

Report of the Management Board of Fortis Bank Polska Capital Group for 2009



BNP PARIBAS
FORTIS

| The bank for a changing world





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**BNP Paribas
in Poland**

**welcome
to the BNP Paribas
Group**

BNP Paribas belongs to the group of three largest European banks in terms of market capitalisation and is one of the ten largest banks in the world. The group is present in more than 80 countries. It is a top player in the eurozone as regards value of deposits. In Europe, the bank has a network of more than 2,000 branches.

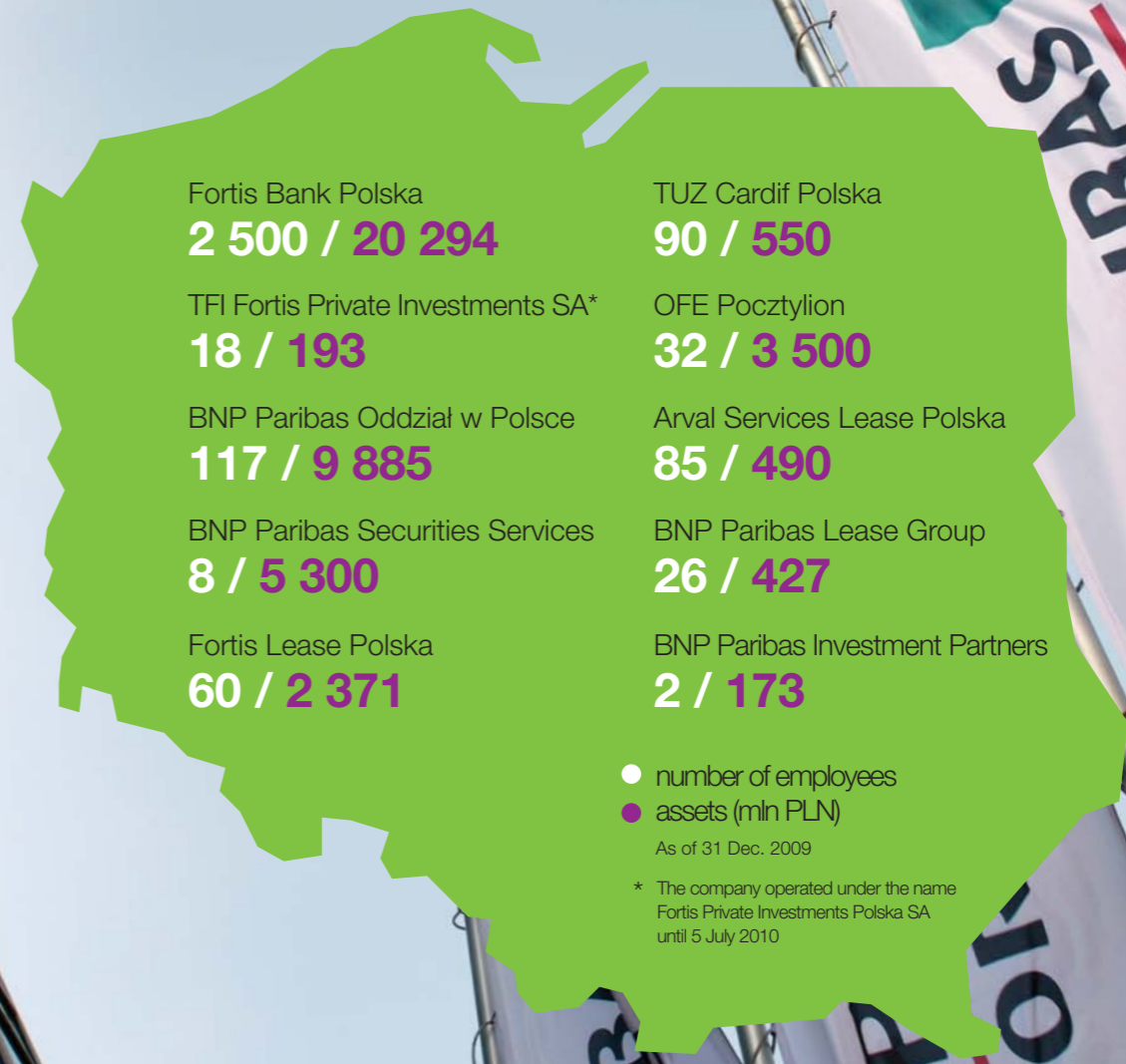
Poland is a country of strategic importance to the BNP Paribas Group. This is a market with great growth opportunities owing to its size, potential and prospect of joining the eurozone. The Polish economy proved to be much more resistant to crisis than economies of other countries.

Therefore, the BNP Paribas Group will expand its presence on the Polish financial market. The basis for this growth will be noticeable

more enhanced presence of its subsidiaries on this market, compared to the current situation. Today, as a result of the global integration of BNP Paribas and Fortis Bank, the Group is represented in Poland by 10 companies with nearly 3,000 employees that specialize in various areas of business. Consequently, the crucial message conveyed by the Group's presence on the Polish market is to strengthen the cooperation between all its entities and optimise synergy which is the outcome of common efforts of the companies. In a long-term perspective, the strategic goal of BNP Paribas in Poland is to gain a position of a strong and recognizable financial group. Building of a universal banking for all market segments will help achieve this goal.

To become a truly universal bank, we have to combine the entire experience acquired in Poland. We may draw from the retail banking competences of Fortis Bank Polska which offers a wide range of services ranging from simple banking operations through financing to transaction banking. On the other hand, BNP Paribas Branch in Poland has investment banking know-how concerning: mergers and acquisitions, capital market products, including products used for hedging FX or interest rate risk. I am convinced that close cooperation between both entities, which will remain legally separate, will bring real benefits to our customers. As the Country Manager I believe that such a model will operate without any hindrance and both legal forms – the Bank and the Branch, will offer each other mutual support.

Frederic Amoudru
*Country Manager of
BNP Paribas Group in Poland
President of Management
Board of Fortis Bank Polska
since July 2010*



**BNP Paribas
in the world**

Number of employees	
Europe	159 800
America	19 800
Africa	9 200
Asia	10 100
Middle East	2 100
Australia Oceania	700





2009 – year of changes in business environment of Fortis Bank Polska

We closed this difficult year as an organization with a strong capital base, supported by a financially stable group of global scope and experience.

The financial performance of Fortis Bank Polska was strongly affected by economic crisis and sudden depreciation of Polish zloty in the last quarter of 2008, which had an adverse impact on the situation of the Bank's customers with commitments arising from FX Forward contracts. Furthermore, difficult macroeconomic conditions resulted in problems with fulfilment of credit agreement obligations among some of our institutional customers and also deterioration in repayment of consumer loans. This situation

was directly a contributing factor to a rise in the proportion of non-performing loans in the total loan portfolio. As a consequence, Fortis Bank Polska closed the past year with a significantly higher level of write-offs for impairment of credit receivables.

Despite such unfavourable changes in the macroeconomic environment, the Bank managed to generate rewarding results from current activity. At the same time, we maintained liquidity and solvency ratios at the desired level. At the end of the year the Bank's capital adequacy ratio equalled over 13%, thus exceeding the minimum threshold of 8% required under the Bank Law Act. The support provided by our direct owner proved to be essential for

the maintenance of safe capital position of Fortis Bank Polska.

Integration with Dominet Bank, the first simultaneous formal and operational merger on the Polish banking market, gave rise to a new model of functioning at Fortis Bank Polska. The successful completion of this project allows us to perceive Fortis Bank Polska as a universal bank, offering its products and services to every market segment. Today, the "new" Fortis Bank employs 2.5 thousand people, and offers its services to 400 thousand clients through distribution network of over 230 branches and 9 Business Centres.

The integration of two organizational structures, in the period of difficult market

the Bank managed to generate rewarding results from current activity

situation, draws our attention to the optimization of operations in this new bank. In order to improve the operating efficiency, we have decided to integrate the existing functions performed by the Head Office of Dominet Bank in Lubin with the operating structures of Fortis Bank Polska. Furthermore, we have undertaken additional actions aimed at increasing the Bank's work efficiency which, in the long term, should translate into positive financial result in 2010. Essential elements of the said actions

include risk control in all areas of the Bank's activity, stable increase of lending portfolio and reduction of costs, also through employment optimization. All the above initiatives will be continued in 2010. I do believe that their implementation will help Fortis Bank Polska to rebuild its base for further development.



**we became a part
of an institution with
the largest deposit
base in eurozone**

Last year witnessed some crucial changes both in business as well as in the capital environment of Fortis Bank Polska. In May, through our main shareholder, we joined the European BNP Paribas Group. We became a part of an institution with the largest deposit base in Europe and high ratings.

The presence of Fortis Paribas in the BNP Paribas Group is also visible in the new logo of BNP Paribas Fortis, which at the end of last year was gradually

advertised, for example in the Bank's branches. The logo which we use to promote our products and services refers to the awareness of Fortis brand and at the same time builds awareness of the new brand on the Polish market – an institution recognizable worldwide and in Europe. I would like to thank our clients for their understanding shown with respect to the ongoing changes in our environment. I assure you that maintaining good relations with our clients

remains one of the Bank's key objectives. I would like to address my special thanks to the employees of Fortis Bank Polska. They are the authors of all successful projects and they create the organizational culture of our company. I have always greatly appreciated their competences.

Therefore, I would like to single out the people who were involved in projects carried out by the Fortis Foundation. Being the best ambassadors of the Foundation's activities, they contributed to the building of Fortis Bank Polska image as an institution sensitive to the needs of communities in which it operates.

Furthermore, I extend our thanks to the Supervisory Board for their support of the Bank's Board of Executives in their duties.

*Alexander Paklons
President of the Board
of Executives
of Fortis Bank Polska SA
since December 2007
to June 2010*

economy in 2009

In 2009 the economic growth continued to slow down. According to the Central Statistical Office (CSO) estimates, GDP rose during that period by 1.8% which was a much worse result compared with the previous year when the Polish economy grew by 5%. The aforesaid poorer result was caused by considerable decrease of the individual consumption rate of individual consumption's growth (to 2.3% from 5.9% in 2008) and a decrease in investment activity (in 2009, investments in the Polish economy fell by 0.4%).

The year 2009 witnessed a considerable deterioration on the labour market. During that period, the number of people employed in the corporate sector

decreased by 1.2 YOY, whereas the average nominal salaries rose by 4.4% YOY. In both cases, those results were much lower than a year earlier (in 2008, the yearly average employment rose by 4.8% YOY, whereas the nominal salaries rose by 10.1% YOY).

Throughout 2009, inflation remained above the rate estimated by the Monetary Policy Council (2.5%). The key inflation factors included the housing and food prices. At the end of 2009, the dynamics of consumer prices was 3.5% YOY, thus it was similar to the result recorded in December 2008 (3.3% YOY).

The year 2009 was yet another year characterised by a greater

volatility on the Polish market. After a substantial weakening the exchange rate of zloty observed in the first quarter, which was connected with the crisis on global financial markets, in the remaining period of the year the Polish currency started to gradually make up for the losses. At the year end, the zloty rate was 4.1082 against the euro and 2.8503 against the dollar. In both cases, it meant a small appreciation of the zloty versus the levels recorded at the end of 2008 (strengthening by 1.5% against the euro and 3.8% against the dollar, respectively).

In 2009, the budget execution was better than planned, and the whole year's deficit

amounted to PLN 23.79 billion. The performance of the central budget was mostly affected by the economic situation which was better than the budget assumptions. The tax revenues were higher than expected, mostly from indirect taxes.

Banking Sector in 2009

Amidst economic slowdown noted in the first half of 2009, the Monetary Policy Council continued the process of cutting interest rates commenced in the second half of 2008. Consequently, until mid 2009 the reference rate was reduced to the level of 3.50%. Another important area of the Bank's central activity was the assurance of the liquidity of financial system.

important area
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financial system

In 2009, the availability of loans for enterprises considerably deteriorated. At the year end, the value of that this type of loans was lower by 3.5% YOY (for comparison, in December 2008 that ratio was +28.4%). The dynamics of household loans slowed down (to 11.8% YOY in December 2009 from 44.6% YOY in December 2008).

In 2009, the financial results of the banking sector deteriorated. A considerable increase in costs (resulting primarily from provisions for non-performing loans) was accompanied by poor results on the side of income from the banking activity. Consequently, the gross financial result of the sector was 36.2% lower YOY.

analysis

financial results of Fortis Bank Polska Capital Group

As a result of difficult macroeconomic situation combined with the problems faced by a group of customers defaulting on their obligations under credit agreements, Fortis Bank Polska Capital Group closed the year 2009 with net loss of PLN 429.9 million.

Decisive impact on the annual results of Fortis Bank Polska Capital Group had nett write-downs for loan receivables impairment, losses incurred on held-for-trading financial instruments, likewise higher costs generated by the integration with Dominet Bank. At the end of 2009, net write-offs for impairment went up to PLN -581.1 million.

Yet, Fortis Bank Polska Capital Group managed to generate operating profits and maintained financial liquidity and solvency ratios on desirable levels.

The Group's net profits amounted to PLN 570.3 million. The solvency ratio at the end of the year reached the level of 13.4% which is significantly higher than the minimum of 8% required by the banking law. The balance sheet total of the Group at the end of 2009 was PLN 20.3 billion and exceeded by 2% the balance recorded at the end of December 2008.

Remaining under influence of economic slowdown and difficult situation of a number of clients, the net result

of Fortis Bank Polska Capital Group drove profitability ratio lower. Return on equity (ROE) decreased to -34.1% in comparison to 6.2% in 2008, whereas return on assets (ROA) for the entire 2009 stood at -2.1% compared to 0.4% in 2008.

During the entire year 2009, the Capital Group of Fortis Bank Polska successfully increased its deposit base. As at the end of the year, total due to customers rose by 45% and equalled PLN 9.2 billion (vs. PLN 6.3 billion noted in the corresponding period in 2008). These growths may be attributable to the integration with Dominet Bank (balance of customer deposits held by Dominet Bank as at the

integration day was PLN 2.2 billion) and the Bank policy to maintain an attractive deposit offer and boost it by marketing activities.

The balance of loans to customers declined by 7% compared to the year 2008. The end-year balance was PLN 13.8 billion (vs. PLN 14.8 billion as at 2008 year-end). Commercial loans represented the major item (57%) in the structure of net loans to customers. A lower balance of loans was triggered by a drop in the volume of investment loans. The balance of mortgage loans in 2009 went up by 1% and totalled PLN 4.5 billion.

**the balance sheet
total of the Group
at the end of 2009
was PLN 20.3 billion**

In 2009 Fortis Bank Polska carried out integration, required by the merger with Dominet Bank, and subsequently undertook measures to optimize the functioning of the merged organisation and to return to profit path in 2010. The crucial tasks under the program are to strengthen risk management, including monitoring and debt recovery.

At the end of 2009 personnel costs of Capital Group of Fortis Bank Polska stood at PLN 226.7 million and were higher by 25% compared to the end of December 2008.

Hiring of new employees as a result of the integration with Dominet Bank mainly contributed to the cost increase. Other costs reached PLN 225.2 million and were higher by 55% compared to 2008. The main items of other expenses were leasehold improvements and information systems and technologies.

results



integration with Dominet Bank

At the beginning of July 2009, the Polish Financial Supervision Authority gave its permission for the merger of Fortis Bank Polska SA with Dominet Bank SA.

The transfer of assets of Dominet Bank SA to Fortis Bank Polska SA in exchange for 5,243,532 L series ordinary bearer's shares, designed for the shareholder of Dominet Bank SA (i.e. Dominet SA) took place on 31 July 2009 – on the day of entering of the companies' merger in the register of entrepreneurs maintained by the district court in Warsaw. On the same day, the increase of share capital by means of the merger issue of shares was registered.

The merger of Fortis Bank Polska SA with Dominet Bank SA was the first formal & legal merger on the Polish market carried out on a parallel basis with the operating merger. As part of preparations for the integration, in the first days of July both banks were implementing the pilot project aimed at checking their readiness for operation as one institution and confirming their operating readiness for customer service after 31 July 2009.

When the banks were consolidating their operating systems (from 31 July to 3 August 2009), the Internet banking systems, PI@net and BiznesPI@net, were functioning within a limited scope; on 3 July, the branches of both banks were closed. During that time,

the clients of both banks were able to make use of their payment cards and ATMs. The integration of operating systems, including the migration of data of Dominet Bank's clients succeeded, thus the new bank was ready for commencing full-scale operating services as planned, i.e. on 4 August. Since that time, the bank carried out all operations requested by clients in the common IT system.

As a result of integration of operating systems, all bank accounts of clients of the former Dominet Bank were moved to the new bank.



**first formal & legal
merger on the Polish
market carried out
on a parallel basis with
the operating merger**

The customers were notified by mail of new numbers assigned to their accounts (during a specified time they were able to use both numbers on a parallel basis). After the integration of operating systems, the clients being users of the e-Dominet system became users of the PI@net system. The companies being users of the SelBank system were provided with the BiznesPI@net system.



Fortis Bank Polska in the BNP Paribas Group

In May 2009, Fortis Bank Polska was incorporated into the structures of BNP Paribas through its owner – Fortis Bank Belgium, thus becoming a part of one of the largest and soundest financial groups worldwide. This event took place against the background of the crisis on the American financial market in the second half of 2008, which adversely affected the Belgian-Dutch Fortis Group. In order to support the company, the Belgian Government signed at that time an agreement with the BNP Paribas Group on resale of 75% of shares in Fortis Bank Belgium.

From mid-2009, efforts were continued with the aim of integrating the structures of Fortis Bank Belgium and BNP Paribas. In December 2009, the business plan was announced (the so-called Industrial Plan) which provided for the accomplishment of synergy effects of EUR 900 million per year until the year 2012.

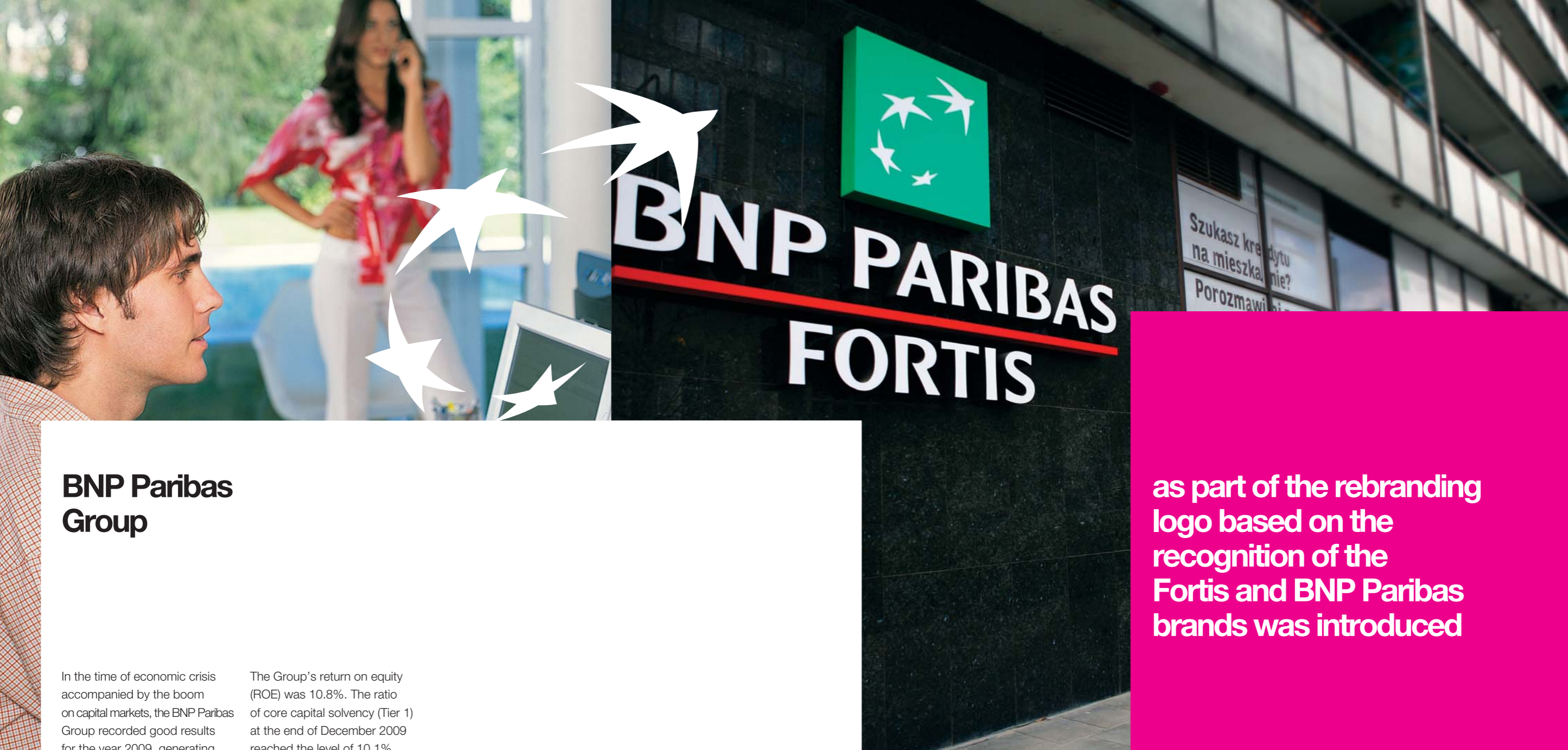
In the strategy of the BNP Paribas Group, Poland is a market with a great development potential and an important platform for the Group's growth in the future. Ultimately, Poland is supposed to become one of key markets of the Group which currently include such countries as: Belgium, France, Italy and Luxembourg.

As a result of the global integration of BNP Paribas and Fortis Bank, it is possible to strengthen cooperation between the entities representing the Group in Poland, and especially between Fortis Bank Polska and BNP Paribas Branch in Poland. Both institutions will closely cooperate with each other, however they will maintain separate legal status, and they will provide services to the entire sector of enterprises in Poland as part of a single organisation model.

BNP Paribas Branch in Poland will focus on rendering services to the largest clients of the BNP Paribas Group in Poland (the largest Polish corporations and institutions) and on offering advanced investment banking products. Fortis Bank Polska will continue to service large enterprises, both Polish and international, mostly in terms of ongoing services. The Bank's services will comprise comprehensive services for enterprises including cash management, full range of credit services and foreign trade finance. Fortis Bank Polska will also provide services related to selected forward financial operations.



integration



BNP Paribas Group

In the time of economic crisis accompanied by the boom on capital markets, the BNP Paribas Group recorded good results for the year 2009, generating net profit of EUR 5,832 million, which represents a considerable increase, namely by 93%, compared to 2008.

In 2009, the BNP Paribas Group recorded revenue of EUR 40,191 million – an increase by 46.8% compared with the 2008 result. Owing to reduction of operating costs, gross operating revenue stood at EUR 16,851 million which represents an increase by 87.7% compared to 2008.

The Group's return on equity (ROE) was 10.8%. The ratio of core capital solvency (Tier 1) at the end of December 2009 reached the level of 10.1% (7.8% at the end of December 2008). Profit per one (ordinary) share of EUR 5.2 euro was 74% higher compared to EUR 3 noted in 2008.

as part of the rebranding logo based on the recognition of the Fortis and BNP Paribas brands was introduced

New Brand: BNP Paribas Fortis

The acquisition of the majority stake of Fortis Bank Belgium by the group of BNP Paribas was followed by rebranding being the symbolic confirmation of the change in ownership of Fortis Bank Polska. The rebranding campaign was carried out in October and November 2009. Since that time, Fortis Bank Polska has been offering its products and services under the brand of BNP Paribas Fortis. However, Fortis Bank Polska SA remained the formal & legal name of the bank.

The new logo was introduced gradually. In August 2009, it appeared on statements and promotional materials distributed at branches. At the year-end all bank branches were rebranded. At the same time, the bank's website address changed; the website was also updated. Similar changes were introduced in the Internet banking systems.

As part of the rebranding, the so-called "hybrid logo" was introduced, based on the recognition of the Fortis logo and building the awareness of the BNP Paribas brand in Poland.

development of business competences

Individual customers

Over the past year Fortis Bank Polska was developing and the savings and investment products offering. The Bank organised subscriptions for structured products, introduced new investment funds to the offer available via the internet banking system PI@net, and also extended the offer of foreign Fortis L funds to new subfunds. The clients could put their savings in term deposits bearing high interest rates. The Bank boosted sales of its deposits by maintaining attractive prices and appropriate marketing activities.

After the merger with Dominet Bank, the bank's priority was to provide the customers of the integrated organisation with

the best service and make them aware of extended product offering. In the second half of the year, the bank modified the offer of mortgage products by extending the scope of financing purposes, e.g. by introducing consolidation loans or any purpose loans. The previous offer was replaced with four new products. In December 2009 the Bank introduced four new package solutions for individual clients. In addition to a traditional current account, clients gained access, among others, to cost-free comprehensive day-to-day assistance or daily capitalisation of interest in a savings account.

As part of the strategy for building a more attractive offer

for individual clients, Fortis Bank Polska in 2009 launched a new business line "Personal Finance" to develop a consumer lending offer: car loans, cash loans and credit cards. Products offered by this business line will be available mainly through the network of branches. The product distribution will be also made via internet, Call Center or insurance companies and financial brokers.

Companies

In view of the difficult macroeconomic situation, last year the bank downsized its lending activities and sales of some financial instruments in the corporate and SME segment. At the same time, the bank undertook measures to mitigate counterparty risk and market risk, whereas the efforts in the product area focused primarily on extending the transaction banking offer and bringing it up to date.

Last year, corporate clients of Fortis Bank Polska could use the extended functionality of the Notional Pooling service enabling more effective management of cash deposited in bank accounts.

in the previous year Fortis Bank Polska was extending the functionalities of internet banking system for companies

The L/C module, Trade on PI@net, introduced to the BiznesPI@net internet banking system, was used both by small companies and large enterprises. The module supports the service of import, export and domestic L/Cs. Last year Fortis Bank Polska put a lot of effort into introducing the currency exchange module (Deal on PI@net) into the Internet banking system Biznes PI@net.

While basing on the proven solutions, the Bank went however beyond the boundaries of traditional banking and offered to SME and micro companies new packages including assistance services and deposit account for companies at the end of 2009.



bank's business activity

The business activity and organisation of Fortis Bank Polska are based on the so-called business line or vertical structures responsible for comprehensive service of a specific client segment or service market, including: Retail Banking (in May 2009 the Private Banking was incorporated into the Retail Banking Business Line), Commercial Banking (since 1 January 2010 the Area of Enterprise Service and Transaction Banking) and Financial Markets Business Line.

Fortis Bank owns Towarzystwo Funduszy Inwestycyjnych Fortis Private Investments SA (the company operated under the name Fortis Private Investments Polska SA until 5 July, 2010). Till date the company managed individual

customer assets held in financial instrument portfolios (model portfolios, individual investment strategies, portfolios of investment funds managed by licensed investment advisors) and assets of the umbrella fund Fortis FIO umbrella fund (the first investment umbrella fund in Poland with separated subfunds, launched in 2005 in cooperation with TFI Skarbiec SA). The status of an investment fund company additionally allows for setting up new investment funds and managing them.

The process of transformation of Fortis Private Investments Polska SA into an investment fund company began in mid-2008. The company has managed the assets of customers since 1996. It is 100% owned by Fortis Bank Polska.

At the end of 2009, Fortis Bank Polska SA – as a result of integration of network of branches after the merger with Dominet Bank – renders services to customers through:

- 133 operating branches, including 30 leading branches – five in Warsaw, three in Krakow, two in Poznań, Wrocław and Lublin each, and one each in Bielsko-Biała, Bydgoszcz, Częstochowa, Łódź, Gdynia, Gdańsk, Gliwice, Katowice, Kielce, Lubin, Olsztyn, Opole, Rzeszów, Szczecin, Zakopane and Ząbki;
- 117 franchisee branches;
- 9 Commercial Banking Business Centres – in Warsaw, Krakow, Gdańsk, Bydgoszcz, Katowice, Poznań, Wrocław, Rzeszów and Łódź.



business



social responsibility of Fortis Bank Polska

In its business operations, Fortis Bank Polska is guided by the rule of social responsibility. Through the BNP Paribas Fortis Foundation*, established in 2006, it supports local communities preventing social exclusion, in particular among children, teenagers and the elderly. The Foundation carries out its statutory objectives by initiating, supporting and implementing social programmes, providing institutions having similar objectives with financial and in-kind aid, supporting social activities of the bank's employees.

One of the pillars of the Foundation's activity was the "help²" programme, as part of which it implemented projects involving the bank's

employees. It also enabled them to execute independent social projects in their local communities and encouraged them to participate in charitable projects (e.g. collection of non-cash donations for those in need).

Another important area of the BNP Paribas Fortis Foundation activities was the development of strategic cooperation with Towarzystwo Przyjaciół Dzieci [The Society of Children's Friends] (TPD), as part of the "chance²" programme. In 2009, the Foundation organised several educational and sports projects for the charges of TPD and supported TPD Local Educational Centres and Youth Clubs by improving their infrastructure.

As part of the activities aimed at supporting TPD, the Foundation received a donation in the form of school accessories from a company being the bank's client. Thanks to that donation, the needy children all-over-Poland received 17 thousand pieces of school equipment. In 2009, the Foundation earmarked nearly PLN 220 thousand for aid to TPD.

Last year, the Foundation for the first time implemented a joint project with the BNP Paribas Group – a charitable Review of Cartoons for the charges of Orphanages and the charges of the United Way foundation and TPD branches from Warsaw and vicinity. Approx. 600 children and their carers watched

BNP Paribas Fortis Foundation supports local communities preventing social exclusion

the most recent releases of cartoons (among others, a Luc Besson film "Arthur and the Revenge of Maltazar") and participated in workshops and meetings with actors.

As part of its statutory activity, the BNP Paribas Fortis Foundation provides financial aid for the implementation of social projects initiated by other institutions. In 2009, at six meetings of the Foundation's Management Board,

a sum exceeding PLN 63 thousand was donated and thus supported the realisation of 26 projects. In December 2009, the 2nd edition of Akademia Trzeciego Sektora [Third Sector Academy] (ATS), held under the patronage of Fortis Bank Polska, was launched. The assumption of the project implemented by the Foundation for the Jagiellonian University is to improve the competences of staff and volunteers of non-governmental organisations who are going to act for the benefit

of the third sector. During the first edition of ATS – from October 2008 to May 2009 – more than 470 representatives of non-government organisations from the whole Poland were trained.

* Foundation operated under the name Fortis Foundation Poland until June 20, 2010

bank's largest shareholder

The parent company of Fortis Bank Polska is Fortis Bank Belgium SA/NV having its registered office in Brussels. At the end of December it held 99.87% shares. After the ownership transformations, Fortis Bank Belgium SA/NV joined in October the group where the Government of the Kingdom of Belgium represented by Société Fédérale de Participations et d'Investissement was the parent entity.

Until October 2008, Fortis Bank Polska was a part of Fortis – international banking and insurance group. The involvement of Belgium, the Netherlands and Luxembourg had a decisive impact on the group's split. At the same time, in October 2008 the Belgian Government signed an agreement with BNP Paribas, the financial and banking group registered in France, under which BNP Paribas was to take over 75% shares of Fortis Bank SA/NV, 100% shares of Fortis Insurance Belgium from the Belgian State, and acquire 16% of shares of Fortis Banque Luxembourg (increasing the controlling stake up to 67%) from the Luxembourg State Treasury. BNP Paribas announced takeover of control over Fortis Bank SA/NV and its international subsidiaries (including Fortis Bank Polska SA).

The abovementioned agreement was approved by the general shareholders meeting of the Fortis Group in April 2009. On 12 May 2009, Fortis Bank SA/NV joined the BNP Paribas SA Group after BNP Paribas finalised the purchase of 74.93% shares of Fortis Bank SA/NV from Société Fédérale de Participations et d'Investissement.



on 12 May 2009,
Fortis Bank SA/NV joined
the BNP Paribas Group

Consolidated Financial Highlights	2009 (YTD)	2008 (YTD)	2009 (YTD)	2008 (YTD)
	in PLN thousand	in PLN thousand	in EUR thousand	in EUR thousand
Interest income	911 091	1 005 093	209 900	284 560
Fee and commission income	177 704	190 847	40 940	54 032
Total income, net	570 317	531 790	131 391	150 559
Gross profit/loss	-521 161	102 974	-120 067	29 154
Net profit/loss	-429 880	78 496	-99 037	22 224
Net cash provided by operating activities	1 384 902	-1 970 772	319 058	-557 960
Net cash provided by investing activities	-1 596 470	-670 156	-367 799	-189 733
Net cash provided by (used in) financing activities	-1 080 007	3 413 782	-248 815	966 502
Total net cash flow	-1 291 575	772 854	-297 556	218 809
Total assets	20 294 483	19 869 004	4 939 994	4 762 008
Due to banks	2 011 154	2 276 963	489 546	545 720
Due to customers	9 226 316	6 368 464	2 245 829	1 526 331
Loans and credit facilities received	6 560 893	8 198 200	1 597 024	1 964 864
Equity	1 368 634	1 217 922	333 147	291 900
Number of shares	24 123 506	16 771 180	24 123 506	16 771 180
Book value per share (in PLN/EUR)	56,73	72,62	13,81	17,40
Diluted book value per share (in PLN/EUR)	56,73	72,62	13,81	17,40
Capital adequacy ratio	13,40%	9,88%	-	-
Basic Earnings Per Share (PLN/EUR)	-21,92	4,68	-5,05	1,33
Diluted Earnings Per Share (PLN/EUR)	-21,92	4,68	-5,05	1,33

Consolidated Income statement	2009	2008
	in PLN thousand	in PLN thousand
Interest income	911 091	1 005 093
Interest expense	-489 228	-609 171
Net interest income	421 863	395 922
Fee and commission income	177 704	190 847
Fee and commission expense	-28 118	-12 376
Net fee and commission income	149 586	178 471
Dividend and other investment income	-	-
Net trading income	-34 412	-54 541
Net gain/loss on available-for-sale financial assets	6 300	-3 233
Net profit (loss) on hedging transactions	-	257
Other revenues	26 980	14 914
Total income, net	570 317	531 790
Personnel expenses	-226 695	-181 958
Depreciation of fixed assets and intangible fixed assets	-58 377	-38 470
Other expenses	-225 228	-145 612
Net impairment losses	-581 178	-62 776
Gross profit/loss	-521 161	102 974
Income tax expense	91 281	-24 478
Net profit/loss	-429 880	78 496

Consolidated Earnings Per Share	2009	2008
Net profit/loss (in PLN thousand)	-429 880	78 496
Weighted average number of ordinary shares	19 613 269	16 771 180
EPS ratio (in PLN)	-21,92	4,68
Weighted average diluted number of ordinary shares	19 613 269	16 771 180
Diluted earnings per ordinary share (in PLN)	-21,92	4,68

Consolidated balance sheet statement

	2009 in PLN thousand	2008 in PLN thousand
Assets		
Cash and cash equivalents	832 724	1 494 888
Financial assets held for trading	664 305	1 372 145
Due from banks	1 573 242	606 373
Loans to customers	13 811 556	14 823 117
Investments - Available for Sale	2 785 854	1 200 836
Property, Plant and Equipment	188 372	113 258
Intangible Assets	42 229	26 000
Income tax settlements	48 554	-
Deferred tax assets	227 819	96 717
Other assets	119 828	135 670
Total assets	20 294 483	19 869 004
Liabilities		
Financial liabilities held for trading	171 474	961 601
Due to banks	2 011 154	2 276 963
Due to customers	9 226 316	6 368 464
Loans and credit facilities received	6 560 893	8 198 200
Liabilities related to issuance of debt securities	30 000	-
Subordinated liabilities	582 984	417 240
Current tax liabilities	107	57 061
Other obligations	265 910	354 679
Provisions	77 011	16 874
Total liabilities	18 925 849	18 651 082
Equity capital		
Share capital	1 206 175	503 135
Additional capital	554 446	308 656
Other capital	45 685	344 983
Revaluation reserve	-8 741	-18 053
Retained earnings	949	705
Net profit (loss) for the year	-429 880	78 496
Total equity	1 368 634	1 217 922
Total liabilities and equity	20 294 483	19 869 004

Consolidated Statement of Changes in Shareholders' Equity in 2008

	Share capital in PLN thousand	Additional capital in PLN thousand	Retained earnings in PLN thousand	Net profit (loss) for the year in PLN thousand	Other capital in PLN thousand	Revaluation reserve in PLN thousand	Total capital in PLN thousand
Balance as at 1.01.2008	503 135	308 656	161 783	-	183 200	-2 818	1 153 956
Consolidation adjustment	-	-	705	-	-	-	705
Adjusted balance as at 1.01.2008	503 135	308 656	162 488	-	183 200	-2 818	1 154 661
Total income in 2008	-	-	-	78 496	-	-15 235	63 261
Distribution of retained earnings	-	-	-161 783	-	161 783	-	-
Balance as at 31.12.2008	503 135	308 656	705	78 496	344 983	-18 053	1 217 922

Consolidated Statement of Changes in Shareholders' Equity in 2009

	Share capital in PLN thousand	Additional capital in PLN thousand	Retained earnings in PLN thousand	Net profit (loss) for the year in PLN thousand	Other capital in PLN thousand	Revaluation reserve in PLN thousand	Total capital in PLN thousand
Balance as at 1.01.2009	503 135	308 656	79 201	-	344 983	-18 053	1 217 922
Merger with Dominet Bank SA	157 306	-23 982	-	-	-	101	133 425
Total income in 2009	-	-	-	-429 880	-	9 227	-420 653
Reclassification	-	-	-	-	16	-16	-
Share issue	105 440	332 505	-	-	-	-	437 945
Increase in the nominal share value	440 294	-95 955	-	-	-344 344	-	-5
Distribution of retained earnings	-	33 222	-78 252	-	45 030	-	-
Balance as at 31.12.2009	1 206 175	554 446	949	-429 880	45 685	-8 741	1 368 634

Consolidated Cash Flow Statement

	2009 in PLN thousand	2008 in PLN thousand
Cash and cash equivalents, gross, opening balance	1 495 348	711 109
Consolidation adjustment	-	11 385
Merger with Dominet Bank SA	630 029	-
Adjusted cash and cash equivalents, gross, opening balance	2 125 377	722 494
Gross profit/loss	-521 161	102 974
Adjustments for:	1 906 063	-2 073 746
Depreciation	58 377	38 470
Impairment losses	835 167	66 495
Profits/losses on investing activities	25 280	3 499
Changes in operational assets and liabilities:	1 098 222	-2 124 934
- financial assets and liabilities held for trading	-82 287	-358 624
- due from banks	-936 147	477 913
- loans to customers	2 519 750	-3 692 514
- change in the balance of available for sale investments	-34 974	-5 385
- due to banks	-265 809	48 214
- due to customers	675 610	71 194
- liabilities due on account of credits and loans received	-524 770	1 117 622
- liabilities due on account of a subordinated loan	-96 420	59 040
- other assets and liabilities	-156 731	157 606
Income tax (current and deferred)	-110 983	-57 276
Net operating cash flows	1 384 902	-1 970 772
Purchase of available-for-sale investments	-43 423 114	-1 185 781
Purchase of property, plant and equipment and intangible fixed assets	-85 750	-45 310
Proceeds from sales of available-for-sale investments	41 911 731	560 176
Proceeds from sales of property, plant and equipment	2 186	2 628
Other investment expenses	-1 523	-1 869
Net cash provided by investing activities	-1 596 470	-670 156
Issuance of subordinated liabilities	295 410	-
Payment of subordinated liabilities	-123 246	-
Loans and credit facilities taken	1 896 929	5 405 496
Debt securities issue	-	-
Repayment of loans and credit facilities	-3 587 040	-1 991 714
Dividends paid	-	-
Share issue	437 945	-
Other financial expenses	-5	-
Net cash provided by (used in) financing activities	-1 080 007	3 413 782
Cash and cash equivalents, gross, ending balance	833 802	1 495 348
Change in cash and cash equivalents, net	-1 291 575	772 854

The consolidated cash Flow Statement is prepared using an indirect method.



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Fortis Bank Polska SA
ul. Suwak 3
02-676 Warszawa
www.bnpparibasfortis.pl
801 322 322