

Quarterly report for the 4th quarter of 2005

SAB - Q IV/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 4th quarter of 2005

February 9, 2006

(date of submission)

SELECTED FINANCIAL DATA (current year)	PLN '000		EUR '000	
	4th quarter YTD	4th quarter YTD	4th quarter YTD	4th quarter YTD
	from Jan. 1, 2005 to Dec. 31, 2005	from Jan. 1, 2004 to Dec. 31, 2004	from Jan. 1, 2005 to Dec. 31, 2005	from Jan. 1, 2004 to Dec. 31, 2004
I. Interest income	301 696	270 853	74 988	59 948
II. Fee and commission income	87 585	84 924	21 770	18 796
III. Result on banking activity	323 394	283 747	80 381	62 801
IV. Net operating result	121 932	82 467	30 307	18 252
V. Gross profit (loss)	121 932	82 467	30 307	18 252
VI. Net profit (loss)	101 102	74 553	25 129	16 501
VII. Net cash flow from operating activity	81 964	461 805	20 373	102 211
VIII. Net cash flow from investing activity	66 400	(844 025)	16 504	(186 807)
IX. Net cash flow from financial activity	(40 946)	744 546	(10 177)	164 789
X. Net cash flow	107 418	362 326	26 699	80 193
XI. Total assets	6 363 892	5 248 925	1 648 762	1 286 817
XII. Due to the Central Bank				
XIII. Due to other financial institutions	2 178 268	1 820 984	564 347	446 429
XIV. Due to customers and budget sector	3 175 698	2 636 807	822 762	646 435
XV. Own equity	691 374	572 260	179 122	140 294
XVI. Share capital	30 155	30 155	7 813	7 393
XVII. Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
XVIII. Book value per share (in PLN/EUR)	45.85	37.95	11.88	9.30
XIX. Diluted book value per share (in PLN/EUR)				
XX. Capital adequacy ratio	11.18	12.84	11.18	12.84
XXI. Profit (loss) per ordinary share (in PLN/EUR)	6.71	4.94	1.67	1.09
XXII. Diluted profit (loss) per ordinary share (in PLN/EUR)				
PLN/EUR				

BALANCE-SHEET (PLN'000)	31.12.2005	30.09.2005	31.12.2004	30.09.2004
	end of the quarter (current year)	end of the previous quarter (current year)	end of the quarter (previous year)	end of the quarter (previous year)
ASSETS				
I. Cash and due from the Central Bank	231 374	275 797	146 381	109 285
II. Treasury bills and other bills eligible for refinancing with the Central Bank				
III. Due from other financial institutions	1 310 943	839 541	1 298 936	1 111 695
1. Current	571 528	494 608	549 103	824 878
2. Term	739 415	344 933	749 833	286 817
IV. Due from customers	4 298 679	3 966 788	3 381 583	3 412 402
1. Current	876 153	858 551	796 516	773 178
2. Term	3 422 526	3 108 237	2 585 067	2 639 224
V. Due from budget sector	531	540	55	66
1. Current				
2. Term	531	540	55	66
VI. Securities purchased under resale agreements				
VII. Debt securities	311 428	331 478	346 505	423 005
VIII. Shares and investments in subsidiaries	15 388	65 100	62 582	60 452
IX. Shares and investments in sister companies				
X. Shares and investments in associated entities				
XI. Minority investments	43	44	45	49
XII. Other securities and other financial assets	41 530	28 630	21 410	17 481
XIII. Intangible fixed assets, incl. - goodwill	14 346	13 002	10 380	8 676
XIV. Tangible fixed assets	46 747	48 562	44 509	44 447
XV. Other assets	57 796	7 289	37 827	26 946
1. Seized assets for sale	5	5	5	
2. Others	57 791	7 284	37 822	26 946

XVI. Prepayments and accrued income	42 540	41 129	33 729	34 421
1. Deferred income tax	30 540	32 344	29 351	30 425
2. Other prepayments and accrued income	4 547	8 785	4 378	3 996
Total assets	6 363 892	5 617 900	5 383 942	5 248 925
LIABILITIES				
I. Due to the Central Bank				
II. Due to other financial institutions	2 178 268	1 736 414	1 927 845	1 820 984
1. Current	710 879	568 430	671 695	526 108
2. Term	1 467 389	1 167 984	1 256 150	1 294 876
III. Due to customers	3 149 656	2 851 742	2 621 860	2 599 143
1. Savings:	1 571	1 318	688	
a) Demand				
b) Term	1 571	1 318	688	
2. Others:	3 148 085	2 850 424	2 621 172	2 599 143
a) Demand	1 655 919	1 498 423	1 331 551	1 300 303
b) Term	1 492 166	1 352 001	1 289 621	1 298 840
IV. Due to budget sector	26 042	37 462	25 457	37 664
a) Demand	11 600	15 325	10 193	11 718
b) Term	14 442	22 137	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	40 680	42 929	26 285	26 082
VIII. Special funds and other liabilities	107 203	112 843	41 338	57 252
IX. Accruals and deferred income	136 026	132 516	122 550	121 369
1. Settlement of accrued expenses	17 163	13 257	12 521	12 990
2. Negative goodwill				
3. Other accruals and deferred income	118 863	119 259	110 029	108 379
X. Provisions	34 643	35 432	23 431	14 171
1. Provision for corporate income tax	10 853	11 602	9 778	9 155
2. Other provisions	23 790	23 830	13 653	5 016
a. Short-term				
b. Long-term		23 830	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	2 401	4 313	(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	11 811	11 811
XIX. Net profit (loss)	101 102	76 378	74 553	57 466
Total liabilities	6 363 892	5 617 900	5 383 942	5 248 925
Capital Adequacy Ratio	11.18	11.67	12.30	12.84
Net book value	691 374	668 562	595 176	572 260
Number of shares	15 077 700	15 077 700	15 077 700	15 077 700
Net book value per share (in PLN)	45.85	44.34	39.47	37.95
Forecast number of shares				
Diluted book value per share (in PLN)				

OFF - BALANCE SHEET ITEMS	31.12.2005 end of the quarter (current year)	30.09.2005 end of the previous quarter (current year)	31.12.2004 end of the quarter (previous year)	30.09.2004 end of the quarter (previous year)
I. Contingent liabilities and assets:	3 404 019	3 053 471	3 001 098	2 688 792
1. Contingent liabilities granted:	2 509 107	2 030 390	1 620 058	1 287 940
a) lending commitments	1 960 410	1 565 856	1 298 294	1 025 552
b) guarantees	548 697	464 534	321 764	262 388
2. Contingent assets received:	894 912	1 023 081	1 381 040	1 400 852
a) lending commitments	737 016	778 466	798 092	860 969
b) guarantees	157 896	244 615	582 948	539 883
II. Commitments resulting from sale/purchase transactions	5 851 830	3 960 184	4 284 187	4 695 385
III. Others, including:	4 235 010	3 387 495	2 755 698	1 532 044
- speculative derivatives	3 935 010	3 087 495	2 455 698	1 232 044
- hedging derivatives	300 000	300 000	300 000	300 000
TOTAL	13 490 859	10 401 150	10 040 983	8 916 221

PROFIT AND LOSS STATEMENT	4th quarter (current year) from October 1, 2005 to Dec. 31, 2005	4th quarter YTD (current year) from Jan. 1, 2005 to Dec. 31, 2005	4th quarter (previous year) from October 1, 2004 to Dec. 31, 2004	4th quarter YTD (previous year) from Jan. 1, 2004 to Dec. 31, 2004
I. Interest income	71 258	301 696	73 861	270 853
II. Interest expense	30 019	136 780	33 870	115 291
III. Net interest income(I-II)	41 239	164 916	39 991	155 562
IV. Fee and commission income	22 956	87 585	24 024	84 924
V. Fee and commission expense	2 430	8 739	4 044	12 759
VI. Net fee and commission income (IV-V)	20 526	78 846	19 980	72 165
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	531	5 328	(49)	(4 266)
IX. Net result on FX differences	24 047	74 304	15 605	60 286
X. Result on banking activity	86 343	323 394	75 527	283 747
XI. Other operating income	2 646	9 130	1 931	6 272
XII. Other operating expenses	544	2 926	917	3 866
XIII. General expenses	46 063	161 374	39 067	147 074
XIV. Depreciation of tangible&intangible fixed assets	7 194	21 115	4 922	21 729
XV. Charges to provisions and revaluation	10 419	51 605	18 426	56 127
1. Specific provisions and general risk reserve	10 419	51 605	18 426	56 127
2. Revaluation of financial assets				
XVI. Release of provisions and other decreases in respect of revaluation	5 366	26 428	5 980	21 244
1. Release of specific provisions and general risk reserve	5 366	26 428	5 980	21 244
2. Revaluation of financial assets				
XVII. Net charges to/release of provisions and revaluation (XV- XVI)	(5 053)	(25 177)	(12 446)	(34 883)
XVIII. Operating profit	30 135	121 932	20 106	82 467
XIX. Extraordinary gains/losses, net				
1. Extraordinary gains				
2. Extraordinary losses				
XX. Profit (loss) before taxation	30 135	121 932	20 106	82 467
XXI. Corporate income tax	5 762	23 044	3 948	11 784
1. current	4 260	22 009	3 618	18 632
2. deferred	1 502	1 035	330	(6 848)
XXII. Other mandatory charges to profit (loss)				
XXIII. Share in net profit (loss) of subsidiaries estimated by ownership rights	351	2 214	929	3 870
XXIV. Net profit (loss)	24 724	101 102	17 087	74 553
Net profit (loss) (for 12 months)		101 102		74 553
Weighted average number of ordinary shares		15 077 700		15 077 700
Net profit (loss) per ordinary share (in PLN)		6.71		4.94
Weighted average of diluted number of ordinary shares				
Diluted net profit (loss) per ordinary share (in PLN)				

MOVEMENTS IN OWN EQUITY	4th quarter (current year)	4th quarter YTD (current year)	4th quarter (previous year)	4th quarter YTD (previous year)
	from October 1, 2005 to Dec. 31, 2005	from Jan. 1, 2005 to Dec. 31, 2005	from October 1, 2004 to Dec. 31, 2004	from Jan. 1, 2004 to Dec. 31, 2004
I. Opening balance of own equity	668 562	595 176	572 260	516 176
a) Changes in adopted accounting principles (policy)				(2 731)
b) Correction of material errors				
I.a. Opening balance of own equity after reclassification to confirm with current year presentation	668 562	595 176	572 260	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	4 313	(163)	(5 992)	(7 336)
5.1. Movements in revaluation reserve	(1 912)	2 564	5 829	7 173
a) increases (in respect of)	1 190	10 258	7 788	22 117
- sale and liquidation of fixed assets				
- valuation of securities available for sale	582	8 014	6 301	17 939
- valuation of shares in subsidiaries	41	1 046	1 396	1 945
- deferred tax	567	1 198	91	2 233
b) decreases (in respect of)	(3 102)	(7 694)	(1 959)	(14 944)
- liquidation of fixed assets				(5)
- valuation of securities available for sale	(2 879)	(5 440)	(305)	(9 936)
- valuation of shares in subsidiaries	(103)	(454)		(1 316)
- deferred tax	(120)	(1 800)	(1 654)	(3 687)
5.2. Closing balance of revaluation reserve	2 401	2 401	(163)	(163)
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				
	130 721	14 542	69 277	46 542
8.1. Opening balance of undistributed profit from prior years	140 920	14 542	69 277	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	140 920	14 542	72 008	46 542
8.3. Movements in undistributed profit from prior years		50 000		(32 000)
a) increases (in respect of)		50 000		
- profit distribution		50 000		
b) decreases (in respect of)				(32 000)
- profit distribution				(32 000)
8.4. Closing balance of undistributed profit from prior years	140 920	64 542	72 008	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	130 721	54 343	69 277	11 811
9. Net income	24 724	101 102	17 087	74 553
a) net profit	24 724	101 102	17 087	74 553
b) net loss				
II. Closing balance of own equity	691 374	691 374	595 176	595 176
III. Closing balance of own equity, including the proposed profit distribution (loss covering)	691 374	691 374	595 176	595 176

CASH FLOW STATEMENT	4th quarter (current year)	4th quarter YTD (current year)	4th quarter (previous year)	4th quarter YTD (previous year)
	from October 1, 2005 to Dec. 31, 2005	from Jan. 1, 2005 to Dec. 31, 2005	from October 1, 2004 to Dec. 31, 2004	from Jan. 1, 2004 to Dec. 31, 2004
A. CASH FLOW FROM OPERATING ACTIVITY (I +/- II) - indirect method				
I. Net profit (loss)	24 724	101 102	17 087	74 553
II. Adjustments for:	(19 995)	(19 138)	155 195	387 252
1. Share in net profit (loss) of subsidiaries estimated by ownership rights	(351)	(2 214)	(929)	(3 870)
2. Depreciation	7 194	21 115	4 922	21 729
3. Foreign exchange gains/(losses)	(14 337)	(48 385)	(93 850)	(202 131)
4. Interest and dividends received and paid	5 199	19 778	4 777	18 020
5. Profit (loss) on investments	252	(1 614)	(2 515)	(8 786)
6. Change in other reserves	(889)	7 252	2 665	23 770
7. Change in debt securities held	30 683	4 106	483 478	1 056 571
8. Change in amounts due from financial sector	(394 481)	10 422	(463 011)	(524 139)
9. Change in amounts due from customers and budget sector	(333 703)	(913 650)	37 356	(145 416)
10. Change in securities purchased under resale agreements				
11. Change in shares, securities and other financial instruments with variable yield	(12 899)	(20 118)	(3 925)	(19 824)
12. Change in amounts due to financial sector	456 191	319 279	200 711	(31 949)
13. Change in amounts due to customers and budget sector	286 494	528 381	10 510	152 534
14. Change in securities sold under repurchase agreements				
15. Change in securities issued				
16. Change in other liabilities	(7 890)	80 260	(15 711)	(1 114)
17. Change in interperiod settlements	7 718	(2 682)	(5)	(6 841)
18. Change in deferred income	10 029	8 834	1 650	14 901
19. Other items	(59 205)	(35 266)	(10 928)	43 797
III. Net cash flow from operating activity (I +/- II)	4 729	81 964	172 282	461 805
B. CASH FLOW FROM INVESTING ACTIVITY (I-II)				
I. Cash inflows from investing activity	100 275	1 470 859	42 107	1 237 413
1. Sale of shares in subsidiaries	50 000	50 000		
2. Sale of shares in sister companies				
3. Sale of shares in associated entities				
4. Sale of other shares, securities and financial assets	49 004	1 410 789	42 007	1 231 146
5. Sale of tangible and intangible fixed assets	233	1 621	70	211
6. Sale of investments in real estates and intangible assets				

7. Other inflows	1 038	8 449	30	6 056
II. Cash outflows from investing activity	(66 886)	(1 404 459)	(448 232)	(2 081 438)
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	(60 543)	(1 375 832)	(441 368)	(2 067 520)
5. Purchase of tangible and intangible fixed assets	(3 004)	(12 995)	(3 977)	(8 039)
6. Investments in real estates and intangible assets	(3 339)	(15 632)	516	(2 476)
7. Other outflows			(3 403)	(3 403)
III. Net cash flow from investing activity (I +/- II)	33 389	66 400	(406 125)	(844 025)
C. CASH FLOW FROM FINANCIAL ACTIVITY (I-II)				
I. Cash inflows from financial activity				1 289 131
1. Long-term loans from other banks				1 289 131
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	(5 621)	(40 946)	(4 837)	(544 585)
1. Repayment of long-term loans contracted from other banks				(502 954)
2. Repayment of long-term loans contracted from non-bank financial institutions		(20 471)		(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	(5 621)	(20 475)	(4 837)	(18 769)
III. Net cash flow from financial activity (I +/- II)	(5 621)	(40 946)	(4 837)	744 546
D. NET CASH FLOW (AIII+/-BIII+/-CIII)	32 497	107 418	(238 680)	362 326
E. CHANGE IN CASH IN BALANCE-SHEET	32 497	107 418	(238 680)	362 326
- including changes in cash arising from exchange rate differences	(22 886)	(36 272)	(64 304)	(110 253)
F. CASH AT THE BEGINNING OF THE REPORTING PERIOD	770 405	695 484	934 163	333 158
G. CASH AT THE END OF THE REPORTING PERIOD (F+/- D)	802 902	802 902	695 484	695 484
- 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

Alexander Paklons
Senior Vice President of the Board of Executives