

Quarterly report for the 3rd quarter of 2006

SAB - Q III/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 3rd quarter of 2006

November 3, 2006
(date of submission)

SELECTED FINANCIAL DATA	PLN '000		EUR '000	
	3rd quarter YTD from Jan. 1, 2006 to September 30, 2006	3rd quarter YTD from Jan. 1, 2005 to September 30, 2005	3rd quarter YTD from Jan. 1, 2006 to September 30, 2006	3rd quarter YTD from Jan. 1, 2005 to September 30, 2005
I. Interest income	269 083	230 438	68 725	56 782
II. Fee and commission income	70 879	64 629	18 103	15 925
III. Result on banking activity	295 588	237 051	75 495	58 411
IV. Net operating result	104 573	91 797	26 708	22 620
V. Gross profit (loss)	104 573	91 797	26 708	22 620
VI. Net profit (loss)	86 378	76 378	22 061	18 820
VII. Net cash flow from operating activity	-1 546 724	77 235	-395 040	19 031
VIII. Net cash flow from investing activity	-346 916	33 011	-88 604	8 134
IX. Net cash flow from financial activity	1 657 380	-35 325	423 303	-8 704
X. Net cash flow	-236 260	74 921	-60 342	18 461
XI. Total assets	8 552 689	5 617 900	2 147 029	1 434 382
XII. Due to the Central Bank				
XIII. Due to other financial institutions	3 476 019	1 736 414	872 604	443 347
XIV. Due to customers and budget sector	3 939 067	2 889 204	988 846	737 682
XV. Own equity	773 720	668 562	194 231	170 700
XVI. Share capital	452 331	30 155	113 551	7 699
XVII. Number of shares	15 077 700	15 077 700		
XVIII. Book value per share (in PLN/EUR)	51,32	44,34	12,88	11,32
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	9,66	11,67		
XXI. Profit (loss) per ordinary share (in PLN/EUR)	7,39	6,20	1,89	1,53
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)				
XXIII. Declared or paid-out dividend per ordinary share (in PLN/EUR)				

BALANCE-SHEET (PLN'000)	30-09-06 end of the quarter (current year)	30-06-06 end of the previous quarter (current year)	31-12-05 end of the previous year (previous year)	30-09-05 end of the quarter (previous year)
ASSETS				
I. Cash and due from the Central Bank	209 839	331 387	231 374	275 797
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Due from other financial institutions	1 068 159	360 062	1 311 254	839 541
1. Current	357 034	54 937	571 839	494 608
2. Term	711 125	305 125	739 415	344 933
IV. Due from customers	6 361 826	5 716 167	4 293 623	3 966 788
1. Current	1 200 271	1 116 772	883 962	858 551
2. Term	5 161 555	4 599 395	3 409 661	3 108 237
V. Due from budget sector	1 000	509	531	540
1. Current				
2. Term	1 000	509	531	540
VI. Securities purchased under resale agreements				
VII. Debt securities	709 013	718 289	311 428	331 478
VIII. Shares and investments in subsidiaries	16 252	15 970	15 360	65 100
IX. Shares and investments in sister companies				
X. Shares and investments in associated entities				
XI. Minority investments	44	45	43	44

XII. Other securities and other financial assets	50 125	67 206	52 790	28 630
XIII. Intangible fixed assets, incl.	21 984	17 156	14 522	13 002
- goodwill				
XIV. Tangible fixed assets	51 398	48 911	47 454	48 562
XV. Other assets	16 031	16 179	58 522	7 289
1. Seized assets for sale	5	5	5	5
2. Others	16 026	16 174	58 517	7 284
XVI. Prepayments and accrued income	47 018	41 054	33 002	41 129
1. Deferred income tax	40 740	34 603	29 899	32 344
2. Other prepayments and accrued income	6 278	6 451	3 103	8 785
Total assets	8 552 689	7 332 935	6 369 903	5 617 900
LIABILITIES				
I. Due to the Central Bank				
II. Due to other financial institutions	3 476 019	2 655 911	2 178 376	1 736 414
1. Current	477 278	1 009 710	710 967	568 430
2. Term	2 998 741	1 646 201	1 467 409	1 167 984
III. Due to customers	3 896 745	3 543 072	3 148 599	2 851 742
1. Savings:	2 033	1 903	1 571	1 318
a) Demand				
b) Term	2 033	1 903	1 571	1 318
2. Others:	3 894 712	3 541 169	3 147 028	2 850 424
a) Demand	2 129 535	1 896 046	1 654 862	1 498 423
b) Term	1 765 177	1 645 123	1 492 166	1 352 001
IV. Due to budget sector	42 322	45 488	26 042	37 462
a) Demand	18 836	13 928	11 600	15 325
b) Term	23 486	31 560	14 442	22 137
V. Securities sold under repurchase agreements				
VI. Debt securities issued				
1. Short-term				
2. Long-term				
VII. Other liabilities in respect of financial instruments	65 393	73 964	51 939	42 929
VIII. Special funds and other liabilities	115 092	89 434	104 417	112 843
IX. Accruals and deferred income	135 369	136 095	134 101	132 516
1. Settlement of accrued expenses	19 316	14 357	12 242	13 257
2. Negative goodwill				
3. Other accruals and deferred income	116 053	121 738	121 859	119 259
X. Provisions	48 029	44 127	34 644	35 432
1. Provision for corporate income tax	12 350	11 132	10 854	11 602
2. Other provisions	35 679	32 995	23 790	23 830
a. Short-term				
b. Long-term	35 679	32 995	23 790	23 830
XI. Subordinated debt				
XII. Share capital	452 331	30 155	30 155	30 155
XIII. Unpaid contribution to share capital (negative value)				
XIV. Own shares (negative value)				
XV. Additional capital	159 995	403 883	349 539	349 539
XVI. Revaluation reserve	82	-839	2 415	4 313
XVII. Other reserve capital	74 934	253 222	153 834	153 834
XVIII. Retained earnings (uncovered loss) from prior years			54 343	54 343
XIX. Net profit (loss)	86 378	58 423	101 499	76 378
Total liabilities	8 552 689	7 332 935	6 369 903	5 617 900
Capital Adequacy Ratio	9,66	10,29	11,11	11,67
Net book value	773 720	744 844	691 785	668 562
Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
Net book value per share (in PLN)	51,32	49,40	45,88	44,34
Forecast number of shares				
Diluted book value per share (in PLN)				

OFF - BALANCE SHEET ITEMS	30-09-06	30-06-06	31-12-05	30-09-05
	end of the quarter (current year)	end of the previous quarter (current year)	end of the previous year (previous year)	end of the quarter (previous year)
I. Contingent liabilities and assets:	3 828 195	3 873 446	3 414 158	3 053 471
1. Contingent liabilities granted:	3 091 818	2 817 066	2 519 246	2 030 390
a) lending commitments	2 507 500	2 213 888	1 966 069	1 565 856
b) guarantees	584 318	603 178	553 177	464 534
2. Contingent assets received:	736 377	1 056 380	894 912	1 023 081
a) lending commitments	596 193	925 603	737 016	778 466
b) guarantees	140 184	130 777	157 896	244 615
II. Commitments resulting from sale/purchase transactions	5 388 442	5 164 084	5 851 830	3 960 184
III. Others, including:	10 225 793	8 671 759	5 180 442	3 387 495
- speculative derivatives	9 925 793	8 371 759	4 880 442	3 087 495
- hedging derivatives	300 000	300 000	300 000	300 000
TOTAL	19 442 430	17 709 289	14 446 430	10 401 150

PROFIT AND LOSS STATEMENT	3rd quarter (current year)	3rd quarter YTD (current year)	3rd quarter (previous year)	3rd quarter YTD (previous year)
	from July 1, 2006 to September 30, 2006	from Jan. 1, 2006 to September 30, 2006	from July 1, 2005 to September 30, 2005	from Jan. 1, 2005 to September 30, 2005
I. Interest income	103 572	269 083	72 990	230 438
II. Interest expense	47 815	119 375	32 620	106 761
III. Net interest income(I-II)	55 757	149 708	40 370	123 677
IV. Fee and commission income	24 963	70 879	21 798	64 629
V. Fee and commission expense	1 786	6 631	1 987	6 309
VI. Net fee and commission income (IV-V)	23 177	64 248	19 811	58 320
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	2 053	5 877	1 160	4 797
IX. Net result on FX differences	25 773	75 755	18 641	50 257
X. Result on banking activity	106 760	295 588	79 982	237 051
XI. Other operating income	3 320	8 720	2 414	6 484
XII. Other operating expenses	652	2 213	563	2 382
XIII. General expenses	60 557	159 387	38 815	115 311
XIV. Depreciation of tangible&intangible fixed assets	7 095	18 484	4 798	13 921
XV. Charges to provisions and revaluation	16 206	40 566	13 285	41 186
1. Specific provisions and general risk reserve	16 206	40 566	13 285	41 186
2. Revaluation of financial assets				
XVI. Release of provisions and other decreases in respect of revaluation	7 730	20 915	8 643	21 062
1. Release of specific provisions and general risk reserve	7 730	20 915	8 643	21 062
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	-8 476	-19 651	-4 642	-20 124
XVIII. Operating profit	33 300	104 573	33 578	91 797
XIX. Extraordinary gains/losses, net				
1. Extraordinary gains				
2. Extraordinary losses				
XX. Profit (loss) before taxation	33 300	104 573	33 578	91 797
XXI. Corporate income tax	5 732	19 043	6 313	17 282
1. current	10 868	27 841	5 632	17 749
2. deferred	-5 136	-8 798	681	-467
XXII. Other mandatory charges to profit (loss)				
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	387	848	411	1 863
XXIV. Net profit (loss)	27 955	86 378	27 676	76 378
Net profit (loss) (for 12 months)		111 499		93 465

Weighted average number of ordinary shares		15 077 700		15 077 700
Net profit (loss) per ordinary share (in PLN)		7,39		6,20
Weighted average of diluted number of ordinary shares				
Diluted net profit (loss) per ordinary share (in PLN)				

MOVEMENTS IN OWN EQUITY	3rd quarter (current year)	3rd quarter YTD (current year)	previous year	3rd quarter YTD (previous year)
	from July 1, 2006 to September 30, 2006	from Jan. 1, 2006 to September 30, 2006	31-12-2005	from Jan. 1, 2005 to September 30, 2005
I. Opening balance of own equity	744 844	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	744 844	691 785	587 708	587 708
1. Opening balance of share capital	30 155	30 155	30 155	30 155
1.1. Movements in share capital	422 176	422 176		
a) increases (in respect of)	422 176	422 176		
- issue of shares				
- transferring funds from additional capital and other reserve capital	422 176	422 176		
b) decreases (in respect of)				
- redemption of shares				
1.2. Closing balance of share capital	452 331	452 331	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 additional capital	403 882	349 539	349 539	349 539
4.1. Movements in additional capital	-243 887	-189 544		
a) increases (in respect of)		64 542		
- issuance of shares above their par value				
- profit distribution (mandatory)				
- distribution of profit (voluntary)		64 542		
- sale and liquidation of fixed assets				
b) decreases (in respect of)	-243 887	-254 086		
- sale and liquidation of fixed assets				
-transferring funds to the share capital	-243 887	-243 887		
- covering financial effects of the amendments to the Accounting Act		-10 199		
4.2. Closing balance of additional capital	159 995	159 995	349 539	349 539
5. Opening balance of revaluation reserve	-839	2 415	-163	-163
5.1. Movements in revaluation reserve	921	-2 333	2 578	4 476
a) increases (in respect of)	1 564	6 071	10 275	9 068
- sale and liquidation of fixed assets				
- valuation of securities available for sale	1 496	4 642	9 077	8 437
- deferred tax	68	1 429	1 198	631
b) decreases (in respect of)	-643	-8 404	-7 697	-4 592
- sale of fixed assets				
- liquidation of fixed assets				
- valuation of securities available for sale	-358	-7 522	-5 894	-2 912
- valuation of shares in subsidiaries				
- deferred tax	-285	-882	-1 802	-1 680
5.2. Closing balance of revaluation reserve	82	82	2 415	4 313
6. Opening balance of General Risk Fund	67 045	136 816	112 263	112 263
6.1. Movements in General Risk Fund		-69 771	24 553	24 553
a) increases (in respect of)		41 499	24 553	24 553
- profit distribution		41 499	24 553	24 553
b) decreases (in respect of)		-111 270		
- transferring funds to other reserve capital		-111 270		
6.2. Closing balance of General Risk Fund	67 045	67 045	136 816	136 816
7. Opening balance of other reserve capital	186 177	17 018	17 018	17 018

7.1. Movements in other reserve capital	-178 288	-9 129		
a) increases (in respect of)		171 270		
- profit distribution		60 000		
- transferring funds from General Risk Fund		111 270		
b) decreases (in respect of)	-178 288	-180 399		
-transferring funds to the share capital	-178 288	-178 288		
- paid-up tax arising from the share capital increase		-2 111		
7.2. Closing balance of other reserve capital	7 889	7 889	17 018	17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year	58 423	155 842	11 811	86 364
8.1. Opening balance of undistributed profit from prior years				
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	58 423	166 041	14 542	89 095
8.3. Movements in undistributed profit from prior years		-166 041	50 000	-24 553
a) increases (in respect of)			50 000	
- profit distribution			50 000	
b) decreases (in respect of)		-166 041		-24 553
- profit distribution		-166 041		-24 553
8.4. Closing balance of undistributed profit from prior years	58 423		64 542	64 542
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		10 199		
a) increases (in respect of)				
- loss for covering				
- changes in adopted accounting principles (policy)				
b) decreases (in respect of)		10 199		
-transferring funds from the additional capital in order to cover the effects of changes in adopted accounting principles		10 199		
8.8. Closing balance of uncovered loss from prior years			-10 199	-10 199
8.9. Closing balance of undistributed profit or uncovered loss from prior years	58 423		54 343	54 343
9. Net income	27 955	86 378	101 499	76 378
a) net profit	27 955	86 378	101 499	76 378
b) net loss				
II. Closing balance of own equity	773 720	773 720	691 785	668 562
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	773 720	773 720	691 785	668 562

CASH FLOW STATEMENT	3rd quarter (current year)	3rd quarter YTD (current year)	3rd quarter (previous year)	3rd quarter YTD (previous year)
	from July 1, 2006 to September 30, 2006	from Jan. 1, 2006 to September 30, 2006	from July 1, 2005 to September 30, 2005	from Jan.1, 2005 to September 30, 2005
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method				
I. Net profit (loss)	-1 342 668	-1 546 724	-117 076	77 235
II. Adjustments for:	27 955	86 378	27 676	76 378
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	-1 370 623	-1 633 102	-144 752	857
2. Depreciation	-387	-848	-411	-1 863
3. Foreign exchange gains/(losses)	7 095	18 484	4 798	13 921
4. Interest and dividends received and paid	25 089	11 298	-34 105	-34 048
5. Profit (loss) on investments	-1 534	3 845	8 686	14 579
6. Change in other reserves	1 100	1 042	-708	-1 866
7. Change in debt securities held	-7 430	-2 850	-4 845	8 141
8. Change in amounts due from financial sector	-50 633	-97 110	-31 101	-26 577
9. Change in amounts due from customers and budget sector	-406 401	27 919	43 621	404 903
10. Change in securities purchased under resale agreements	-634 370	-2 051 986	-206 383	-579 947

11. Change in shares, securities and other financial instruments with variable yield	17 082	2 664	-3 310	-7 219
12. Change in amounts due to financial sector	-687 506	-386 866	43 905	-136 912
13. Change in amounts due to customers and budget sector	350 507	764 426	7 997	241 887
14. Change in securities sold under repurchase agreements				
15. Change in securities issued				
16. Change in other liabilities	17 087	22 019	41 806	88 150
17. Change in interperiod settlements	-1 221	-6 395	-1 544	-5 036
18. Change in deferred income	-5 685	-5 806	-2 345	-1 195
19. Other items	6 584	67 062	-10 813	23 939
III. Net cash flow from operating activity (I +/- II)	-1 342 668	-1 546 724	-117 076	77 235
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)				
I. Cash inflows	88 562	189 124	209 936	1 370 584
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	79 622	179 312	204 549	1 361 785
5. Sale of tangible and intangible fixed assets	665	1 176	978	1 388
6. Sale of investments in real estates and intangible assets				
7. Other inflows	8 275	8 636	4 409	7 411
II. Cash outflows	-37 732	-536 040	-226 699	-1 337 573
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	-22 135	-503 972	-218 333	-1 315 289
5. Purchase of tangible and intangible fixed assets	-8 732	-17 060	-1 288	-9 991
6. Investments in real estates and intangible assets	-6 865	-15 008	-10 625	-12 293
7. Other outflows			3 547	
III. Net cash flow from investing activity (I +/- II)	50 830	-346 916	-16 763	33 011
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)				
I. Cash inflows	1 492 095	2 427 694		
1. Long-term loans from other banks	1 492 095	2 427 694		
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	-19 661	-770 314	-17 256	-35 325
1. Repayment of long-term loans contracted from other banks		-735 370		
2. Repayment of long-term loans contracted from non-bank financial institutions	-9 811	-19 386	-10 345	-20 471
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	-9 850	-15 558	-6 911	-14 854
III. Net cash flow from financial activity (I +/- II)	1 472 434	1 657 380	-17 256	-35 325
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	180 596	-236 260	-151 095	74 921
E. CHANGE IN CASH IN BALANCE-SHEET	180 596	-236 260	-151 095	74 921
- including changes in cash arising from exchange rate differences	-3 290	62	-39 622	-13 386
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	386 051	802 907	921 500	695 484
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	566 647	566 647	770 405	770 405
- 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

Alexander Paklons
Senior Vice President of the Board of Executives