

Quarterly report for the 2nd quarter of 2005
SAB - Q II/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 2nd quarter of 2005

July 26, 2005
(date of submission)

SELECTED FINANCIAL DATA (current year)	PLN '000		EUR '000	
	2nd quarter YTD	2nd quarter YTD	2nd quarter YTD	2nd quarter YTD
	from Jan. 1, 2005 to June 30, 2005	from Jan. 1, 2004 to June 30, 2004	from Jan. 1, 2005 to June 30, 2005	from Jan. 1, 2004 to June 30, 2004
I. Interest income	160 236	132 749	39 269	28 059
II. Fee and commission income	42 831	38 932	10 497	8 229
III. Result on banking activity	157 063	138 799	38 491	29 337
IV. Net operating result	58 219	43 703	14 268	9 237
V. Gross profit (loss)	58 219	43 703	14 268	9 237
VI. Net profit (loss)	48 702	38 050	11 935	8 042
VII. Net cash flow from operating activity	242 823	(242 711)	59 509	(51 301)
VIII. Net cash flow from investing activity	1 262	(159 388)	309	(33 689)
IX. Net cash flow from financial activity	(18 069)	767 025	(4 428)	162 123
X. Net cash flow	226 016	364 926	55 390	77 133
XI. Total assets	5 542 192	5 161 836	1 371 796	1 136 418
XII. Due to the Central Bank				
XIII. Due to other financial institutions	1 736 959	1 813 187	429 930	399 187
XIV. Due to customers and budget sector	2 881 207	2 604 315	713 152	573 360
XV. Own equity	641 656	546 736	158 822	120 368
XVI. Share capital	30 155	30 155	7 464	6 639
XVII. Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
XVIII. Book value per share (in PLN/EUR)	42.56	36.26	10.53	7.98
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	11.71	13.02		
XXI. Profit (loss) per ordinary share (in PLN/EUR)	7.15	5.05	1.75	1.07
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)				
PLN/EUR				

BALANCE-SHEET (PLN'000)	30.06.2005 end of the quarter (current year)	31.03.2005 end of the previous quarter (current year)	31.12.2004 (previous year)	30.06.2004 end of the quarter (previous year)
ASSETS				
I. Cash and due from the Central Bank	77 862	142 831	146 381	70 185
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Due from other financial institutions	1 232 190	1 212 178	1 298 936	898 998
1. Current	843 638	924 358	549 103	627 899
2. Term	388 552	287 820	749 833	271 099
IV. Due from customers	3 754 895	3 626 899	3 382 788	3 396 465
1. Current	789 606	947 274	796 516	742 442
2. Term	2 965 289	2 679 625	2 586 272	2 654 023
V. Due from budget sector	570	28	55	77
1. Current				
2. Term	570	28	55	77
VI. Securities purchased under resale agreements				
VII. Debt securities	277 435	335 345	346 505	617 671
VIII. Shares and investments in subsidiaries	64 515	63 859	62 582	59 272
IX. Shares and investments in sister companies				
X. Shares and investments in associated entities				
XI. Minority investments	45	45	45	50
XII. Other securities and other financial assets	27 180	41 969	21 410	11 215
XIII. Intangible fixed assets, incl. - goodwill	11 756	10 662	10 380	9 621
XIV. Tangible fixed assets	47 330	44 978	44 509	46 260
XV. Other assets	10 785	13 197	37 827	19 597
1. Seized assets for sale	5	5	5	
2. Others	10 780	13 192	37 822	19 597
XVI. Prepayments and accrued income	37 629	36 640	35 481	32 425
1. Deferred income tax	31 538	31 703	31 103	26 815

2. Other prepayments and accrued income	6 091	4 937	4 378	5 610
Total assets	5 542 192	5 528 631	5 386 899	5 161 836
LIABILITIES				
I. Due to the Central Bank				
II. Due to other financial institutions	1 736 959	1 957 492	1 927 845	1 813 187
1. Current	493 025	644 112	671 695	491 924
2. Term	1 243 934	1 313 380	1 256 150	1 321 263
III. Due to customers	2 839 906	2 642 238	2 621 860	2 566 570
1. Savings:	1 196	1 015	688	
a) Demand				
b) Term	1 196	1 015	688	
2. Others:	2 838 710	2 641 223	2 621 172	2 566 570
a) Demand	1 463 843	1 306 177	1 331 551	1 337 969
b) Term	1 374 867	1 335 046	1 289 621	1 228 601
IV. Due to budget sector	41 301	37 292	25 457	37 745
a) Demand	15 648	13 228	10 193	8 827
b) Term	25 653	24 064	15 264	28 918
V. Securities sold under repurchase agreements				
VI. Debt securities issued				
1. Short-term				
2. Long-term				
VII. Other liabilities in respect of financial instruments	39 423	38 672	26 285	13 414
VIII. Special funds and other liabilities	74 544	70 654	41 338	58 110
IX. Accruals and deferred income	131 641	135 082	132 975	115 013
1. Settlement of accrued expenses	10 037	9 029	12 521	12 400
2. Negative goodwill				
3. Other accruals and deferred income	121 604	126 053	120 454	102 613
X. Provisions	36 762	35 051	23 431	11 061
1. Provision for corporate income tax	10 236	12 480	9 778	7 441
2. Other provisions	26 526	22 571	13 653	3 620
a. Short-term				
b. Long-term	26 526	22 571	13 653	3 620
XI. Subordinated debt				
XII. Share capital	30 155	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	349 539
XVI. Revaluation reserve	5 083	2 533	(163)	(12 100)
XVII. Other reserve capital	153 834	129 281	129 281	129 281
XVIII. Retained earnings (uncovered loss) from prior years	54 343	78 896	4 343	11 811
XIX. Net profit (loss)	48 702	21 746	74 553	38 050
Total liabilities	5 542 192	5 528 631	5 386 899	5 161 836
Capital Adequacy Ratio	11.71	12.07	12.10	13.02
Net book value	641 656	612 150	587 708	546 736
Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
Net book value per share (in PLN)	42.56	40.60	38.98	36.26
Forecast number of shares				
Diluted book value per share (in PLN)				

OFF - BALANCE SHEET ITEMS	30.06.2005	31.03.2005	31.12.2004	30.06.2004
	end of the quarter (current year)	end of the previous quarter (current year)	(previous year)	end of the quarter (previous year)
I. Contingent liabilities and assets:	2 739 380	3 319 898	3 001 098	2 818 383
1. Contingent liabilities granted:	1 798 581	1 954 293	1 620 058	1 218 766
a) lending commitments	1 368 763	1 603 159	1 298 294	997 778
b) guarantees	429 818	351 134	321 764	220 988
2. Contingent assets received:	940 799	1 365 605	1 381 040	1 599 617
a) lending commitments	726 274	784 276	798 092	1 067 552
b) guarantees	214 525	581 329	582 948	532 065
II. Commitments resulting from sale/purchase transactions	3 311 394	5 004 187	4 284 187	2 289 612
III. Others, including:	3 620 819	3 611 540	2 755 698	1 371 653
- liabilities due to FX deposit transactions				45 422
- speculative derivatives	3 320 819	3 311 540	2 455 698	1 026 231
- hedging derivatives	300 000	300 000	300 000	300 000
TOTAL	9 671 593	11 935 625	10 040 983	6 479 648

PROFIT AND LOSS STATEMENT	2nd quarter (current year)	2nd quarter YTD (current year)	2nd quarter (previous year)	2nd quarter YTD (previous year)
	from April 1, 2005 to June 30, 2005	from Jan. 1, 2005 to June 30, 2005	from April 1, 2004 to June 30, 2004	from Jan. 1, 2004 to June 30, 2004
I. Interest income	80 781	160 236	70 563	132 749
II. Interest expense	37 009	74 154	28 935	57 032
III. Net interest income(I-II)	43 772	86 082	41 628	75 717
IV. Fee and commission income	23 305	42 831	21 148	38 932
V. Fee and commission expense	1 849	4 322	3 006	5 769
VI. Net fee and commission income (IV-V)	21 456	38 509	18 142	33 163
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	(829)	856	(1 888)	286
IX. Net result on FX differences	16 461	31 616	17 629	29 633
X. Result on banking activity	80 860	157 063	75 511	138 799
XI. Other operating income	2 967	4 076	2 057	3 141
XII. Other operating expenses	1 279	1 819	1 277	1 891
XIII. General expenses	40 008	76 496	38 203	73 112
XIV. Depreciation of tangible&intangible fixed assets	4 584	9 123	5 581	11 914
XV. Charges to provisions and revaluation	13 830	27 901	10 561	20 040
1. Specific provisions and general risk reserve	13 830	27 901	10 561	20 040
2. Revaluation of financial assets				
XVI. Release of provisions and other decreases in respect of revaluation	8 049	12 419	4 416	8 720
1. Release of specific provisions and general risk reserve	8 049	12 419	4 416	8 720
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	(5 781)	(15 482)	(6 145)	(11 320)
XVIII. Operating profit	32 175	58 219	26 362	43 703
XIX. Extraordinary gains/losses, net				
1. Extraordinary gains				
2. Extraordinary losses				
XX. Profit (loss) before taxation	32 175	58 219	26 362	43 703
XXI. Corporate income tax	6 017	10 969	4 509	7 705
1. current	8 681	12 117	7 547	11 554
2. deferred	(2 664)	(1 148)	(3 038)	(3 849)
XXII. Other mandatory charges to profit (loss)				
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	798	1 452	1 066	2 052
XXIV. Net profit (loss)	26 956	48 702	22 919	38 050
Net profit (loss) (for 12 months)	107 822	97 404	56 821	76 100
Weighted average number of ordinary shares	15 077 700	15 077 700	15 077 700	15 077 700
Net profit (loss) per ordinary share (in PLN)	7.15	6.46	3.77	5.05
Weighted average of diluted number of ordinary shares				
Diluted net profit (loss) per ordinary share (in PLN)				

MOVEMENTS IN OWN EQUITY	2nd quarter (current year)	2nd quarter YTD (current year)	4th quarter YTD (previous year)	2nd quarter YTD (previous year)
	from April 1, 2005 to June 30, 2005	from Jan. 1, 2005 to June 30, 2005	December 31, 2004 (previous year)	June 30, 2004 (previous year)
1. Opening balance of own equity	595 176	595 176	516 176	516 086
a) Changes in adopted accounting principles (policy)	(7 468)	(7 468)	(2 731)	(2 731)
b) Correction of material errors				
1.a. Opening balance of own equity after reclassification to confirm with current year presentation	587 708	587 708	513 445	513 355
1. Opening balance of share capital	30 155	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	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	349 534	349 534
4.1. Movements in reserve capital			5	5
a) increases (in respect of)			5	5
- issuance of shares above their par value				
- profit distribution (mandatory)				
- distribution of profit (voluntary)				
- sale and liquidation of fixed assets			5	5
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	349 539
5. Opening balance of revaluation reserve	2 533	(163)	(7 336)	(7 336)
5.1. Movements in revaluation reserve	2 550	5 246	7 174	(4 764)
a) increases (in respect of)	3 965	8 407	22 117	4 649
- sale and liquidation of fixed assets				
- valuation of securities available for sale	3 719	7 223	17 939	2 646
- valuation of shares in subsidiaries	188	839	1 945	194
- deferred tax	58	345	2 233	1 809
b) decreases (in respect of)	(1 415)	(3 161)	(14 943)	(9 413)
- sale of fixed assets				
- liquidation of fixed assets			(5)	(5)
- valuation of securities available for sale	(363)	(1 287)	(9 936)	(7 888)
- valuation of shares in subsidiaries	(355)	(400)	(1 316)	(1 057)
- deferred tax	(697)	(1 474)	(3 686)	(463)
5.2. Closing balance of revaluation reserve	5 083	5 083	(163)	(12 100)
6. Opening balance of General Risk Fund	112 263	112 263	80 263	80 263
6.1. Movements in General Risk Fund	24 553	24 553	32 000	32 000
a) increases (in respect of)	24 553	24 553	32 000	32 000
- profit distribution	24 553	24 553	32 000	32 000
b) decreases (in respect of)				
6.2. Closing balance of General Risk Fund	136 816	136 816	112 263	112 263
7. Opening balance of other reserve capital	17 018	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	17 018
8. Opening balance of undistributed profit (uncovered loss) from prior year				
	54 343	86 364	46 542	43 811
8.1. Opening balance of undistributed profit from prior years	66 294	89 095	46 542	46 542
a) changes in adopted accounting principles (policy)		1 752		
b) corrections of material errors				
8.2. Opening balance of undistributed profit from prior year after reclassification to confirm with current year presentation	90 847	90 847	46 542	46 542

8.3. Movements in undistributed profit from prior years	(24 553)	(24 553)	(32 000)	(32 000)
a) increases (in respect of)				
- profit distribution				
b) decreases (in respect of)	(24 553)	(24 553)	(32 000)	(32 000)
- profit distribution	(24 553)	(24 553)	(32 000)	(32 000)
8.4. Closing balance of undistributed profit from prior years	66 294	66 294	14 542	14 542
8.5. Opening balance of uncovered loss from prior years	(11 951)	(2 731)	(2 731)	(2 731)
a) changes in adopted accounting principles (policy)		(9 220)	(2 731)	
b) corrections of material errors				
8.6. Opening balance of uncovered loss from prior years, after reclassification to confirm with current year presentation	(11 951)	(11 951)	(2 731)	(2 731)
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	(11 951)	(11 951)	(2 731)	(2 731)
8.9. Closing balance of undistributed profit or uncovered loss from prior years	54 343	54 343	11 811	11 811
9. Net income	26 956	48 702	74 553	38 050
a) net profit	26 956	48 702	74 553	38 050
b) net loss				
II. Closing balance of own equity	619 910	641 656	595 176	546 736
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	619 910	641 656	595 176	546 736

CASH FLOW STATEMENT	2nd quarter (current year)	2nd quarter YTD (current year)	2nd quarter (previous year)	2nd quarter YTD (previous year)
	from April 1, 2005 to June 30, 2005	from Jan. 1, 2005 to June 30, 2005	from April 1, 2004 to June 30, 2004	from Jan. 1, 2004 to June 30, 2004
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method				
I. Net profit (loss)	26 956	48 702	22 919	38 050
II. Adjustments for:	(188 519)	194 121	263 168	(280 761)
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	(797)	(1 452)	(1 066)	(2 052)
2. Depreciation	4 584	9 123	5 581	11 914
3. Foreign exchange gains/(losses)	(5 156)	57	7 693	(58 621)
4. Interest and dividends received and paid	4 852	7 495	4 875	7 126
5. Profit (loss) on investments	21	(1 158)	125	(52)
6. Change in other reserves	1 314	12 986	4 560	11 184
7. Change in debt securities held	62 220	(203 516)	83 647	92 660
8. Change in amounts due from financial sector	(100 731)	361 282	21 199	(45 415)
9. Change in amounts due from customers and budget sector	(129 428)	(373 564)	(14 677)	(160 128)
10. Change in securities purchased under resale agreements				
11. Change in shares, securities and other financial instruments with variable yield	16 650	(3 909)	(6 224)	(9 634)
12. Change in amounts due to financial sector	(215 377)	(180 817)	(10 848)	(301 565)
13. Change in amounts due to customers and budget sector	201 677	233 890	172 993	109 532
14. Change in securities sold under repurchase agreements				
15. Change in securities issued				
16. Change in other liabilities	4 641	46 344	(53 707)	2 787
17. Change in interperiod settlements	787	(3 492)	(2 972)	(5 375)
18. Change in deferred income	(4 449)	1 150	209	7 485
19. Other items	(29 327)	289 702	51 780	59 393
III. Net cash flow from operating activity (I +/- II)	(161 563)	242 823	286 087	(242 711)
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)				
I. Cash inflows from investing activity	816 001	1 112 136	139 550	549 765
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	815 607	1 100 731	139 322	548 574
5. Sale of tangible and intangible fixed assets	394	410	27	33
6. Sale of investments in real estates and intangible assets				
7. Other inflows		10 995	201	1 158
II. Cash outflows from investing activity	(795 249)	(1 110 874)	(233 824)	(709 153)
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	(787 018)	(1 096 956)	(231 076)	(704 897)
5. Purchase of tangible and intangible fixed assets	(4 532)	(8 703)	(1 201)	(2 709)
6. Investments in real estates and intangible assets	(1 296)	(1 668)	(1 547)	(1 547)
7. Other outflows	(2 403)	(3 547)		
III. Net cash flow from investing activity (I +/- II)	20 752	1 262	(94 274)	(159 388)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)				
I. Cash inflows from financial activity			108 932	1 289 130
1. Long-term loans from other banks			108 932	1 289 130
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	(4 878)	(18 069)	(4 961)	(522 105)
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	(4 878)	(7 943)	(4 961)	(7 400)
III. Net cash flow from financial activity (I +/- II)	(4 878)	(18 069)	103 971	767 025
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	(145 689)	226 016	295 784	364 926
E. CHANGE IN CASH IN BALANCE-SHEET	(145 689)	226 016	295 784	364 926
- including changes in cash arising from exchange rate differences	(27 072)	(836)	(12 920)	(6 743)
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	1 067 189	695 484	402 300	333 158
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	921 500	921 500	698 084	698 084
- 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

Koen Verhoeven
Vice President of the Board of Executives