

## Quarterly report for the 1st quarter of 2005

SAB - Q I/2005 Form (for banks)

Pursuant to § 93, section 1, item 1 of the Council of Ministers Ordinance dated March 21, 2005 (Journal of Laws No. 49/2005, item 463)

The Board of Executives of Fortis Bank Polska S.A.  
hereby releases the quarterly report for the 1st quarter of 2005May 5, 2005  
(date of submission)

SELECTED FINANCIAL DATA  (current year)	PLN '000		EUR '000	
	1st quarter YTD	1st quarter YTD	1st quarter YTD	1st quarter YTD
	from Jan. 1, 2005 to March 31, 2005	from Jan. 1, 2004 to March 31, 2004	from Jan. 1, 2005 to March 31, 2005	from Jan. 1, 2004 to March 31, 2004
I. Interest income	76 925	60 058	19 158	12 528
II. Fee and commission income	19 526	17 784	4 863	3 710
III. Result on banking activity	76 203	63 288	18 978	13 202
IV. Net operating result	26 044	17 341	6 486	3 617
V. Gross profit (loss)	26 044	17 341	6 486	3 617
VI. Net profit (loss)	21 746	15 131	5 416	3 156
VII. Net cash flow from operating activity	404 386	(528 798)	100 711	(110 308)
VIII. Net cash flow from investing activity	(19 490)	(65 114)	(4 854)	(13 583)
IX. Net cash flow from financial activity	(13 191)	663 054	(3 285)	138 314
X. Net cash flow	371 705	69 142	92 572	14 423
XI. Total assets	5 528 631	4 913 254	1 353 829	1 035 350
XII. Due to the Central Bank				
XIII. Due to other financial institutions	1 957 492	1 707 409	479 343	359 795
XIV. Due to customers and budget sector	2 679 530	2 431 322	656 153	512 343
XV. Own equity	612 150	527 822	149 901	111 226
XVI. Share capital	30 155	30 155	7 384	6 354
XVII. Number of shares	15 077 700	15 077 700		
XVIII. Book value per share (in PLN/EUR)	40.60	35.01	9.94	7.38
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	12.07	12.20		
XXI. Profit (loss) per ordinary share (in PLN/EUR)	5.77	2.93	1.44	0.61
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)	31.03.2005 end of the quarter  (current year)	31.12.2004 end of the previous quarter  (current year)	31.03.2004 end of the quarter  (previous year)
<b>ASSETS</b>			
I. Cash and due from the Central Bank	142 831	146 381	109 457
II. Treasury bills and other bills eligible for refinancing with the Central Bank			
III. Due from other financial institutions	1 212 178	1 298 936	585 120
1. Current	924 358	549 103	292 843
2. Term	287 820	749 833	292 277
IV. Due from customers	3 626 899	3 382 788	3 383 459
1. Current	947 274	796 516	664 047
2. Term	2 679 625	2 586 272	2 719 412
V. Due from budget sector	28	55	82
1. Current			
2. Term	28	55	82
VI. Securities purchased under resale agreements			
VII. Debt securities	335 345	346 505	620 131
VIII. Shares and investments in subsidiaries	63 859	62 582	58 973
IX. Shares and investments in sister companies			
X. Shares and investments in associated entities			
XI. Minority investments	45	45	53
XII. Other securities and other financial assets	41 969	21 410	4 988
XIII. Intangible fixed assets, incl.	10 662	10 380	10 471
- goodwill			
XIV. Tangible fixed assets	44 978	44 509	48 330
XV. Other assets	13 197	37 827	64 667
1. Seized assets for sale	5	5	
2. Others	13 192	37 822	64 667

<b>XVI. Prepayments and accrued income</b>	<b>36 640</b>	<b>35 481</b>	<b>27 523</b>
1. Deferred income tax	31 703	31 103	21 033
2. Other prepayments and accrued income	4 937	4 378	6 490
<b>Total assets</b>	<b>5 528 631</b>	<b>5 386 899</b>	<b>4 913 254</b>
<b>LIABILITIES</b>			
<b>I. Due to the Central Bank</b>			
<b>II. Due to other financial institutions</b>	<b>1 957 492</b>	<b>1 927 845</b>	<b>1 707 409</b>
1. Current	644 112	671 695	410 030
2. Term	1 313 380	1 256 150	1 297 379
<b>III. Due to customers</b>	<b>2 642 238</b>	<b>2 621 860</b>	<b>2 400 898</b>
1. Savings:	1 015	688	
a) Demand			
b) Term	1 015	688	
2. Others:	2 641 223	2 621 172	2 400 898
a) Current	1 306 177	1 331 551	1 090 325
b) Term	1 335 046	1 289 621	1 310 573
<b>IV. Due to budget sector</b>	<b>37 292</b>	<b>25 457</b>	<b>30 424</b>
a) Current	13 228	10 193	8 545
b) Term	24 064	15 264	21 879
<b>V. Securities sold under repurchase agreements</b>			
<b>VI. Debt securities issued</b>			
1. Short-term			
2. Long-term			
<b>VII. Other liabilities in respect of financial instruments</b>	<b>38 672</b>	<b>26 285</b>	<b>3 669</b>
<b>VIII. Special funds and other liabilities</b>	<b>70 654</b>	<b>41 338</b>	<b>121 562</b>
<b>IX. Accruals and deferred income</b>	<b>135 082</b>	<b>132 975</b>	<b>113 314</b>
1. Settlement of accrued expenses	9 029	12 521	10 910
2. Negative goodwill			
3. Other accruals and deferred income	126 053	120 454	102 404
<b>X. Provisions</b>	<b>35 051</b>	<b>23 431</b>	<b>8 156</b>
1. Provision for corporate income tax	12 480	9 778	6 551
2. Other provisions	22 571	13 653	1 605
a. Short-term			
b. Long-term		13 653	1 605
<b>XI. Subordinated debt</b>			
<b>XII. Share capital</b>	<b>30 155</b>	<b>30 155</b>	<b>30 155</b>
<b>XIII. Unpaid contribution to share capital (negative value)</b>			
<b>XIV. Own shares (negative value)</b>			
<b>XV. Reserve capital</b>	<b>349 539</b>	<b>349 539</b>	<b>349 534</b>
<b>XVI. Revaluation reserve</b>	<b>2 533</b>	<b>(163)</b>	<b>(8 000)</b>
<b>XVII. Other reserve capital</b>	<b>129 281</b>	<b>129 281</b>	<b>97 281</b>
<b>XVIII. Retained earnings (uncovered loss) from prior years</b>	<b>78 896</b>	<b>4 343</b>	<b>43 721</b>
<b>XIX. Net profit (loss)</b>	<b>21 746</b>	<b>74 553</b>	<b>15 131</b>
<b>Total liabilities</b>	<b>5 528 631</b>	<b>5 386 899</b>	<b>4 913 254</b>
<b>Capital Adequacy Ratio</b>	<b>12.07</b>	<b>12.30</b>	<b>12.20</b>
<b>Net book value</b>	<b>612 150</b>	<b>587 708</b>	<b>527 822</b>
<b>Number of shares</b>	<b>15 077 700</b>	<b>15 077 700</b>	<b>15 077 700</b>
<b>Net book value per share (in PLN)</b>	<b>40.60</b>	<b>38.98</b>	<b>35.01</b>
<b>Diluted number of shares</b>			
<b>Diluted book value per share (in PLN)</b>			

OFF - BALANCE SHEET ITEMS	31.03.2005 end of the quarter (current year)	31.12.2004 end of the previous quarter (current year)	31.03.2004 end of the quarter (previous year)
I. Contingent liabilities and assets:	3 319 898	3 001 098	2 568 239
1. Contingent liabilities granted:	1 954 293	1 620 058	1 158 121
a) lending commitments	1 603 159	1 298 294	960 196
b) guarantees	351 134	321 764	197 925
2. Contingent assets received:	1 365 605	1 381 040	1 410 118
a) lending commitments	784 276	798 092	1 212 740
b) guarantees	581 329	582 948	197 378
II. Commitments resulting from sale/purchase transactions	5 004 187	4 284 187	2 754 325
III. Others, including:	3 611 540	2 755 698	588 632
- liabilities due to FX deposit transactions			11 644
- speculative derivatives	3 311 540	2 455 698	276 988
- hedging derivatives	300 000	300 000	300 000
<b>TOTAL</b>	<b>11 935 625</b>	<b>10 040 983</b>	<b>5 911 196</b>

PROFIT AND LOSS STATEMENT	1st quarter YTD (current year) from Jan. 1, 2005 to March 31, 2005	1st quarter YTD (previous year) from Jan. 1, 2004 to March 31, 2004
I. Interest income	76 925	60 058
II. Interest expense	34 744	25 669
III. Net interest income(I-II)	42 181	34 389
IV. Fee and commission income	19 526	17 784
V. Fee and commission expense	2 473	2 763
VI. Net fee and commission income (IV-V)	17 053	15 021
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	1 814	1 874
IX. Net result on FX differences	15 155	12 004
X. Result on banking activity	76 203	63 288
XI. Other operating income	1 109	1 084
XII. Other operating expenses	540	614
XIII. General expenses	36 488	34 909
XIV. Depreciation of tangible&intangible fixed assets	4 539	6 333
XV. Charges to provisions and revaluation	14 071	9 479
1. Specific provisions and general risk reserve	14 071	9 479
2. Revaluation of financial assets		
XVI. Release of provisions and other decreases in respect of revaluation	4 370	4 304
1. Release of specific provisions and general risk reserve	4 370	4 304
2. Revaluation of financial assets		
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	(9 701)	(5 175)
XVIII. Operating profit	26 044	17 341
XIX. Extraordinary gains/losses, net		
1. Extraordinary gains		
2. Extraordinary losses		
XX. Profit (loss) before taxation	26 044	17 341
XXI. Corporate income tax	4 952	3 196
1. current	3 436	4 007
2. deferred	1 516	(811)
XXII. Other mandatory charges to profit (loss)		
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	655	986
XXIV. Net profit (loss)	21 746	15 131
Net profit (loss) (for 12 months)	86 986	44 132
Weighted average number of ordinary shares	15 077 700	15 077 700
Net profit (loss) per ordinary share (in PLN)	5.77	2.93
Weighted average of estimated number of ordinary shares		
Diluted net profit (loss) per ordinary share (in PLN)		

MOVEMENTS IN OWN EQUITY	1st quarter YTD (current year)	1st quarter YTD (previous year)
	from Jan. 1, 2005 to March 31, 2005	from Jan. 1, 2004 to March 31, 2004
<b>I. Opening balance of own equity</b>	595 176	516 176
a) Changes in adopted accounting principles (policy)	(7 468)	(2 821)
b) Correction of material errors		
<b>I.a. Opening balance of own equity after reclassification to confirm with current year presentation</b>	587 708	513 355
<b>1. Opening balance of share capital</b>	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		
<b>1.2. Closing balance of share capital</b>	30 155	30 155
<b>2. Opening balance of unpaid contribution to share capital</b>		
2.1. Movements in unpaid contributions to share capital		
a) increases		
b) decreases		
<b>2.2. Closing balance of unpaid contribution to share capital</b>		
<b>3. Opening balance of own shares</b>		
a) increases		
b) decreases		
<b>3. Closing balance of own shares</b>		
<b>4. Opening balance of reserve capital</b>	349 539	349 534
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		
<b>4.2. Closing balance of reserve capital</b>	349 539	349 534
<b>5. Opening balance of revaluation reserve</b>	(163)	(7 336)
5.1. Movements in revaluation reserve	2 696	(664)
a) increases (in respect of)	4 442	2 037
- valuation of securities available for sale	3 504	1 566
- valuation of shares in subsidiaries	651	80
- deferred tax	287	391
b) decreases (in respect of)	(1 746)	(2 701)
- sale of fixed assets		
- valuation of securities available for sale	(924)	(2 267)
- valuation of shares in subsidiaries	(45)	(176)
- deferred tax	(777)	(258)
<b>5.2. Closing balance of revaluation reserve</b>	2 533	(8 000)
<b>6. Opening balance of General Risk Fund</b>	112 263	80 263
6.1. Movements in General Risk Fund		
a) increases (in respect of)		
- profit distribution		
b) decreases (in respect of)		
<b>6.2. Closing balance of General Risk Fund</b>	112 263	80 263
<b>7. Opening balance of other reserve capital</b>	17 018	17 018
7.1. Movements in other reserve capital		
a) increases (in respect of)		
b) decreases (in respect of)		
<b>7.2. Closing balance of other reserve capital</b>	17 018	17 018
<b>8. Opening balance of undistributed profit (uncovered loss) from prior year</b>		
<b>8.1. Opening balance of undistributed profit from prior years</b>	86 364	43 721
a) changes in adopted accounting principles (policy)	89 095	46 542
b) corrections of material errors	1 752	
<b>8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation</b>	90 847	46 542
<b>8.3. Movements in undistributed profit from prior years</b>		
a) increases (in respect of)		

- profit distribution		
b) decreases (in respect of)		
- profit distribution		
<b>8.4. Closing balance of undistributed profit from prior years</b>	<b>90 847</b>	<b>46 542</b>
<b>8.5. Opening balance of uncovered loss from prior years</b>	<b>(2 731)</b>	<b>(2 821)</b>
a) changes in adopted accounting principles (policy)	(9 220)	
b) corrections of material errors		
<b>8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation</b>	<b>(11 951)</b>	<b>(2 821)</b>
<b>8.7. Movements in uncovered loss from prior years</b>		
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		
<b>8.8. Closing balance of uncovered loss from prior years</b>	<b>(11 951)</b>	<b>(2 821)</b>
<b>8.9. Closing balance of undistributed profit or uncovered loss from prior years</b>	<b>78 896</b>	<b>43 721</b>
<b>9. Net income</b>	<b>21 746</b>	<b>15 131</b>
a) net profit	21 746	15 131
b) net loss		
<b>II. Closing balance of own equity</b>	<b>612 150</b>	<b>527 822</b>
<b>III. Closing balance of own equity, including the proposed profit distribution (loss covering)</b>	<b>612 150</b>	<b>527 822</b>

CASH FLOW STATEMENT	1st quarter YTD (current year)	1st quarter YTD (previous year)
	from Jan. 1, 2005 to March 31, 2005	from Jan. 1, 2004 to March 31, 2004
<b>A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method</b>	<b>404 386</b>	<b>(528 798)</b>
<b>I. Net profit (loss)</b>	<b>21 746</b>	<b>15 131</b>
<b>II. Adjustments for:</b>	<b>382 640</b>	<b>(543 929)</b>
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	(655)	(986)
2. Depreciation	4 539	6 333
3. Foreign exchange gains/(losses)	5 213	(66 314)
4. Interest and dividends received and paid	2 643	2 251
5. Profit (loss) on investments	(1 179)	(177)
6. Change in other reserves	11 672	6 624
7. Change in debt securities held	(265 736)	9 013
8. Change in amounts due from financial sector	462 013	(66 614)
9. Change in amounts due from customers and budget sector	(244 136)	(145 451)
10. Change in securities purchased under resale agreements		
11. Change in shares, securities and other financial instruments with variable yield	(20 559)	(3 410)
12. Change in amounts due to financial sector	34 560	(290 717)
13. Change in amounts due to customers and budget sector	32 213	(63 461)
14. Change in securities sold under repurchase agreements		
15. Change in securities issued		
16. Change in other liabilities	41 703	56 494
17. Change in interperiod settlements	(4 279)	(2 403)
18. Change in deferred income	5 599	7 276
19. Other items	319 029	7 613
<b>III. Net cash flow from operating activity (I +/- II)</b>	<b>404 386</b>	<b>(528 798)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITY (I-II)</b>		
<b>I. Cash inflows from investing activity</b>	<b>296 135</b>	<b>410 215</b>
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	409 252
5. Sale of tangible and intangible fixed assets	16	6
6. Sale of investments in real estates and intangible assets		
7. Other inflows	10 995	957
<b>II. Cash outflows from investing activity</b>	<b>(315 625)</b>	<b>(475 329)</b>
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	(309 938)	(473 821)
5. Purchase of tangible and intangible fixed assets	(4 171)	(1 508)

6. Investments in real estates and intangible assets	(372)	
7. Other outflows	(1 144)	
<b>III. Net cash flow from investing activity (I +/- II)</b>	<b>(19 490)</b>	<b>(65 114)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)</b>		
<b>I. Cash inflows from financial activity</b>		<b>1 180 198</b>
1. Long-term loans from other banks		1 180 198
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		
<b>II. Cash outflows from financial activity</b>	<b>(13 191)</b>	<b>(517 144)</b>
1. Repayment of long-term loans contracted from other banks		(502 954)
2. Repayment of long-term loans contracted from non-bank financial institutions	(10 126)	(11 751)
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	(3 065)	(2 439)
<b>III. Net cash flow from financial activity (I +/- II)</b>	<b>(13 191)</b>	<b>663 054</b>
<b>D. NET CASH FLOW (AIII+/-BIII+/-CIII)</b>	<b>371 705</b>	<b>69 142</b>
<b>E. CHANGE IN CASH IN BALANCE-SHEET</b>	<b>371 705</b>	<b>69 142</b>
- including changes in cash arising from exchange rate differences	26 236	6 177
<b>F. CASH AT THE BEGINNING OF THE REPORTING PERIOD</b>	<b>695 484</b>	<b>333 158</b>
<b>G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)</b>	<b>1 067 189</b>	<b>402 300</b>
- including cash with restricted option of use		

Descriptive information specified in § 98 sections 4-6 of the Council of Ministers Ordinance dated March 21, 2005 (Journal of Laws No. 49, item 463) is presented in an enclosure 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