

Fortis Bank Polska S.A.

Abbreviated Interim Separate  
Financial Statements  
Fortis Bank Polska Joint Stock Company  
for the First Half of 2008



## 1. Financial Highlights

Separate FBP Financial Highlights	in PLN thousand		in EUR thousand	
	30.06.08 (YTD)	30.06.07 (YTD)	30.06.08 (YTD)	30.06.07 (YTD)
Interest income	467 127	252 494	134 325	65 607
Fee and commission income	101 427	70 374	29 166	18 286
Total income, net	352 283	263 177	101 301	68 383
Profit before income tax	151 737	103 058	43 633	26 778
Net profit	122 388	86 437	35 193	22 459
Net cash provided by operating activities	1 596 423	-1 447 169	459 059	-376 025
Net cash provided by investing activities	-799 965	152 723	-230 034	39 683
Net cash provided by (used in) financing activities	845 797	133 683	243 213	34 735
Total net cash flow	1 642 255	-1 160 763	472 238	-301 607
Total assets	18 394 917	11 937 171	5 484 144	3 169 890
Due to banks	8 409 344	5 309 536	2 507 109	1 409 936
Due to customers	7 791 316	5 192 205	2 322 854	1 378 779
Equity	1 270 154	1 064 907	378 676	282 784
Number of shares	16 771 180	16 771 180	16 771 180	16 771 180
Book value per share (in PLN / EUR)	75,73	63,50	22,58	16,86
Diluted book value per share (in PLN / EUR)	75,73	63,50	22,58	16,86
Capital adequacy ratio	10,88%	9,47%	-	-
Basic Earnings Per Share (PLN/EUR)	7,30	5,15	2,10	1,34
Diluted Earnings Per Share (PLN/EUR)	7,30	5,15	2,10	1,34

Key items in the balance sheet, income statement and cash flow statement in the financial statements for the first half of 2008 and the corresponding financial figures for the first half of 2007 have been converted into EUR according to the following rules:

- particular assets and liabilities items in the balance sheet and book value per share as at the end of the first half of 2008 have been converted into EUR at the mid-rate binding as at 30 June 2008 published by the National Bank of Poland on 30 June 2008, i.e. EUR 1 = PLN 3.3542; comparative financial data as at the end of the first half of 2007 have been converted into EUR at the mid-rate binding as at 29 June 2007, published by the National Bank of Poland on 29 June 2007, i.e. EUR 1 = PLN 3.7658;
- particular items in the income statement and cash flows, and earnings per share as at the end of the first half of 2008 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through June 2008, i.e. EUR 1 = PLN 3.4776, whereas comparative data as at the end of the first half of 2007 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as of the last days of the months from January through June 2007, i.e. EUR 1 = PLN 3.8486.

## 2. Separate Financial Statements of Fortis Bank Polska S.A.

<b>Income Statement (in PLN thousand)</b>	<b>1.01.2008 - 30.06.2008</b>	<b>1.01.2007 - 30.06.2007</b>
Interest income	467 127	252 494
Interest expense	-284 524	-122 890
<b>Net interest income</b>	<b>182 603</b>	<b>129 604</b>
Fee and commission income	101 427	70 374
Fee and commission expense	-5 454	-4 525
<b>Net fee and commission income</b>	<b>95 973</b>	<b>65 849</b>
Dividend and other investment income	-	600
Net trading income	66 273	62 306
Net gain/loss on available-for-sale financial assets	-	319
Net profit (loss) on hedging transactions	56	-113
Other revenues	7 378	4 612
<b>Total income, net</b>	<b>352 283</b>	<b>263 177</b>
Personnel expenses	-94 125	-76 084
Depreciation of fixed assets and intangible fixed assets	-17 132	-10 195
Other expenses	-65 376	-61 443
Net impairment losses	-23 913	-12 397
<b>Profit before income tax</b>	<b>151 737</b>	<b>103 058</b>
Income tax expense	-29 349	-16 621
<b>Net profit</b>	<b>122 388</b>	<b>86 437</b>
<b>Earnings per Share</b>		
Net profit (in PLN)	122 388 000	86 437 000
Weighted average number of ordinary shares	16 771 180	16 771 180
EPS ratio (in PLN)	7,30	5,15
Weighted average diluted number of ordinary shares	16 771 180	16 771 180
Diluted EPS ratio (in PLN)	7,30	5,15

<b>Balance Sheet (in PLN thousand)</b>	<b>30.06.2008</b>	<b>31.12.2007</b>	<b>30.06.2007</b>
<b>ASSETS</b>			
Cash and cash equivalents	3 231 063	1 590 463	1 666 169
Financial assets held for trading	305 977	253 301	185 211
Due from banks	421 642	228 525	180 819
Loans to customers	12 641 182	11 172 026	8 991 100
Investments - Available for Sale	1 377 257	603 235	465 554
Property, Plant and Equipment	117 349	113 816	90 051
Intangible Assets	23 734	22 287	19 260
Deferred tax assets	32 889	33 873	32 052
Other assets	243 824	193 488	306 955
<b>Total assets</b>	<b>18 394 917</b>	<b>14 211 014</b>	<b>11 937 171</b>
<b>LIABILITIES</b>			
Financial liabilities held for trading	275 438	201 381	120 389
Due to banks	8 409 344	5 895 545	5 309 536
Due to customers	7 791 316	6 307 428	5 192 205
Current tax liabilities	14 598	26 601	17 322
Subordinated liabilities	335 420	358 200	-
Other liabilities	283 261	251 929	219 182
Provisions	15 386	15 974	13 630
<b>Total liabilities</b>	<b>17 124 763</b>	<b>13 057 058</b>	<b>10 872 264</b>
<b>EQUITY CAPITAL</b>			
Share capital	503 135	503 135	503 135
Share premium	308 656	308 656	308 814
Other capital	344 983	183 200	183 200
Revaluation reserve	-9 008	-2 818	-868
Retained earnings	-	-15 811	-15 811
Net profit (loss) for the year	122 388	177 594	86 437
<b>Total equity</b>	<b>1 270 154</b>	<b>1 153 956</b>	<b>1 064 907</b>
<b>Total liabilities and equity</b>	<b>18 394 917</b>	<b>14 211 014</b>	<b>11 937 171</b>

**Statement of Changes in Shareholders' Equity in the first half of 2007 (in PLN thousand)**

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 01.01.07</b>	<b>503 135</b>	<b>308 814</b>	<b>92 455</b>	-	<b>74 934</b>	<b>2 167</b>	<b>981 505</b>
Net profit (loss) for the year	-	-	-	86 437	-	-	86 437
Net profits/losses not recognised in the income statement (investments available for sale)	-	-	-	-	-	-2 106	-2 106
Net profits/losses recognised in the income statement (investments available for sale)	-	-	-	-	-	-1 641	-1 641
Deferred tax – net profits/losses (investments available for sale)	-	-	-	-	-	712	712
<b>Total income for the First Half of 2007</b>	-	-	-	<b>86 437</b>	-	<b>-3 035</b>	<b>83 402</b>
Distribution of retained earnings	-	-	-108 266	-	108 266	-	-
<b>Balance as at 30.06.07</b>	<b>503 135</b>	<b>308 814</b>	<b>-15 811</b>	<b>86 437</b>	<b>183 200</b>	<b>-868</b>	<b>1 064 907</b>

**Statement of Changes in Shareholders' Equity in 2007 (in PLN thousand)**

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 01.01.07</b>	<b>503 135</b>	<b>308 814</b>	<b>92 455</b>	-	<b>74 934</b>	<b>2 167</b>	<b>981 505</b>
Net profit (loss) for the year	-	-	-	177 594	-	-	177 594
Net profits/losses not recognised in the income statement (investments available for sale)	-	-	-	-	-	-6 857	-6 857
Net profits/losses recognised in the income statement (investments available for sale)	-	-	-	-	-	703	703
Deferred tax – net profits/losses (investments available for sale)	-	-	-	-	-	1 169	1 169
<b>Total income in 2007</b>	-	-	-	<b>177 594</b>	-	<b>-4 985</b>	<b>172 609</b>
Distribution of retained earnings	-	-	-108 266	-	108 266	-	-
Issue costs	-	-158	-	-	-	-	-158
<b>Balance as at 31.12.07</b>	<b>503 135</b>	<b>308 656</b>	<b>-15 811</b>	<b>177 594</b>	<b>183 200</b>	<b>-2 818</b>	<b>1 153 956</b>

**Statement of Changes in Shareholders' Equity in the first half of 2008 (in PLN thousand)**

	Share capital	Share premium	Retained earnings	Net profit (loss) for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 01.01.08</b>	<b>503 135</b>	<b>308 656</b>	<b>161 783</b>	<b>-</b>	<b>183 200</b>	<b>-2 818</b>	<b>1 153 956</b>
Net profit (loss) for the year	-	-	-	122 388	-	-	122 388
Net profits/losses not recognised in the income statement (investments available for sale)	-	-	-	-	-	-7 642	-7 642
Net profits/losses recognised in the income statement (investments available for sale)	-	-	-	-	-	-	-
Deferred tax – net profits/losses (investments available for sale)	-	-	-	-	-	1 452	1 452
<b>Total income for the First Half of 2008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122 388</b>	<b>-</b>	<b>-6 190</b>	<b>116 198</b>
Distribution of retained earnings	-	-	-161 783	-	161 783	-	-
<b>Balance as at 30.06.08</b>	<b>503 135</b>	<b>308 656</b>	<b>-</b>	<b>122 388</b>	<b>344 983</b>	<b>-9 008</b>	<b>1 270 154</b>

<b>Cash Flow Statement (in PLN thousand)</b>	<b>01.01.2008 - 30.06.2008</b>	<b>01.01.2007 - 31.12.2007</b>	<b>01.01.2007 - 30.06.2007</b>
<b>Cash and cash equivalents, gross, opening balance</b>	<b>1 590 779</b>	<b>2 827 141</b>	<b>2 827 141</b>
<b>Profit before income tax</b>	<b>151 737</b>	<b>214 607</b>	<b>103 058</b>
<b>Adjustments for:</b>	<b>1 444 686</b>	<b>-3 007 524</b>	<b>-1 550 227</b>
Depreciation	17 132	25 257	10 195
Impairment losses	22 310	26 205	1 398
Profits/losses on account of FX rate differences	-22 780	-3	-
Profits/losses on investing activities	1 927	13 773	1 727
Changes in operational assets and liabilities:	1 466 464	-3 047 792	-1 551 518
- financial assets and liabilities held for trading	21 381	33 822	20 920
- due from banks	-193 238	-29 415	18 302
- loans to customers	-1 490 268	-4 219 657	-2 016 217
- change in the balance of available for sale investments	-4 286	11 677	-3 896
- due to banks	1 668 002	-315 164	219 876
- due to customers	1 483 888	1 680 071	564 848
- other assets and liabilities	-19 015	-209 126	-355 351
Income tax (current and deferred)	-40 367	-24 964	-12 029
<b>Net operating cash flows</b>	<b>1 596 423</b>	<b>-2 792 917</b>	<b>-1 447 169</b>
Purchase of available-for-sale investments	-775 926	-667 467	-128 448
Purchase of property, plant and equipment and intangible fixed assets	-23 634	- 87 723	-39 130
Proceeds from sales of available-for-sale investments	-	702 283	318 465
Proceeds from sales of property, plant and equipment	539	3 703	2 917
Other investment expenses	-944	-7 173	-1 081
<b>Net cash provided by investing activities</b>	<b>-799 965</b>	<b>-56 377</b>	<b>152 723</b>
Issuance of subordinated liabilities	-	358 200	-
Loans and credit facilities taken	982 629	2 149 206	285 572
Repayment of loans and credit facilities	-136 832	-894 474	-151 889
<b>Net cash provided by (used in) financing activities</b>	<b>845 797</b>	<b>1 612 932</b>	<b>133 683</b>
<b>Cash and cash equivalents, gross, ending balance</b>	<b>3 233 034</b>	<b>1 590 779</b>	<b>1 666 378</b>
<b>Change in cash and cash equivalents, net</b>	<b>1 642 255</b>	<b>- 1 236 362</b>	<b>-1 160 763</b>

### 3. Abbreviated additional information

The abbreviated interim separate financial statements of Fortis Bank Polska SA (The Bank) have been prepared pursuant to requirements determined in Ordinance of the Minister of Finance of 19 October 2005 regarding current and periodical information submitted by issuers of securities (Journal of Laws of 2005 no. 209, item 1744), under which an issuer that is a parent entity shall submit separate interim financial statements, provided that its interim consolidated financial statements are accompanied by abbreviated interim financial statements, including: balance sheet statement, income statement, statement of changes in shareholders' equity, cash flow statement and abbreviated additional information containing such information and data that are material for an appropriate assessment of the property and financial situation likewise financial result of the issuer and have not been taken into consideration in the consolidated financial statements.

Under the aforesaid Ordinance, the abbreviated interim financial statements should be prepared in line with accounting principles applied in preparation of the annual financial statements, described in Item 4 of the Additional Information of the Interim Consolidated Financial Statements of Fortis Bank Polska S.A. Capital Group for the first half of 2008.

Rules applied in the preparation of these abbreviated interim separate financial statements of the Bank are consistent with accounting principles applied in interim consolidated financial statements of Fortis Bank Polska SA Capital Group.

#### **Statements of the Bank's Board of Executives**

##### **Correctness and reliability of reports presented**

According to the best knowledge of the Bank's Board of Executives, semi-annual financial data and the comparative data presented in these abbreviated interim separate financial statements for the period ending 30 June 2008 were prepared pursuant to the binding accounting policies and they accurately, reliably and clearly reflect the property and financial situation of the Bank and its net profit.

##### **Selection of an entity authorised to audit the financial statements**

The entity authorised to audit financial statements, i.e. KPMG Audyt Sp. z o.o., that has reviewed the Abbreviated Interim Separate Financial Statements of Fortis Bank Polska SA for the period ending 30 June 2008, was chosen pursuant to the provisions of law. The aforesaid entity and statutory auditors fulfilled prerequisites for drawing an impartial and independent conclusion from the review, in compliance with the respective provisions of Polish law.



**Signatures of the Members of the Board of Executives (on the Polish original):**

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26 September 2008      Alexander Paklons  
President of the Board of  
Executives      .....  
signature

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26 September 2008      Jan Bujak  
Senior Vice-President of the  
Board of Executives  
Chief Financial Officer      .....  
signature

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26 September 2008      Jean – Luc Deguel  
Vice President      .....  
signature

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26 September 2008      Jaromir Pelczarski  
Vice President      .....  
signature

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26 September 2008      Thierry Lechien  
Vice President      .....  
signature

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