



Annual Report 2005
DZ BANK Polska S.A.

Selected financial data

DZ BANK Polska S.A.

	in thousands PLN		in thousands EUR*	
	2005	2004	2005	2004
Interest income	81 863	65 093	20 347	14 407
Fee and commission income	7 808	6 066	1 941	1 343
Profit (loss) before taxation	19 693	6 717	4 895	1 487
Net profit (loss)	16 349	4 636	4 064	1 026
Net cash flow on operating activity	462 985	253 621	115 077	56 133
Net cash flow on investing activity	(7 152)	44 952	(1 778)	9 949
Net cash flow on financial activity	-	-	-	-
Total net cash flow	455 833	298 573	113 299	66 082
Total assets	1 959 970	1 768 847	507 791	433 647
Amounts due to central bank	-	-	-	-
Amounts due to financial sector	281 476	451 235	72 925	110 624
Amounts due to non-financial and budget sector	1 287 494	661 445	333 565	162 159
Equity	216 735	203 959	56 152	50 002
Share capital	123 000	123 000	31 867	30 154
Number of shares (pcs.)	41 000 000	41 000 000	-	-
Book value per share (PLN/ EUR)	5,29	4,97	1,37	1,22
Capital adequacy ratio (%)	15,80	18,60	-	-
Earnings per ordinary share (PLN/ EUR)	0,40	0,11	0,10	0,03

* Bank's particular assets and liabilities items were translated into EUR at the average exchange rate of EUR/PLN 3.8598 announced for December 31, 2004 by the NBP. Profit and loss account items were translated into euros at the exchange rate which is an arithmetic mean of the NBP fixed exchange rates for the last day of each month from January through December 2004, i.e. EUR/PLN 4.0233.

The Headquarters of DZ BANK Polska S.A. is located in the Metropolitan building which was designed by Sir Norman Foster. The Metropolitan occupies one of the most prestigious locations in Warsaw fronting directly onto the historic Pilsudski Square.



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Letter from the President of the Management Board

Ladies and Gentlemen,

In the year 2005, the Bank proved that a consistent and dynamic implementation of the adopted strategy brings good results. The significant increase of profit stems from a considerably better operational business, a few extraordinary transactions in the fourth quarter and the introduction of International Accounting Standards (IAS), which stipulated the revaluation of assets, while maintaining strict cost control.

The positive development of the Bank was achieved by focussing on our core group of clients, i.e. corporations, small and medium-sized firms and wealthy individuals, improving the quality of services and extending the product offer.

A significant rise in the number of corporate customers, Polish and with international background, was possible thanks to the ambition and determination of the Bank's team, concentrated on the implementation of a clearly defined strategy.

As announced, DZ BANK Polska launched a series of new products in 2005, including a wide range of cash management improvements for corporate customers, e.g. mass payments, as well as VISA credit and debit cards.

DZ BANK Polska has further strengthened its activities in new regions via doubling the number of its offices. In the year 2005 the Bank opened new locations in Gdańsk, Kraków and Katowice.

The intensive co-operation with its strategic investor DZ BANK AG, and the German cooperative banks, was an additional key factor in achieving the successes in the year 2005. The Bank proved to be the dedicated partner for German investors in Poland as well as for Polish companies with foreign trade and especially for those with interest in the German market. Furthermore, DZ BANK Polska extended its co-operation with its affiliates VB Leasing Polska and TFI Union Investment, which add further value for the targeted client segments.

DZ BANK Polska has become a increasingly recognized element of the Polish banking market, last but not least thanks to its active participation in economic organisations, including the Union of Polish Banks or the Polish-German Chamber of Commerce.

The Bank will consequently pursue its strategic path in 2006. Superior service, quick decisions, flexibility and the membership in a strong financial group should pave the way for a further continuous growth of satisfied clients, revenues and operational profits.

Rainer Fuhrmann
President of the Management Board



Management Board

Rainer Fuhrmann

President of the Management Board since November 2005.
Member of the Management Board since January 2004.



Ewa Lipińska

Member of the Management Board since December 2003.



Friedrich Rantzu

Member of the Management Board since June 2003.



Letter from the Chairman of the Supervisory Board

Ladies and Gentlemen,

As required by the law and Bank's statute, the Supervisory Board have monitored the conduct of the business by the management of the DZ BANK Polska S.A. during the 2005 financial year.

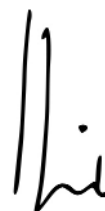
The Supervisory Board held meetings on a regular basis. The Board of Managing Directors comprehensively and promptly reported on business policies and other fundamental issues relating to management, corporate planning, strategy, the bank's financial development and earnings situation, the bank's risk management as well as transactions that were of significant importance to the bank. The Supervisory Board has examined in detail the annual and consolidated financial statements and the management reports for DZ BANK Polska.

Deloitte Audyt Sp. z o. o. audited the annual financial statements of DZ BANK Polska and the management reports, giving them their unqualified certification. The financial statements were prepared according to the rules of International Accounting Standards (IAS). The documents of the financial statements and the auditor's reports, together with the management's proposal for the appropriation of profit, were sent to all Members of the Supervisory Board in time. The Supervisory Board is in agreement with the findings of the auditors.

In 2005, DZ BANK Polska has not only improved profitability but also extended the scope of its business, in both Corporate and Private Banking segments. The Bank has taken advantage of the opportunities offered by DZ BANK Group, one of the market leading financial groups in Germany. DZ BANK Polska has used the potential of the Group for launching new products and improving the quality of customer service, as well as for finding new and effective ways of co-operation with other DZ BANK Group companies active in Poland such as Union Investment TFI and VB Leasing Polska.

The Supervisory Board thanks the Management Board and all employees for their commitment and efforts during 2005.

Wolfgang Kirsch
Chairman of the Supervisory Board



Supervisory Board



Wolfgang Kirsch - Chairman of the Supervisory Board

Karl-Heinz von Oppenkowski - Vice-Chairman of the Supervisory Board

Thomas Duhnkrack - Member of the Supervisory Board

Małgorzata Góra - Member of the Supervisory Board

Wolfgang Perdich - Member of the Supervisory Board

Paweł Siano - Member of the Supervisory Board

Furthermore, Members of the Supervisory Board in 2005 were also: till April 11, 2005 Ms Henryka Bochniarz and till November 11, 2005 Mr Roland Quiring.



General information

About the Bank

In 2005 the offer of DZ BANK Polska S.A. was addressed mainly to large corporations, small and medium enterprises and wealthy individual clients.

We also specialized in corporate consulting and investment banking for institutional clients and financial institutions.

Our team acquired its banking expertise at renowned Polish and international financial institutions. This knowledge is supported by state-of-the-art IT tools and user-friendly procedures. Being part of a strong financial group, a clearly defined strategy, a team composed of well educated specialists and relationship managers as well as modern operating solutions allow us to provide top quality customer service.

Background

Our institution is the longest operating bank with a dominant foreign shareholding in Poland. German DG BANK (later on merged into DZ BANK AG) acquired its share in 1998.

As DZ BANK Polska S.A. we inaugurated operations in fall 2003. We have formed a vigorous modern institution in the Polish banking market with the support of a strong shareholder which holds an established position in the European financial market.

Current ownership structure

Toward the end of 2005, DZ BANK AG held 99,75 % of the Bank's share capital and 99.66%* of all votes at the General Meeting. The number of registered shares in the Bank after several conversions of registered shares into bearer shares was 266 230 as of December 31, 2005.

* Resolution of Commission for Bank Supervision of 6 March 2002 allows DZ BANK AG to execute 66%, but not more than 75% of votes at the General Meeting of Shareholders





DZ BANK AG

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, has been repositioned as the central bank, corporate bank and parent holding company for the DZ BANK Group. The Bank's objective as the subsidiary but complementary partner of the local cooperative banks is to offer relevant products, exemplary services and efficient processes - and thereby transform itself over the next few years into a Europe-wide leading Allfinanz-Group.

As a central bank DZ BANK AG serves as the subsidiary partner of around 1,200 local cooperative banks. It conceives, develops and makes available products and services aimed at every relevant customer segment for the primary banks to market, and also provides them with liquidity balancing and reliable refinancing management services.

As an internationally oriented corporate bank DZ BANK AG services corporate customers direct and provides them with the full range of Corporate Finance products to fund both operations and investments. On the Investment Banking side, it concentrates on the areas of fixed income and private-customer-focused securities services. DZ BANK AG puts the exceptional placing power of the integrated cooperative financial services sector to work at the interface between the capital markets and the custody account institutions. Its International division provides a worldwide hub for the primary banks and their customers.

As a holding company finally, DZ BANK AG coordinates the efforts of the cooperative sector's comprehensive range of specialist service providers in order to harvest operating synergies and grow market potentials for the benefit of the local cooperative bank partners. Among others Bausparkasse Schwäbisch Hall, R+V Versicherung, Union Investment, DG HYP and VR Leasing belong to the DZ BANK Group.





Profile of DZ BANK Polska S.A. - Clients

Corporate Clients

We specialize in the full service of enterprises, both domestic and international based entities. Well educated and experienced Relationship Managers together with our product specialists offer "tailor made" products to the clients. Individual solutions and flexible reactions on customers' needs determine the business model.

In large loan transaction our parent company, DZ BANK AG, gets involved. Furthermore, as a part of DZ BANK Group we are able to offer our clients products of Group's subsidiaries such as VB Leasing Polska or Union Investment TFI. Thanks to close cooperation with affiliates operating in Poland our offer goes far beyond the strictly banking products.

The Bank also offers assistance to companies seeking funds from the European Union. DZ BANK Polska S.A. signed agreements with government institutions responsible for managing these funds and commenced cooperation with consulting firms assisting with the acquisition and management of EU funds.

Private Banking

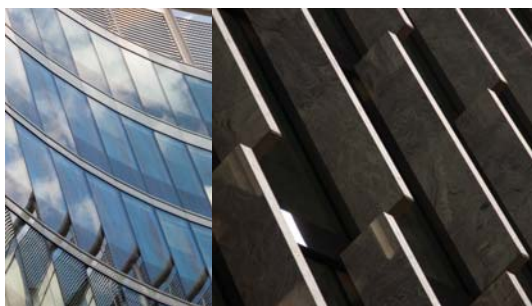
This form of cooperation is addressed mainly to wealthy individuals who require services which guarantee optimum funds management while retaining flexibility in the disposal of cash. Our Private Banking offer is based on highly personalized service for those of our clients whose needs go beyond the standard banking offer. Thanks to our committed and discrete team empowered with a considerable range of flexibility, our offer is truly "tailor made". We know how to do it as we have a professional team with experience gained at renowned financial institutions and we closely cooperate with our affiliate in Switzerland – DZ PRIVATBANK Schweiz.

Our Private Banking offer includes lucrative deposits, participation units in the investment funds such as Union Investment TFI S.A., a member of the DZ BANK AG Group, attractive loans, credit cards and FX transactions.

Financial Institutions

In 2005, the Bank continued its long-standing cooperation with domestic and international financial institutions. As a member of DZ BANK Group, the Bank is perceived as a valued and respected partner.

The main area of cooperation with financial institutions were payments on the domestic settlements market as well as on international markets through a network of correspondents. The Bank also intermediated in transactions for clients who use the PLN as their settlement currency and actively developed its business on the market for interbank transactions.



Profile of DZ BANK Polska S.A - Products

Bank Account Maintenance

We carry out transactions in five basic currencies: PLN, EUR, USD, GBP and CHF. Under current account maintenance we offer all necessary transactions:

- cash deposits and withdrawals,
- money transfers,
- currency purchase and sale,
- foreign trade settlements,
- lending transactions,
- guarantees and related settlements,
- cashier and gyro checks.

Deposit Products

The deposit interest rates offered by our Bank are among the most attractive on the Polish market. In addition to traditional PLN deposits we offer USD and EUR deposits. The offered PLN term deposits include both fixed and variable interest rate products. Currency deposits are usually offered as a fixed interest rate product.

Within the Private Banking offer our clients may set up deposits with non-standard tenors (beginning with one day deposits) and negotiate interest rates for them.

We also offer treasury bills and treasury bonds

- highly liquid instruments which guarantee the highest security of invested funds.

Lending Products

We have extensive experience in financing working capital needs and business developments. Loans are granted to clients from various sectors and scales of operations. With regard to financial terms the offer is always adapted to clients' individual requirements.

We offer the following lending products in PLN and foreign currencies:

- current account facilities,
- fixed term working capital loans,
- revolving working capital loans,
- short-term "multipurpose" credit lines,
- loans securing commercial transactions (guarantees, letters of credit),
- long-term investment loans,
- lombard loans,
- "multicurrency" loans.

Credit Cards

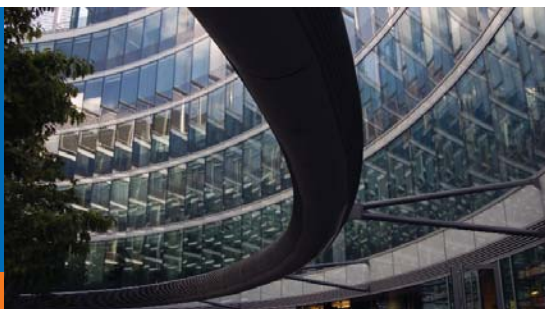
In 2005 DZ BANK Polska S.A. implemented VISA payment cards for Corporate, Small and Medium-sized Enterprises and Private Banking Clients. The product range consists of VISA Electron debit card and VISA Gold Credit card for individual clients as well as VISA Business charge card, and VISA Business Electron debit card for enterprises.

FX Products

DZ BANK Polska S.A. engages actively in the Polish and foreign exchange markets. Transactions are processed under clients orders and for Bank's own account.

Our product offer is designed based on the analysis of currency market developments and includes:

- FX Spot,
- FX Forward,
- FX Forward Option,
- FX Swap,
- FX Option.



Operations in the Debt Securities Market

Our activity in the debt securities market stems mainly from our cooperation with financial institutions. We participate in the Electronic Market of Treasury Securities (ERSPW). The Bank's strategy stipulates a comprehensive client service encompassing all available products.

In 2005, our offer included:

- Bills and bonds purchase/sale,
- FIF (Fixed Income Forward) for treasury bills and bonds - forwards transactions on the treasury securities market,
- BSB (Buy Sell Back) and SBB (Sell Buy Back) for bills and bonds – transactions enabling financial surplus deposits for short terms at higher-than deposit rates.

Our objective is to stabilize income from securities while avoiding exposure to excessive risks. As a result, our investment policy is geared toward ensuring liquidity and undertaking moderate interest rate risks within a medium term. We engage in IRS (Interest Rate Swaps) both for our clients and for our own account. These are meant as a security against unfavorable interest rate fluctuations.

DZ SPRINTER Package

DZ BANK Polska S.A. created a package of banking products called "DZ SPRINTER" particularly for clients from the Small and Medium-sized Enterprise segment. This package is made up of payment and treasury transaction management tools, and on-line banking services.

Time, price, convenience and security - these are the criteria that we had in mind while designing this modern and highly competitive offer for the SME segment

Transaction Banking Products

The Bank offers wide range of Cash Management products as domestic and foreign payments, standing orders, direct debit and electronic banking. Benefits for the clients: effective execution of payments, acceleration of the receivables cycle, effective liquidity management, interfaces to different accounting systems, multistage authorization of payments.

Trade Finance as a part of Transaction Banking encompasses bank warranties, letters of credit, collections and bill discounts.

In 2005 we considerably expanded our offer for Corporate Clients. Our Bank launched mass payments for in- and outgoing payments, as well as direct debits.

Analysis

An important supplement to the product offer is the daily research and forecast service in Polish and English language which describes developments in domestic and foreign markets and analyzes current and future trends.

Strategy 2006

In 2006 DZ BANK Polska S.A. will continue implementing the organic development strategy by addressing its offer to the existing customer groups, i.e. large, medium and small-sized enterprises and wealthy individuals. According to the strategy adopted, the distinguishing feature of the Bank will be the combination of a high quality offer with speedy credit procedures and a flexible approach to customers.

Another example of the implementation of the strategy aimed at improving the quality of customer service is the introduction of Personal Banking, mainly addressed to the owners and managers of the firms served by the Bank, at the beginning of 2006. The new offer is characterised by high quality, discretion and competitive pricing. It includes e.g. personal bank account, investment products and credit cards. Extending the co-operation within the DZ BANK Group forms another important element in the Bank's strategy for the year 2006. This means particularly active and close collaboration with the Group's subsidiaries operating in Poland, such as VB Leasing Polska or Union Investment TFI. Attractive leasing products and lucrative investment funds have significantly strengthened the offer for the Bank's customers.

Furthermore, extending the co-operation with the Group's companies outside Poland should bring benefits for the customers of DZ BANK Polska S.A. This refers mainly to the parent company DZ BANK AG which gets included in large loan transactions as well as to the affiliate DZ PRIVATBANK Schweiz (formerly cosba private banking ag), a proven specialist for Private Banking and Wealth Management.

In the opinion of the Management Board, the implementation of the strategy adopted for the year 2006 will reinforce the position of DZ BANK Polska S.A. as a solid partner of firms and wealthy individual customers, offering services and products of the highest quality.

Financial statements

Balance sheet

Assets

in thousands PLN	2005	2004
1. Cash, operations with central bank	164 454	79 322
2. Financial assets held for trading and embeded derivatives	132 835	348 812
3. Other financial assets at fair value through profit and loss	191	116
4. Available-for-sale financial assets	179 314	181 117
5. Loans and advances and other receivables	1 429 529	1 084 406
a) financial sector	853 002	567 274
b) non-financial sector	576 527	517 132
c) budget sector	-	-
6. Held-to-maturity investments	-	-
7. Financial receivables on financial assets brought forward	-	-
8. Hedging derivatives	934	-
9. Differences on fair value hedge against interest rate risk attributable to hedged item	469	622
10. Property, plant and equipment	5 183	7 544
11. Intangible assets	15 767	16 226
12. Investments in subsidiary undertakings	12 133	11 791
13. Deferred income tax assets	13 465	15 952
14. Other assets	4 208	22 939
15. Non-current assets held for sale	1 488	-
Total assets	1 959 970	1 768 847

Liabilities

in thousands PLN	2005	2004
1. Due to central bank	-	-
2. Financial liabilities held for trading and embedded derivatives	115 292	342 473
3. Other financial liabilities at fair value through profit and loss	-	-
4. Financial liabilities measured at amortised cost	1 568 970	1 112 680
a) financial sector	281 476	451 235
b) non-financial sector	1 287 455	661 404
c) budget sector	39	41
5. Financial liabilities on financial assets carried over	42 451	85 961
6. Hedging derivatives	501	482
7. Differences on fair value hedge against interest rate risk attributable to hedged item	-	-
8. Provisions	5 780	2 782
9. Deferred income tax liabilities	-	-
10. Other liabilities	10 241	20 510
Total liabilities	1 743 235	1 564 888
11. Share capital	123 000	123 000
12. Due payments to share capital (negative value)	-	-
13. Reserve capital	82 494	82 490
14. Revaluation reserve	(3 394)	183
15. Other reserves	7 939	1 642
16. Retained earnings	6 696	(3 356)
a) retained profit (loss)	(9 653)	(7 992)
b) profit (loss) for the year	16 349	4 636
17. Dividends paid during financial year (negative figure)	-	-
18. Minority interest	-	-
Total equity	216 735	203 959
Total equity and liabilities	1 959 970	1 768 847
Capital adequacy ratio	15,80	18,60
Book value	216 735	203 959
Number of shares	41 000 000	41 000 000
Book value per share (PLN)	5,29	4,97

Off-balance sheet

in thousands PLN	2005	2004
1. Contingent commitments given and received	312 162	239 257
a) commitments given	301 613	230 013
- financial	266 108	187 636
- guarantee-related	35 505	42 377
b) commitments received	10 549	9 244
- financial	-	-
- guarantee-related	10 549	9 244
2. Commitments to purchase (sell)	5 168 242	8 304 710
3. Other	4 734 773	1 360 610
a) interest rate swaps	196 758	560 592
b) forward rate agreements	3 635 980	-
c) options	418 275	199 158
d) underwriting	-	400
e) commitments received	483 760	600 460
Total off-balance sheet items	10 215 177	9 904 577

Profit and loss account

in thousands PLN	2005	2004
1. Interest income	81 863	65 093
2. Interest expense	(50 987)	(31 624)
Net interest income	30 876	33 469
3. Fee and commission income	7 808	6 066
4. Fee and commission expense	(1 111)	(926)
Net fee and commission income	6 697	5 140
5. Dividend income	115	92
6. Net income from financial assets and liabilities held for trading and embedded derivatives	2 675	(3 276)
7. Net income from other financial assets and liabilities at fair value through profit or loss	(97)	92
a) result of fair value adjustments in hedge accounting	(173)	140
b) net income realised on financial assets and liabilities designated as at fair value through profit or loss	76	(48)
8. Net income realised on financial assets and liabilities other than measured at fair value through profit or loss	9 496	(660)
9. Foreign exchange	23 465	22 194
10. Other operating income	4 146	13 395
11. Revaluation of financial assets	(549)	(42)
a) loans and advances	(781)	(934)
b) other assets	232	892
12. Provisions for off-balance sheet liabilities	-	1 710
13. Costs of Bank's operations	(44 839)	(42 413)
a) staff expenses	(26 896)	(23 536)
b) administrative expenses	(17 943)	(18 877)
14. Amortisation / depreciation	(4 830)	(6 341)
a) depreciation of property, plant and equipment	(1 786)	(2 378)
b) amortisation of intangible assets	(3 044)	(3 963)
15. Other operating expenses	(6 319)	(16 643)
16. Result on non-current assets held for sale	(1 143)	-
Profit (loss) before income tax	19 693	6 717
17. Income tax	(3 344)	(2 081)
a) deferred tax	(22)	(17)
b) net profit (loss)	(3 322)	(2 064)
Net profit (loss)	16 349	4 636
Weighted average number of ordinary shares	41 000 000	41 000 000
Earnings per ordinary share (PLN)	0,40	0,11

Statement of changes in the equity capital

in thousands PLN	2005	2004
1. Equity at beginning of period (OB)	212 364	207 533
a) changes in applied accounting principles (policy)	(8 405)	(8 909)
b) corrections of fundamental errors	-	-
Equity at beginning of period after reconciliation to comparatives	203 959	198 624
2. Share capital at beginning of period	123 000	123 000
Share capital at end of period	123 000	123 000
3. Due payments to share capital at beginning of period	-	-
Due payments to share capital at end of period	-	-
4. Reserve capital at beginning of period	82 490	82 490
Change in reserve capital:	4	-
a) impairment losses on property, plant and equipment	4	-
Reserve capital at end of period	82 494	82 490
5. Revaluation reserve at beginning of period	(1 065)	(1 780)
Changes in applied accounting policy	1 248	1 263
Revaluation reserve at beginning of period after reconciliation to comparatives	183	(517)
Changes in revaluation reserve:	(3 577)	700
a) impairment losses on property, plant and equipment	(4)	-
b) valuation of financial assets	(4 114)	854
c) tax effect of valuation of financial asset	541	(154)
Revaluation reserve at end of period	(3 394)	183
6. Other reserves at beginning of period	1 642	804
Changes in reserves:	6 297	838
a) division of profit	6 297	838
Other reserves at end of period	7 939	1 642
7. Retained profit (accumulated loss) at beginning of period	6 297	3 018
Changes in applied accounting policy	(9 653)	(10 172)
Retained profit (accumulated loss) after reconciliation to comparatives	(3 356)	(7 154)
Changes in retained profit (accumulated loss)	(6 297)	(838)
a) division of profit	(6 297)	(838)
Retained profit (accumulated loss) at end of period	(9 653)	(7 992)
Profit for the year	16 349	4 636
Equity at end of period (CB)	216 735	203 959

Cash flow statement

in thousands PLN	2005	2004
A. Cash flows from operating activities		
1. Net profit (loss)	16 349	4 636
2. Adjustments:	446 636	248 985
a) amortisation / depreciation	4 830	6 341
b) currency translation gains (losses)	3 355	13 833
c) interest and share of profits (dividends)	(422)	(2 280)
d) profits (losses) from investing activities	20	1 144
e) change in financial assets held for trading and embedded derivatives	215 977	(348 113)
f) change in other financial assets designated as measured at fair value through profit or loss	(75)	47
g) change in other financial assets available for sale	1 803	(84 042)
h) change in loans, advances and other receivables	25 578	(259 644)
- financial sector	84 973	(214 531)
- non-financial sector	(59 395)	(45 127)
- budget sector	-	14
i) change in held-to-maturity investments	-	-
j) change in financial receivables on financial assets brought forward	-	-
k) change in hedging derivatives being assets and differences on fair value hedge	(781)	(622)
l) change in investments in subsidiary undertakings	(342)	(892)
m) change in deferred income tax assets	2 487	2 224
n) change in prepaid expenses	(433)	(3 496)
o) change in other assets	19 164	(6 437)
p) change in non-current assets held for sale	(1 488)	-
r) change in amounts due to the central bank	-	-
s) change in financial liabilities held for trading and embedded derivatives	(227 181)	342 461
t) change in other liabilities valued at fair value through profit and loss	-	-
u) change in financial liabilities measured at amortised cost	456 290	505 593
- financial sector	(169 759)	267 783
- non-financial sector	626 051	237 812
- budget sector	(2)	(2)
w) change in financial liabilities on financial assets carried over	(43 510)	85 961
y) change in hedging derivatives being liabilities and differences on fair value hedge	19	482
z) change in provisions	2 998	960
aa) change in income tax liabilities	-	-
ab) change in accrued income	72	399
ac) change in other liabilities	(10 559)	(3 317)
ad) other adjustments	(1 166)	(1 617)
3. Net cash flows from operating activities (1 +/- 2)	462 985	253 621

in thousands PLN	2005	2004
B. Cash flows from investing activities		
1. Proceed	126 642	123 946
a) disposal of interest or shares in subsidiary undertakings	-	-
b) disposal of interest or shares in joint ventures	-	-
c) disposal of interest or shares in associated undertakings	-	-
d) disposal of interest or shares in other undertakings, other securities and other financial assets	126 421	122 110
e) disposal of intangible assets and property, plant and equipment	106	581
f) disposal of investments in real property and in intangible assets	-	-
g) other proceeds from investments	115	1 255
2. Payments	(133 794)	(78 994)
a) acquisition of interest or shares in subsidiary undertakings	-	-
b) acquisition of interest or shares in joint ventures	-	-
c) acquisition of interest or shares in associated undertakings	-	-
d) acquisition of interest or shares in other undertakings, other securities and other financial assets	(129 469)	(74 110)
f) acquisition of intangible assets and property, plant and equipment	(4 325)	(4 884)
g) investments in real property and in intangible assets	-	-
h) other cash used in investments	-	-
3. Net cash flows from investing activities (1 - 2)	(7 152)	44 952

in thousands PLN	2005	2004
C. Cash flows from financial activity		
1. Proceeds	-	-
a) long-term loans borrowed from other banks	-	-
b) long-term loans borrowed from financial sector institutions other than banks	-	-
c) issuance of debt securities	-	-
d) increase in subordinated debt	-	-
e) net proceeds from share issue and additional payments to capital	-	-
f) other proceeds from financing activities	-	-
2. Payments	-	-
a) repayment of long-term loans to other banks	-	-
b) repayments of long-term loans to financial sector institutions other than banks	-	-
c) redemption of debt securities	-	-
d) payments on other financial commitments	-	-
e) payments of financial lease liabilities	-	-
f) decrease in subordinated debt	-	-
g) dividends and other payments to owners	-	-
h) profit distribution other than payments to owners	-	-
i) acquisition of treasury shares	-	-
j) other cash used in financing activities	-	-
3. Net cash flows from financial activity (1 - 2)	-	-
D. Total net cash flows (A.3+/-B.3+/-C.3)	455 833	298 573
E. Cash at beginning of period	332 663	34 090
F. Cash at end of period (E+/-D)	788 496	332 663

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