

Abbreviated Consolidated Financial Statements
of Bank Pekao SA Group
for the Year ended 31 December, 2000
in Accordance with International Accounting Standards,
with Auditor's Opinion

CONTENTS

Auditors' Opinion to the Shareholders and the Supervisory Board of Bank Pekao SA	3
Consolidated Income Statement	4
Consolidated Balance Sheet	4
Consolidated Off-balance Sheet	5
Cash Flow Statement	6
Structure of Bank Pekao SA Group	8
Statement of Changes in Equity	10
Selected Notes to the Balance Sheet	11

AUDITORS' OPINION

to the Shareholders and the Supervisory Board of Bank Polska Kasa Opieki SA

We have audited in accordance with International Standards on Auditing the consolidated financial statements of Bank Polska Kasa Opieki SA group (the group) for the year ended 31 December 2000, from which the abbreviated financial statements set out on pages 4 to 11 of this attachment were derived. In our report dated 9 April 2001 we expressed an unqualified opinion on the financial.

In our opinion, the information presented in the accompanying abbreviated financial statements is consistent with the financial statements from which it was derived.

For a fuller understanding of the Company's financial position and the result of its operations for the period and of the scope of our audit, the abbreviated financial statements should be read in conjunction with the financial statements and our opinion thereon.

Antoni F. Reczek

PricewaterhouseCoopers Sp. z o.o.

Registered Auditor
President of the Management Board
PricewaterhouseCoopers Sp. z o.o.

Warsaw, 9 April 2001

CONSOLIDATED INCOME STATEMENT

	12 months to 31.12.2000 PLN'000	12 months to 31.12.1999 PLN'000
Interest income	7,220,580	5,193,063
Interest expense	(4,467,013)	(3,171,898)
Net interest income	2,753,567	2,021,165
Fee and commission income	1,238,016	934,038
Fee and commission expense	(139,695)	(100,531)
Net fee and commission income	1,098,321	833,507
Dividend income	2,432	5,273
Net trading income	51,395	(19,409)
Gains less losses from investment securities	(19,677)	15,730
Foreign exchange result	280,285	325,371
Amortisation of negative goodwill	12,054	8,454
Other operating income	167,771	176,540
Operating income	4,346,148	3,366,631
Operating expenses	(2,632,217)	(2,421,550)
Provisions for loans and guarantees	(659,143)	(502,188)
Provisions for shares and other securities	59,278	(78,693)
Profit from operations	1,114,066	364,200
Share of gross profit/(loss) of associated companies	6,962	(46,346)
Profit before tax	1,121,028	317,854
Taxation	(375,589)	(154,719)
Minority interest	1,415	-
Net profit	746,854	163,135
Earnings per one share (PLN)	5.10	1.12

CONSOLIDATED BALANCE SHEET

	Note	As at 31.12.2000 PLN '000	As at 31.12.1999 PLN '000
Assets			
Cash and balances with the central bank		3,678,509	2,070,880
Treasury and NBP bills		4,890,790	3,953,775
Due from banks and other financial institutions		9,039,759	4,760,574
Dealing securities		956,034	1,053,712
Due from customers and the public sector		30,751,858	26,464,978
Investment securities	1, 2	14,771,642	16,026,630
Investments in associates		291,887	348,065
Goodwill		(31,829)	(36,005)
Tangible fixed assets		1,805,082	1,894,516
Accrued interest receivable and other assets		804,364	975,577
Total assets		66,958,096	57,512,702
Liabilities and Shareholders' Equity			
Due to banks and other financial institutions		7,507,557	6,386,371
Due to customers and the public sector		49,347,468	44,416,098
Other borrowed funds		560,424	51,339
Accrued interest payable and other liabilities		3,527,730	2,334,076
Total liabilities		60,943,179	53,187,884
Share capital		165,748	145,340
Supplementary capital		1,491,511	506,965
Other shareholders' capital		3,652,754	3,211,550
Retained earnings		704,904	460,963
Total shareholders' equity		6,014,917	4,324,818
Total liabilities and shareholders' equity		66,958,096	57,512,702

The financial statements were approved by the Management Board of Bank Polska Kasa Opieki SA on 9 April, 2001 and signed on its behalf by:

Maria Pasto-Wiśniewska

President of the Management Board

Sabina Olton

Deputy President of the Management Board
and Chief Accountant

CONSOLIDATED OFF-BALANCE SHEET

	As at 31.12.2000 PLN '000	As at 31.12.1999 PLN '000
Contingent liabilities extended	1,266,985	1,050,140
Liabilities arising from purchase/sale transactions	4,635,302	1,488,903
Credit risk in respect of irrevocable lending commitments	8,474,712	5,375,844
Deposits granted	1,721,524	394,819
Total off-balance sheet items extended	16,098,523	8,309,706
Contingent liabilities received	5,563,821	5,874,819
Deposits receivable	259,452	12,900

CONSOLIDATED CASH FLOW

	12 months to 31.12.2000 PLN'000	12 months to 31.12.1999 PLN'000
Cash flow from operating activities:		
Net profit	746,854	163,135
Adjusted for:		
Depreciation	253,179	240,532
Minority interest	(1,415)	-
Dividend receipts	(2,432)	(5,273)
Provision for loans and guarantees	446,856	613,491
Other provisions	9,542	44,796
Taxation charge for the period	375,589	154,719
Corporate income tax paid	(442,462)	(193,053)
Net profit on disposal of tangible fixed assets	(5,382)	2,577
Change in dealing securities	(170,198)	(86,680)
Change in investment securities	683,061	(4,344,842)
Change in amounts due from banks and other financial institutions	(4,231,126)	423,164
Change in amounts due from customers and the public sector	(4,817,387)	(5,374,163)
Change in amounts due to banks and other financial institutions	1,121,186	(296,422)
Change in amounts due to customers and the public sector	4,931,370	6,091,784
Change in other assets and liabilities	1,495,119	(746,131)
Change in other borrowed funds	509,085	34,266
Other	(12,054)	(8,454)
Net cash flow from operating activities	889,385	(3,286,554)
Cash flow from investing activities:		
Purchase of goodwill	(17)	-
Purchase of tangible fixed assets	(339,022)	(365,483)
Proceeds from sale of tangible fixed assets	55,511	6,722
Purchase of shares in subsidiary and associated companies	(46,341)	(668,733)
Proceeds from sale of shares in subsidiary and associated companies	45,679	652,745
Other	2,432	5,273
Net cash flow from investing activities	(281,758)	(369,476)
Cash flow from financing activities:		
Issue of ordinary shares	1,000,002	-
Net cash flow from financing activities	1,000,002	-
Net change in cash and cash equivalents	1,607,629	(3,656,030)
Cash and cash equivalents at the beginning of the period	2,070,880	5,726,910
Cash and cash equivalents at the end of the period	3,678,509	2,070,880
Net change in cash and cash equivalents	1,607,629	(3,656,030)
	As at	As at
	31.12.2000	31.12.1999
	PLN'000	PLN'000
Analysis of cash and cash equivalents:		
Current account with National Bank of Poland	2,193,548	619,794
Cash - PLN	627,808	684,726
Cash - foreign currencies	563,809	488,132
Current accounts with other banks - PLN	20,032	13,918
Current accounts with other banks - foreign currencies	273,312	264,310
Total	3,678,509	2,070,880

STRUCTURE OF BANK PEKAO SA GROUP - Consolidated Entities

Company	Registered office	Interest held by Bank Pekao SA	Status	Auditor	Reporting period	Share capital	Total assets	Net profit for the 12 months to 31.12.2000	Average number of employees
		%				PLN '000	PLN '000	PLN '000	
Bank Pekao SA	Warszawa, Poland	-	parent PricewaterhouseCoopers to 31 December 2000	12 months	165,748	68,453,569 763,211	22,287		
Bank Pekao (Ukraine) Ltd. in Luck, Ukraine	35.00	subsidiary (Ukraine)	PricewaterhouseCoopers to 31 December 2000	12 months	17,697	41,637	830	54	
Bank Polska Kasa Opieki Tel-Aviv (Bank Pekao) Ltd.	Tel Aviv, Israel	99.99	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	28,270	320,539	(82,534)	30	
Centralny Dom Maklerski Pekao SA	Warszawa, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	181,716	677,090	56,096	941	
Pekao Faktoring Sp. z o.o.	Lublin, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	50,588	386,957	(1,681)	31	
Pekao Fundusz Kapitałowy Sp. z o.o.	Łódź, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	51,380	87,192	862	18	
Pekao Leasing Sp. z o.o.	Warszawa, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	86,973	836,813	(40,674)	161	
Pekao/Alliance P.T.E. S.A.	Warszawa, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	17,300	38,754	(3,871)	14	
Pekao Development Sp. z o.o. (1)	Łódź, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	35,406	92,958	3,394	69	
Pekao Financial Services Sp. z o.o. (1)	Warszawa, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	4,500	4,497	(150)	64	
Pekao Informatyka Sp. z o.o. (1)	Łódź, Poland	100.00	subsidiary PricewaterhouseCoopers to 31 December 2000	12 months	200	4,914	37	49	
Pekao Trading Company (Canada) Ltd. (1)	Toronto, Canada	100.00	subsidiary Other auditor to 31 December 2000	12 months	4,690	12,054	(4,120)	39	
Pekao Trading Corporation (1)	New York, USA	100.00	subsidiary Other auditor to 31 December 2000	12 months	597	26,524	1,101	59	

STRUCTURE OF BANK PEKAO SA GROUP - Consolidated Entities (Cont.)

Company	Registered office	Interest held by Bank Pekao SA	Status	Auditor	Reporting period	Share capital	Total assets	Net profit for the 12 months to 31.12.2000	Average number of employees
		%				PLN '000	PLN '000	PLN '000	
Jupiter NFI S.A. (1) Sp. z o.o.	Warszawa, Poland	32.43	associated PricewaterhouseCoopers to 31 December 2000	12 months	469,598	15,401	2		
Bank Handlowy International S.A. Societe Anonyme Luxembourg (1)	Luxembourg	23.20	associated PricewaterhouseCoopers to 31 December 2000	114,600	982,734	-	20		
BDK-Daewoo Leasing Sp. z o.o. (1)	Lublin, Poland	50.00	associated PricewaterhouseCoopers to 31 December 2000	12,450	203,087	(7,496)	89		
MHB Mitteleuropaische Handelsbank Aktiengesellschaft, Deutsch-Polnische Bank (1)	Frankfurt am Main, Germany	29.99	associated PwC Deutsche Revision AG to 31 December 2000	12 months	184,066	2,692,569	15,299	55	
Trinity Management Sp. z o.o. (1)	Warszawa, Poland	50.00	associated PricewaterhouseCoopers to 31 December 2000	510	14,886	6,295	33		
BDK-Consulting Sp. z o.o. (2)	Luck, Ukraine	99.99	subsidiary PricewaterhouseCoopers (Audit) Ukraine to 31 December 2000	8 months	1,918	3,161	(31)	2	

(1) equity-accounted

(2) BDK Consulting Sp. z o.o. is consolidated using the acquisition accounting method by Bank Pekao (Ukraina) Ltd. in Luck.

The above-presented financial data of Group companies have been stated according to Polish Accounting Standards. Additionally, in companies: Pekao Leasing Sp. z o.o. and BDK - Daewoo Leasing Sp. z o.o. operating lease has been converted into financial lease.

Bank Polska Kasa Opieki SA is listed on the Warsaw Stock Exchange.
Global Depository Shares (GDS) of Bank Pekao SA are listed on the London Stock Exchange.



STATEMENT OF CHANGES IN EQUITY

	Share capital PLN '000	Supplementary capital PLN '000	Revaluation reserve PLN '000	General risk reserve PLN '000	Other capital PLN '000	Retained Earnings PLN '000	Total PLN '000
Balance as at 1 January, 1999	145,340	415,275	92,180	210,320	1,798,921	682,406	3,344,442
a) appropriation of net profit	-	4,631	-	46,344	333,603	(384,578)	-
b) foreign exchange differences on investments	-	-	-	-	25,318	-	25,318
c) reallocation of negative goodwill on merger of former Bank Pekao SA group banks	-	87,059	66,567	-	662,064	-	815,690
d) other	-	-	-	-	(23,671)	-	(23,671)
e) transfer to other reserve capital	-	-	(96)	-	-	-	(96)
Net profit for the 1999	-	-	-	-	-	163,135	163,135
Balance as at 31 December, 1999	145,340	506,965	158,651	256,664	2,796,235	460,963	4,324,818
Balance as at 1 January, 2000	145,340	506,965	158,651	256,664	2,796,235	460,963	4,324,818
a) appropriation of net profit	-	4,953	-	180,000	317,960	(502,913)	-
b) issue of share capital	20,408	979,593	-	-	-	-	1,000,001
c) foreign exchange differences on investments	-	-	-	-	(18,591)	-	(18,591)
d) other	-	-	-	-	(38,165)	-	(18,591)
e) transfer to/from other capital	-	-	(401)	-	401	-	(38,165)
Net profit for 2000	-	-	-	-	-	746,854	746,854
Balance as at 31 December, 2000	165,748	1,491,511	158,250	436,664	3,057,840	704,904	6,014,917

SELECTED NOTES TO THE BALANCE SHEET

1. The securities portfolio of the group at 31 December 2000 includes so-called "restructuring bonds" issued by the Minister of Finance and USD denominated Polish Treasury bonds with carrying values of PLN 1,041,627 thousand and PLN 3,483,868 thousand respectively, which at the date of our audit opinion were not publicly traded. In the opinion of the Management Board of Bank Polska Kasa Opieki SA, the value of the aforementioned securities, which form part of the long-term investment portfolio and bring low risk income, is not less than the amounts shown in the consolidated financial statements.
2. The securities portfolio of the group also includes bonds issued by the National Bank of Poland (the NBP) with a carrying value of PLN 2,195,596 thousand. These bonds have been acquired in accordance with a Resolution of the Management Board of the NBP and relate to the issue of bonds as a substitute for the previous compulsory deposit scheme. These bonds, due to their specific nature, are not transferable, bear interest at the cumulative inflation rate for August - July, and are carried at cost plus accrued interest.

Reconciliation of the net result and net assets of the group stated in accordance with IAS with the net result and net assets of the group stated in accordance with Polish Accounting Standards (PAS)

	As at to 31.12.2000 PLN '000	12 months to 31.12.2000 PLN '000
	Equity (net assets)	Net result
Share capital	165,748	
Supplementary capital	1,491,511	
Revaluation reserve	158,250	
Other reserve capital	2,662,005	
Equity accounting consolidation reserve	(17,192)	
General banking risk reserve	436,664	
Unappropriated profit from previous years	(41,950)	
Net result	794,874	794,874
Total in accordance with PAS	5,609,910	794,874
IAS adjustments:		
Foreign exchange differences from structural items	109,273	-
Interest receivable from government central investment loans recognised in income on an accrual basis in previous periods	(355,746)	(202,568)
Interest payable from government central investment refinancing loans charged to expenses on an accrual basis in previous periods	291,532	165,660
Change in deferred tax provision due to recognition of interest income and expense from government central investment loans	(103,800)	11,063
Employee awards paid as an appropriation of 1999 net profit according to PAS	-	(9,047)
Change in current period profit resulting from a reclassification of operating leases to finance leases	(7,810)	(7,810)
Change in deferred tax opening balance of PBG Leasing Sp. z o.o.	-	(874)
Change in prior period earnings resulting from a reclassification of operating leases to finance leases	(39,680)	-
Change in share in net assets and net profit of BDK Daewoo Leasing Sp. z o.o.	(1,925)	(4,444)
Change in other reserve capital relating to recognition of interest income and costs from central investment loans and associated refinancing loans on an accrual basis in previous years	513,163	-
Total adjustments	405,007	(48,020)
Total in accordance with IAS	6,014,917	746,854