

Quarterly report for the 3rd quarter of 2005

SAB - Q III/2005 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 2005November 3, 2005
(date of submission)

SELECTED FINANCIAL DATA (current year)	PLN '000		EUR '000	
	3rd quarter YTD	3rd quarter YTD	3rd quarter YTD	3rd quarter YTD
	from Jan. 1, 2005 to Sept. 30, 2005	from Jan. 1, 2004 to Sept. 30, 2004	from Jan. 1, 2005 to Sept. 30, 2005	from Jan. 1, 2004 to Sept. 30, 2004
I. Interest income	230 438	196 992	56 782	42 626
II. Fee and commission income	64 629	60 900	15 925	13 178
III. Result on banking activity	237 051	208 220	58 411	45 056
IV. Net operating result	91 797	62 361	22 620	13 494
V. Gross profit (loss)	91 797	62 361	22 620	13 494
VI. Net profit (loss)	76 378	57 466	18 820	12 435
VII. Net cash flow from operating activity	77 235	289 523	19 031	62 649
VIII. Net cash flow from investing activity	33 011	(437 900)	8 134	(94 755)
IX. Net cash flow from financial activity	(35 325)	749 382	(8 704)	162 156
X. Net cash flow	74 921	601 005	18 461	130 049
XI. Total assets	5 617 900	5 248 925	1 434 382	1 197 510
XII. Due to the Central Bank				
XIII. Due to other financial institutions	1 736 414	1 820 984	443 347	415 446
XIV. Due to customers and budget sector	2 889 204	2 636 807	737 682	601 571
XV. Own equity	668 562	572 260	170 700	130 558
XVI. Share capital	30 155	30 155	7 699	6 880
XVII. Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
XVIII. Book value per share (in PLN/EUR)	44.34	37.95	11.32	8.66
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	11.67	12.84	11.67	12.84
XXI. Profit (loss) per ordinary share (in PLN/EUR)	6.20	4.32	1.53	0.94
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)				

BALANCE-SHEET (PLN'000)	30.09.2005 end of the quarter (current year)	30.06.2005 end of the previous quarter (current year)	31.12.2004 (previous year)	30.09.2004 end of the quarter (previous year)
ASSETS				
I. Cash and due from the Central Bank	275 797	77 862	146 381	109 285
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Due from other financial institutions	839 541	1 232 063	1 298 936	1 111 695
1. Current	494 608	843 638	549 103	824 878
2. Term	344 933	388 425	749 833	286 817
IV. Due from customers	3 966 788	3 755 022	3 382 788	3 412 402
1. Current	858 551	789 606	796 516	773 178
2. Term	3 108 237	2 965 416	2 586 272	2 639 224
V. Due from budget sector	540	570	55	66
1. Current				
2. Term	540	570	55	66
VI. Securities purchased under resale agreements				
VII. Debt securities	331 478	277 435	346 505	423 005
VIII. Shares and investments in subsidiaries	65 100	64 515	62 582	60 452
IX. Shares and investments in sister companies				
X. Shares and investments in associated entities				
XI. Minority investments	44	45	45	49
XII. Other securities and other financial assets	28 630	28 859	21 410	17 481
XIII. Intangible fixed assets, incl. - goodwill	13 002	11 756	10 380	8 676
XIV. Tangible fixed assets	48 562	47 330	44 509	44 447
XV. Other assets	7 289	10 785	37 827	26 946
1. Seized assets for sale	5	5	5	
2. Others	7 284	10 780	37 822	26 946
XVI. Prepayments and accrued income	41 129	35 950	35 481	34 421

1. Deferred income tax	32 344	31 538	31 103	30 425
2. Other prepayments and accrued income	8 785	4 412	4 378	3 996
Total assets	5 617 900	5 542 192	5 386 899	5 248 925
LIABILITIES				
I. Due to the Central Bank				
II. Due to other financial institutions	1 736 414	1 736 959	1 927 845	1 820 984
1. Current	568 430	493 025	671 695	526 108
2. Term	1 167 984	1 243 934	1 256 150	1 294 876
III. Due to customers	2 851 742	2 839 906	2 621 860	2 599 143
1. Savings:	1 318	1 196	688	
a) Demand				
b) Term	1 318	1 196	688	
2. Others:	2 850 424	2 838 710	2 621 172	2 599 143
a) Demand	1 498 423	1 463 843	1 331 551	1 300 303
b) Term	1 352 001	1 374 867	1 289 621	1 298 840
IV. Due to budget sector	37 462	41 301	25 457	37 664
a) Demand	15 325	15 648	10 193	11 718
b) Term	22 137	25 653	15 264	25 946
V. Securities sold under repurchase agreements				
VI. Debt securities issued				
1. Short-term				
2. Long-term				
VII. Other liabilities in respect of financial instruments	42 929	39 423	26 285	26 082
VIII. Special funds and other liabilities	112 843	74 544	41 338	57 252
IX. Accruals and deferred income	132 516	132 439	132 975	121 369
1. Settlement of accrued expenses	13 257	10 835	12 521	12 990
2. Negative goodwill				
3. Other accruals and deferred income	119 259	121 604	120 454	108 379
X. Provisions	35 432	35 964	23 431	14 171
1. Provision for corporate income tax	11 602	10 236	9 778	9 155
2. Other provisions	23 830	25 728	13 653	5 016
a. Short-term				
b. Long-term	23 830	25 728	13 653	5 016
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	4 313	5 083	(163)	(5 992)
XVII. Other reserve capital	153 834	153 834	129 281	129 281
XVIII. Retained earnings (uncovered loss) from prior years	54 343	54 343	4 343	11 811
XIX. Net profit (loss)	76 378	48 702	74 553	57 466
Total liabilities	5 617 900	5 542 192	5 386 899	5 248 925
Capital Adequacy Ratio	11.67	11.71	12.10	12.84
Net book value	668 562	641 656	587 708	572 260
Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
Net book value per share (in PLN)	44.34	42.56	38.98	37.95
Forecast number of shares				
Diluted book value per share (in PLN)				

OFF - BALANCE SHEET ITEMS	30.09.2005 end of the quarter (current year)	30.06.2005 end of the previous quarter (current year)	31.12.2004 (previous year)	30.09.2004 end of the quarter (previous year)
I. Contingent liabilities and assets:	3 053 471	2 739 380	3 001 098	2 688 792
1. Contingent liabilities granted:	2 030 390	1 798 581	1 620 058	1 287 940
a) lending commitments	1 565 856	1 368 763	1 298 294	1 025 552
b) guarantees	464 534	429 818	321 764	262 388
2. Contingent assets received:	1 023 081	940 799	1 381 040	1 400 852
a) lending commitments	778 466	726 274	798 092	860 969
b) guarantees	244 615	214 525	582 948	539 883
II. Commitments resulting from sale/purchase transactions	3 960 184	3 311 394	4 284 187	4 695 385
III. Others, including:	3 387 495	3 620 819	2 755 698	1 532 044
- speculative derivatives	3 087 495	3 320 819	2 455 698	1 232 044
- hedging derivatives	300 000	300 000	300 000	300 000
TOTAL	10 401 150	9 671 593	10 040 983	8 916 221

PROFIT AND LOSS STATEMENT	3rd quarter (current year) from July 1, 2005 to Sept. 30, 2005	3rd quarter YTD (current year) from Jan. 1, 2005 to Sept. 30, 2005	3rd quarter (previous year) from July 1, 2004 to Sept. 30, 2004	3rd quarter YTD (previous year) from Jan. 1, 2004 to Sept. 30, 2004
I. Interest income	72 990	230 438	64 243	196 992
II. Interest expense	32 620	106 761	24 389	81 421
III. Net interest income(I-II)	40 370	123 677	39 854	115 571
IV. Fee and commission income	21 798	64 629	21 968	60 900
V. Fee and commission expense	1 987	6 309	2 946	8 715
VI. Net fee and commission income (IV-V)	19 811	58 320	19 022	52 185
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	1 160	4 797	(4 503)	(4 217)
IX. Net result on FX differences	18 641	50 257	15 048	44 681
X. Result on banking activity	79 982	237 051	69 421	208 220
XI. Other operating income	2 414	6 484	1 200	4 341
XII. Other operating expenses	563	2 382	1 058	2 949
XIII. General expenses	38 815	115 311	34 895	108 007
XIV. Depreciation of tangible&intangible fixed assets	4 798	13 921	4 893	16 807
XV. Charges to provisions and revaluation	13 285	41 186	17 661	37 701
1. Specific provisions and general risk reserve	13 285	41 186	17 661	37 701
2. Revaluation of financial assets				
XVI. Release of provisions and other decreases in respect of revaluation	8 643	21 062	6 544	15 264
1. Release of specific provisions and general risk reserve	8 643	21 062	6 544	15 264
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	(4 642)	(20 124)	(11 117)	(22 437)
XVIII. Operating profit	33 578	91 797	18 658	62 361
XIX. Extraordinary gains/losses, net				
1. Extraordinary gains				
2. Extraordinary losses				
XX. Profit (loss) before taxation	33 578	91 797	18 658	62 361
XXI. Corporate income tax	6 313	17 282	131	7 836
1. current	5 632	17 749	3 460	15 014
2. deferred	681	(467)	(3 329)	(7 178)
XXII. Other mandatory charges to profit (loss)				
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	411	1 863	889	2 941
XXIV. Net profit (loss)	27 676	76 378	19 416	57 466
		93 465		65 186
Net profit (loss) (for 12 months)		15 077 700		15 077 700
Weighted average number of ordinary shares		6.20		4.32
Net profit (loss) per ordinary share (in PLN)				
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)	3rd quarter (previous year)	3rd quarter YTD (previous year)
	from July 1, 2005 to Sept. 30, 2005	from Jan. 1, 2005 to Sept. 30, 2005	from July 1, 2004 to Sept. 30, 2004	from Jan. 1, 2004 to Sept. 30, 2004
I. Opening balance of own equity	641 656	595 176	546 736	516 176
a) Changes in adopted accounting principles (policy)		(7 468)		(2 731)
b) Correction of material errors				
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	641 656	587 708	546 736	513 445
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	349 539	349 534
4.1. Movements in reserve capital				5
a) increases (in respect of)				5
- issuance of shares above their par value				
- profit distribution (mandatory)				
- distribution of profit (voluntary)				
- sale and liquidation of fixed assets				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	5 083	(163)	(12 100)	(7 336)
5.1. Movements in revaluation reserve	(770)	4 476	6 108	1 344
a) increases (in respect of)	661	9 068	9 874	14 523
- sale and liquidation of fixed assets			194	194
- valuation of securities available for sale	209	7 432	8 992	11 638
- valuation of shares in subsidiaries	166	1 005	355	549
- deferred tax	286	631	333	2 142
b) decreases (in respect of)	(1 431)	(4 592)	(3 766)	(13 179)
- liquidation of fixed assets				(5)
- valuation of securities available for sale	(1 274)	(2 561)	(1 743)	(9 631)
- valuation of shares in subsidiaries	49	(351)	(259)	(1 316)
- deferred tax	(206)	(1 680)	(1 764)	(2 227)
5.2. Closing balance of revaluation reserve	4 313	4 313	(5 992)	(5 992)
6. Opening balance of General Risk Fund	136 816	112 263	112 263	80 263
6.1. Movements in General Risk Fund		24 553		32 000
a) increases (in respect of)		24 553		32 000
- profit distribution		24 553		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				
	103 045	86 364	46 542	46 542
8.1. Opening balance of undistributed profit from prior years	113 244	89 095	46 542	46 542
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	113 244	89 095	52 592	46 542
8.3. Movements in undistributed profit from prior years		(24 553)		(32 000)
a) increases (in respect of)				
- profit distribution				
b) decreases (in respect of)		(24 553)		(32 000)
- profit distribution		(24 553)		(32 000)
8.4. Closing balance of undistributed profit from prior years	113 244	64 542	52 592	14 542
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)		(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	(10 199)	(10 199)	(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	(10 199)	(10 199)	(2 731)	(2 731)
8.9. Closing balance of undistributed profit or uncovered loss from prior years	103 045	54 343	49 861	11 811
9. Net income	27 676	76 378	19 416	57 466
a) net profit	27 676	76 378	19 416	57 466
b) net loss				
II. Closing balance of own equity	668 562	668 562	572 260	572 260
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	668 562	668 562	572 260	572 260

CASH FLOW STATEMENT	3rd quarter (current year)	3rd quarter YTD (current year)	3rd quarter (previous year)	3rd quarter YTD (previous year)
	from July 1, 2005 to Sept. 30, 2005	from Jan. 1, 2005 to Sept. 30, 2005	from July 1, 2004 to Sept. 30, 2004	from Jan. 1, 2004 to Sept. 30, 2004
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method				
I. Net profit (loss)	27 676	76 378	19 416	57 466
II. Adjustments for:	(144 751)	857	510 766	232 057
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	(411)	(1 863)	(2 941)	(2 941)
2. Depreciation	4 798	13 921	4 893	16 807
3. Foreign exchange gains/(losses)	(34 105)	(34 048)	(49 660)	(108 281)
4. Interest and dividends received and paid	8 686	14 579	6 117	13 243
5. Profit (loss) on investments	(708)	(1 866)	(6 219)	(6 271)
6. Change in other reserves	(4 845)	8 141	9 921	21 105
7. Change in debt securities held	(31 101)	(26 577)	480 433	573 093
8. Change in amounts due from financial sector	43 621	404 903	(15 713)	(61 128)
9. Change in amounts due from customers and budget sector	(206 383)	(579 947)	(22 644)	(182 772)
10. Change in securities purchased under resale agreements				
11. Change in shares, securities and other financial instruments with variable yield	(3 310)	(7 219)	(6 265)	(15 899)
12. Change in amounts due to financial sector	43 905	(136 912)	68 905	(232 660)
13. Change in amounts due to customers and budget sector	7 997	241 887	32 492	142 024
14. Change in securities sold under repurchase agreements				
15. Change in securities issued				
16. Change in other liabilities	41 806	88 150	11 810	14 597
17. Change in interperiod settlements	(1 544)	(5 036)	(1 461)	(6 836)
18. Change in deferred income	(2 345)	(1 195)	5 766	13 251
19. Other items	(10 812)	23 939	(4 668)	54 725
III. Net cash flow from operating activity (I +/- II)	(117 075)	77 235	530 182	289 523
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)				
I. Cash inflows from investing activity	209 936	1 370 584	645 541	1 195 306
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	204 549	1 361 785	640 565	1 189 139
5. Sale of tangible and intangible fixed assets	978	1 388	108	141
6. Sale of investments in real estates and intangible assets				
7. Other inflows	4 409	7 411	4 868	6 026

II. Cash outflows from investing activity	(226 699)	(1 337 573)	(924 053)	(1 633 206)
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	(218 333)	(1 315 289)	(921 255)	(1 626 152)
5. Purchase of tangible and intangible fixed assets	(1 288)	(9 991)	(1 353)	(4 062)
6. Investments in real estates and intangible assets	(7 078)	(12 293)	(1 445)	(2 992)
7. Other outflows				
III. Net cash flow from investing activity (I +/- II)	(16 763)	33 011	(278 512)	(437 900)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)				
I. Cash inflows from financial activity				1 289 130
1. Long-term loans from other banks				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	(17 257)	(35 325)	(17 643)	(539 748)
1. Repayment of long-term loans contracted from other banks				(502 954)
2. Repayment of long-term loans contracted from non-bank financial institutions	(10 345)	(20 471)	(11 111)	(22 862)
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	(6 912)	(14 854)	(6 532)	(13 932)
III. Net cash flow from financial activity (I +/- II)	(17 257)	(35 325)	(17 643)	749 382
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	(151 095)	74 921	234 027	601 005
E. CHANGE IN CASH IN BALANCE-SHEET	(151 095)	74 921	234 027	601 005
- including changes in cash arising from exchange rate differences	(12 550)	(13 386)	(39 206)	(45 949)
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	921 500	695 484	700 136	333 158
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	770 405	770 405	934 163	934 163
- 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

Jaromir Pelczarski
Vice President of the Board of Executives