Interim Abbreviated Consolidated Financial Statements of Fortis Bank Polska SA Capital Group for 3 Quarters of 2009

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1. Financial Highlights

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with taking into account relevant items of Dominet Bank SA in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented. The performance of Dominet Bank SA for the reporting period from 1 January 2009 through 31 July 2009 is not included in the result of the integrated Bank for 2009. The data of the combined Bank are presented since August 2009.

Consolidated Financial Highlights	in PLN thousand		in EUR thousand	
	30.09.09 (YTD)	30.09.08 (YTD)	30.09.09 (YTD)	30.09.08 (YTD)
Interest income	660 789	731 189	150 203	213 505
Fee and commission income	113 115	150 536	25 712	43 956
Total income, net	344 881	538 720	78 395	157 304
Gross profit/loss	-331 301	226 712	-75 308	66 199
Net profit/loss	-275 722	183 345	-62 674	53 536
Net cash provided by operating activities	2 181 323	-786 733	495 834	-229 723
Net cash provided by investing activities	-2 189 256	-293 595	-497 637	-85 729
Net cash provided by (used in) financing activities	-889 276	1 640 930	-202 140	479 146
Total net cash flow	-897 209	560 602	-203 943	163 694
Total assets	23 220 412	18 982 227	5 499 079	5 569 412
Due to banks	3 040 139	4 746 071	719 969	1 392 504
Due to customers	10 291 879	6 651 032	2 437 332	1 951 422
Loans and credit facilities received	6 659 924	5 307 726	1 577 209	1 557 294
Equity	1 522 546	1 333 866	360 571	391 358
Number of shares	24 123 506	16 771 180		
Book value per share (in PLN / EUR)	63,11	79,53	14,95	23,33
Diluted book value per share (in PLN / EUR)	63,11	79,53	14,95	23,33
Capital adequacy ratio	13,33%	11,39%		
Basic Earnings/Loss Per Share (PLN/EUR)	-15,24	10,93	-3,46	3,19
Diluted Earnings/Loss Per Share (PLN/EUR)	-15,24	10,93	-3,46	3,19

Separate FBP Financial Highlights	in PLN thousand		in EUR thousand	
	30.09.09 (YTD)	30.09.08 (YTD)	30.09.09 (YTD)	30.09.08 (YTD)
Interest income	660 789	731 123	150 203	213 485
Fee and commission income	111 281	146 632	25 295	42 816
Total income, net	342 971	534 711	77 960	156 134
Gross profit/loss	-330 267	226 001	-75 073	65 991
Net profit/loss	-274 702	182 779	-62 442	53 371
Net cash provided by operating activities	2 181 173	-775 457	495 800	-226 431
Net cash provided by investing activities	-2 189 106	-293 486	-497 603	-85 697
Net cash provided by (used in) financing activities	-889 276	1 640 930	-202 140	479 146
Total net cash flow	-897 209	571 987	-203 944	167 018
Total assets	23 237 904	18 999 319	5 503 222	5 574 427
Due to banks	3 040 139	4 746 071	719 969	1 392 504
Due to customers	10 309 910	6 670 154	2 441 602	1 957 033
Loans and credit facilities received	6 659 924	5 307 726	1 577 209	1 557 294
Equity	1 522 556	1 332 595	360 573	390 985
Number of shares	24 123 506	16 771 180		
Book value per share (in PLN / EUR)	63,12	79,53	14,95	23,34
Diluted book value per share (in PLN / EUR)	63,12	79,53	14,95	23,34
Capital adequacy ratio	13,22%	11,27%		

Key items in the balance sheet, profit and loss account and cash flow statement in the financial statements for three quarters of 2009 and the corresponding financial figures for three quarters of 2008 have been converted into EUR according to the following rules:

- particular assets and liabilities items in the balance sheet and book value per share as at the end of the third quarter of 2009 have been converted into EUR at the mid-rate binding as at 30 September 2009 published by the National Bank of Poland on 30 September 2009, i.e. EUR 1 = PLN 4.2226; comparative financial data as at the end of the third quarter of 2008 have been converted into EUR at the mid-rate binding as at 30 September 2008, published by the National Bank of Poland on 30 September 2008, i.e. EUR 1 = PLN 3.4083;
- particular items in the profit and loss account and cash flows, and earnings per share for three quarters of 2009 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through September 2009, i.e. EUR 1 = PLN 4.3993, whereas comparative data for three quarters of 2008 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as of the last days of the months from January through September 2008, i.e. EUR 1 = PLN 3.4247.

2. Consolidated Financial Statements of Fortis Bank Polska SA Capital Group

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with taking into account relevant items of Dominet Bank SA in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented. The performance of Dominet Bank SA for the reporting period from 1 January 2009 through 31 July 2009 is not included in the result of the integrated Bank for 2009. The data of the combined Bank are presented since August 2009.

Consolidated Income Statement (in PLN thousand)	**Notes**	**1.07.2009 - 30.09.2009**	**1.01.2009 - 30.09.2009**	**1.07.2008 - 30.09.2008**	**1.01.2008 - 30.09.2008**
Interest income	10.1	245 546	660 789	264 003	731 189
Interest expense	10.2	-132 879	-368 989	-157 743	-441 794
Net interest income		**112 667**	**291 800**	**106 260**	**289 395**
Fee and commission income	10.3	46 717	113 115	46 236	150 536
Fee and commission expense	10.4	-10 452	-16 441	-2 863	-8 901
Net fee and commission income		**36 265**	**96 674**	**43 373**	**141 635**
Dividend and other investment income		-	-	-	-
Net trading income	10.5	26 732	-62 118	33 757	100 030
Net gain/loss on available-for-sale financial assets		-3	6 297	-3 233	-3 233
Net profit (loss) on hedging transactions		-	-	119	175
Other revenues		4 170	12 228	3 263	10 718
Total income, net		**179 831**	**344 881**	**183 539**	**538 720**
Personnel expenses		-62 080	-148 640	-51 799	-147 374
Depreciation of fixed assets and intangible fixed assets		-16 041	-37 473	-10 448	-27 704
Other expenses		-54 897	-132 088	-32 840	-98 916
Net impairment losses	10.6	-102 286	-357 981	-14 101	-38 014
Gross profit/loss		**-55 473**	**-331 301**	**74 351**	**226 712**
Income tax expense		11 689	55 579	-13 891	-43 367
Net profit/loss		**-43 784**	**-275 722**	**60 460**	**183 345**

Consolidated Earnings Per Share	10.7	**1.01.2009 - 30.09.2009**	**1.01.2008 - 30.09.2008**
Net profit/loss (in PLN thousand)		-275 722	183 345
Weighted average number of ordinary shares		18 093 336	16 771 180
Earnings (loss) per share (in PLN)		-15,24	10,93
Weighted average diluted number of ordinary shares		18 093 336	16 771 180
Diluted earnings (loss) per share (in PLN)		-15,24	10,93

Consolidated report of total income (in PLN thousand)	**1.01.2009 - 30.09.2009**	**1.01.2008 - 31.12.2008**	**1.01.2008 - 30.09.2008**
Net profit (loss) for the year	**-275 722**	**78 496**	**183 345**
Profits / losses not recognised in income statement (investments available for sale)	14 367	-22 655	-1 408
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-2 728	4 305	268
Profits/losses not recognised in the income statement (investments available for sale) - net	**11 639**	**-18 350**	**-1 140**
Net profits / losses recognised in income statement (investments available for sale)	-6 313	3 846	-3 704
Deferred tax - profits/losses recognised in the income statement (investments available for sale)	1 199	-731	704
Profits / losses recognised in income statement (investments available for sale) - net	**-5 114**	**3 115**	**-3 000**
Total income	**-269 197**	**63 261**	**179 205**

Notes published on the following pages constitute an integral part of the abbreviated consolidated financial statements.

Consolidated balance sheet statement (in PLN thousand)	Notes	30.09.2009	31.12.2008	30.09.2008
ASSETS				
Cash and cash equivalents	11.1	1 224 868	1 494 888	1 281 551
Financial assets held for trading	11.2.1	720 686	1 372 145	434 689
Due from banks	11.3.1	2 564 778	606 373	2 638 304
Loans to customers	11.3.2	14 709 464	14 823 117	13 461 359
Investments - Available for Sale	11.4	3 376 815	1 200 836	847 196
Property, Plant and Equipment		200 832	113 258	114 793
Intangible Assets		61 559	26 000	23 417
Income tax settlements		12 001	-	-
Deferred tax assets		211 896	96 717	38 051
Other assets		137 513	135 670	142 867
Total assets		**23 220 412**	**19 869 004**	**18 982 227**
LIABILITIES				
Financial liabilities held for trading	11.2.2	289 772	961 601	271 180
Due to banks	11.5.1	3 040 139	2 276 963	4 746 071
Due to customers	11.5.2	10 291 879	6 368 464	6 651 032
Loans and credit facilities received	11.5.3	6 659 924	8 198 200	5 307 726
Liabilities related to issuance of debt securities		30 000	-	-
Subordinated liabilities		723 390	417 240	340 830
Current tax liabilities		68	57 061	27 918
Other obligations		643 578	354 679	287 095
Provisions		19 116	16 874	16 509
Total liabilities		**21 697 866**	**18 651 082**	**17 648 361**
EQUITY CAPITAL				
Share capital		1 206 175	503 135	503 135
Share premium		556 902	308 656	308 656
Other capital		45 685	344 983	344 983
Revaluation reserve		-11 443	-18 053	-6 958
Retained earnings		949	705	705
Net profit (loss) for the year		-275 722	78 496	183 345
Total equity		**1 522 546**	**1 217 922**	**1 333 866**
Total liabilities and equity		**23 220 412**	**19 869 004**	**18 982 227**

Notes published on the following pages constitute an integral part of the abbreviated consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity for three quarters of 2009 (in PLN thousand)

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
Balance as at 01.01.09	**503 135**	**308 656**	**79 201**	**-**	**344 983**	**-18 053**	**1 217 922**
Merger with Dominet Bank SA	**157 306**	**-21 581**	**-**	**-**	**-**	**101**	**135 826**
Total income for three quarters of 2009	**-**	**-**	**-**	**-275 722**	**-**	**6 525**	**-269 197**
Reclassification	**-**	**-**	**-**	**-**	**16**	**-16**	**-**
Share issue	**105 440**	**332 555**	**-**	**-**	**-**	**-**	**437 995**
Increase in the nominal share value	**440 294**	**-95 950**	**-**	**-**	**-344 344**	**-**	**-**
Distribution of retained earnings	**-**	**33 222**	**-78 252**	**-**	**45 030**	**-**	**-**
Balance as at 30.09.09	**1 206 175**	**556 902**	**949**	**-275 722**	**45 685**	**-11 443**	**1 522 546**

Consolidated Statement of Changes in Shareholders' Equity in 2008 (in PLN thousand)

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
Balance as at 01.01.08	**503 135**	**308 656**	**161 783**	**-**	**183 200**	**-2 818**	**1 153 956**
Consolidation adjustment	-	-	705	-	-	-	705
Adjusted balance as at 01.01.2008	**503 135**	**308 656**	**162 488**	**-**	**183 200**	**-2 818**	**1 154 661**
Total income in 2008	-	-	**-**	**78 496**	-	-15 235	63 261
Distribution of retained earnings	-	-	**-161 783**	**-**	161 783	-	**-**
Balance as at 31.12.08	**503 135**	**308 656**	**705**	**78 496**	**344 983**	**-18 053**	**1 217 922**

Consolidated Statement of Changes in Shareholders' Equity for three quarters of 2008 (in PLN thousand)

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
Balance as at 01.01.08	**503 135**	**308 656**	**161 783**	**-**	**183 200**	**-2 818**	**1 153 956**
Consolidation adjustment	-	-	705	-	-	-	705
Adjusted balance as at 01.01.2008	**503 135**	**308 656**	**162 488**	**-**	**183 200**	**-2 818**	**1 154 661**
Total income for three quarters of 2008	-	-	-	183 345	-	-4 140	179 205
Distribution of retained earnings	-	-	-161 783	-	161 783	-	-
Balance as at 30.09.08	**503 135**	**308 656**	**705**	**183 345**	**344 983**	**-6 958**	**1 333 866**

Notes published on the following pages constitute an integral part of the abbreviated consolidated financial statements.

Consolidated cash flow statement (in PLN thousand)	01.01.2009 - 30.09.2009	01.01.2008 - 31.12.2008	01.01.2008 - 30.09.2008
Cash and cash equivalents, gross, opening balance	**1 495 348**	**711 109**	**711 109**
Merger with Dominet Bank SA	**630 141**	**-**	-
Consolidation adjustment	**-**	**11 385**	11 385
Adjusted cash and cash equivalents, gross, opening balance	**2 125 489**	**722 494**	**722 494**
Gross profit/loss	**-331 301**	**102 974**	**226 712**
Adjustments for:	**2 512 624**	**-2 073 746**	**-1 013 445**
Depreciation	37 473	38 470	27 704
Impairment losses	620 611	66 495	37 501
Profits/losses on investing activities	-584	3 499	2 271
Changes in operational assets and liabilities:	1 950 081	-2 124 934	-1 034 279
- financial assets and liabilities held for trading	-20 829	-358 624	-111 589
- due from banks	-1 927 685	477 913	-1 554 141
- loans to customers	1 768 006	-3 692 514	-2 301 183
- change in the balance of available for sale investments	-12 949	-5 385	-4 169
- due to banks	763 176	48 214	2 516 960
- due to customers	1 741 172	71 194	353 762
- liabilities due on account of credits and loans received	**-577 449**	**1 117 622**	**-**
- liabilities due on account of a subordinated loan	**5 020**	**59 040**	**-17 370**
- other assets and liabilities	211 619	157 606	83 451
Income tax (current and deferred)	-94 957	-57 276	-46 642
Net operating cash flows	**2 181 323**	**-1 970 772**	**-786 733**
Purchase of available-for-sale investments	-24 750 100	-1 185 781	-772 693
Purchase of property, plant and equipment and intangible fixed assets	-68 316	-45 310	-32 104
Proceeds from sales of available-for-sale investments	22 623 030	560 176	510 606
Proceeds from sales of property, plant and equipment	7 061	2 628	1 951
Other investment expenses	**-931**	-1 869	**-1 355**
Net cash provided by investing activities	**-2 189 256**	**-670 156**	**-293 595**
Issuance of subordinated liabilities	211 130	-	-
Increase in the balance of loans and credit facilities	1 635 759	5 405 496	2 039 482
Repayment of loans and credit facilities	-3 174 160	-1 991 714	-398 552
Share issue	437 995	-	-
Net cash provided by (used in) financing activities	**-889 276**	**3 413 782**	**1 640 930**
Cash and cash equivalents, gross, ending balance	**1 228 280**	**1 495 348**	**1 283 096**
Change in cash and cash equivalents	**-897 209**	**772 854**	**560 602**

The consolidated cash Flow Statement is prepared using an indirect method.

Notes published on the following pages constitute an integral part of the abbreviated consolidated financial statements.

3. Quarterly Financial Information – Separate Financial Data of Fortis Bank Polska SA

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with taking into account relevant items of Dominet Bank SA in comparative data. For 2008, separate data of Fortis Bank Polska SA are presented. The performance of Dominet Bank SA for the reporting period from 1 January 2009 through 31 July 2009 is not included in the result of the integrated Bank for 2009. The data of the combined Bank are presented since August 2009.

Income Statement (in PLN thousand)	**1.07.2009 - 30.09.2009**	**1.01.2009 - 30.09.2009**	**1.07.2008 - 30.09.2008**	**1.01.2008 - 30.09.2008**
Interest income	245 546	660 789	263 996	731 123
Interest expense	-133 084	-369 705	-158 031	-442 555
Net interest income	**112 462**	**291 084**	**105 965**	**288 568**
Fee and commission income	46 064	111 281	45 205	146 632
Fee and commission expense	-10 299	-15 970	-2 647	-8 101
Net fee and commission income	**35 765**	**95 311**	**42 558**	**138 531**
Dividend and other investment income	-	244	-	-
Net trading income	26 732	-62 118	33 757	100 030
Net gain/loss on available-for-sale financial assets	-3	6 297	-3 233	-3 233
Net profit (loss) on hedging transactions	-	-	119	175
Other revenues	4 154	12 153	3 262	10 640
Total income, net	**179 110**	**342 971**	**182 428**	**534 711**
Personnel expenses	-61 474	-146 691	-51 158	-145 283
Depreciation of fixed assets and intangible fixed assets	-15 982	-37 289	-10 388	-27 520
Other expenses	-54 624	-131 277	-32 517	-97 893
Net impairment losses	-102 286	-357 981	-14 101	-38 014
Gross profit/loss	**-55 256**	**-330 267**	**74 264**	**226 001**
Income tax expense	11 704	55 565	-13 873	-43 222
Net profit/loss	**-43 552**	**-274 702**	**60 391**	**182 779**

Separate report of total income (in PLN thousand)	**01.01.2009 -30.09.2009**	**01.01.2008 -31.12.2008**	**01.01.2008 -30.09.2008**
Net profit (loss) for the year	**-274 702**	**78 191**	**182 779**
Profits / losses not recognised in income statement (investments available for sale)	14 367	-22 655	-1 408
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-2 728	4 305	268
Profits/losses not recognised in the income statement (investments available for sale) - net	**11 639**	**-18 350**	**-1 140**
Net profits/losses recognised in the income statement (investments available for sale)	-6 313	3 846	-3 704
Deferred tax - profits/losses recognised in the income statement (investments available for sale)	1 199	-731	704
Net profits/losses recognised in the income statement (investments available for sale)	**-5 114**	**3 115**	**-3 000**
Total income	**-268 177**	**62 956**	**178 639**

Balance sheet (in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
ASSETS			
Cash and cash equivalents	1 224 868	1 494 888	1 281 551
Financial assets held for trading	720 686	1 372 145	434 689
Due from banks	2 564 778	606 373	2 638 299
Loans to customers	14 709 464	14 823 117	13 461 359
Investments - Available for Sale	3 394 969	1 218 990	865 350
Property, Plant and Equipment	200 490	112 926	114 415
Intangible Assets	61 499	25 896	23 296
Income tax settlements	12 001	-	-
Deferred tax assets	211 784	96 586	37 902
Other assets	137 365	135 383	142 458
Total assets	**23 237 904**	**19 886 304**	**18 999 319**
LIABILITIES			
Financial liabilities held for trading	289 772	961 601	271 180
Due to banks	3 040 139	2 276 963	4 746 071
Due to customers	10 309 910	6 387 532	6 670 154
Loans and credit facilities received	6 659 924	8 198 200	5 307 726
Liabilities related to issuance of debt securities	30 000	-	-
Subordinated liabilities	723 390	417 240	340 830
Current tax liabilities	-	56 890	27 824
Other obligations	643 097	354 092	286 430
Provisions	19 116	16 874	16 509
Total liabilities	**21 715 348**	**18 669 392**	**17 666 724**
EQUITY CAPITAL			
Share capital	1 206 175	503 135	503 135
Share premium	556 871	308 656	308 656
Other capital	45 639	344 983	344 983
Revaluation reserve	-11 427	-18 053	-6 958
Retained earnings	-	-	-
Net profit (loss) for the year	-274 702	78 191	182 779
Total equity	**1 522 556**	**1 216 912**	**1 332 595**
Total liabilities and equity	**23 237 904**	**19 886 304**	**18 999 319**

Statement of Changes in Shareholders' Equity for three quarters of 2009 (in PLN thousand)

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
Balance as at 01.01.09	**503 135**	**308 656**	**78 191**	**-**	**344 983**	**-18 053**	**1 216 912**
Merger with Dominet Bank SA	**157 306**	**-21 581**	**-**	**-**	**-**	**101**	**135 826**
Total income for three quarters of 2009	**-**	**-**	**-**	**-274 702**	**-**	**6 525**	**-268 177**
Share issue	**105 440**	**332 555**	**-**	**-**	**-**	**-**	**437 995**
Increase in the nominal share value	**440 294**	**-95 950**	**-**	**-**	**-344 344**	**-**	**-**
Distribution of retained earnings	**-**	**33 191**	**-78 191**	**-**	**45 000**	**-**	**-**
Balance as at 30.09.09	**1 206 175**	**556 871**	**-**	**-274 702**	**45 639**	**-11 427**	**1 522 556**

Statement of Changes in Shareholders' Equity in 2008 (in PLN thousand)

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
Balance as at 01.01.08	**503 135**	**308 656**	**161 783**	**-**	**183 200**	**-2 818**	**1 153 956**
Total income in 2008	-	-	**-**	**78 191**	-	-15 235	62 956
Distribution of retained earnings	-	-	**-161 783**	**-**	161 783	-	**-**
Balance as at 31.12.08	**503 135**	**308 656**	**-**	**78 191**	**344 983**	**-18 053**	**1 216 912**

Statement of Changes in Shareholders' Equity for three quarters of 2008 (in PLN thousand)

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
Balance as at 01.01.08	**503 135**	**308 656**	**161 783**	**-**	**183 200**	**-2 818**	**1 153 956**
Total income for three quarters of 2008	**-**	**-**	**-**	**182 779**	**-**	**-4 140**	**178 639**
Distribution of retained earnings	-	-	**-161 783**	**-**	161 783	-	**-**
Balance as at 30.09.08	**503 135**	**308 656**	**-**	**182 779**	**344 983**	**-6 958**	**1 332 595**

Cash Flow Statement (in PLN thousand)	01.01.2009 - 30.09.2009	01.01.2008 - 31.12.2008	01.01.2008 - 30.09.2008
Cash and cash equivalents, gross, opening balance	**1 495 348**	**711 109**	**711 109**
Merger with Dominet Bank SA	**630 141**	-	**-**
Adjusted cash and cash equivalents, gross, opening balance	**2 125 489**	**711 109**	**711 109**
Gross profit/loss	**-330 267**	**102 585**	**226 001**
Adjustments for:	**2 511 440**	**-2 062 083**	**-1 001 458**
Depreciation	37 289	38 222	27 520
Impairment losses	620 611	66 495	37 501
Profits/losses on investing activities	-584	3 499	2 271
Changes in operational assets and liabilities:	1 949 011	-2 113 481	-1 022 722
- financial assets and liabilities held for trading	-20 829	-358 624	-111 589
- due from banks	-1 927 685	477 913	-1 554 136
- loans to customers	1 768 006	-3 692 514	-2 301 183
- change in the balance of available for sale investments	-12 949	-5 385	-4 169
- due to banks	763 176	48 214	2 517 322
- due to customers	1 740 135	80 104	362 726
- liabilities due on account of credits and loans received	-577 449	**1 117 622**	-
- liabilities due on account of a subordinated loan	5 020	**59 040**	-17 370
- other assets and liabilities	211 586	160 149	85 677
Income tax (current and deferred)	-94 887	-56 818	-46 028
Net operating cash flows	**2 181 173**	**-1 959 498**	**-775 457**
Purchase of available-for-sale investments	-24 750 100	-1 185 781	-772 693
Purchase of property, plant and equipment and intangible fixed assets	-68 166	-45 199	-31 995
Proceeds from sales of available-for-sale investments	22 623 030	560 176	510 606
Proceeds from sales of property, plant and equipment	7 061	2 628	1 951
Other investment expenses	-931	-1 869	**-1 355**
Net cash provided by investing activities	**-2 189 106**	**-670 045**	**-293 486**
Loans and credit facilities taken	1 635 759	5 405 496	2 039 482
Issuance of subordinated liabilities	211 130	-	-
Repayment of loans and credit facilities	-3 174 160	-1 991 714	-398 552
Share issue	437 995	-	-
Net cash provided by (used in) financing activities	**-889 276**	**3 413 782**	**1 640 930**
Cash and cash equivalents, gross, ending balance	**1 228 280**	**1 495 348**	**1 283 096**
Change in gross cash and cash equivalents	**-897 209**	**784 239**	**571 987**

Cash Flow Statement is prepared using an indirect method.

4. Integration of Fortis Bank Polska SA and Dominet Bank S.A.

4.1. Merger transaction

On 9 January 2008, Fortis Bank Polska SA signed a Cooperation Agreement with Dominet Bank S.A., under which both parties thereto committed to undertake all necessary initiatives leading to the merger of Fortis Bank Polska SA and Dominet Bank S.A. The merger is to be effected by transferring the assets of Dominet Bank S.A. (the acquiree) to Fortis Bank Polska SA (the acquirer) in exchange for newly-issued FBP shares which will be allocated to the existing Dominet Bank shareholders, pursuant to Art. 492 § 1 of the Code of Commercial Companies and Partnerships. Fortis Bank Polska SA and Dominet Bank S.A. remained under joint control of Fortis Bank SA/NV.

The basic reason why the merger of Fortis Bank Polska SA and Dominet Bank S.A. was effected was to form a nationwide universal bank which is active in all the market segments and has a dense nationwide sales network. The Board of Executives expects that the merger process realisation should bring significant value for shareholders thanks to synergy effects of anticipated income and costs resulting from the merger of operating activity of both banks.

On 26 June 2009 the Annual General Meeting of Shareholders passed a resolution on the merger of Fortis Bank Polska SA and Dominet Bank S.A. and accepted the merger plan announced in *Monitor Sądowy i Gospodarczy* of 9 December 2008, no. 240.

On 8 July 2009, the Polish Financial Supervision Authority issued permit for the merger of both banks.

On 31 July 2009 the legal and operational merger of Fortis Bank Polska SA and Dominet Bank S.A. was completed.

The merger of Fortis Bank Polska SA and Dominet Bank SA was carried out by transferring all Dominet Bank SA net assets over to Fortis Bank Polska SA in exchange for 5,243,532 ordinary bearer shares, L series, in the nominal value of PLN 30 each, delivered by Fortis Bank Polska SA to the owner of Dominet Bank SA (i.e. to Dominet SA) for 73,647 shares of Dominet Bank SA, following the agreed share exchange parity.

Consequently, the share capital of Fortis Bank Polska SA was increased by PLN 157,306 thousand up to PLN 660,441 thousand through the issue of merger shares.

Series L shares will participate in profit distribution on equal terms with all other Fortis shares starting from 1 January 2009, that is for the fiscal year 2009.

As a result of the merger Dominet SA acquired 23.82% of shares giving right to exercise 23.82% of the voting rights at the General Shareholders Meeting. (as at the publication date of these financial statements, Dominet SA held 21.74% shares).

After the merger date, Fortis Bank Polska SA and Dominet SA remained under joint control of Fortis Bank SA/NV.

4.2. Accounting Rules Adopted for the Merger

Fortis Bank Polska SA adopted the book value method to be applied to the merger of Fortis Bank Polska SA and Dominet Bank S.A.

The book value method consists in adding together book values of assets and liabilities of the units that merge, i.e. without the valuation of the net assets of the acquired unit to fair value.

As the book value method was applied, the company's goodwill was not recognised for this transaction.

In the combined balance sheet statement, mutual transactions and equity of the acquired entity were eliminated. As a result of the share issue, the share capital of the acquiring entity (i.e. Fortis Bank Polska SA) grew by PLN 157,306 thousand up to PLN 660,441 thousand.

The difference between the balance sheet value of the net assets acquired, estimated at ca. PLN 135,826 thousand, and the nominal value of the merger shares issued, which is PLN (-21,480 thousand), was recognised in the equity funds of the acquirer. The above values are estimations which can change after the final settlement of the merger transaction.

Direct costs of the L series share issue incurred by the Bank have been settled against the additional capital.

After the merger, Fortis Bank Polska SA does not present financial statements retrospectively, i.e. with respective items of Dominet Bank SA included in comparative data. The result of Dominet Bank SA for the reporting period from 1 January 2009 to 31 July 2009 has not been included in the result of the merged Bank for 2009.

31 July 2009 was the last balance sheet day for Dominet Bank SA, so the accounting books were closed and the last financial statements were prepared as at that date (pursuant to article 12 para. 2 item 4 and article 45 para. 1 of the Accounting Act). The first reporting day of the integrated Bank was 31 August 2009.

4.3. Assets acquired and liabilities taken over as at the merger date

As a result of the merger on 31 July 2009, the assets and liabilities specified below were transferred from Dominet Bank SA to Fortis Bank Polska SA. The values below are presented having been adjusted to accounting rules applied by Fortis Bank Polska SA. The above values are estimations which can change after the final settlement of the merger transaction.

Assets and liabilities acquired as a result of the merger (in PLN thousand)	31.07.2009
ASSETS	
Cash and cash equivalents	**630 141**
Due from banks	**30 765**
Loans to customers	**2 263 941**
Investments - Available for Sale	**29 434**
Property, Plant and Equipment	**78 509**
Intangible Assets	**17 435**
Income tax settlements	**5**
Deferred tax assets	**33 632**
Other assets	**54 545**
Total assets	**3 138 407**

LIABILITIES	
Due to customers	**2 182 242**
Loans and credit facilities received	**577 574**
Liabilities related to issuance of debt securities	**30 000**
Subordinated liabilities	**90 000**
Other obligations	**113 115**
Provisions	**9 650**
Total liabilities	**3 002 581**
Net Assets	**135 826**

4.4. Financial performance of the acquiree since the merger date

On the merger date, data were migrated from the IT system of Dominet Bank SA to the IT system of Fortis Bank Polska SA. As a result of the merger, IT operational systems of customer service were unified. Through the migration, the acquiree's data are included in the financial reporting process of the Bank.

In connection with the IT system integration on 31 July 2009, separate financial information on the financial performance generated by Dominet Bank SA in the period after 1 August 2009 is not available.

4.5. Financial performance of the combined Bank since the beginning of the annual reporting period

The Bank abandoned the presentation of a disclosure of the financial performance of the combined Bank since the beginning of the annual reporting period because FBP and DB, while complying with the definition of jointly controlled units under IFRS 3, are not obliged to disclose such information.

Furthermore, until the merger date, Fortis Bank Polska SA and Dominet Bank SA prepared financial statements according to different accounting standards. Fortis Bank Polska SA applied the International Financial Reporting Standards while Dominet Bank SA used the Polish Accounting Principles. As at the merger date, accounting rules were unified in the books of the combined Bank, therefore the opening balance of the integrated Bank was prepared pursuant to the requirements of the International Financial Reporting Standards. Income statement data were not transformed.

In connection with the above, the preparation of a reliable financial result of the merged Bank since the beginning of the annual reporting period, which would reflect the strategy and organisational structure of the combined Bank, is not possible.

4.6. Opening balance of the combined bank

In the merger process of Fortis Bank Polska SA (FBP) and Dominet Bank SA (DB), accounting rules were unified. Until the merger date, DB prepared financial statements pursuant to the Polish Accounting Principles (PAP). The opening balance of the merged Bank was prepared after the adjustment of the accounting principles to the rules applied by FBP.

The tables below present the extent to which the unification of accounting principles affected the balance sheet items of DB and of the combined Bank.

Opening balance (in PLN thousand)	**Note**	**DB Closing balance as at 31 July 2009 acc. to PAP**	**IFRS adjustments and corrections re. adjustments of DB accounting principles to FBP**	**DB Closing balance as at 31 July 2009 acc. to the unified principles**	**B/S of FBP as at 31 July 2009**	**Opening balance of the merged Bank as at 1 August 2009 acc. to IFRS**
Cash and cash equivalents	a	630 145	-4	630 141	1 709 216	2 339 357
Financial assets held for trading		-	-	-	877 252	877 252
Due from banks		30 765	-	30 765	232 750	263 515
Loans to customers	b	2 304 786	-40 845	2 263 941	13 042 360	15 306 301
Investments available for sale	c	29 570	-136	29 434	2 125 717	2 155 151
Property, Plant and Equipment	d	72 609	5 900	78 509	129 317	207 826
Intangible Assets	e	23 381	-5 946	17 435	44 298	61 733
Income tax settlements		5	-	5	-	-
Deferred tax assets	f	56 285	-22 653	33 632	184 987	218 619
Other assets	g	135 553	-81 008	54 545	79 537	134 082
Total assets		**3 283 099**	**-144 692**	**3 138 407**	**18 425 434**	**21 563 836**
Financial liabilities held for trading		-	-	-	454 834	454 834
Due to banks		-	-	-	660 349	660 349
Due to customers	h	2 181 955	287	2 182 242	8 390 737	10 572 979
Loans and credit facilities received	i	578 390	-816	577 574	7 066 787	7 644 361
Liabilities related to issuance of own securities	j	29 903	97	30 000	-	30 000
Subordinated liabilities	k	89 889	111	90 000	624 075	714 075
Current tax liabilities		-	-	-	17 759	17 754
Deferred tax reserve	l	24 310	-24 310	-	-	-
Other obligations	**m**	160 715	-47 600	113 115	186 763	299 878
Provisions	n	7 708	1 942	9 650	21 300	30 950
Total liabilities		**3 072 870**	**-70 289**	**3 002 581**	**17 422 604**	**20 425 180**
Total equity	**o**	**210 229**	**-74 403**	**135 826**	**1 002 830**	**1 138 656**
Total liabilities and equity		**3 283 099**	**-144 692**	**3 138 407**	**18 425 434**	**21 563 836**

The tables below present an explanation of material adjustments between the financial statements of Dominet Bank SA prepared according to the PAP and the statements made pursuant to the IFRS:

a) Cash and cash equivalents

Adjustment	**01.08.2009**
Write-downs for impairment of IBNR losses	-4
Total	**-4**

b) Loans to customers

Adjustment	**01.08.2009**
Write-downs for impairment for incurred and reported losses	9 548
Write-downs for impairment of IBNR losses	-38 066
Capitalisation of interest and fees and commissions applicable to credit cards	3 773
Settlement of fees and commissions related to insurance against accidents and job loss	-19 869
Adjustment of fees and commissions settled effectively on non-performing receivables	4 043
Others	-274
Total	**-40 845**

c) Investments available for sale

Adjustment	01.08.2009
Valuation of an associated company	-136
Total	**-136**

d) Property, Plant and Equipment

Adjustment	01.08.2009
Reclassification of an operating software	5 946
Others	-46
Total	**5 900**

e) Intangible Assets

Adjustment	01.08.2009
Reclassification of an operating software	-5 946
Total	**- 5 946**

f) Deferred tax assets

Adjustment	01.08.2009
Impact of the IFRS implementation	-5 229
Impact of the adjustment of accounting principles	6 886
Netting of deferred tax	-24 310
Total	**-22 653**

g) Other assets

Adjustment	01.08.2009
Settlement of fees and commissions related to insurance against accidents and job loss	-30 413
Settlement of deferred fees and commissions	-1 423
Elimination of deferred interest income	-45 342
Capitalisation of interest and fees and commissions applicable to credit cards	-3 773
Remuneration for franchisees	-124
Others	67
Total	**-81 008**

h) Due to customers

Adjustment	01.08.2009
Settlement of obligations at amortised cost including the effective interest rate	287
Total	**287**

i) Loans and credit facilities received

Adjustment	01.08.2009
Settlement of obligations at amortised cost including the effective interest rate	-816
Total	**-816**

j) Liabilities related to issuance of own securities

Adjustment	01.08.2009
Settlement of obligations at amortised cost including the effective interest rate	97
Total	**97**

k) Subordinated liabilities

Adjustment	01.08.2009
Settlement of obligations at amortised cost including the effective interest rate	111
Total	**111**

l) Deferred tax reserve

Adjustment	01.08.2009
Netting of deferred tax	-24 310
Total	**-24 310**

m) Other obligations

Adjustment	01.08.2009
Elimination of deferred interest income	-45 342

Settlement of fees and commissions related to insurance against accidents and job loss	-2 808
Settlement of deferred fees and commissions	-3 373
Change of the receivables' category - interest	4 495
Settlement of fees and commissions using the straight-line method - credit cards	-794
Adjustment of fees and commissions settled effectively on non-performing receivables	218
Others	4
Total	**-47 600**

n) Provisions

Adjustment	01.08.2009
Provisions for off-balance sheet commitments	486
Write-downs for impairment of IBNR losses regarding off-balance sheet liabilities	1 956
Elimination of the general risk reserve	-500
Total	**1 942**

o) Equity

Adjustment	01.08.2009
Write-downs for impairment of IBNR losses regarding off-balance sheet liabilities	-39 526
Write-downs for impairment for incurred and reported losses	9 062
Change of the receivables' category - interest	-4 495
Valuation of an associated company	-136
Settlement of fees and commissions related to insurance against accidents and job loss	-47 474
Settlement of deferred fees and commissions	5 775
Settlement of fees and commissions using the straight-line method - credit cards	794
Settlement of obligations at amortised cost including the effective interest rate	321
Deferred tax - impact of the IFRS implementation	-5 229
Deferred tax - impact of the adjustment of accounting principles	6 886
Others	-381
Total	**-74 403**

Explanation of adjustments made

Write-downs for impairment of incurred and identified losses and write-downs for impairment of IBNR losses
In Dominet Bank SA, pursuant to PAP, provisions were created for receivables and off-balance sheet credit exposures pursuant to the Polish accounting principles based on minimum percentage ratio of covering the principal of receivables by provisions (depending on the receivables risk category) and a general risk reserve was also created. In the integrated Bank, in accordance with the IFRS, write-downs for impairment of receivables and provisions for off-balance sheet liabilities were created. The general risk reserve was eliminated, while write-downs for IBNR losses were booked.

Change of the receivables' category - interest
As a result of the analysis of credit exposures migrated from DB, a part of those exposures classified in DB, pursuant to PAP, as "normal" loans, according to IFRS were classified into a category with impairment recognised. In connection with the above, interest accrued on such exposures was eliminated from the result of the combined Bank.

Valuation of an associated company
In the report of the combined Bank, the valuation of the associated company by the equity method, carried out in DB according to PAP, was eliminated.

Settlement of fees and commissions related to insurance against accidents and job loss
As a result of the unification of accounting principles applied to the recognition of sales revenues related to insurance against accidents and job loss, linked to credit products, some revenues recognised in DB were eliminated from the result of the integrated Bank.

Settlement of deferred fees and commissions
The adjustment pertains to different rules applied by DB to the recognition of fees and commissions on impaired loans. Pursuant to the IFRS applied in FBP, credit fees and commissions settled until the loan impairment recognition, remain in the financial result. Pursuant to PAP applied by DB, such fees and commissions were considered deferred ones and eliminated from the income statement. Furthermore, the adjustment refers to other, unrelated to credit products, deferred fees and commissions in DB, which were excluded from the financial result in the whole amount. In FBP, revenues which cannot be recovered in full by the Bank, remain in the Bank's profit/loss up to the recoverable amount.

Settlement of fees and commissions using the straight-line method - credit cards
The adjustment consists in a one-off recognition of fees and commission for credit card issuance in the Bank's income; in DB, such fees and commissions were settled using the straight-line method over the credit card validity period.

Settlement of obligations at amortised cost including the effective interest rate
In the DB report, the straight-line settlement of interest related to financial obligations was corrected in order to adjust it to the settlement consistent with the amortised cost method taking into account the effective interest rate. In FBP such a correction is not made, as an analysis proved that in comparison to the obligations, the difference between the settlement made using the straight-line method and the amortised cost with effective interest rate method, is negligible.

Deferred tax
The change results from taking into account a tax effect related to the aforesaid adjustments.

Presentation of deferred tax assets and liabilities in net amounts.
In the DB report prepared pursuant to the PAP, deferred tax assets and deferred tax liabilities were presented separately in assets and liabilities, accordingly.
In the financial statements of the combined Bank, deferred tax assets and liabilities are presented in net amounts in assets or liabilities.

Reclassification of an operating software
The operating software (i.e. software that constitutes an integral part of the related computer hardware), was recognised in DB as an intangible asset according to the Polish accounting principles, whereas under the IFRS it constitutes a fixed asset.

Elimination of deferred interest income
In connection with the unification of accounting principles, the balance sheet of the integrated Bank does not include deferred interest income items, created in DB according to the PAP. In the combined financial statements, interest accrued by effective interest rate method on the net value of receivables with impairment identified, is recognised in the income statement.

Capitalisation of interest and fees and commissions applicable to credit cards
Pursuant to rules applied in FBP, interest, fees and commissions on credit cards are capitalised at their maturity, while in DB such items were not capitalised.

Recognition of net settlements on account of income tax and current tax liabilities
In the financial statements of DB, there were settlements on account of income tax recognised on the asset side of the balance sheet, whereas in FBP there were current tax liabilities, recognised on the liabilities side.
In the financial statements of the integrated Bank, settlements on account of the income tax and current tax liabilities were recognised on the liabilities side in the net amount.

4. The Key Factors Affecting Consolidated Performance of Fortis Bank Polska SA Capital Group as at the End of the Third Quarter of 2009.

Financial Results

Income Statement (in PLN thousand)	1.07.2009-30.09.2009	1.01.2009-30.09.2009	1.07.2008-30.09.2008	1.07.2008-30.09.2008	Change Q3 2009 to Q3 2008	Change Q3 2009 YTD to Q3 2008 YTD
Net interest income	112 667	291 800	106 260	289 395	6%	1%
Net fee and commission income	36 265	96 674	43 373	141 635	-16%	-32%
Net trading income	26 732	-62 118	33 757	100 030	-21%	-162%
Personnel expenses	-62 080	-148 640	-51 799	-147 374	-20%	1%
Other expenses	-54 897	-132 088	-32 840	-98 916	-67%	34%
Gross profit/loss	**-55 473**	**-331 301**	**74 351**	**226 712**	**-175%**	**-246%**
Net profit/loss	**-43 784**	**-275 722**	**60 460**	**183 345**	**-172%**	**-250%**

Financial Highlights

	30.09.2009	31.12.2008	Change
Total assets (in PLN thousand)	**23 220 412**	**19 869 004**	**17%**
Loans to customers	14 709 464	14 823 117	-1%
Due to customers	10 291 879	6 368 464	62%
Total equity	1 522 546	1 217 922	25%

Financial ratios (%)	30.09.2009	31.12.2008	30.09.2008
Capital adequacy ratio	13,33%	9,88%	11,39%
Return on assets (ROA)*	-1,8	6,2	1,4
Return on equity (ROE)*	-30,2	0,4	19,8
Net interest margin*	1,9	2,1	2,2

*These ratios were calculated as follows:

Return on assets (ROA)	Net profit/loss / average assets as at the end of four subsequent quarters
Return on equity (ROE)	Net profit/loss / average equity as at the end of four subsequent quarters
Net interest margin	Net interest income / average assets as at the end of four subsequent quarters

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger, Fortis Bank Polska SA does not present financial statements retrospectively, i.e. with taking into account relevant items of Dominet Bank SA in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented. The performance of Dominet Bank SA for the reporting period from 1 January 2009 through 31 July 2009 is not included in the result of the integrated Bank for 2009.

31 July 2009 was the last balance sheet day for Dominet Bank SA, as at which the accounting books were closed and the last financial statements were prepared. The first reporting day of the integrated Bank was 31 August 2009.

As at the end of the third quarter of 2009, the consolidated net loss of the Group of Fortis Bank Polska SA stood at PLN 275,722 as compared to the net profit of PLN 183,345 recorded as at the end of the third quarter of 2008. The result for the first three quarters of 2009, lower than expected, is the result of net write-offs for impairment of loans to customers and losses incurred in financial instruments held for trading. In consequence of deteriorating situation on financial markets and depreciating zloty, some customers that the Group entered into foreign currency hedging contracts with, will not be able to meet the obligations resulting from transactions in derivative instruments. A number of customers, due to deteriorating economic and financial situation, will not be able to repay their loan debts, either. The net loss for the third quarter of 2009 was PLN 43,784 thousand and was by 16% and 76% lower than the loss suffered in the first and second quarters of 2009, respectively. In the third quarter of 2009, for the first time since the third quarter of 2008, the Bank noted a net profit on transactions in financial instruments held for trading - of PLN 26,732 thousand.

The financial statements as at the end of the third quarter of 2009 are the consolidated statements that present data of the Bank and of its subsidiary, Fortis Private Investments Polska S.A. The Group, through the operations of its subsidiary, manages and administers assets held in investment funds and in other investment products. Fee and commission income of Fortis Private Investments Polska SA on account of asset management reached PLN 2,645 thousand at the end of the third quarter of 2009, while its net loss stood at PLN 776 thousand.

As at the end of the third quarter of 2009, the Group's consolidated total assets stood at PLN 23,220,412 thousand and were higher by PLN 3,351,408 thousand or 17% than as at the end of the previous year. As a result of the merger with Dominet Bank SA on 31 July 2009, assets of the estimated value of PLN 3,138,407 thousand were transferred from Dominet Bank SA to Fortis Bank Polska SA, which is the main reason of the increase in the Bank's total assets.

Loans to customers constitute the principal item of the asset structure. They decreased by 1% in comparison to the end of 2008, i.e. down to PLN 14,709,464 thousand. As at the end of the third quarter of 2009, 46% of loans to customers were foreign currency loans. The impact of FX rate changes on the value of loans to customers in comparison to the end of 2008 is insignificant.

The share of loans to customers in the structure of total assets decreased from 75% recorded as at the end of 2008 down to 63% noted at the end of the third quarter of 2009.

Commercial loans granted to enterprises prevailed in the gross loans to customers. As at the end of 2008, their share made up 66% and went down to 54% at the end of the third quarter of 2009.

The value of commercial loans decreased by PLN 1,575,999 thousand (or 16%) in comparison to the result recorded in the previous year.

As at the end of the third quarter of 2009, mortgage loans stood at PLN 4,643,439 thousand and were higher by 3% than as at the end of 2008 (growth by PLN 141,643 thousand). Their share in the structure of gross loans to customers in both periods was 30%.

PLN loans hold the biggest share in the gross loan volume and constitute 56% of the total volume. Their value as at the end of the third quarter of 2009 stood at PLN 8,689,582 thousand and was higher by 6% than the value noted as at the end of 2008.

The loans granted in CHF (in PLN equivalent) as at the end of the third quarter of 2009 reached PLN 4,194,996 thousand and their balance was comparable to the one recorded at the end of the third quarter of 2008. As at the end of the third quarter 2009, such loans made up 27% of total loans, as compared to 28% recorded as at the end of 2008.

The portfolio of loans granted in EUR (in PLN equivalent) as at the end of the third quarter of 2009 stood at PLN 2,617,079 thousand as compared to PLN 2,661,081 thousand noted as at the end of 2008 (decline by 2%). The share of loans granted in EUR in the total loan volume decreased from 18% recorded as at the end of 2008 down to 17% noted at the end of the third quarter of 2009.

The value of impairment losses and IBNR totalled PLN 869,261 thousand as at the end of the third quarter of 2009, as compared to PLN 259,673 thousand recorded at the end of 2008. Growth in value of write-downs for impairment and IBNR results chiefly from the deteriorating macroeconomic situation.

Due from banks increased as at the end of the third quarter of 2009 by PLN 1,958,405 thousand in comparison to the balance noted at the end of the previous year (i.e. from PLN 606,373 thousand to PLN 2,564,778 thousand). At the same time, due from banks are by 3% lower than the balance noted as at the end of the third quarter of 2008.

As at the end of the third quarter of 2009, financial assets held-for-trading went down by 47%, i.e. by PLN 651,459 thousand in comparison to the balance as at the end of December 2008.

Cash and cash equivalents decreased in comparison to the end of 2008 by 18% and their share in total assets went down from 8% noted at the end of 2008 to 5% recorded at the end of the third quarter of 2009.

Investments available for sale increased by 181% (or PLN 2,175,979 thousand) in comparison to the end of 2008. Their share in the structure of assets increased from 6% recorded as at the end of 2008 up to 15% noted at the end of the third quarter of 2009.

In the structure of liabilities, amounts due to customers prevail, whose value as at the end of the third quarter of 2009 stood at PLN 10,291,879 thousand and increased by 62% in comparison to the balance noted at the end of 2008. Growth results from the transfer of due to customers (estimated at PLN 2,182,242 thousand) from Dominet Bank SA and an intensive marketing activity aimed at the acquisition of new deposits.

In the structure of due to customers, term deposits prevail which at the end of the third quarter of 2009 amounted to PLN 8,487,832 thousand, representing 84% of all customer deposits (and 83% of all liabilities due to customers). Sight deposits reached PLN 1,572,424 thousand as at the end of the third quarter of 2009.

Loans and credit facilities received are the second biggest item in the structure of liabilities. Their value as at the end of the third quarter of 2009 stood at PLN 6,659,924 thousand and was lower by PLN 1,538,276 thousand than the value noted as at the end of 2008.

At the end of the third quarter of 2009, loans and credit facilities received made up 29% of gross total liabilities, as compared to 41% recorded as at the end of the corresponding period of the previous year.

The share of due to banks in total liabilities increased from 11% at the end of 2008 to 13% at the end of the third quarter of 2009.

As at the end of the third quarter of 2009, the share of held-for-trading financial liabilities decreased down to 1% of total liabilities. As at the end of 2008, the share was 5%. A decrease in held-for-trading financial liabilities (by PLN 672,288 thousand in comparison to the balance noted as at the end of 2008) is the consequence of a decline of derivative financial instruments (mostly foreign currency contracts).

Provisions increased from PLN 16,874 thousand as at the end of 2008 up to PLN 19,116 thousand as at the end of the third quarter of 2009. The item comprises provisions for off-balance sheet commitments, legal risk reserves and office sub-lease reserve. Expressed as percentage, the value of provisions increased by 13% in comparison to the balance noted as at the end of 2008.

As at the end of the third quarter of 2009, the equity capital of the Group amounted to PLN 1,522,546 thousand, i.e. by 25% more than as at the end of 2008. The share of equity capital in the structure of total liabilities increased from 6% recorded as at the end of 2008 up to 7% noted at the end of the third quarter of 2009. Growth in the equity capital is attributable to the additional capital provided to the Bank by the principal shareholder through the acquisition of the new series M share issue of PLN 437,738 thousand and increase in capital as a result of the merger with Dominet Bank SA of PLN 135,826 thousand. Furthermore, the equity capital was decreased by the net loss suffered in the first three quarters of 2009.

A significant item of the income statement is the net interest income which as at the end of the third quarter of 2009 reached PLN 291,800 thousand and was at a level comparable to the balance noted at the end of the third quarter of 2008.

The interest income consists of interest on account of:

- Cash: PLN 16,733 thousand;
- Due from banks: PLN 3,566 thousand;
- Investments: PLN 66,123 thousand;
- Loans to Customers: PLN 561,064 thousand;
- Securities: PLN 13,303 thousand.

The interest expenses include in particular interest on account of:

- Due to Customers: PLN 247,585 thousand;
- Loans and credit facilities received: PLN 78,579 thousand;
- Due to banks: PLN 23,532 thousand;
- Subordinated liabilities: PLN 17,924 thousand.

As at the end of the third quarter of 2009, the Group generated net fee and commission income of PLN 96,674 thousand, i.e. by 32% less than in the corresponding period of 2008. The net fee and commission income decrease is related with much smaller sales of derivative instruments than last year. In the third quarter of 2009 the net fee and commission income improved and was by 16% lower than the result noted in the third quarter of 2008. At the same time, it was by 27% and 13% higher than results recorded in the first and second quarters of 2009, respectively.

The commission and fee income consists mainly of the following items:

- fees and commissions for cash settlements services: PLN 41,853 thousand;
- fees and commissions related to granting loans: PLN 24,521 thousand;
- card transactions income: PLN 10,262 thousand;
- fees and commissions related to guarantees and contingent liabilities: PLN 11,757 thousand;
- fees and commissions related to derivative instrument buy/sell transactions: PLN 4,376 thousand.

At the end of the third quarter of 2009, fee and commission expenses amounted to PLN 16,441 thousand and were higher by 85% than at the end of the third quarter of the previous year (by PLN 7,540 thousand).

The fee and commission expenses include in particular the following items:

- card related expenses: PLN 5,892 thousand;
- cash transaction fee and commission expenses: PLN 995 thousand;
- settlement fee and commission expenses: PLN 1,138 thousand.

As at the end of the third quarter of 2009, the loss suffered on transactions in held-for-trading financial instruments stood at PLN 62,118 thousand, in comparison to the profit of PLN 100,030 thousand recorded as at the end of the third quarter of 2008, which means a slump by PLN 162,148 thousand (162%). The decline resulted mainly from an adjustment of fair value on account of credit risk related to option transactions made with the Group's customers (net trading income was adjusted by PLN 40,359 thousand in the first three quarters of 2009) and negative measurement to fair value of the options purchased to mitigate the risk of increase of EUR and CHF exchange rates. The total net result on derivatives was PLN (-142,478) as at the end of the third quarter of 2009 and decreased in comparison to the last year by PLN 143,465 thousand (in the first half of 2009, the loss on derivative instruments was PLN 149,792 thousand while in the third quarter of 2009 profit on derivative instruments of PLN 7,314 thousand was recorded). The net FX income of PLN 77,713 thousand decreased by 23% (or PLN 22,883 thousand) in comparison to the corresponding period of the previous year. Result on valuation of securities held for trading grew by PLN 4,200 thousand at the same time, and reached PLN 2,647 thousand at the end of the third quarter of 2009. In the third quarter of 2009 itself, the net trading income was PLN 26,732 thousand as compared to PLN 33,757 thousand noted in the third quarter of 2008 (decrease by 21%). The improved net trading income is attributable to a better result on derivative instruments (profit of PLN 7,314 thousand in the third quarter of 2009 in comparison to the loss of PLN 272 thousand in the corresponding period of the previous year). The net FX income decreased from PLN 34,324 thousand in the third quarter of 2008 down to PLN 18,377 thousand in the third quarter of 2009.

Personal costs of the Group as at the end of the third quarter of 2009 reached PLN 148,640 thousand.

Depreciation of fixed assets and intangible fixed assets stood at PLN 37,473 thousand.

As at the end of the third quarter of 2009, net impairment losses significantly increased, i.e. up to PLN (-357,981) thousand, which represented a rise by PLN 319,967 thousand compared to the corresponding period of the previous year. Increase in net impairment losses related to loans is attributable to deterioration of the credit portfolio. Deteriorating situation on financial markets made a number of the Group's customers unable to repay their loan debts. 69% of net impairment losses is attributable to corporate customers of the Merchant Banking Business Line. The remaining 31% refer to Retail Banking Business Line customers. The value of net impairment losses in the third quarter of 2009 reached PLN 102,286 thousand as compared to PLN 14,401 thousand in the third quarter of 2008 and PLN 242,257 thousand in the second quarter of 2009.

6. Information on Fortis Bank Polska SA Capital Group

Basic data on the Issuer

Fortis Bank Polska S.A. ("the Bank"), with its registered office in Warsaw at ul. Suwak 3, was entered in the register of entrepreneurs of the National Court Register (KRS) maintained by the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register under No. KRS 0000006421.

The Bank was assigned statistical number (REGON) 003915970, and tax identification number (NIP) 676-007-83-01.

The Bank is a company with an indefinite period of operation, and its business has no seasonal or periodical nature.

The consolidated financial statements of the Capital Group of Fortis Bank Polska SA for the third quarter of 2009 includes the data of the Bank and of its subsidiary, Fortis Private Investments S.A. (jointly referred to as "the Group").

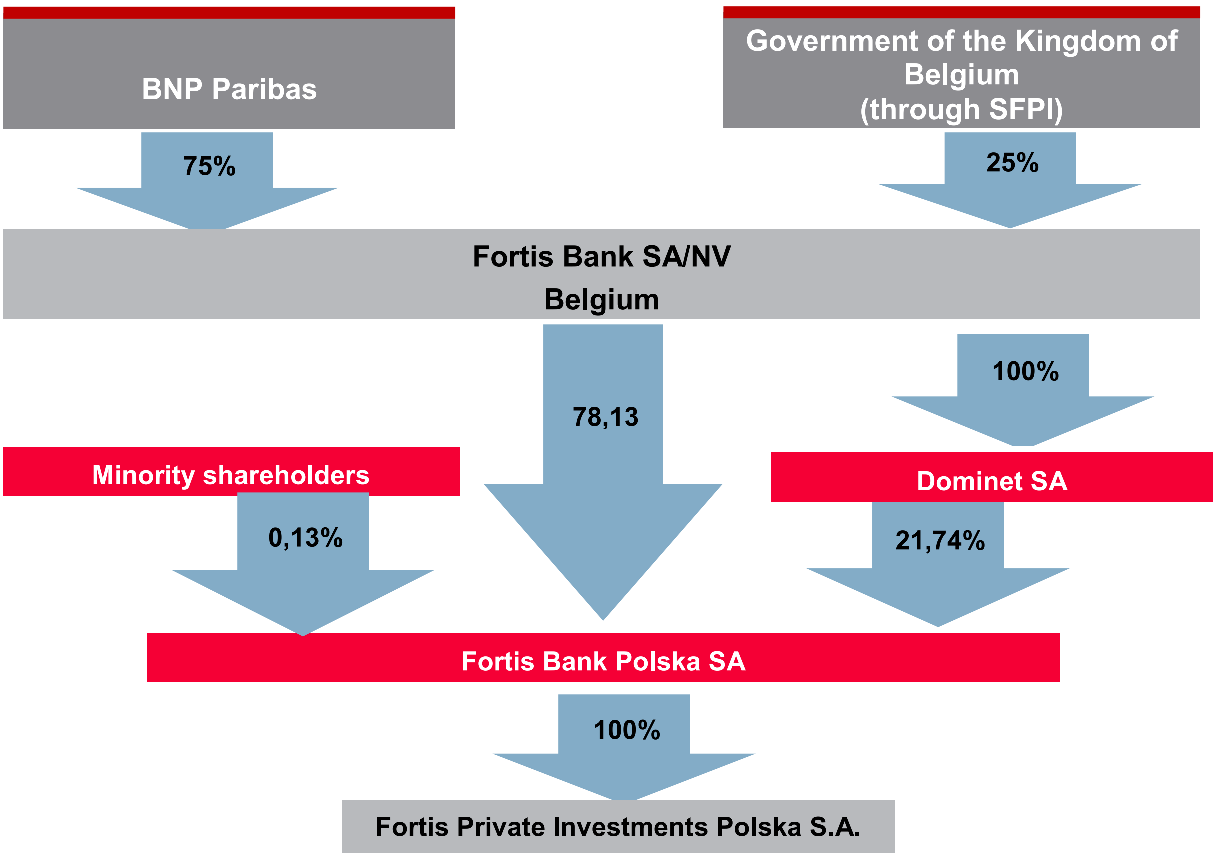
The Group's structure

As at 30 September 2009, the Capital group of Fortis Bank Polska SA was part of BNP Paribas SA, an international financial institution based in Paris.

The direct parent entity of Fortis Bank Polska SA is Fortis Bank SA/NV based in Brussels which holds 99.87% of the Bank's shares, of which 21.74% through Dominet SA.

Fortis Bank Polska SA is the parent entity of Fortis Private Investments Polska SA, holding 100% of its shares. Fortis Private Investments Polska S.A. with its registered office in Warsaw, ul. Fredry 8, is entered into the National Court Register maintained by the District Court for the capital city of Warsaw, XIII Commercial and Registration Department of the National Court Register, under KRS no. 0000031121. The company was assigned statistical number (REGON) 012557199, and tax identification number (NIP) 526-02-10-808.

The diagram below presents the position of Fortis Bank Polska SA in the Fortis Bank group.



Field of the Group's business activity:

The scope of the Group's business covers banking transactions both in Polish zlotys and foreign currencies for domestic and foreign private individuals and legal persons and other organizations without legal personality, and brokerage activities. The scope of the Bank's business includes in particular:

- accepting deposits due on demand and/or in fixed date and maintaining bank accounts for such deposits,
- maintaining other bank accounts,
- granting credits and loans, including consumer credits and loans,
- carrying out pecuniary settlements, including payment card settlements, likewise payment card issuance,
- issuing and confirming bank guarantees, granting sureties, likewise opening and confirming L/Cs,
- issuing securities, including convertible bonds and banking securities, likewise carrying out commissioned tasks, and assuming obligations related to the issuance of securities,
- participating in trading in financial instruments, including maintaining securities custody accounts,
- conducting operations on money and FX markets including forward and derivative instrument transactions,
- conducting check and bill-of-exchange operations and warrant transactions,
- purchasing and selling cash debts,
- purchasing and selling foreign currencies,
- safekeeping valuables and securities, likewise rendering safe-deposit boxes available,
- providing the following financial services:
  - consulting services in financial matters,
  - custody services,
  - leasing services,
  - brokerage activity,
- conducting commission sale in favour of open pension funds and safekeeping pension funds' assets,
- providing agency services related to the distribution of participation units, investment certificates or participation titles to investment funds, likewise agency services related to their sale and redemption, or safekeeping of investment funds' assets,
- providing agency services related to property insurance,
- intermediating within the scope of personal insurance, including life insurance,
- rendering certification services under the regulations governing electronic signatures, except for issuing qualified certificates used by the Bank with regard to actions to which it is a party,
- acting as an agent in making money transfers and FX settlements,
- issuance of electronic money instrument.

In addition to the above, the Group runs the following business through its subsidiary:

- management of third party's securities portfolio upon order,
- offering securities in primary trading or under initial public offering,
- taking actual and legal actions related to the maintenance of investment fund corporations, investment funds, pension fund corporations and pension funds.

7. Accounting Policies

Basis of presentation

Statement on consistency with the IFRS

These financial statements have been prepared pursuant to the International Financial Reporting Standards (IFRS) published in the Commission Regulation (EC) no. 1725/2003 of 29 September 2003 as amended, and in the scope not regulated by the above standards, pursuant to the Accounting Act of 29 September 1994 (Journal of Laws of 2002 No. 76, item 694, as amended) and administrative acts based thereon, likewise in accordance with requirements set out in the Ministry of Finance Ordinance dated 19 February 2009, regarding current and periodical information submitted by issuers of securities and conditions of recognising as equivalent the information required by law provisions of a country that is not a EU Member State (Journal of Laws of 2009 No. 33, item 260).

New standards and interpretations, likewise amendments to standards or interpretations, which have not been binding yet and have not been applied earlier:

The following standards (interpretations) issued by the International Accounting Standards Board (International Financial Reporting Interpretations Committee) were not in force yet as at 30 September 2009:

- Amendments to IFRS 2 *Share-based Payments* and IFRS 8 *Operating Segments;* they apply to annual periods starting on or after 1 January 2010;

- Amendments to IAS 7 *Statement of Cash Flows*, IAS 17 *Leases* and IAS 36 *Impairment of Assets;* they apply to annual periods starting on or after 1 January 2010;

Other standards and interpretations that have not become effective yet and have not been mentioned in these financial statements, are not material from the Group's standpoint. The Group did not use the option of an earlier adoption of standards and interpretations that were approved by the European Commission but that have or will become effective after the balance sheet date only. In the opinion of the Bank's Board of Executives, the implementation of new standards and interpretations will not materially affect the Group's financial statements.

Basis for the financial statements

The interim consolidated financial statements were prepared assuming the continuation of the Group's business in the foreseeable future.

The Bank's Board of Executives is not aware of any circumstances indicating any risk to the business continuation by the Group in the foreseeable future.

The interim consolidated financial statements of the Group were prepared based on the historical cost principle, except for derivative financial instruments, financial assets and liabilities measured at fair value through profit or loss, available-for-sale financial assets which were measured at fair value, and available-for-sale assets measured at the amount that is the lower of their balance sheet value and fair value less cost to sell.

The consolidated financial statements were stated in Polish zlotys (PLN), and all the values were given in PLN thousands, unless indicated otherwise. The functional currency is Polish zloty (PLN).

Comparative data

The consolidated financial statements present consolidated data of Fortis Bank Polska S.A. and its subsidiary, Fortis Private Investments Polska S.A. for the period from 1 January 2009 through 30.09.09 and as at 30.09.09, and consolidated comparative data for the period from 1 January 2008 through 30.09.08 and as at 30.09.08 and 31 December 2008.

Pursuant to accounting standards applied to the merger of Fortis Bank Polska SA with Dominet Bank SA, after the merger with Dominet Bank SA, Fortis Bank Polska SA does not present financial statements retrospectively, i.e. with respective items of Dominet Bank SA included in comparative data. The result of Dominet Bank SA for the reporting period from 1 January 2009 to 31 July 2009 has not been included in the result of the merged Bank for 2009. For additional information on integration of Fortis Bank Polska SA with Dominet Bank SA, see Note 4.

Consolidation basis

Subsidiaries are enterprises that are controlled by Fortis Bank Polska SA (which is the parent entity). The control exists when the Bank, either directly or indirectly, has the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The control also exists when the Bank owns one half or less of voting power of an enterprise, when there is:

- power over more than one half of the voting rights by virtue of an agreement with other investors,

- power to govern the financial and operating policies of the enterprise under a statute or an agreement,
- power to appoint or dismiss the majority of the members of the management board or equivalent governing body, where such board or body controls the enterprise.

The Group applies the purchase method of accounting to settle the purchase of subsidiaries. The acquisition cost is determined as the fair value of assets transferred, equity instruments issued and liabilities assumed or acquired as at the acquisition date, increased by costs directly attributable to the acquisition.

The full consolidation method is applied to the subsidiary. The full consolidation consists in adding together specific items of financial statements of the Bank and of the subsidiaries in full amount, and making relevant adjustments and consolidation eliminations. In the full consolidation of balance sheets, all items of assets and liabilities of both the subsidiary and parent are aggregated in their full amounts, irrespective of the parent's actual interest in the subsidiary.

In the consolidation process, the carrying value of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary are eliminated.

The excess of the purchase price over the fair value of the Group's share in the acquired net assets is recognised as the enterprise's goodwill and reported on the asset side of the consolidated balance sheet statement.

In a situation when the purchase price is lower than the fair value of the share in the acquired net assets, the difference is recognised directly in the income statement.

Intragroup receivables and payables and intragroup transactions, unrealised gains and expenses resulting from transactions with the subsidiary are eliminated in the preparation of consolidated financial statements.

The Group's entities apply the uniform accounting standards.

- Under IAS 27, in the consolidated financial statements of Fortis Bank Polska SA for the third quarter of 2009, the full consolidation is applied to the following subsidiary: Fortis Private Investments Polska SA.

Accounting Estimates

When preparing the consolidated financial statements pursuant to the IFRS, the management is required to make subjective evaluations, estimations and accept assumptions that affect both the accounting policies applied and the assets and liabilities, likewise income and expenses. Estimations and assumptions are made based on available historical data and a number of other factors that are considered appropriate in given circumstances.

The results create the basis for making estimations referring to balance sheet assets and liabilities. Actual results can differ from estimated values. Estimations and assumptions are subject to ongoing reviews. Adjustments to estimations are recognised in the period in which a given estimation was changed provided that the adjustment refers to that period only or in the period when the change was made, and in the future periods if the adjustment affects both the current period and the future ones.

<u>Fair value</u>

The fair value of financial instruments that are not traded on an active market is measured using valuation models using the market yield curve. Some variables used in such models require the adoption of expert estimations. Change of the models adopted or a different estimation of variables could affect the estimation of fair values determined using such models. In the estimation of fair values, the Group takes into consideration customer credit risk and applies a developed methodology of adjustment of the measurement to fair value on that account, as described in Section "The fair value of financial instruments." The most significant parameter that does not come from an active market and is used by the Group to measure financial instruments is a counterparty risk component. In connection with a considerable counterparty risk growth, the Group makes an estimation of the level of that risk in derivative instrument transactions, including FX options, entered into with customers. The estimation is made as at a balance sheet date assuming the level of derivative instrument valuations as at that day and taking into account risk assessment as at that day. The Group regularly monitors the level of risk related with concluded transactions in derivative instruments. The main factors affecting changes of estimated counterparty risk include:

- changes of the fair value of derivative instruments, correlated with e.g. FX rates and interest rates,
- changes with respect to counterparty credit risk.

Considering a strong variability of economic environment, there is an uncertainty as regards the estimations made.

<u>Write-downs for impairment of financial assets</u>

The Group regularly reviews the credit portfolio with the view to impairment in monthly periods. In the estimation of write-downs for impairment, the Bank assesses whether there is any evidence of impairment for specific financial asset or group of financial assets. A catalogue of impairment indicators includes events determined both in terms of quantity (e.g. delays in or lack of repayment of a matured part of borrower's liabilities) and quality (e.g. a significant deterioration of borrower's financial standing reflected in an internal rating decrease below a specified level). The catalogue of indicators includes gradations of indicator materiality. Impairment can be confirmed by one indicator or a combination of several ones.

Financial assets with respect to which impairment evidence was identified, are subsequently subject to an estimation of a write-down for impairment. In the process, future cash flows on account of such receivables are estimated.

Such estimations for receivables due from business entities whose total exposure exceeds (for one customer) the equivalent of EUR 50 thousand are made based on an individual analysis of future cash flow (individual analysis).

For remaining receivables (individual customers and business entities of exposure up to the tier of EUR 50 thousand), estimations are made on the basis of recoverability parameters, determined by models for specific homogeneous credit portfolios and credit collateral types (portfolio analysis).

Recoverability parameters of specific portfolio models have been determined based on historical credit loss experience and expert assessments. The methodology and assumptions on the basis of which estimated cash flow amounts and periods when they occur are determined, are subject to periodical reviews to diminish differences between the estimated and actual loss value.

When there is no evidence of impairment of a receivable, it is included into the portfolio of similar characteristics and takes part in the portfolio analysis of impairment to determine write-downs for impairment for the incurred, but not reported losses (IBNR).

A write-down on that account is estimated on the basis of historical loss patterns that characterise the given part of the portfolio. Statistical models and parameters they use are subject to periodical reviews and the results obtained are validated by comparison to actual losses.

When objective evidence of an available-for-sale financial asset impairment is found, cumulated losses recognised so far in the equity capital are derecognised from the equity capital and recognised in the income statement, even if the financial asset has not been removed from the balance sheet. The cumulated loss amount which is derecognised from the equity capital and recognised in the income statement, constitutes the difference between the acquisition cost (net of any principal repayments and depreciation) and the present fair value reduced by any losses on account of impairment of that asset, previously recognised in the income statement.

If the fair value of an available-for-sale debt instrument subsequently increases, and the increase can be objectively determined to result from an event following the recognition of an impairment loss in the income statement, then the reversed provision amount is recognised in the income statement.

Write-downs for non-financial assets' impairment

A non-financial asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use.

The determination of the value in use is related to the Group's estimation of future cash flows, expected to arise from continuing use of an asset, and discounting those values.

Useful lives and residual values

The useful life is a time period over which an item of the property, plant and equipment and intangible assets is expected to be used by the Group.

A residual value of an item of property, plant and equipment and intangible assets is the expected amount that the Group would currently obtain from disposal of the asset, after the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Other Accounting Estimates

The Group made provisions on account of long-term employee benefits on the basis of an actuarial valuation.

Legal risk provisions are calculated on the basis of an estimated amount of the Group's liabilities should a court case end unfavourably, or should a case be likely to end unfavourably for the Bank.

In addition to the above estimates, the Group makes also other subjective assessments during the accounting policy implementation process (e.g. as regards the classification of financial assets into a category required under IAS 39). Assessments made by the Group affect the presentation in the financial statements and financial results.

Foreign currencies

Foreign currency transactions are accounted for using the exchange rate at the date of the transaction settlement. Outstanding balances in foreign currencies at the end of a reporting period are translated at the exchange rates binding the end of the reporting period. Non-monetary items carried at historical cost are translated using the historical exchange rate that existed at the date of the transaction. Exchange differences arising from the settlement of liabilities relating to the acquisition of an asset are recognised as income or as an expense in the period in which they arise.

Financial assets and liabilities

Rules of Balance Sheet Recognition and Derecognition of Financial Assets and Liabilities

The Group recognises a financial asset or liability in the balance sheet when the Group becomes a party to such an instrument.

The Group recognises standardised purchase and sale transactions of financial assets in the balance sheet at the trade date which is the date of the Group's commitment to purchase or sell a given financial asset.

Standardised purchase or sale transactions of financial assets constitute transactions whose contractual terms require delivery of an asset in the period established by the binding regulations or conventions in the market place.

Standardised purchase or sale transactions apply in particular to FX spot currency transactions, deposits and placements likewise to purchases and sales of securities, where it is customary that two business days elapse between the trade date and settlement date.

The Group derecognises a financial asset from the balance sheet at the moment when contractual rights to cash flows from the financial asset expire or when the Group transfers the contractual rights to receive cash flows from the financial asset in a transaction where the Group basically transfers the entire risk and all benefits related to the financial asset.

Classification and measurement

Financial instruments are initially measured at fair value, adjusted (as regards financial assets or liabilities not classified as measured at fair value through profit or loss) by material transaction costs that can be directly attributed to the acquisition or issue of a financial asset or liability.

Subsequently, financial assets measured at fair value through profit or loss and available for sale are measured at fair value, except for such available-for-sale equity assets that are not quoted on an active market and whose fair value cannot be reliably determined.

Discount, premium, any fees and commissions included in the internal rate of return of an instrument along with incremental transaction costs are recognised in the initial value of the financial instrument and amortised over the economic useful life of the instrument.

The Group classifies financial instruments into the following categories:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

a) financial assets that the Group intends to sell immediately or in the near term, and those that upon initial recognition were designated as measured at fair value through profit or loss;

b) financial assets that upon initial recognition were designated by the Group as available for sale.

Loans and receivables upon the initial recognition are measured at fair value including transaction costs.

After the initial recognition, the loans and receivables are measured at amortised cost, using the effective interest method, including write-downs for impairment.

In the category of loans and receivables, the Group classifies due from banks and loans to customers.

Investments held to maturity

Held-to-maturity investments consist of financial assets with fixed or determinable payments and fixed maturity which are not derivative instruments and for which the entity has a positive intent and ability to hold to maturity.

Held-to-maturity investments are measured at initial recognition at fair value including transaction costs.

After the initial recognition, the held-to-maturity investments are measured at amortised cost, using the effective interest rate method, including write-downs for impairment.

The Group does not classify any financial assets into the category of held-to-maturity assets.

Financial assets measured to fair value through profit or loss

Financial assets measured to fair value through profit or loss are the assets:

a) classified at initial recognition as held for trading if they were acquired chiefly to be sold in the near term;

b) that are part of a portfolio of identified financial instruments that are managed together and for short-term profit taking,

c) that are derivative instruments (excluding derivative instruments that constitute effective hedging instruments), or

d) classified at the initial recognition as measured to fair value through profit or loss.

The Group classifies held-for-trading financial assets into the category of financial assets, in particular:

a) held-for-trading securities,

b) derivative instruments (excluding derivative instruments that constitute effective hedging instruments),

The Group did not classify assets at their initial recognition as measured to fair value through profit or loss.

Financial assets available for sale

Available-for-sale financial assets are those that are not derivative instruments and are classified at initial recognition as available for sale or assets that are not:

a) loans and receivables,

b) investments held to maturity,

c) financial assets measured to fair value through profit or loss.

Available-for-sale financial assets are held at fair value. Gains or losses on an available-for-sale financial asset shall be recognised directly in the revaluation reserve, through the statement of changes in equity, except for impairment losses and FX differences on cash financial assets until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in equity shall be recognised in profit or loss.

Interest income on available-for-sale financial assets is computed using the effective interest method and recognised in profit or loss.

Financial liabilities measured to fair value through profit or loss.

Financial liabilities measured to fair value through profit or loss are the liabilities:

a) classified at initial recognition as held for trading if they were assumed chiefly to be repurchased in the near term;

b) that are part of a portfolio of identified financial instruments, which are managed together and for short-term profit taking, or

c) that are derivative instruments (excluding derivative instruments that constitute effective hedging instruments).

The Group classifies held-for-trading financial liabilities into the category of financial liabilities, in particular:

a) derivative instruments (excluding derivative instruments that constitute effective hedging instruments),

b) liabilities on account of short sale of securities.

Other financial liabilities.

Other financial liabilities are the liabilities not held for trading and not measured to fair value through profit or loss.

Other financial liabilities are measured at initial recognition at fair value including transaction costs.

After the initial recognition, other financial liabilities are recognised in amounts that require payment at amortised cost including the effective interest rate method.

The Group classifies in particular the following into the category of other financial liabilities:

a) due to banks;

b) loans to customers;

c) liabilities related to issuance of debt securities;

d) liabilities due on account of credits and loans received.

Fair Value of Financial Instruments

Fair value of balance sheet and off-balance sheet financial instruments is the price for which a given asset could be exchanged or a liability settled through an arm's length transaction between the willing and knowledgeable parties.

The fair value of financial instruments is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions accepted, including discount rates and estimates of future cash flows.

Valuation techniques include:

- market prices of comparable investments,
- discounted cash flows,
- option pricing models,
- market multiples valuation methods.

The principal methods and assumptions used in determining the fair value of financial instruments:

- Fair values for securities are determined using market prices from active markets. If no quoted prices are available from an active market, the fair value is determined using discounted cash flow models. Discount factors are based on the market interest rate curves.
- Fair values for derivative financial instruments are obtained from active markets or determined using, as appropriate, discounted cash flow models and option pricing models,
- Fair values of loans are determined using discounted cash flow models based upon present interest rates for similar type loans. For variable-rate loans that re-price frequently, fair values are approximated by the carrying amount,
- The carrying amounts are considered to approximate fair values for other financial assets and liabilities, such as short-term payables and receivables.

In the measurement of financial instruments, the Group takes into consideration customer credit risk using a developed methodology of adjustment of the measurement to fair value on that account.

In order to adjust the measurement of the fair value of financial instruments, the Group applies an approach based on the assessment of customer natural exposure taking into account contracts signed with other banks, likewise on the assessment of cash flows generated by customers which cash flows could cover the measurement of derivative transactions that do not hedge cash flows in foreign currencies.

In the analysis, a possibility is considered of taking additional financing by customers to cover unsettled transactions that do not hedge their contracts settled in foreign currencies.

An estimation of the measurement adjustment is determined using dedicated analytical tools taking into account a materiality criterion.

Receivables arising out of terminated derivative instruments that were not paid by customers, at maturity are transferred at fair value (taking into account adjustments for credit risk) to the "Loans to customers" item where they are subsequently maintained and measured pursuant to rules binding for the "loans and receivables" category.

Considering the uncertainty, actual results can differ from estimated values.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount recognised in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Group made no setoff referred to above.

Sale and Repurchase Agreements and Lending/Borrowing Securities

Securities subject to a repurchase agreement ('repos', 'sell buy backs') are not derecognised from the balance sheet. The liability resulting from the obligation to repurchase the assets is included in due to banks or due to customers depending on the type of counterparty. Securities purchased under agreements to resell ('reverse repos', 'buy sell backs') are not recognised in the balance sheet. The right to receive cash from the counterparty is recorded as due from banks or loans to customers depending on the type of counterparty. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

If securities acquired under agreements to resell ('reverse repos,' 'buy sell backs') are sold to third parties, the Group records proceeds from the sale and a liability for the obligation to return the collateral (liability for the short sale of securities). The obligation to return the collateral is measured at fair value through profit or loss and is classified as a held-for-trading liability.

Derivative instruments

Derivative instruments are financial instruments whose value changes in response to the change in a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates or other variable, which require no initial net investment and are settled at a future date, or instruments that require an initial net investment in the amount lower than the investment in other contract types while permitting creation of an analogous risk exposure. In the measurement of derivative instruments, a fair value adjustment for credit risk, referred to in Item "Fair value of financial instruments," is taken into account.

Derivative instruments in the Group include the following transactions:

a) IRS Contracts

IRS contracts consist in an exchange of interest payments based on a variable market interest rate for interest accrued at a fixed interest rate agreed upon in the contract. The purpose of IRS contracts is to hedge against interest rate risk and to obtain gains as a result of short-term price changes.

IRS contracts are measured to fair value using the Discounted Cash Flow method, based on discount factors estimated on the basis of market yield curve as of the measurement date. The measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

b) FX Forward Contracts

FX Forward Contracts consist in a purchase or sale of a specific currency at a predetermined date in the future at the exchange rate agreed on the transaction date. The purpose of FX Forward contracts is to hedge against FX rate risk and to maintain liquidity, likewise to obtain gains as a result of short-term price changes.

FX Forward contracts are measured to fair value using the Discounted Cash Flow method. The fair value is established by comparing present cash flows translated into PLN equivalents. The measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

c) FX Swap Contracts

FX Swap Contracts consist in a purchase or sale of a specific currency at a spot exchange rate and a simultaneous sale or purchase of the same amount of the currency at a forward rate agreed at the transaction date. Transactions may be concluded as a combination of a transaction with the value date equal to the transaction date and the simultaneous reverse transaction for the value date of the following day. The purpose of FX Swap contracts is to regulate liquidity and hedge against FX rate risk of the Group's currency loan portfolio, likewise to obtain gains as a result of short-term price changes.

FX Swap contracts are measured to fair value using the Discounted Cash Flow method. The fair value is established by comparing present cash flows translated into PLN equivalents. The measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

d) Interest Rate Options

Interest rate options consist in a purchase (sale) of a right to receive the settlement amount in exchange for a premium paid (received). Depending on the option type (cap/floor), the counterparty receives on a specified settlement day the settlement amount resulting from the difference between the predetermined transaction rate and the reference rate. The purpose of such contracts is to hedge against interest rate risk and also to obtain gains as a result of short-term price changes.

Interest rate options are measured to fair value based on the modified Black-Scholes model. The volatility parameter, which is required when using the above model, is assumed in the form of the so-called implied volatility parameter what ensures consistency of the price obtained with the actual market price. The measurement result is recognised in the income statement in net profit (loss) on transactions in held-for-trading financial instruments.

e) FX Options

FX options consist in a purchase of a right, or the Group's assuming an obligation, to buy (sell) a foreign currency at the forward FX rate established on the transaction conclusion date in exchange for a premium paid (received).

FX Options are measured to fair value based on the Garman-Kohlhagen model. The volatility parameter, which is required when using the above model, is assumed in the form of the so-called implied volatility parameter what ensures consistency of the price obtained with the actual market price. The measurement result is recognised in the income statement in net profit (loss) on transactions in held-for-trading financial instruments.

f) FRA Contracts

FRA contracts consists in an agreement between the parties to the transaction (on the transaction date) upon a fixed interest rate for a specific value of deposit. On the day of the transaction settlement, the buyer of a FRA contract shall pay the settlement amount to the seller if the reference rate on the date of effecting the transaction is lower than the agreed transaction rate. The seller of the instrument shall pay the buyer, on the transaction settlement date, the settlement amount when the reference rate is higher than the agreed transaction rate. FRAs are measured at the fair value using the Discounted Cash Flow method based on the market yield curve. The measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

g) CIRS Contracts

CIRS contracts consist in an exchange of interest payments based on a variable market interest rate in one currency in exchange for interest accrued at a fixed interest rate in another currency agreed upon in the contract, with the exchange of principal amounts at the predetermined exchange rates at the beginning and end of the period, or with the exchange made only at the end of the period for which the transaction was concluded, or without any principal amount exchange. The purpose of IRS contracts is to hedge against interest rate risk and to obtain gains as a result of short-term price changes.

CIRS contracts are measured to fair value using the Discounted Cash Flow method based on the market yield curve. The measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

h) OIS Contracts

OIS contracts consist in an exchange of interest payments based on a fixed contractual interest rate for interest payments based on a variable interest rate. The variable interest rate is determined on the basis of a rate compounded of WIBOR Overnight indexes or based on POLONIA rates determined every business day during the interest period. Such contracts are entered into for the period up to one year. The purpose of OIS contracts is to hedge against interest rate risk and also to obtain gains as a result of short-term price changes.

OIS contracts are measured to fair value using the Discounted Cash Flow method, based on discount factors estimated on the basis of market yield curve as of the measurement date. The measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

i) Futures contracts

Futures contracts consist in a purchase or sale of foreign currency at the rate determined at the transaction conclusion at the Warsaw Commodity Exchange. The contracts are standardised with respect to amounts and maturities. The purpose of entering into contract is to hedge against the FX rate risk.

Futures contracts are measured to the market rate quoted by the Warsaw Commodity Exchange. At the same time, every day there are cash flows on account of the contract measurement (the so-called 'marking to market'). The daily measurement result is recognised in the net profit (loss) on transactions in held-for-trading financial instruments.

<u>Derivative instruments that are hedging instruments</u>

On its recognition date, a derivative instrument can be designated as either a fair value hedge of a recognised asset or liability (fair value hedge), a hedge of a net investment in a foreign entity or a hedge of a future cash flow attributable to a recognised asset or liability or a forecast transaction (cash flow hedge).

The fair value is hedged to limit a risk that fair value changes resulting from a specific risk related to financial assets and liabilities held, or a specific part thereof, may affect the financial result.

Changes in the fair value of a hedged asset or liability related to the hedged risk and any changes in the fair value of the hedging instrument within a fair value hedge are recognised in the income statement. If the hedge no longer meets the criteria for hedge accounting or is otherwise discontinued, the adjustment to the carrying amount of a hedged interest-bearing financial instrument that results from hedge accounting is amortised using the new effective interest rate calculated on the hedge accounting discontinuation date.

In 2009, the Group has not applied hedge accounting while in 2008, interest rate risk hedge accounting was used.

Embedded derivatives

Financial assets or liabilities can include embedded derivatives. If the host contract for such an instrument is not measured at fair value through profit or loss, and the embedded instrument's economic characteristics and risk are not closely related to those of the host contract, the embedded instrument shall be separated and presented independently, to be measured to fair value. Changes in fair value of a separated derivative instrument are recognised in the income statement. The host contracts are measured pursuant to rules applicable to their respective category of financial assets or liabilities.

The separated embedded derivatives are reported as hedging or held-for-trading derivatives, as appropriate.

Asset Impairment

Financial assets

A financial asset (or a group of financial assets) is considered impaired if there is objective evidence of impairment as a result of one or more events, occurring after the initial recognition of the asset, that affect the future cash flow of the given financial instrument (or a group of financial instruments) if such cash flow can be reliably estimated.

As at each balance sheet date, the Group makes an assessment whether there is any objective evidence of impairment of a financial asset (or group of financial assets).

When objective evidence of loans and receivables impairment is found, the Group estimates a write-off amount as a difference between the carrying value and present value of expected future cash flows (discounted by an original effective interest rate of the instrument) recognising it in the income statement and reducing loans and receivables using the provision account.

Write-downs for impairment are determined using an individual method for receivables due from business entities whose total exposure exceeds (for one customer) the equivalent of EUR 50 thousand (individual analysis of future cash flows). For remaining receivables (individual customers and business entities of exposure up to the tier of EUR 50 thousand), write-offs are set using recoverability parameters, determined by models, on account of voluntary repayments and collateral value (portfolio analysis of future cash flows).

The Group creates write-downs for impairment for incurred but not reported losses (IBNR) when there is objective evidence with respect to loans and receivables that probable losses are present in components of the loan portfolio, without having specifically identified impaired loans and receivables. The write-down for impairment for IBNR losses is estimated based upon historical patterns of losses in each component, reflecting the current economic climate in which the borrowers operate.

As regards uncollectible loans and receivables, in the event legal and procedural ways of their repayment enforcement have been exhausted, the Group writes down such loans and receivables to the related write-downs for their impairment.

Any amounts subsequently recovered are charged to the Net impairment losses in the income statement.

As regards available-for-sale financial assets with objective evidence of impairment, the cumulated losses recognised so far directly in the revaluation reserve are now recognised in the income statement. The amount of cumulated losses that is derecognised from the revaluation reserve and recognised in the income statement constitutes the difference between the acquisition price (less any capital repayment and depreciation) and the present fair value.

Non-financial Assets

A non-financial asset is impaired when its carrying amount exceeds its recoverable amount.

As at each balance sheet date, the Group makes an assessment whether there is any indicator of a non-financial asset impairment and in the event any such indicators are identified, the Bank estimates the asset's recoverable value.

The recoverable value is the higher of the following:

- the fair value less cost to sell, and
- the value in use.

Fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs.

Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, freely available balances with the central bank and other banks and other financial assets with original maturity less than three months of the acquisition date.

Due from Banks and Loans to Customers

Due from banks and loans to customers include loans originated by the Bank by providing money directly to a borrower and loans purchased from third parties that are carried at amortised cost.

Debt securities not traded on an active market are also recognised as loans.

Costs incurred and loan origination fees earned for granting a loan are deferred and amortised over the life of the loan as an adjustment to the loan effective interest rate.

Rules governing impairment estimation are presented above.

Property, Plant and Equipment

Property, plant and equipment include assets of foreseeable useful life longer than one (1) year, that are complete and used by the Group in order to provide services.

Property, plant and equipment are recognised at acquisition cost less accumulated depreciation and write-downs for impairment. The residual value and useful life of property, plant and equipment are subject to annual reviews.

Any impairment loss identified is recognised in the income statement.

The acquisition price is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition.

Depreciation is calculated using the straight-line method to write down the value subject to depreciation over the asset estimated useful life.

Repairs and maintenance expenses of a property, plant and equipment component are charged to the income statement when the expenditure is incurred.

Expenditures that enhance or extend the benefits of the property, plant and equipment beyond their original use are capitalised and subsequently depreciated.

Fixed assets of low unit value (low-value assets) are charged to costs as one-time expenses in the month they are made available for use. In the event of a total material value of a purchase of low-value assets, they are capitalised by the Group.

Software for computer hardware that cannot operate without that specific software, such as the operating system, is an integral part of the related hardware and it is treated as property, plant and equipment.

Useful lives of fixed assets are as follows:

No.	**Specification**	**Useful life**
1.	Leasehold improvements	10 years
2.	Structural cabling	10 years
3.	IT equipment	3-10 years
4.	Telephone equipment	6 years
5.	Vehicles	3-4 years
6.	Furniture	10 years
7.	Cash and vault equipment	5 years
8.	Cash registers, armoured safes and safes	10 years
9.	Other equipment	5 years
10.	Operating software	5 years
11.	**Own buildings**	**40 years** 40 years

Non-Current Assets Held for Sale and Discontinued Operations

Non-current assets held for sale are such assets or a group of assets for which the Group will recover the carrying amount from a sale transaction instead of through continuing use. Such assets are carried at the lower of the following:

- their book value as at the time of being classified to this category, or
- their fair value less cost to sell.

Assets that are classified as held for sale are not depreciated.

The results of operations that are classified as discontinued operations are presented separately in the income statement.

The Group does not hold any non-current assets held for sale.

Intangible Assets

Intangible assets are identifiable assets which are not physical in nature and are recognised at acquisition cost. Intangible assets are recognised in the balance sheet if they will generate financial benefits in the future and can be reliably measured. The Group assesses regularly if an intangible asset may be impaired.

Intangible assets include intangible assets with definite useful lives, such as trademarks and licenses. They are amortised over their useful lives using the straight-line method.

The Group does not have any intangible assets of indefinite useful life.

Intangibles are recorded on the balance sheet at acquisition cost less any amortisation and any impairment losses. The residual value and useful life of intangible assets are subject to annual reviews.

Any impairment loss identified is recognised in the income statement.

The useful life of intangible assets is determined for:

- system software, i.e. other than operating system software – 3 years.

Due to customers

Liabilities on account of Customer deposits equal the amount due at the balance sheet date. Liabilities due to Customers are measured at amortised cost.

Employee Benefits

<u>Long-Term Obligations to Employees</u>

The Group measures reserves established for one-time retirement benefit, disability benefits and post-death benefits due to eligible employees under the Labour Code provisions. The reserve amounts are estimated on the basis of actuarial calculations.

The value of reserves and costs on account of employee benefit obligations is estimated using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Under this method, the cost of providing these benefits is charged to the income statement to spread the pension cost over the service lives of employees. The value of obligations on account of one-time retirement benefits, disability benefits and post-death benefits is calculated at the present value of the estimated future cash outflows using interest rates determined by reference to market yields.

<u>Short-term Obligations to Employees</u>

Employee entitlements to vacation leave and additional leave are recognised when they accrue to employees. A reserve is made for the estimated liability for the vacation leave and additional leave up to the balance sheet date.

Provisions

Provisions are liabilities with uncertainties in the amount or timing of payments.

The Group recognises provisions in the balance sheet, when:

a) there is a present legal or customarily expected obligation as a result of past events;

b) cash outflow is likely to take place in order to perform the obligation;

c) a reliable estimate can be made at the balance sheet date.

When an impact of the time value of money is material, while estimating the provision amount the Group discounts the estimated future liability amount.

Contingent Liabilities - Off-balance Sheet Commitments

Contingent liabilities are:

a) a possible obligation arising as a result of past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) a present obligation, which arises as a result of past events, however it is not recognised in the balance sheet because it is unlikely that an outflow of economic benefits will be necessary to perform the obligation or the liability amount cannot be reliably estimated.

The Group recognises as contingent liabilities such off-balance sheet commitments that do not meet the balance sheet recognition criteria as assets or liabilities, in particular:

- contingent liabilities granted on account of credit lines extended by the Group – in the amount unused by customers;

- contingent liabilities granted on account of guarantees issued by the Group in favour of customers – in the amount specified in agreements;

- contingent liabilities on account of export and import letters of credit;

- contingent liabilities on account of financial and guarantee master agreements concluded – in the amount unutilised by the customer;

- contingent liabilities on account of credit lines obtained by the Group – in the amount available for use by the Group;

- contingent liabilities on account of guarantees received by the Group – in the amount specified in agreements.

Equity Capital

The equity capital comprises capital and funds established pursuant to the binding regulations, i.e. the statute and the applicable Acts. The equity comprises also retained earnings. The Bank measures the equity in the nominal value, except for revaluation reserve, which is recognised taking into account the deferred tax impact.

Costs of transactions related with operations in equity capital

Transaction costs related with operations in equity capital decrease the capital in the amount equal to the incremental costs directly attributable to this operation, i.e. such costs which in other case would not be incurred.

Dividends on Ordinary Shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders. The dividend income is recognised in the income statement at the acquisition of rights. Dividends paid are classified in the cash flow statement as cash provided by (used in) financing activities. Dividends received are classified in operating cash flow.

Other Equity Capital Components

Other components that are recognised in equity refer to:

- Measurement of available-for-sale financial assets to market.

Earnings per Share

Basic earnings per share are calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares in the period.

For the diluted earnings per share, the weighted average number of ordinary shares and the net profit are adjusted to assume conversion of all dilutive potential ordinary shares, such as convertible debt and share options granted to employees. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share.

Interest Income and Expense

Interest income and interest expense are recognised in the income statement for all financial instruments on an accrual basis using the effective interest method based on the acquisition price including direct transaction costs.

For financial assets written-down for impairment, interest income is thereafter recognised based on the effective interest rate that was used to discount the future cash flows for the purpose of estimating the write-down for impairment.

Fees and Transaction Costs

Fees related to granting a loan or changing its material conditions, constitute an integral part of the effective interest rate of a financial instrument. Thus the Group recognises origination fees, fees for granting a loan or other preliminary fees for such actions as an assessment of borrower's financial standing, collateral assessment and recording. Such fees are deferred and recognised in the interest income as an adjustment to the effective interest rate.

Commissions and fees that do not constitute an integral part of the effective interest rate of a financial instrument are recognised through profit or loss, during the time of providing services or at the moment of performing a significant action.

Commissions and fees regarding receivables with respect to which the effective interest rate calculation cannot be applied (receivables of indefinite term of payment of specific instalments and undetermined interest rate changes) are spread over time using the straight-line method and included into the commission and fee income.

Loan syndication fees are recognised as revenue when the process related to the syndication organisation has been completed.

Transaction costs are included in the initial measurement of financial assets and liabilities other than those measured at fair value through profit or loss. Transaction costs are costs directly attributable to the acquisition or disposal of a financial asset or liability. They include fees and commissions paid to intermediaries, advisers, brokers, and dealers levied by regulatory agencies and securities exchanges, and transaction taxes and duties. Such costs are deferred and recognised as an adjustment to the effective interest rate of financial instruments.

Net profit/loss on transactions in financial instruments

Net profit/loss on transactions in financial instruments includes:

- net profit/loss on transactions in financial instruments classified as available for sale, i.e. realised gains or losses on sales that represent the difference between the sales proceeds received and the amortised cost of the asset sold, minus any impairment losses previously recognised in the income statement;
- net profit/loss on transactions in financial instruments carried at fair value through profit or loss, e.g. the difference between the carrying value at the end of the current reporting period and the previous reporting period.

Current and deferred income tax

Income tax in the income statement includes a current tax and deferred tax. The current tax constitutes the Group's tax liability computed on the basis of relevant tax law provisions.

Deferred tax is recognised using the balance sheet method, based on identification of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In order to determine amounts of deferred tax assets and liabilities, statutory tax rates are applied.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax and current tax related to fair value measurement of available-for-sale assets which are charged or credited directly to the revaluation reserve are also directly recognised in the revaluation reserve and subsequently recognised in the income statement together with the gain or loss on such an investment.

Government subsidies

Government subsidies are recognised systematically as income in specific periods, to ensure their proportionality to relevant costs compensated by such subsidies. The income on that account is recognised in the "Other income" item.

Securitisation

Securitisation consists in transferring receivables, uniform in type, to a SPV capital company (issuer) which issues securities that are backed by securitised receivables. In the balance sheet, the Group recognises securitised receivables in the full amount.

Securitised loans are labelled in a manner that enables their identification and are serviced as so far, i.e. pursuant to the rules described above.

Furthermore, in the Group's balance sheet the Group's obligation was recognised which arose through the SPV towards the entities that finance the SPC as regards the securitised portfolio, in the amount corresponding to the current value of the obligation.

SPV operating costs and operating income that affect the amount of deferred remuneration due to the Bank under the agreement are recognised by the Group through profit or loss. The costs and income referred to above are recorded as "other costs" and "other income".

Segment Reporting

Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

In the Group's business, the following segments exist:

- Retail Banking Business Line (RB BL, including Affluent Banking)
- Merchant Banking Business Line (GMK and CB BL)
- Asset & Liability Management (ALM) and support units (horizontal functions) are the Bank's Head Office units, except the Global Markets BL, which belongs to the Merchant Banking Business Line.

Geographical segments

The Group operates in Poland as the sole geographical segment. All income and costs earned and incurred by the Group come from this geographical segment, likewise all assets held are located in this area.

In the first half of 2009, the Bank consolidated the results of Private Banking and Retail Banking Business Lines.

Furthermore in the reporting period, no changes in the Bank's structure of operating segments occurred as compared to the situation presented in the Bank's consolidated financial statement for the year ended on 31 December 2008.

8. Comparability with Previously Published Reports

There have been changes made with respect to the manner of presentation of the data, published previously in the report for the third quarter of 2008 as at 30 September 2008 to ensure data comparability. The data are presented in PLN thousand.

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with relevant items of Dominet Bank SA included in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented.

Balance sheet as at 30 September 2008

Item	Report for Qtr. III of 2008	Report for Qtr. III of 2009	Difference	Change description
Cash and cash equivalents	3 747 895	1 281 551	-2 403 123	Receivables on account of unsettled FX spot and FX swap transactions - banks
			-63 221	Receivables on account of unsettled FX spot and FX swap transactions - customers
Due from banks	235 181	2 638 304	2 403 123	Receivables on account of unsettled FX spot and FX swap transactions - banks
Loans to customers	13 398 138	13 461 359	63 221	Receivables on account of unsettled FX spot and FX swap transactions - customers
Due to banks	9 372 137	4 746 071	-4 626 066	Loans and credit facilities received
Due to customers	7 332 692	6 651 032	-681 660	Loans and credit facilities received
Loans and credit facilities received	-	5 307 726	4 626 066	Loans and credit facilities received
			681 660	Loans and credit facilities received
Total changes	**34 086 043**	**34 086 043**	**-**	

Cash flow statement for the period from 1 January through 30 September 2008

Item	Report for Qtr. I-III of 2008	Report for Qtr. I-III of 2009	Difference	Change description
		Operating cash flows		
Cash and cash equivalents, gross, opening balance	1 590 779	711 109	-855 756	Receivables on account of unsettled FX spot and FX swap transactions - banks
			-23 841	Receivables on account of unsettled FX spot and FX swap transactions - customers
			-73	Other due from banks
Profits/losses on account of FX rate differences	-17 370	-	17 370	Changes to unrealised FX differences on account of a subordinated loan
Due from banks	-6 776	-1 554 141	-1 547 365	Changes to Receivables on account of unsettled FX spot and FX swap transactions - banks
Loans to customers	-2 261 803	-2 301 183	-39 380	Changes to Receivables on account of unsettled FX spot and FX swap transactions - customers
Due to customers	1 035 422	353 762	-681 660	Changes to Loans and credit facilities received from customers
Liabilities due on account of a subordinated loan	-	-17 370	-17 370	Changes to unrealised FX differences on account of a subordinated loan
Other assets and liabilities	83 378	83 451	73	Changes to Others due from banks
		Cash flow from investing activities		
Loans and credit facilities taken	1 357 821	2 039 482	681 660	Loans and credit facilities received from customers
			1	Others

9. Segment Reporting

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with relevant items of Dominet Bank SA included in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented. The performance of Dominet Bank SA for the reporting period from 1 January 2009 through 31 July 2009 is not included in the result of the integrated Bank for 2009. The data of the combined Bank are presented since August 2009.

Consolidated Income Statement by Business Segments for the Third Quarter of 2009.

1 July 2009 – 30 Sept. 2009 (in PLN thousand)	**Retail Banking**	**Merchant Banking**	**ALM and support units (horizontal functions)**	**Total**
Interest income (external)	131 631	103 405	10 510	245 546
Transfer prices expense (internal)	-77 237	-172 597	-23 903	-273 737
Interest expense (external)	-76 459	-50 728	-5 692	-132 879
Transfer prices income (internal)	95 455	149 854	28 428	273 737
Net interest income	**73 390**	**29 934**	**9 343**	**112 667**
Other transfer prices (internal)	**2 059**	**55 466**	**-57 525**	**-**
Fee and commission income (external)	32 702	13 253	762	46 717
Fee and commission expense (external)	-9 241	300	-1 511	-10 452
Net fee and commission income	**23 461**	**13 553**	**-749**	**36 265**
Dividend and other investment income (external)	-	-	-	-
Net trading income (external)	13 585	13 147	-	26 732
Net gain/loss on available-for-sale financial assets (external)	-	-	-3	-3
Net profit (loss) on hedging transactions (external)	-	-	-	-
Other income (external)	2 929	1 241	-	4 170
Total income, net	**115 424**	**113 341**	**-48 934**	**179 831**
Personnel expense (external)	-27 857	-7 674	-26 549	-62 080
Depreciation of fixed assets and intangible fixed assets (external)	-59	-	-15 982	-16 041
Other expenses (external)	-9 223	-1 831	-43 843	-54 897
Net impairment losses (external)	-66 643	-35 643	-	-102 286
Costs allocation - rebilling (internal)	-75 743	-19 252	94 995	-
Gross profit/loss	**-64 101**	**48 941**	**-40 313**	**-55 473**
Income tax expense	11 390	-6 851	7 150	11 689
Net profit/loss	**-52 711**	**42 090**	**-33 163**	**-43 784**

Consolidated Income Statement by Business Segments in Three Quarters of 2009 YTD.

1 Jan. 2009 – 30 Sept. 2009 (in PLN thousand)	Retail Banking	Merchant Banking	ALM and support units (horizontal functions)	Total
Interest income (external)	326 922	300 048	33 819	660 789
Transfer prices expense (internal)	-227 905	-473 765	-58 300	-759 970
Interest expense (external)	-169 350	-193 947	-5 692	-368 989
Transfer prices income (internal)	216 677	454 760	88 533	759 970
Net interest income	**146 344**	**87 096**	**58 360**	**291 800**
Other transfer prices (internal)	**3 640**	**142 967**	**-146 607**	**-**
Fee and commission income (external)	69 474	41 163	2 478	113 115
Fee and commission expense (external)	-13 851	-108	-2 482	-16 441
Net fee and commission income	**55 623**	**41 055**	**-4**	**96 674**
Dividend and other investment income (external)	-	-	-	-
Net trading income (external)	10 169	-72 287	-	-62 118
Net gain/loss on available-for-sale financial assets (external)	-	441	5 856	6 297
Net profit (loss) on hedging transactions (external)	-	-	-	-
Other income (external)	8 292	3 454	482	12 228
Total income, net	**224 068**	**202 726**	**-81 913**	**344 881**
Personnel expense (external)	-63 825	-20 430	-64 385	-148 640
Depreciation of fixed assets and intangible fixed assets (external)	-184	-	-37 289	-37 473
Other expenses (external)	-26 165	-6 944	-98 979	-132 088
Net impairment losses (external)	-111 278	-246 703	-	-357 981
Costs allocation - rebilling (internal)	-162 364	-37 745	200 109	-
Gross profit/loss	**-139 748**	**-109 096**	**-82 457**	**-331 301**
Income tax expense	23 392	18 355	13 832	55 579
Net profit/loss	**-116 356**	**-90 741**	**-68 625**	**-275 722**

Consolidated Income Statement by Business Segments for the Third Quarter of 2008.

1 July 2008 – 30 Sept. 2008 (in PLN thousand)	Retail Banking	Merchant Banking	ALM and support units (horizontal functions)	Total
Interest income (external)	117 494	123 287	23 222	264 003
Transfer prices expense (internal)	-87 567	-114 826	49 553	-152 840
Interest expense (external)	-43 108	-114 649	14	-157 743
Transfer prices income (internal)	56 867	125 458	-29 485	152 840
Net interest income	**43 686**	**19 270**	**43 304**	**106 260**
Other transfer prices (internal)	**970**	**26 288**	**-27 258**	**-**
Fee and commission income (external)	26 022	19 491	723	46 236
Fee and commission expense (external)	-2 171	-271	-421	-2 863
Net fee and commission income	**23 851**	**19 220**	**302**	**43 373**
Dividend and other investment income (external)	-	-	-	**-**
Net trading income (external)	17 072	16 685	-	**33 757**
Net gain/loss on available-for-sale financial assets (external)	-	-	-3 233	**-3 233**
Net profit (loss) on hedging transactions (external)	-	-	119	**119**
Other income (external)	2 471	792	-	**3 263**
Total income, net	**88 050**	**82 255**	**13 234**	**183 539**
Personnel expense (external)	-21 618	-10 728	-19 453	**-51 799**
Depreciation of fixed assets and intangible fixed assets (external)	-60	-	-10 388	**-10 448**
Other expenses (external)	-5 796	-2 017	-25 027	**-32 840**
Net impairment losses (external)	-11 910	-2 191	-	**-14 101**
Costs allocation - rebilling (internal)	-45 886	-8 831	54 717	**-**
Gross profit/loss	**2 780**	**58 488**	**13 083**	**74 351**
Income tax expense	-502	-10 954	-2 435	**-13 891**
Net profit/loss	**2 278**	**47 534**	**10 648**	**60 460**

Consolidated Income Statement by Business Segments in Three Quarters of 2008 YTD.

1 Jan 2008 – 30 Sept. 2008 (in PLN thousand)	Retail Banking	Merchant Banking	ALM and support units (horizontal functions)	Total
Interest income (external)	319 176	355 889	56 124	731 189
Transfer prices expense (internal)	-239 547	-433 603	22 603	-650 547
Interest expense (external)	-115 664	-325 585	-545	-441 794
Transfer prices income (internal)	158 660	456 662	35 225	650 547
Net interest income	**122 625**	**53 363**	**113 407**	**289 395**
Other transfer prices (internal)	**1 411**	**66 410**	**-67 821**	**-**
Fee and commission income (external)	81 186	66 967	2 383	150 536
Fee and commission expense (external)	-6 821	-753	-1 327	-8 901
Net fee and commission income	**74 365**	**66 214**	**1 056**	**141 635**
Dividend and other investment income (external)	-	-	-	**-**
Net trading income (external)	50 432	49 598	-	**100 030**
Net gain/loss on available-for-sale financial assets (external)	-	-	-3 233	**-3 233**
Net profit (loss) on hedging transactions (external)	-	-	175	**175**
Other income (external)	7 547	2 564	607	**10 718**
Total income, net	**256 380**	**238 149**	**44 191**	**538 720**
Personnel expense (external)	-65 130	-31 441	-50 803	**-147 374**
Depreciation of fixed assets and intangible fixed assets (external)	-184	-	-27 520	**-27 704**
Other expenses (external)	-19 441	-4 758	-74 717	**-98 916**
Net impairment losses (external)	-24 957	-12 982	-75	**-38 014**
Costs allocation - rebilling (internal)	-128 674	-23 808	152 482	**-**
Gross profit/loss	**17 994**	**165 160**	**43 558**	**226 712**
Income tax expense	-3 451	-31 586	-8 330	**-43 367**
Net profit/loss	**14 543**	**133 574**	**35 228**	**183 345**

in PLN thousand		Retail Banking	Merchant Banking	ALM and support units (horizontal functions)	Total
Assets	**30.09.2009**	10 247 790	11 607 161	1 365 461	**23 220 412**
	31.12.2008	9 053 628	9 651 699	1 163 677	**19 869 004**
	30.09.2008	7 532 002	10 234 661	1 215 564	**18 982 227**

Liabilities	**30.09.2009**	7 089 204	14 078 256	2 052 952	**23 220 412**
	31.12.2008	3 834 098	14 650 143	1 384 763	**19 869 004**
	30.09.2008	3 480 503	13 970 988	1 530 736	**18 982 227**

Description of Segment Activity

Retail Banking

Customers

As at the end of the third quarter of 2009, the number of active customers of this line reached 394,809. Private Individuals, including Mass Market Customers (94%) prevail among the Retail Banking customers. Enterprises account for the remaining 6% customers of the business line.

Distribution channels

Retail Banking customers have at their disposal both a network of branches as well as alternative channels: Pl@net, Multicash systems and Call Centre. The RB BL develops all the above distribution channels. The Group's statistics show that Customers are much interested in alternative distribution channels. Comparing data for the third quarter of 2009 and the third quarter of 2008, the Group noted the following:

- Increase in the number of Customers who use Pl@net, the banking system by 281% (growth attributable to e.g. customers of the former Dominet Bank SA)
- increase in the number of transfers made via electronic channels by 18%.

Products

RB BL customers use a wide range of credit, deposit, investment and card products.
The following products are largely popular among Private Individuals:

- mortgage loans: as at the end of the third quarter of 2009, the balance of such loans reached PLN 4.6 billion, which means an increase by 3% as compared to the end of 2008;
- credit cards: The number of credit cards for individual customers and Mass Market Customers reached 82.8 thousand as at the end of the third quarter;
- investment products: deposit balance reached PLN 4.6 billion as at the end of the third quarter of 2009.

The following products are largely popular among Enterprises:

- investment loans: as at the end of the third quarter of 2009, the balance of such loans reached PLN 2.4 billion, which means a decrease by 9% as compared to the end of 2008,
- day-to-day foreign exchange transactions: the number of negotiated and table-based transactions in the third quarter of 2009 reached 75.8 thousand, and the average monthly volume of such transactions oscillates around PLN 0.9 billion.

Results

The net income of the Retail Banking BL decreased from PLN 256.4 million earned in the third quarter of 2008 YTD down to PLN 224.1 million in the third quarter of 2009 YTD, i.e. by 13% (The net income for the third quarter of 2009 reached PLN 115.4 million and by 31% exceeded the income earned in the third quarter of 2008). The main reason of the decrease is the net fee and commission income lower by 25% (in the third quarter of 2009 the result was by 2% lower than in the third quarter of 2008). At the same time, the net interest income increased from PLN 122.6 million after three quarter 2008 up to PLN 146.3 million for three quarters 2009 (in the third quarter of 2009, it was by 68% higher than the result recorded in the third quarter of 2008).

As at the end of the third quarter of 2009, net impairment losses significantly increased up to PLN 111.3 million as compared to PLN 25.0 million in the third quarter of 2008. Increase in net impairment losses related to loans is attributable to deterioration of the credit portfolio. Deteriorating situation on financial markets made a number of the Group's customers unable to repay their loan debts.

In the third quarter of 2009, personnel expenses stood at PLN 63.8 million and decreased by 2% in comparison to the corresponding period of 2008. The "costs allocation (rebilling)" item is the net value of business line costs allocated and transferred from Retail Banking to other units. The costs increased by 26%.

The above events translated into a decrease in gross income from PLN 18.0 million of profit after three quarters of 2008 YTD down to PLN 139.7 million loss after three quarters of 2009 YTD. The gross loss suffered in the third quarter of 2009 stood at PLN 52.7 million as compared to PLN 2.3 million profit earned in the third quarter of 2008.

Merchant Banking

Customers

As at the end of the third quarter of 2009, the number of active customers of this line reached 2,331 as compared to 2,510 noted as at the end of 2008 (decrease by 7%).

Distribution channels

Merchant Banking customers have at their disposal both a network of Business Centres (8), which are part of the international Fortis Bank network, as well as alternative channels: Multicash, Pl@net systems and Call Centre.

Products

Merchant Banking customers use a wide range of credit and deposit products, financing international commercial transactions or performing transactions on international financial markets.
Products offered by the Group to institutional customers include in particular the following:

- deposits: as at the end of the third quarter of 2009, the total balance of deposits reached PLN 3.8 billion, which means an increase by 26% as compared to the end of 2008;
- investment loans (including loans to purchase / construct commercial real estate): as at the end of the third quarter of 2009, the balance of such loans reached PLN 3.1 billion, which means a decrease by 5% as compared to the end of 2008;
- working capital loans: as at the end of the third quarter of 2009, the balance of such loans reached PLN 1.1 billion, which means a decrease by PLN 0.5 billion or 43% as compared to the end of 2008,
- overdraft facilities: as at the end of the third quarter of 2009, the balance of such loans reached PLN 0.9 billion, which means a decrease by 72% as compared to the end of 2008;
- day-to-day foreign exchange transactions: the number of negotiated and table-based transactions during three quarters of 2009 reached about 33.4 thousand and the average monthly volume of such transactions oscillates around PLN 1.0 billion.

The deteriorating situation on the financial markets and the overall macroeconomic situation resulted in the introduction by the Bank of a more conservative credit granting policy which translated into a decrease in credit balances of institutional customers.

Results

The net income of the Merchant Banking BL decreased from PLN 238.1 million earned in the first three quarters of 2008 down to PLN 202.7 million in the first three quarters of 2009, i.e. by 15%. The net income earned in the third quarter of 2009 stood at PLN 113.3 million as compared to PLN 82.3 million generated in the third quarter of 2008.

The main reasons of the decline include:

- loss on transactions in financial instruments held for trading of PLN 72.3 million in comparison to the profit of PLN 49.6 million generated as at the end of the third quarter of 2008 YTD; the loss resulted primarily from the adjustment of fair value on account of credit risk of option transactions entered into with customers of the Group, and from a negative measurement to fair value of options bought to mitigate risk related to the increase in currency FX rates (in the third quarter of 2009, the business line earned PLN 13.1 million profit on transactions in financial instruments held for trading, in comparison to PLN 16.7 million earned in the third quarter of 2008);
- net commission and fee income lower by 38%.

At the same time, the net interest income increased by 63%.

In addition to the above, in the third quarter of 2009, Merchant Banking BL recorded an increase of net write downs for credit receivables (from PLN 13.0 million as at the end of the third quarter of 2008 up to PLN 246.7 million as at the end of the third quarter of 2009). Increase in net impairment losses related to loans is attributable to deterioration of the credit portfolio. Deteriorating situation on financial markets made a portion of the Group's customers unable to repay their loan debts. The net impairment losses incurred in the third quarter of 2009 stood at PLN 35.6 million as compared to PLN 2.2 million suffered in the third quarter of 2008.

Personnel expense went down by 35%. Costs allocation (rebilling) position is the net value of business line costs allocated and transferred from Merchant Banking to other units. The costs increased by 59%.

The above events translated into a decrease in gross income from PLN 133.6 million of profit after three quarters of 2008 YTD down to PLN 90.7 million of loss after three quarters of 2009 YTD. The gross profit earned in the third quarter of 2009 stood at PLN 48.9 million as compared to PLN 58.5 million profit generated in the third quarter of 2008.

ALM and support units (horizontal functions)

Results

On one hand, the segment of ALM and support units presents the results of interest rate and liquidity risk management – the net profit on the activity decreased from PLN 44.2 million after three quarters of 2008 YTD, down to PLN 81.9 million of loss after three quarters of 2009. The decrease results chiefly from high financing costs in 2009. On the other hand, costs attributable to support units are presented.

10. Additional Notes to Consolidated Income Statement

Below there is selected information on consolidated revenues and expenses of the Group after three quarters of 2009 and comparative data for three quarters of 2008.

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with relevant items of Dominet Bank SA included in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented. The performance of Dominet Bank SA for the reporting period from 1 January 2009 through 31 July 2009 is not included in the result of the integrated Bank for 2009. The data of the combined Bank are presented since August 2009.

Note 10.1 Interest income

(in PLN thousand)	1.07.2009 - 30.09.2009	1.01.2009 - 30.09.2009	1.07.2008 - 30.09.2008	1.01.2008 - 30.09.2008
Cash and cash equivalents	4 397	16 733	11 816	51 311
Due from banks	1 247	3 566	4 233	13 430
Investments available for sale	31 441	66 123	20 856	49 078
Loans to customers	201 971	561 064	224 436	612 750
Securities held for trading	6 490	13 303	2 662	4 620
Total interest income	**245 546**	**660 789**	**264 003**	**731 189**

Note 10.2 Interest expense

(in PLN thousand)	1.07.2009 - 30.09.2009	1.01.2009 - 30.09.2009	1.07.2008 - 30.09.2008	1.01.2008 - 30.09.2008
Due to banks	-6 603	-23 532	-20 277	-56 522
Due to customers	-105 859	-247 585	-104 901	-243 094
Subordinated liabilities	-8 987	-17 924	-4 663	-14 015
Loans and credit facilities received	-11 010	-78 579	-27 445	-126 628
Derivative hedging instruments	-	-	14	-545
Others	-420	- 1 369	-471	-990
Total interest expense	**-132 879**	**-368 989**	**-157 743**	**-441 794**

Note 10.3 Fee and commission income

(in PLN thousand)	1.07.2009 - 30.09.2009	1.01.2009 - 30.09.2009	1.07.2008 - 30.09.2008	1.01.2008 - 30.09.2008
Custody services and securities trading	672	1 961	575	1 906
Cash settlements services	16 343	41 853	13 975	41 319
Guarantees and contingent liabilities	3 911	11 757	3 530	11 055
Commissions related to granting credit facilities (amortised using the straight-line method)	6 956	20 427	6 481	17 995
Loan origination fees and commissions (incurred one time)	1 833	4 094	2 033	8 811
Fees and commissions related to derivative instrument buy/sell transactions	133	4 376	11 380	42 265
Income on account of agency in customer acquisition	310	1 090	802	2 922
Card related income	5 043	10 262	2 890	8 761
Income on asset management	987	2 965	1 606	6 496
Others	10 529	14 330	2 964	9 006
Total fee and commission income	**46 717**	**113 115**	**46 236**	**150 536**

Note 10.4 Fee and commission expense

(in PLN thousand)	1.07.2009 - 30.09.2009	1.01.2009 - 30.09.2009	1.07.2008 - 30.09.2008	1.01.2008 - 30.09.2008
Custody services and securities trading	-62	-259	-218	-714
Card related expenses	-3 161	-5 892	-1 084	-3 249
Cash transactions expenses	-56	-995	-757	-2 235
Settlements	-384	-1 138	-254	-847
Others	-6 789	-8 157	-550	-1 856
Total fee and commission expenses	**-10 452**	**-16 441**	**-2 863**	**-8 901**

Note 10.5 Net trading income

(in PLN thousand)	1.07.2009 - 30.09.2009	1.01.2009 - 30.09.2009	1.07.2008 - 30.09.2008	1.01.2008 - 30.09.2008
Securities	1 041	2 647	-295	-1 553
Derivative instruments, including:	7 314	-142 478	-272	987
- fair value adjustment on account for credit risk of derivative instruments	20 407	-40 359	-	-
Foreign exchange transactions	18 377	77 713	34 324	100 596
Total net trading income	**26 732**	**-62 118**	**33 757**	**100 030**

Note 10.6 Net impairment losses

(in PLN thousand)	1.07.2009 - 30.09.2009	1.01.2009 - 30.09.2009	1.07.2008 - 30.09.2008	1.01.2008 - 30.09.2008
Cash and cash equivalents, net	-2 010	-2 948	425	-1 230
Due from banks, net	6	-45	1	-120
Loans to customers, net	-97 534	-355 565	-13 629	-36 346
Off-balance sheet commitments, net	-1 017	2 136	-1 152	-194
Property, Plant and Equipment	1 892	1 892	-	-
Other assets, net	-2 872	-2 717	225	215
Other provisions, net	-751	-734	29	-339
Total impairment losses, net	**-102 286**	**-357 981**	**-14 101**	**-38 014**

Note 10.7 Consolidated Earnings/Loss Per Share

	1.01.2009 – 30.09.2009	1.01.2008 – 30.09.2008
Number of shares as at 30 September	24 123 506	16 771 180
Weighted average number of ordinary shares	24 123 506	16 771 180
Net profit/loss of the period in PLN thousand	-275 722	183 345
Earnings/Loss Per Ordinary Share ratio in PLN	-11,43	10,93
Weighted average diluted number of potential ordinary shares	24 123 506	16 771 180
Diluted consolidated Earnings/Loss Per Share (PLN per share)	**-11,43**	**10,93**

The basic earnings/loss per share are computed as a quotient of the profit/loss attributable to the Bank's shareholders and a weighted average number of ordinary shares during the period.

The diluted earnings/loss per share are computed as a quotient of the profit/loss attributable to the Bank's shareholders and a weighted average number of ordinary shares adjusted to take into consideration the impact of all potential ordinary shares that cause the EPS dilution.
As at the reporting date, there occurred no factors resulting in the dilution of potential ordinary shares.

11. Additional Notes to Consolidated Balance Sheet

On 31 July 2009, Fortis Bank Polska SA and Dominet Bank SA were merged. After the merger with Dominet Bank SA, Fortis Bank Polska SA, does not present financial statements retrospectively, i.e. with relevant items of Dominet Bank SA included in comparative data. For 2008, consolidated data of Fortis Bank Polska SA are presented. The data of the integrated Bank are presented since August 2009.

Note 11.1 Cash and cash equivalents

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Cash at hand	195 930	355 984	194 616
Due from the central bank	365 657	14 671	517 963
Short-term due from banks, including:	666 693	1 124 693	570 517
- nostro accounts	11 314	325 574	1 825
- short-term deposits from banks	655 379	799 119	568 692
Cash and cash equivalents, gross	**1 228 280**	**1 495 348**	**1 283 096**
Write-downs for impairment	**-3 412**	**-460**	**-1 545**
- for Incurred But Not Reported losses (IBNR)	-3 412	-460	-1 545
Total cash and cash equivalents, net	**1 224 868**	**1 494 888**	**1 281 551**

Financial Assets and Liabilities Held for Trading

Note 11.2.1 Financial assets held for trading

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Held-for-trading securities, including:	**403 733**	**255 154**	**132 923**
- treasury bonds	265 848	129 506	75 194
- treasury bills	137 885	125 648	57 729
Derivative financial instruments, including:	**316 953**	**1 116 991**	**301 766**
- foreign currency contracts, including:	249 212	1 036 267	301 766
Measurement to fair value	287 688	1 140 586	260 933
- fair value adjustment on account for credit risk	-38 476	-104 319	40 833
- interest rate contracts	67 741	80 724	-
Total financial assets held for trading	**720 686**	**1 372 145**	**434 689**

Note 11.2.2 Financial liabilities held for trading

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Derivative financial instruments, including:	**289 772**	**961 601**	**271 180**
- foreign currency contracts	228 044	889 452	237 679
- interest rate contracts	61 728	72 149	33 501
Total financial liabilities held for trading	**289 772**	**961 601**	**271 180**

Receivables

Note 11.3.1. Due from Banks

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Loans	75 000	75 000	75 000
Debt securities not traded on an active market	-	-	149 916
Receivables on account of construction projects:	33 565	3 100	-
Receivables on account of recognition of financial instruments (FX spot and FX swap transactions) on the transaction date	2 447 482	511 922	2 403 123
Other receivables	8 850	16 425	10 462
Total due from banks, gross	**2 564 897**	**606 447**	**2 638 501**
Write-downs for impairment	**-119**	**-74**	**-197**
- for Incurred But Not Reported losses (IBNR)	-119	-74	-197
Total net due from banks	**2 564 778**	**606 373**	**2 638 304**

Note 11.3.2 Loans to Customers

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Loans to budgetary entities	438	420	437
Mortgage loans	4 643 439	4 501 796	3 511 857
Consumer loans and credit facilities	2 499 503	562 868	529 699
Commercial loans	8 393 917	9 969 916	9 583 225
Receivables on account of recognition of financial instruments (FX spot and FX swap transactions) on the transaction date	27 816	44 534	63 221
Other receivables	13 612	3 256	3 020
Total loans to customers, gross	**15 578 725**	**15 082 790**	**13 691 459**
Write-downs for impairment	**-869 261**	**-259 673**	**-230 100**
- for incurred, reported losses	-748 877	-211 972	-165 419
- for Incurred But Not Reported losses (IBNR)	-120 384	-47 701	-64 681
Total net loans to customers	**14 709 464**	**14 823 117**	**13 461 359**

Note 11.4 Investments available for sale

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Treasury bonds	805 740	826 886	652 844
Treasury bills	1 110 636	348 883	169 294
NBP Bonds	-	24 979	24 979
NBP cash bills	1 459 348	-	-
Shares and stock	1 091	88	79
Total investments available for sale	**3 376 815**	**1 200 836**	**847 196**

Liabilities

Note 11.5.1 Due to banks

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Due to the central bank	-	325 000	-
- Lombard loan	-	325 000	-
Banks' deposits	586 747	1 438 513	2 054 264
- Current	49 512	48 554	143 874
- Term	56 510	974 683	1 559 030
- Cash collateral	480 725	415 276	351 360
Sale of securities with the repurchase option	-	-	290 990
Others	2 453 392	513 450	2 400 817
Total due to banks	**3 040 139**	**2 276 963**	**4 746 071**

Note 11.5.2 Due to customers

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Current deposits	1 572 424	1 192 980	1 256 258
Term deposits	8 487 832	4 896 315	5 107 009
Cash collateral	209 463	236 308	224 381
Others	22 160	42 861	63 384
Total due to customers	**10 291 879**	**6 368 464**	**6 651 032**

Note 11.5.3. Loans and credit facilities received

(in PLN thousand)	30.09.2009	31.12.2008	30.09.2008
Loans and credit facilities received from banks	**5 746 770**	**5 277 520**	**4 626 066**
Loans and credit facilities received from other institutions	**844 520**	**2 920 680**	**681 660**
Securitisation related liabilities - bonds	**62 156**	**-**	**-**
Securitisation related liabilities - loan	**6 478**	**-**	**-**
Total loans and credit facilities received	**6 659 924**	**8 198 200**	**5 307 726**

12. Capital adequacy

The present policy of the Group regarding maintaining adequate level of equity funds refers to the capital adequacy category, solvency ratio and the structure of equity funds described in the Banking Law and its relevant administrative law provisions.

The Bank rules of capital management did not change as compared to the ones presented in the consolidated financial statement of the Bank for the year ended on 31 December 2008.

Capital adequacy (in PLN thousand)	**30.09.2009**	**31.12.2008**	**30.09.2008**
Total equity capital plus short-term capital	2 054 103	1 600 109	1 622 065
Total capital requirement	1 232 902	1 295 630	1 139 190
Capital adequacy ratio	**13,33%**	**9,88%**	**11,39%**

Losses suffered by the Bank as at the end of the third quarter of 2009 adversely affected the level of own funds. Those losses are, first of all, a consequence of the deteriorating situation in the financial markets and of a lasting depreciation of zloty. Due to the above factors, some customers that the Bank entered into foreign currency hedging contracts with, will not be able to meet the obligations resulting from transactions in derivative instruments, which results in the need to recognise costs related to fair value adjustments. The Bank's performance in the first three quarters of 2009 YTD was also significantly affected by write-downs for impairment of credit exposures. They resulted from the deteriorated customer ability to settle their payment obligations.

Because the above factors had an adverse impact on the solvency ratio, in 2009 the Bank has undertaken a number of measures to improve the Bank's capital position and neutralise the negative effect of losses suffered.

First of all, assumptions regarding an increase of the Bank's capital base were fulfilled by the acquisition of a subordinated loan of EUR 20 million from Fortis Finance Belgium SCRL Funds thus acquired were included as subordinated liabilities in the Tier 2 capital of the Bank, under the decision of the Polish Financial Supervision Authority (KNF) dated 30 June 2009.

Furthermore, the Bank's own funds increased in 2009 following a double increase of the share capital as a result of the issue of new shares. On 31 July, the Bank's share capital increased by PLN 157.3 million after the issues of series L shares addressed to the existing shareholder of Dominet Bank SA, in exchange for the net assets of Dominet Bank SA taken over in effect of the merger.

Then in September 2009, the work related to direct providing additional capital to the Bank through an issuance of shares was finished. The Bank's principal shareholder, i.e. Fortis Bank Belgium, subscribed for the entire M series share issue of PLN 440.7 million. The Bank acquired the consent of the Polish Financial Supervision Authority (KNF) for making amendments to the Statute and registered the capital increase in the National Court Register. The Bank included the funds acquired through the new issue when the capital increase was registered by the National Court Register on 14 September 2009.

Moreover, in September 2009, the share capital of Fortis Bank Polska SA was increased by PLN 440.3 million as a result of increasing the nominal value of the existing shares from PLN 30.00 to PLN 50.

As a result of the aforesaid actions, the Bank's own funds (as a category calculated for the capital adequacy ratio computation needs) increased by 27% in comparison to the corresponding period of the preceding year, i.e. up to PLN 2,054 million. In the same period, risk-weighted off-balance sheet assets and liabilities increased by 5% up to PLN 14,002 million.

As at 30 September 2009, the Bank recorded growth in the solvency ratio, which in effect of the increase in the value of own funds stood at 13.33% as compared to 11.39% noted as at the end of September 2008. The ratio expresses the proportion between the Group's capital and its exposure on account of specific risks.

13. Other Material Information

13.1. Description of factors and events, especially atypical ones, having a material effect on the financial results generated.

The Bank's performance in the third quarter of 2009 YTD was significantly affected by write-downs for impairment of credit exposures. They resulted from the deteriorated customer ability to settle their payment obligations.

13.2. Information regarding the issue, redemption and reimbursement of non-equity and equity securities

As at the data of submitting this quarterly report for the third quarter of 2009, i.e. 13 November 2009, the Bank's share capital amounts to PLN 1,206,175,300 and is divided into 24,123,506 ordinary bearer shares of PLN 50 nominal value each.

Pursuant to decisions taken at the General Meeting of Fortis Bank Polska SA on 26 June 2009, in the third quarter of 2009, the Bank issued the series L merger shares, increased the nominal value of series A to L shares and carried out the private placement of series M shares.

L series share issue

As a result of the merger issue of 5,243,532 series L bearer shares in the total nominal value of PLN 157,305,960, the Bank's share capital increased from PLN 503,135,400 up to PLN 660,441,360. The merger issue was addressed to Dominet SA, a shareholder of Dominet Bank SA. The net assets of Dominet Bank SA were transferred in exchange for shares of Fortis Bank Polska SA.

Upon registration of the capital increase on 31 July 2009, the Bank's share capital was divided into 22,014,712 shares of PLN 30 nominal value each, which entitled to 22,014,712 votes at the Bank's General Meeting.

Increase in the nominal share value

After the completion of the formal and legal merger of Fortis Bank Polska SA and Dominet Bank SA, Fortis Bank Polska SA increased the nominal value of all previously issued shares series A through L, from PLN 30 to PLN 50, i.e. by PLN 20 each.

The increase in the share nominal value and share capital was registered on 14 September 2009, together with the registration of the share capital of the Bank as a result of the series M share issue.

Operationally, the nominal value was increased after the Management Board of the National Depository for Securities (KDPW SA) adopted a respective resolution on 22 September 2009. The said resolution provides that after the change in the nominal value of the Bank's shares, made in connection with the increase in the share capital, the nominal value of the Bank's shares of code PLPPAB000011 is PLN 50 each.

M series share issue

In August 2009, the Bank carried out a private placement of series M shares with the exclusion of pre-emptive rights. Acting under the authorisation granted by the General Meeting, on 3 August 2009 the Bank's Board of Executives set the issuing price of the Series M shares at PLN 209 per share. The series M share issue was offered in a private placement. The series M share subscription offer was addressed by the Bank's Board of Executives to Fortis Bank SA/NV based in Brussels. On 6 August 2009, a subscription agreement was signed between the Bank and Fortis Bank SA/NV based in Brussels with Dom Inwestycyjny BRE Bank S.A acting as the Issuer Proxy. Under the Agreement, Fortis Bank SA/NV took up 2,108,794 ordinary bearer series M shares at the issue price of PLN 209.00 each. The issue value was PLN 440,737,946. The shares were covered in full by cash contribution. Therefore, the placement was closed on August 12, 2009 and shares were allocated to their purchaser by the Board of Executives of the Bank.

On 14 September 2009, the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register registered the Bank's share capital increase from PLN 660,441,360to PLN 1,206,175,300, that is by PLN 545,733,940 including PLN 440,294,240 as a result of increasing the share nominal value and PLN 105,439,700 as a result of the series M share issue.

Upon registration of the increase, the Bank's share capital is divided into 24,123,506 shares of PLN 50 nominal value each, which entitle to 24,123,506 votes at the Bank's General Meeting.

13.3. Events that occurred following the date as of which the abbreviated quarterly financial statements were made, which were not included in such statements and which could have a material effect on the group's future results.

Project of optimisation of Fortis Bank Polska SA's operating activity

In connection with the formal and legal merger with Dominet Bank S.A. on 31 July 2009 as well as with simultaneous integration of operating systems of both Banks, Fortis Bank Polska SA continues the project of optimisation of is operation. Integration of the existing functions and operations carried out by the Head Office of Dominet Bank in Lubin with operating structures of Fortis Bank Polska SA will be the next step to increase the operating efficiency of Fortis Bank Polska SA. The integration will result in downsizing of employment, which may cover 361 staff members in the entire Bank and which will be carried out in the period: from the fourth quarter of 2009 to the second quarter of 2010. On 27 October 2009 the Bank's Board of Executives notified district labour offices of employment downsizing plans by way of group lay-offs.

The project costs are the subject-matter of estimation and as at the date of submission of the report are not known.

Actions targeted at increasing efficiency of the Bank's operation should improve financial performance of the Capital Group of Fortis Bank Polska SA. Further, they are a part of the Restoration Program prepared in accordance with Article 142 of the Banking Law Act, which is currently the subject matter of consultations with the Polish Financial Supervision Authority (KNF).

The most important assumptions of the Restoration Program, whose implementation should lead to the generation of the positive financial result by the Bank again in 2010, are measures undertaken to ensure adequate risk control in various areas of the Bank's operations, stable increase of its lending portfolio and improvement to the cost/income ratio, specifically following the merger with Dominet Bank S.A.

Within continued consultations on the Restoration Program, on 29 October 2009 the Polish Financial Supervision Authority (KNF) has requested the Bank to verify its assumptions and present further explanations in this regard. The Bank consults KNF to determine optimal measures that would lead to a lasting improvement of the Bank's financial performance.

Negotiations on conclusion of an agreement with the European Investment Bank

Negotiations regarding the conclusion by the Bank of a loan agreement with the European Investment Bank are under way. Under the agreement, the EIB will grant the Bank a loan for the maximum amount of EUR 50 million for financing investment projects of small and medium-sized companies.

13.4. Information on effects of changes in the group's structure

Information about the owner of Fortis Bank Polska SA

As a result of a takeover of the Fortis Group's assets by the Belgian, Dutch and Luxembourgian governments in September and October 2008, likewise following further agreements entered into by the government of the Kingdom of Belgium and the Fortis Group, there was a change in the ownership structure of the principal shareholder of Fortis Bank Polska SA. Since 10 October 2008, the government of the Kingdom of Belgium held 99.93% of Fortis Bank SA/NV through the Belgian Federal Participation and Investment Company (SFPI).

At the same time, in October 2008 the Belgian government reached an agreement with BNP Paribas, a financial and banking group registered in France, that subject to BNP Paribas' obtaining necessary permits, it would acquire a 75% interest in Fortis Bank SA/NV and 100% of Fortis Insurance Belgium from the Belgian State Treasury and would buy a 16% share of Fortis Banque Luxembourg (thus increasing its controlling interest up to 67%) from the Luxembourgian State Treasury. BNP Paribas announced taking control over Fortis Bank SA/NV along with its international subsidiaries, including Fortis Bank Polska SA.

Shareholders present at the General Meeting held on 28 and 29 April 2009 in Ghent and Utrecht approved the agreement signed by and between Fortis Holding, BNP Paribas and the Belgian Federal Participation and Investment Company (SFPI), as regards the amended conditions of the planned transaction. Under provisions of the new agreement, the Belgian government was to transfer 75% of shares in Fortis Bank SA/NV (Fortis Bank Belgium) to BNP Paribas based on the valuation of 100% assets at EUR 11 billion, in exchange for shares of BNP Paribas issued at EUR 68 each, whereas Fortis Bank SA/NV was to acquire 25% of Fortis Insurance Belgium from Fortis Holding. As a result of the transaction finalised on 12 May 2009, BNP Paribas group has become the parent entity of the Bank's majority shareholder.

By taking over from SFPI the first tranche of shares in Fortis Bank SA/NV, BNP Paribas has become its majority shareholder and thereby indirectly purchased, on 12 May 2009, 16,738,712 shares of Fortis Bank Polska S.A., which account for 99.81% of the share capital of Fortis Bank Polska SA and entitle to 99.81% of the total number of votes at the General Meeting of Fortis Bank Polska S.A.

On 20 May 2009, the Polish Financial Supervision Authority granted permits to BNP Paribas based in Paris to exercise via Fortis Bank SA/NV based in Brussels i) more than 75% of the voting rights at the General Meeting of Shareholders of Fortis Bank Polska SA and ii) more than 75% of the voting rights at the General Meeting of Shareholders of Dominet

Bank S.A. based in Lubin, under, among other things, the following conditions:

1) commitment to refrain from taking any actions towards the change of the business activity pursued currently in Poland by Fortis Bank Polska SA into a branch office until 2017; Should a new branch office of BNP Paribas be opened in Poland, it will conduct an activity other than the banking activity pursued currently by Fortis Bank Polska SA and Dominet Bank S.A.
2) commitment to refrain from taking any actions leading to withdrawal of the shares of Fortis Bank Polska SA from the public trading on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie) until 2017 and increasing and maintaining the liquidity of the Bank's shares quoted on the Warsaw Stock Exchange to the level of at least 15% within 2 years of issuance of the aforesaid permits.

Having obtained the permit of the Polish Financial Supervision Authority and after announcing a tender offer, Fortis Bank S.A./NV was entitled to exercise voting rights attached to all shares held, i.e. 16,739,799 shares representing 99.81% of the share capital and 16,739,799 voting rights at the General Meeting of the Bank, which constitute 99.81% of total votes.

On 4 June 2009, BNP Paribas SA announced a tender offer to acquire shares of Fortis Bank Polska SA under Article 74 item 2 of the Act on Public Offering and Conditions of Financial Instruments Introduction into an Organised Trading System, and on Public Companies, dated 29 July 2005. The subscriptions for shares, under the tender offer, were made between 25 June 2009 and 24 July 2009. On 29 July 2009, as a result of conducting the tender offer, transactions of acquisition of 1,087 shares were made at PLN 196. The acquiring entity was Fortis Bank SA/NV, which as a result of the said transactions obtained 16,739,799 shares of Fortis Bank Polska SA, which accounted for 99.81% of all shares of the Bank.

Changes in the ownership structure as a result of the merger of the banks

On 6 August 2009, Fortis Bank Polska SA received a notification from Dominet SA based in Piaseczno that as of 31 July 2009 Dominet SA (a subsidiary of Fortis Bank SA/NV based in Brussels) became a shareholder of Fortis Bank Polska SA holding 5,243,532 ordinary Series L shares representing 99.82% of the share capital and thus obtained 23.82% of the total number of votes at the General Meeting of the Bank. Under the notification received, Dominet SA does not intend to increase its shares in Fortis Bank Polska SA within 12 months from 31 July 2009. As a result of the foregoing, Fortis Bank SA/NV held directly 76.04% shares in the Bank's share capital, which entitled it to exercise 76.04% of the total votes at the General Meeting of Fortis Bank Polska SA.

Changes as a result of the series M shares issue

As a result of the issue of 2,108,794 series M shares, the number of shares held by Fortis Bank SA/NV rose to 18,848,593 shares representing 78.13% ownership interest in the share capital and entitling it to exercise 18,848,593 votes at the Shareholder General Meeting. The ownership interest of Dominet SA dropped to 21.74% of the share capital.

13.5. Information on changes to contingent liabilities

Since the end of 2008, no material changes in contingent liabilities occurred.

The tables below present changes to contingent liabilities granted and received.

Contingent liabilities received (in PLN thousand)	30.09.2009	31 .12.2008	Change (%)
Financial liabilities received	**2 528 293**	**1 606 913**	**57%**
Guarantee liabilities received	**259 476**	**282 933**	**-8%**
Total contingent liabilities received	**2 787 769**	**1 889 846**	

Contingent liabilities granted (in PLN thousand)	30.09.2009	31 .12.2008	Change (%)
Financial liabilities granted	**2 581 482**	**4 017 997**	**-36%**
Guarantee liabilities granted	**843 108**	**908 430**	**-7%**
Total contingent liabilities granted	**3 424 590**	**4 926 427**	

13.6. Information about shareholders holding, directly or indirectly through their subsidiaries, at least 5% of the total number of votes at the Annual General Meeting as of the date of submitting the quarterly report, with the indication of the number of shares held by such entities, their percentage of the share capital, number of votes resulting thereof and their percentage share in the total number of votes at the Annual General Meeting and the

indication of any changes to the structure of ownership of the issuer's substantial share blocks in the period elapsed from the submission of the previous quarterly report.

The shareholder structure as at the date of submission of the quarterly report for the third quarter of 2009, i.e. as at 13 November 2009, was as follows:

	number of shares owned	share (%) in the equity	number of votes at the GM	share (%) in the total number votes at the AGM
Fortis Bank SA/NV*	18 848 593	78,13%	18 848 593	78,13%
Dominet SA**	5 243 532	21,74%	5 243 532	21,74%
Others	31 381	0,13%	31 381	0,13%
Total:	24 123 506	100,00%	24 123 506	100,00%

* BNP Paribas SA is the parent entity (74.93% shares) of Fortis Bank SA/NV based in Brussels.

**Fortis Bank SA/NV based in Brussels is the parent entity (100% shares) of Dominet SA.

The shareholder structure as at the date of submission of the report for the first half of 2009, i.e. as at 31 August 2009, was as follows:

	number of shares owned	share (%) in the equity	number of votes at the GM	share (%) in the total number votes at the AGM
Fortis Bank SA/NV	16 739 799	76,04%	16 739 799	76,04%
Dominet SA**	5 243 532	23,82%	5 243 532	23,82%
Others	31 381	0,14%	31 381	0,14%
Total:	22 014 712	100%	16 771 180	100%

The above structure does not take into account the private placement of series M shares made in August 2009 and registered on 14 September 2009.

13.7. Information on the number of the issuer's shares or share options, held by the members of the management or supervisory bodies, as at the date of the quarterly report submission, and any changes in the number of such shares or share options held, in the period from the submission of the previous quarterly report, indicated separately for each person

As at the date of submitting this report for the third quarter of 2009, i.e. 13 November 2009, none of the Members of the Board of Executives or Members of the Supervisory Board held any shares issued by Fortis Bank Polska S.A. or any other related financial instruments, which means that no change occurred from the date of submitting the previous quarterly report for the first half of 2009, i.e. 31 August 2009.

13.8. Pending Proceedings before Court, Relevant Arbitration Body or Public Administration Body

Since 2001, proceedings have been continued before the Office for Competition and Consumer Protection ("the Office"), instituted at the request of the Polish Organisation of Commerce and Distribution (POHID) in Warsaw, as regards practices that limit competition on the payment card market and that are applied by VISA and MasterCard likewise 20 banks, including Fortis Bank Polska SA. The competition limitation charge referred to an agreement signed on collecting intercharge fees. In the opinion of the Office, such fees are charged unduly which in turn affects prices of consumer goods. The Office President issued a decision under which a penalty of PLN 2.9 million was imposed on Fortis Bank Polska SA. The decision was given the order of immediate enforceability. In this respect, the Bank made a complaint on the decision of the Office President. On 13 November 2008, the District Court in Warsaw, the Court of Competition and Consumer Protection issued a decision stating that determination of commissions when accepting card payments did not constitute a practice that would restrict competition. The Office's President made an appeal against the said decision and the Bank applied for a dismissal of the appeal. As at 13 November 2009, the proceedings were not closed. To secure against an unfavourable outcome of the case, in 2007 the Bank created a provision of PLN 2.9 million.

The Bank is a defendant is cases regarding obligations resulting from master agreements on derivative transactions, including foreign currency options. The Bank has learned that the biggest claim in this group concerns the amount of PLN 18.5 million. The claim regards determination of the non-existence of a legal relationship with the Bank, resulting from disputable FX option transactions, or termination of the transactions, or determination of the manner of the fulfilment of obligations likewise their amount, or determination of invalidity of such transactions. The Bank conducts talks with the company aimed at signing an arrangement regarding the disputable FX option transactions.

13.9. Information on Related Party Transactions

Information on transactions of the Bank with its parent company and entities affiliated by management is presented below. These transactions concern bank operations made within regular business activity.

30.09.2009 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Cash and cash equivalents	662 560	-	662 560
Financial assets held for trading	69 601	-	69 601
Due from Banks and Loans to Customers	2 227 862	9 647	2 237 509
Other assets	2 177	3 159	5 336
Total	**2 962 200**	**12 806**	**2 975 006**
Financial liabilities held for trading	208 187	-	208 187
Due to banks and customers	2 330 166	365 533	2 695 699
Loans and credit facilities received	390 000	6 201 290	6 591 290
Subordinated liabilities	60 000	633 390	693 390
Other obligations	303 400	2 908	306 308
Total	**3 291 753**	**7 203 121**	**10 494 874**

31.12.2008 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Cash and cash equivalents	1 106 389	-	1 106 389
Financial assets held for trading	205 148	-	205 148
Due from Banks and Loans to Customers	302 986	41 700	344 686
Other assets	10 451	197	10 648
Total	**1 624 974**	**41 897**	**1 666 871**
Financial liabilities held for trading	717 080	-	717 080
Due to banks and customers	1 235 055	162 515	1 397 570
Loans and credit facilities received		8 198 200	8 198 200
Subordinated liabilities	-	417 240	417 240
Other obligations	22 010	16 142	38 152
Total	**1 974 145**	**8 794 097**	**10 768 242**

30.09.2008 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Cash and cash equivalents	2 632 055	60 073	2 692 128
Financial assets held for trading	78 718	-	78 718
Due from Banks and Loans to Customers	-	134 171	134 171
Other assets	13 904	484	14 388
Total	**2 724 677**	**194 728**	**2 919 405**
Financial liabilities held for trading	174 569	-	174 569
Due to banks and customers	2 996 649	417 245	3 413 894
Loans and credit facilities received	-	5 307 726	5 307 726
Subordinated liabilities	-	340 830	340 830
Other obligations	6 421	13 195	19 616
Total	**3 177 639**	**6 078 996**	**9 256 635**

1.01.2009 – 30.09.2009 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Interest income	5 495	1 624	7 119
Interest expense	-8 366	-96 745	-105 111
Fee and commission income	7 068	1 112	8 180
Fee and commission expense	-1 744	-	-1 744

Net trading income	-304 605	-1 218	-305 823
Net profit (loss) on hedging transactions	-	-	-
Other revenues	3 759	55	3 814

1.01.2008 – 30.09.2008 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Interest income	33 921	6 471	40 392
Interest expense	-18 314	-174 796	-193 110
Fee and commission income	44 825	3 076	47 901
Fee and commission expense	-1 041	-1	-1 042
Net trading income	-109 227	15	-109 212
Net profit (loss) on hedging transactions	636	-	636
Other revenues	5 930	287	6 217

30.09.2009 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Contingent liabilities granted:	26 606	139 195	165 801
- items related to financing	-	114 512	114 512
- guarantees	26 606	24 683	51 289
Contingent liabilities received:	26 601	-	26 601
- items related to financing	-	-	-
- guarantees	26 601	-	26 601
Transactions in derivative instruments*	10 460 265	-	10 460 265

31.12.2008 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Contingent liabilities granted:	38 164	148 499	186 663
- items related to financing	-	123 759	123 759
- guarantees	38 164	24 740	62 904
Contingent liabilities received:	1 252	-	1 252
- items related to financing	-	-	-
- guarantees	1 252	-	1 252
Transactions in derivative instruments*	17 295 111	-	17 295 111

30.09.2008 (in PLN thousand)	Parent entity	Entities affiliated by management	Total
Contingent liabilities granted:	36 734	190 608	227 342
- items related to financing	-	156 348	156 348
- guarantees	36 734	34 260	70 994
Contingent liabilities received:	37 852	35 250	73 102
- items related to financing	-	-	-
- guarantees	37 852	35 250	73 102
Transactions in derivative instruments*	17 667 936	-	17 667 936

*In the item "Transactions in derivative instruments," the derivative instrument purchase and sale transactions are presented.

13.10. Other information essential for the assessment of the situation with respect to human resources, property, finances, net profit/loss and changes thereto, likewise the information which are vital for the evaluation of the group's ability to fulfil its obligations;

Change in the composition of the Board of Executives of Fortis Bank Polska SA

On 1 September 2009, the Supervisory Board of Fortis Bank Polska SA appointed Mr Michel Thebault to the position of a Vice-President of the Board of Executives, until the end of the current five-year tenure, ending on the date of the Bank's Annual General Shareholders Meeting approving financial statements for fiscal year 2009.

Since July 2008, Mr Michel Thebault was responsible for the organisation of the Personal Finance unit of BNP Paribas in Poland. In Fortis Bank Polska SA, he supervises the Personal Finance area.

Effective 1 September 2009, the Board of Executives composition is as follows:

1. Alexander Paklons - President of the Board of Executives
2. Jan Bujak - Senior Vice-President
3. Jean-Luc Deguel - Vice-President

4. Jacek Obłękowski - Vice-President
5. Jaromir Pelczarski - Vice-President
6. Michel Theabult - Vice-President
7. Philippe Van Hellemont - Vice-President

Change in the composition of the Supervisory Board

On 25 September 2009, Mr Lucas WIllemyns resigned from his function in the Supervisory Board of Fortis Bank Polska SA, effective 30 September 2009.

Mr Lucas Willemyns was a member of the Supervisory Board of the Bank since 21 February 2008.

In connection with the above, effective 1 October 2009, the FBP Supervisory Board's composition is as follows:

1. Camille Fohl - Chairman
2. Jos Clijsters - Deputy Chairman
3. Antoni Potocki - Deputy Chairman
4. Zbigniew Dresler
5. Reginald De Gols

13.11. Factors that in the issuer's opinion will affect the issuer's results in at least the subsequent quarter

The Bank forecasts that in the near future and especially in the perspective of at least the subsequent quarter, net impairment losses will increase as a result of the credit portfolio deterioration. The Bank expects that a number of customers will be unable to repay their loan debts.

13.12. Other Important Events

Selection of a new auditor

On 1 September 2009, the Supervisory Board of the Bank selected Mazars & Guérard Audyt Sp. z o.o. based in Warsaw (address: 00-372 Warsaw, ul. Foksal 16, KIBR (National Chamber of Statutory Auditors) register number: 186), as the entity that will:

- audit the consolidated financial statements of the Capital group of Fortis Bank Polska SA and separate financial statements of the Bank for 2009;
- review the consolidated financial statements of the Capital group of Fortis Bank Polska SA and separate financial statements of the Bank for the first half of 2010.

In the past, the Bank did not use the services of the selected entity authorised to audit financial statements.

Material amendments to agreements signed with entities unrelated with the Capital Group of Fortis Bank Polska SA

On 17 July 2009, Fortis Bank Polska S.A. signed an agreement with a Customer not affiliated with the Capital Group of Fortis Bank Polska SA., which amended the terms and conditions of the credit agreement dated April 25, 2008. The amendments regard the credit limit increase from PLN 200 million up to PLN 205.8 million and also the change of the credit limit nature from a multi-option credit line into a guarantee line agreement.

On 28 July 2008, an agreement was signed ("amending agreement") under which credit agreements and surety agreement were modified. New repayment deadlines were determined under amendments , according to the repayment schedule adopted for the following agreements:

- loan agreement concluded by Fortis Bank S.A./NV and the company on 27 June 2008, as amended; the loan principal of PLN 50,000,000 to be repaid until 5 January 2012 at the latest;
- loan agreement concluded by Fortis Bank Polska SA and the company on 8 May 2008, as amended; the loan principal of PLN 198,430,286 to be repaid until 5 January 2018, at the latest;
- surety agreement concluded by Fortis Bank Polska SA and the company on 18 January 2007, as amended; in the amount of EUR 4,197,813.67 until 5 January 2018, at the latest. The surety agreement applies to the loan agreement concluded by Fortis Bank Polska S.A. and the subsidiary of the customer on 18 May 2007, as amended.

The amending agreement was signed subject to conditions precedent that include e.g. adopting a resolution by the general meeting of the Company, by 29 July 2009 at the latest, regarding consent to establish registered pledges on the Company's enterprise in favour of Fortis Bank Polska SA.

The amending agreement also includes the commitment of the Bank to subscribe for new series I shares in the increased share capital of the customer's company. The Bank will take up 8,247,423 shares at issue price of PLN 4.85 each. The total issue price of the subscribed shares shall be PLN 40,000,001.55. The Bank shall pay the issue price by setting off the receivables due to the customer from the Bank as payment of the issue price against the receivables due to the Bank from the customer on account of the granted financing.

The Company's Shareholders signed an Arrangement with the Bank regarding unanimous voting at general meetings of the Company with respect to issues governed by the Arrangement until 29 February 2012.

As at the submission date of the quarterly report, i.e. 13 November 2009, the Company's shares were not acquired by the Bank yet.

Signatures of the Members of the Board of Executives (on the Polish original):

13 November 2009	**Alexander Paklons** President of the Board of Executives	.... signature
13 November 2009	**Jan Bujak** Senior Vice-President Chief Financial Officer	.... signature
13 November 2009	**Jean-Luc Deguel** Vice-President	.... signature
13.11.2009 r.	**Jacek Obłękowski** Vice-President	.... signature
13 November 2009	**Jaromir Pelczarski** Vice-President	.... signature
13 November 2009	**Michel Thebault** Vice-President	.... signature
13 November 2009	**Philippe Van Hellemont** Vice-President	.... signature