations	0	0
- result of extraordinary operations	0	0

Income tax for consolidated companies of the Group as of December 31, 2004:

Company	Income tax (PLN '000)	
	Current	Deferred
BANK MILLENNIUM	13 395	-7 489
BEL Leasing	20 205	-6 655

FORIN	0	347
DOM Maklerski	3 176	-52
TBM	0	55
TFI Millennium	242	34
BIG BG Inwestycje	93 656	-4 698
Prolim S.A.	0	3 288
Consolidation adjustments	743	-3 522
<b>TOTAL</b>	<b>131 417</b>	<b>-18 692</b>

**Note 57**

<b>OTHER OBLIGATORY DECREASES OF PROFIT (INCREASES OF LOSS)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
Other obligatory decreases of profit (increases of loss), of which:	0	0
-		
-		
<b>Total other obligatory decreases of profit (increases of loss)</b>	<b>0</b>	<b>0</b>

**Note 58**

<b>NET INCOME (LOSS)</b>	<b>2004 current year</b>	<b>2003 previous year</b>
a) net income (loss) of the parent company	-82 059	76 155
b) net income (loss) of subsidiaries	494 303	18 057
c) net income (loss) of jointly controlled subsidiaries	0	0
d) net income (loss) of associated companies	1 287	24 306
e) consolidation adjustments	-173 027	-77 623
<b>Net income (loss)</b>	<b>240 504</b>	<b>40 895</b>

High net profit of Bank Millennium in 2004, and increase in the solvency ratio enable Management Board of the Bank to submit to shareholders a proposal to pay out the dividend for 2004 in an amount of 237,8 million PLN (99% of net profit), i.e. PLN 0.28 per share representing a dividend yield of 8.3%. The remaining part of profit in the amount of 2,7 million PLN will be moved to Bank's own funds - general banking risk fund.

**Note 59**

EARNINGS/LOSSES PER SHARE for 12 months from 1.01.2004 to 31.12.2004

Net income for 2004 PLN 240 504 thousand

Weighted average number of shares (849 181 744) decreased by weighted average

treasury stock (0) 849 181 744

Earnings per share PLN 0.28

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

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

1. Cash in hand and at Central Bank	872 630
2. Current accounts at banks	10 182
TOTAL	882 818

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

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

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

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

## SIGNATURES:

Date	Full name	Position	Signature
.....	Bogusław Kott	President of the Management Board	.....
.....	Luis Pereira Coutinho	Vice-President of the Management Board	.....
.....	Fernando Bicho	Member of the Management Board	.....
.....	Julianna Boniuk-Gorzelańczyk	Member of the Management Board	.....
.....	Anna Rapacka	Member of the Management Board	.....
.....	Wojciech Haase	Member of the Management Board	.....
.....	Rui Manuel Teixeira	Member of the Management Board	.....
.....	Wiesław Kalinowski	Member of the Management Board	.....
.....	Zbigniew Kudaś	Member of the Management Board	.....