

Quarterly report for the 1st quarter of 2006

SAB - Q I/2006 Form (for banks)

Pursuant to § 86, section 1, item 1 of the Ministry of Finance Ordinance dated October 19, 2005 (Journal of Laws No. 209, item 1744)

The Board of Executives of Fortis Bank Polska S.A.

hereby releases the quarterly report for the 1st quarter of 2006

April 28, 2006

(date of submission)

SELECTED FINANCIAL DATA (current year)	PLN '000		EUR '000	
	Ist quarter YTD	Ist quarter YTD	Ist quarter YTD	Ist quarter YTD
	from Jan. 1, 2006 to March 31, 2006	from Jan. 1, 2005 to March 31, 2005	from Jan. 1, 2006 to March 31, 2006	from Jan. 1, 2005 to March 31, 2005
I. Interest income	78 979	76 925	20 537	19 158
II. Fee and commission income	22 103	19 526	5 748	4 863
III. Result on banking activity	91 776	76 203	23 865	18 978
IV. Net operating result	37 025	26 043	9 628	6 486
V. Gross profit (loss)	37 025	26 043	9 628	6 486
VI. Net profit (loss)	30 580	21 746	7 952	5 416
VII. Net cash flow from operating activity	-444 854	404 386	-115 679	100 711
VIII. Net cash flow from investing activity	-40 762	-19 490	-10 600	-4 854
IX. Net cash flow from financial activity	-12 733	-13 191	-3 311	-3 285
X. Net cash flow	-498 349	371 705	-129 589	92 572
XI. Total assets	6 297 705	5 534 351	1 600 149	1 355 230
XII. Due to the Central Bank				
XIII. Due to other financial institutions	1 911 428	1 957 492	485 664	479 343
XIV. Due to customers and budget sector	3 347 803	2 679 530	850 625	656 153
XV. Own equity	723 126	612 150	183 735	149 901
XVI. Share capital	30 155	30 155	7 662	7 384
XVII. Number of shares	15 077 700	15 077 700		
XVIII. Book value per share (in PLN/EUR)	47.96	40.60	12.19	9.94
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	9.77	12.06		
XXI. Profit (loss) per ordinary share (in PLN/EUR)	7.32	5.38	1.90	1.34
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)				
PLN/EUR				

BALANCE-SHEET (PLN'000)	31.03.2006 end of the quarter (current year)	31.12.2005 end of the previous quarter (current year)	31.03.2005 end of the quarter (previous year)
ASSETS			
I. Cash and due from the Central Bank	185 123	231 374	142 831
II. Treasury bills and other bills eligible for refinancing with the Central Bank			
III. Due from other financial institutions	431 912	1 310 948	1 212 097
1. Current	119 762	571 533	924 358
2. Term	312 150	739 415	287 739
IV. Due from customers	5 134 987	4 293 623	3 617 000
1. Current	1 016 274	883 962	947 274
2. Term	4 118 713	3 409 661	2 669 726
V. Due from budget sector	524	531	28
1. Current			
2. Term	524	531	28
VI. Securities purchased under resale agreements			
VII. Debt securities	350 801	311 428	335 345
VIII. Shares and investments in subsidiaries	15 791	15 360	63 859
IX. Shares and investments in sister companies			
X. Shares and investments in associated entities			
XI. Minority investments	44	43	45
XII. Other securities and other financial assets	62 028	52 790	57 669
XIII. Intangible fixed assets, incl. - goodwill	15 445	14 522	10 662
XIV. Tangible fixed assets	46 463	47 454	44 978
XV. Other assets	14 856	58 828	14 053
1. Seized assets for sale	5	5	5
2. Others	14 851	58 823	14 048

XVI. Prepayments and accrued income	39 731	33 002	35 784
1. Deferred income tax	32 107	29 899	31 703
2. Other prepayments and accrued income	7 624	3 103	4 081
Total assets	6 297 705	6 369 903	5 534 351
LIABILITIES			
I. Due to the Central Bank			
II. Due to other financial institutions	1 911 428	2 178 376	1 957 492
1. Current	480 483	710 967	644 016
2. Term	1 430 945	1 467 409	1 313 476
III. Due to customers	3 306 089	3 144 691	2 642 238
1. Savings:	1 802	1 571	1 015
a) Demand			
b) Term	1 802	1 571	1 015
2. Others:	3 304 287	3 143 120	2 641 223
a) Demand	1 644 715	1 650 954	1 301 693
b) Term	1 659 572	1 492 166	1 339 530
IV. Due to budget sector	41 714	26 042	37 292
a) Demand	11 516	11 600	13 228
b) Term	30 198	14 442	24 064
V. Securities sold under repurchase agreements			
VI. Debt securities issued			
1. Short-term			
2. Long-term			
VII. Other liabilities in respect of financial instruments	62 630	51 939	54 372
VIII. Special funds and other liabilities	80 741	108 325	70 654
IX. Accruals and deferred income	136 547	135 258	125 102
1. Settlement of accrued expenses	12 376	13 399	9 029
2. Negative goodwill			
3. Other accruals and deferred income	124 171	121 859	116 073
X. Provisions	35 430	33 487	35 051
1. Provision for corporate income tax	12 243	10 854	12 480
2. Other provisions	23 187	22 633	22 571
a. Short-term			
b. Long-term	23 187	22 633	22 571
XI. Subordinated debt			
XII. Share capital	30 155	30 155	30 155
XIII. Unpaid contribution to share capital (negative value)			
XIV. Own shares (negative value)			
XV. Reserve capital	349 539	349 539	349 539
XVI. Revaluation reserve	3 175	2 415	2 533
XVII. Other reserve capital	153 834	153 834	129 281
XVIII. Retained earnings (uncovered loss) from prior years	155 843	54 343	78 896
XIX. Net profit (loss)	30 580	101 499	21 746
Total liabilities	6 297 705	6 369 903	5 534 351
Capital Adequacy Ratio	9.77	11.11	12.06
Net book value	723 126	691 785	612 150
Number of shares	15 077 700	15 077 700	15 077 700
Net book value per share (in PLN)	47.96	45.88	40.60
Forecast number of shares			
Diluted book value per share (in PLN)			

OFF - BALANCE SHEET ITEMS	31.03.2006 end of the quarter (current year)	31.12.2005 end of the previous quarter (current year)	31.03.2005 end of the quarter (previous year)
I. Contingent liabilities and assets:	3 607 708	3 414 158	3 319 898
1. Contingent liabilities granted:	2 695 779	2 519 246	1 954 293
a) lending commitments	2 125 634	1 966 069	1 603 159
b) guarantees	570 145	553 177	351 134
2. Contingent assets received:	911 929	894 912	1 365 605
a) lending commitments	769 550	737 016	784 276
b) guarantees	142 379	157 896	581 329
II. Commitments resulting from sale/purchase transactions	4 046 047	5 851 830	5 004 187
III. Others, including:	7 281 271	5 180 442	3 611 540
- speculative derivatives	6 981 271	4 880 442	3 311 540
- hedging derivatives	300 000	300 000	300 000
TOTAL	14 935 026	14 446 430	11 935 625

PROFIT AND LOSS STATEMENT	1st quarter (current year) from January 1, 2006 to March 31, 2006	1st quarter YTD (previous year) from January 1, 2005 to March 31, 2005
I. Interest income	78 979	76 925
II. Interest expense	34 738	34 744
III. Net interest income(I-II)	44 241	42 181
IV. Fee and commission income	22 103	19 526
V. Fee and commission expense	1 946	2 473
VI. Net fee and commission income (IV-V)	20 157	17 053
VII. Income on shares, securities and other financial instruments with variable yield		
1. From subsidiaries		
2. From sister companies		
3. From associated entities		
4. From other entities		
VIII. Net result on financial transactions	2 883	1 814
IX. Net result on FX differences	24 495	15 155
X. Result on banking activity	91 776	76 203
XI. Other operating income	1 789	1 109
XII. Other operating expenses	708	541
XIII. General expenses	48 218	36 488
XIV. Depreciation of tangible&intangible fixed assets	6 138	4 539
XV. Charges to provisions and revaluation	5 695	14 071
1. Specific provisions and general risk reserve	5 695	14 071
2. Revaluation of financial assets		
XVI. Release of provisions and other decreases in respect of revaluation	4 219	4 370
1. Release of specific provisions and general risk reserve	4 219	4 370
2. Revaluation of financial assets		
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	-1 476	-9 701
XVIII. Operating profit	37 025	26 043
XIX. Extraordinary gains/losses, net		
1. Extraordinary gains		
2. Extraordinary losses		
XX. Profit (loss) before taxation	37 025	26 043
XXI. Corporate income tax	6 760	4 952
1. current	7 757	3 436
2. deferred	-997	1 516
XXII. Other mandatory charges to profit (loss)		
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	315	655
XXIV. Net profit (loss)	30 580	21 746
Net profit (loss) (for 12 months)	110 333	81 168
Weighted average number of ordinary shares	15 077 700	15 077 700
Net profit (loss) per ordinary share (in PLN)	7.32	5.38
Weighted average of diluted number of ordinary shares		
Diluted net profit (loss) per ordinary share (in PLN)		

MOVEMENTS IN OWN EQUITY	1st quarter (current year) from January 1, 2006 to March 31, 2006	31.12.2005 end of the previous quarter	1st quarter YTD (previous year) from January 1, 2005 to March 31, 2005
I. Opening balance of own equity	691 785	595 176	595 176
a) Changes in adopted accounting principles (policy)		-7 468	-7 468
b) Correction of material errors			
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	691 785	587 708	587 708
1. Opening balance of share capital	30 155	30 155	30 155
1.1. Movements in share capital			
a) increases (in respect of)			
- issue of shares			
b) decreases (in respect of)			
- redemption of shares			
1.2. Closing balance of share capital	30 155	30 155	30 155
2. Opening balance of unpaid contribution to share capital			
2.1. Movements in unpaid contributions to share capital			
a) increases			
b) decreases			
2.2. Closing balance of unpaid contribution to share capital			
3. Opening balance of own shares			
a) increases			
b) decreases			
3. Closing balance of own shares			
4. Opening balance of reserve capital	349 539	349 539	349 539
4.1. Movements in reserve capital			
a) increases (in respect of)			
- issuance of shares above their par value			
- profit distribution (mandatory)			
- distribution of profit (voluntary)			
- sale and liquidation of fixed assets			
b) decreases (in respect of)			
- sale and liquidation of fixed assets			
- covering financial effects of the amendments to the Accounting Act			
4.2. Closing balance of reserve capital	349 539	349 539	349 539
5. Opening balance of revaluation reserve	2 415	-163	-163
5.1. Movements in revaluation reserve	760	2 578	2 696
a) increases (in respect of)	3 431	10 275	4 442
- sale and liquidation of fixed assets			
- valuation of securities available for sale	2 916	8 014	3 504
- valuation of shares in subsidiaries	117	1 063	651
- deferred tax	398	1 198	287
b) decreases (in respect of)	-2 671	-7 697	-1 746
- sale of fixed assets			
- liquidation of fixed assets		-1	
- valuation of securities available for sale	-2 095	-5 440	-924
- valuation of shares in subsidiaries		-454	-45
- deferred tax	-576	-1 802	-777
5.2. Closing balance of revaluation reserve	3 175	2 415	2 533
6. Opening balance of General Risk Fund	136 816	112 263	112 263
6.1. Movements in General Risk Fund		24 553	
a) increases (in respect of)		24 553	
- profit distribution		24 553	
b) decreases (in respect of)			
6.2. Closing balance of General Risk Fund	136 816	136 816	112 263
7. Opening balance of other reserve capital	17 018	17 018	17 018
7.1. Movements in other reserve capital			
a) increases (in respect of)			
b) decreases (in respect of)			
7.2. Closing balance of other reserve capital	17 018	17 018	17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year			
	155 843	11 811	86 364
8.1. Opening balance of undistributed profit from prior years	166 042	14 542	89 095
a) changes in adopted accounting principles (policy)			
b) corrections of material errors			

8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation	166 042	14 542	89 095
8.3. Movements in undistributed profit from prior years		50 000	
a) increases (in respect of)		50 000	
- profit distribution		50 000	
b) decreases (in respect of)			
- profit distribution			
8.4. Closing balance of undistributed profit from prior years	166 042	64 542	89 095
8.5. Opening balance of uncovered loss from prior years	-10 199	-2 731	-2 731
a) changes in adopted accounting principles (policy)		-7 468	-7 468
b) corrections of material errors			
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation	-10 199	-10 199	-10 199
8.7. Movements in uncovered loss from prior years			
a) increases (in respect of)			
- loss for covering			
- changes in adopted accounting principles (policy)			
b) decreases (in respect of)			
- loss covering from the reserve capital			
8.8. Closing balance of uncovered loss from prior years	-10 199	-10 199	-10 199
8.9. Closing balance of undistributed profit or uncovered loss from prior years	155 843	54 343	78 896
9. Net income	30 580	101 499	21 746
a) net profit	30 580	101 499	21 746
b) net loss			
II. Closing balance of own equity	723 126	691 785	612 150
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	723 126	691 785	612 150

CASH FLOW STATEMENT	1st quarter (current year) from January 1, 2006 to March 31, 2006	1st quarter YTD (previous year) from January 1, 2005 to March 31, 2005
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method		
I. Net profit (loss)	30 580	21 746
II. Adjustments for:	-475 434	382 640
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	-315	-655
2. Depreciation	6 138	4 539
3. Foreign exchange gains/(losses)	-12 760	5 213
4. Interest and dividends received and paid	2 825	2 643
5. Profit (loss) on investments	-87	-1 179
6. Change in other reserves	552	11 672
7. Change in debt securities held	6 794	-265 736
8. Change in amounts due from financial sector	426 937	462 013
9. Change in amounts due from customers and budget sector	-839 965	-244 136
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield	-9 239	-20 559
12. Change in amounts due to financial sector	-244 262	34 560
13. Change in amounts due to customers and budget sector	177 070	32 213
14. Change in securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	-16 893	41 703
17. Change in interperiod settlements	-7 930	-4 279
18. Change in deferred income	2 312	5 599
19. Other items	33 389	319 029
III. Net cash flow from operating activity (I +/- II)	-444 854	404 386
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)		
I. Cash inflows from investing activity	216	296 135
1. Sale of shares in subsidiaries		
2. Sale of shares in sister companies		
3. Sale of shares in associated entities		
4. Sale of other shares, securities and financial assets		285 124
5. Sale of tangible and intangible fixed assets	180	16
6. Sale of investments in real estates and intangible assets		
7. Other inflows	36	10 995
II. Cash outflows from investing activity	-40 978	-315 625

1. Purchase of shares in subsidiaries		
2. Purchase of shares in sister companies		
3. Purchase of shares in associates		
4. Purchase of other shares, securities and financial assets	-34 782	-309 938
5. Purchase of tangible and intangible fixed assets	-3 596	-4 171
6. Investments in real estates and intangible assets	-2 600	-372
7. Other outflows		-1 144
III. Net cash flow from investing activity (I +/- II)	-40 762	-19 490
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)		
I. Cash inflows from financial activity	735 161	
1. Long-term loans from other banks	735 161	
2. Long-term loans from other financial institution		
3. Issue of debt securities		
4. Increase in subordinated debt		
5. Net inflows from issuance of own shares and additional payments to share capital		
6. Other inflows		
II. Cash outflows from financial activity	-747 894	-13 191
1. Repayment of long-term loans contracted from other banks	-735 370	
2. Repayment of long-term loans contracted from non-bank financial institutions	-9 749	-10 126
3. Redemption of debt securities		
4. Other financial liabilities		
5. Payment of liabilities under financial lease agreements		
6. Decrease in subordinated debt		
7. Payment of dividends and other payments to owners		
8. Other payments (not to owners) related to profit distribution		
9. Purchase of own shares		
10. Other outflows	-2 775	-3 065
III. Net cash flow from financial activity (I +/- II)	-12 733	-13 191
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	-498 349	371 705
E. CHANGE IN CASH IN BALANCE-SHEET	-498 349	371 705
- including changes in cash arising from exchange rate differences	627	26 236
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	802 907	695 484
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	304 558	1 067 189
- including cash with restricted option of use		

Descriptive information specified in § 91 sections 3, 4 and 6 of the Ministry of Finance Ordinance dated October 19, 2005 – Journal of Laws No. 209, item 1744) is presented in enclosures hereto.

Signature of the company's
representative(s)

Jan Bujak, President of the Board of Executives
Chief Financial Officer

Alexander Paklons
Senior Vice President of the Board of Executives