



TRANSLATION

Fortis Bank Polska S.A.

**Report supplementing
the auditor's opinion
on the unconsolidated
financial statements
Financial Year ended
31 December 2008**

**KPMG Audyt Sp. z o.o.
The report supplementing the auditor's opinion
contains 12 pages
Report supplementing the auditor's opinion
on the unconsolidated financial statements
for the financial year ended
31 December 2008**



This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

Contents

1	General	3
1.1	General information about the Bank	3
1.2	Auditor information	3
1.3	Legal status	3
1.4	Prior period financial statements	5
1.5	Audit scope and responsibilities	6
2	Financial analysis of the Bank	8
2.1	Summary of the unconsolidated financial statements	8
2.2	Selected financial ratios	10
2.3	Interpretation of selected financial ratios	10
3	Detailed report	11
3.1	Proper operation of the accounting system	11
3.2	Verification of assets and liabilities	11
3.3	Compliance with banking regulations	11
3.4	Audit materiality	11
3.5	Notes to the financial statements	11
3.6	Report on the Bank's activities	12
3.7	Information on the opinion of the independent auditor	12



1 General

1.1 General information about the Bank

1.1.1 Company name

Fortis Bank Polska S.A.

1.1.2 Registered office

3 Suwak Street
02-676 Warsaw
Poland

1.1.3 Registration in the National Court Register

Registration court: District Court in Warszawa, XIII Commercial Department of the
National Court Register
Date: 17 April 2001
Registration number: KRS 0000006421

1.1.4 Tax Office and Provincial Statistical Office registration

NIP number: 676-007-83-01
REGON: 003915970

1.2 Auditor information

Name: KPMG Audyt Sp. z o.o.
Registered office: Warsaw,
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number.: KRS 0000104753
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register;
Share capital: PLN 125,000
NIP number: 526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of entities authorised to audit financial statements under number 458.

1.3 Legal status

1.3.1 Share capital

The Bank was established for an indefinite period under the terms of its Statute dated 5 November 1990.

The share capital of the Bank amounted to PLN 503,135,400.00 as at 31 December 2008 divided into 16,771,180 ordinary shares with a nominal value of PLN 30 each.

As at 31 December 2008, the shareholder structure was as follows:

Name of the Shareholder	Number of shares	Voting rights (%)	Nominal value of shares PLN '000	Percentage of share capital (%)
Fortis Bank S.A./NV	16,635,287	99.2%	499,060.0	99.2%
Others < 5%	135,893	0.8%	4,075.0	0.8%
	16,771,180	100.0%	503,135.0	100.0%

On 10 January 2009 Fortis Bank S.A./NV announced public bid to purchase share of Fortis Bank Polska S.A. listed on the Warsaw Stock Exchange. As a result of the bid number of shares of Fortis Bank Polska S.A. owned by Fortis Bank S.A./NV increased to 16,738,712, and its share in the share capital to 99.81%.

1.3.2 Related parties

The Bank is a member of the Fortis Bank Group.

1.3.3 Management of the Company

The Management Board is responsible for management of the Bank.

At 31 December 2008, the Management Board of the Bank comprised the following members:

- Alexander Paklons – President of the Management Board,
- Jan Bujak – First Vice-President of the Management Board,
- Jean – Luc Deguel – Vice-President of the Management Board,
- Thierry Lechien – Vice-President of the Management Board,
- Jaromir Pelczarski – Vice-President of the Management Board.

On 30 June 2008 Mr. Bartosz Chyła has resigned from the position of a Vice-President of the Management Board.

1.3.4 Scope of activities

The business activities listed in the Bank's Statute include the following:

- accepting deposits due on demand and/or in fixed date and maintaining bank accounts for such deposits,
- maintaining the other bank accounts,
- granting credits and loans, including consumer credits and loans,
- carrying out pecuniary settlements, including payment card settlements, likewise payment card issuance,
- issuing and confirming bank guarantees, granting sureties, likewise opening and confirming L/Cs,
- issuing securities, including convertible bonds and banking securities, likewise carrying out commissioned tasks, and assuming obligations related to the issuance of securities,
- participating in trading in financial instruments, including maintaining securities custody accounts,

- conducting operations on money and FX markets including forward and derivative instrument transactions,
- conducting check and bill-of-exchange operations,
- purchasing and selling of cash debts,
- purchasing and selling foreign exchange,
- safekeeping valuable objects and securities, likewise rendering safe-deposit boxes available,
- rendering the following financial services: consulting services, custody services, leasing services, brokerage activity,
- commission sale of open pension funds and safekeeping pension funds' assets,
- providing agency services related to the distribution of participation units, investment certificates or participation units of investment funds, likewise agency services related to their sale and redemption, or safekeeping of investment funds' assets,
- providing agency services related to property insurance,
- intermediating within the scope of personal insurance, including life insurance,
- rendering certification services under the regulations governing electronic signatures, except for issuing qualified certificates used by banks with regard to actions to which they are parties,
- acting as an agent in making money transfers and FX settlements,
- issuance of instrument of electronic money.

1.4 Prior period financial statements

The unconsolidated financial statements for the period ended 31 December 2007 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion

The unconsolidated financial statements were approved at the General Meeting on 06 June 2008 where it was resolved to allocate the profit for the prior financial year of PLN 177,594 thousand as follows:

- PLN 15,811,352.51 to cover the cost of implementation of the International Financial Reporting Standards,
- PLN 84,188,647.49 to increase capital reserve,
- PLN 77,593,763.31 to increase general risk fund.

The closing balances as at 31 December 2007 have been properly recorded as the opening balances of the audited year.

Due to the changes in the applied accounting policies resulting from the adoption of the accounting policies that are in compliance with International Financial Reporting Standards as adopted by the European Union, the related corresponding figures for 31 December 2007 have been restated.

The unconsolidated financial statements were submitted to the Registry Court on 16 July 2008 and were published in Monitor Polski B No. 1748 on 18 November 2008.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of Fortis Bank Polska S.A. seated in Warsaw, 3 Suwak Street and relates to the unconsolidated financial statements comprising: the balance sheet as at 31 December 2008, with total assets of and total liabilities and equity of PLN 19,886,304 thousand, the profit and loss account for the year then ended with a net profit of PLN 78,191 thousand, the statement of changes in equity for the year then ended with an increase in equity of PLN 62,956 thousand, the cash flow statement for the year then ended with an increase in cash amounting to PLN 784,239 thousand, and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory notes.

The audited Bank prepares its unconsolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of General Meeting dated 2 June 2006.

The unconsolidated financial statements have been audited in accordance with the contract dated 13 October 2008, concluded on the basis of the resolution of Supervisory Board dated 13 January 2009 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing.

We have conducted the interim audit in the Bank's head office (*and branches*) during the period from 3 November 2008 to 28 November 2008.

We audited the unconsolidated financial statements in the Bank's head office (*and branches*) during the period from 7 January 2009 to 30 January 2009.

Management of the Bank is responsible for the accuracy of the accounting records and the preparation and fair presentation of the unconsolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and with other applicable regulations.

Management of the Bank and members of the Supervisory Board are obliged to ensure that the unconsolidated financial statements and the Report on the Bank's activities are in compliance with the requirements set forth in the Accounting Act.

Our responsibility is to express an opinion, and to prepare a supplementing report, on the unconsolidated financial statements, and whether the unconsolidated financial statements are derived from properly maintained accounting records, based on our audit.

Management of the Bank submitted a statement dated the same date as this report as to the true and fair presentation of the unconsolidated financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the unconsolidated financial statements.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.



*Fortis Bank Polska S.A.
Report supplementing the opinion on the unconsolidated financial statements
for the financial year ended 31 December 2008*

TRANSLATION

KPMG Audyt Sp. z o.o., the members of its Management Board and Supervisory Board and other persons involved in the audit of the unconsolidated financial statements of the Bank fulfill independence requirements. The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o.o.

2 Financial analysis of the Bank

2.1 Summary of the unconsolidated financial statements

2.1.1 Balance sheet

ASSETS	31.12.2008	% of total	31.12.2007	% of total
	PLN '000		PLN '000	
Cash and cash equivalents	1,494,888	7.5	710,793	5.0
Financial assets held for trading	1,372,145	6.9	253,301	1.8
Due from banks	606,373	3.1	1,084,283	7.6
Loans to customers	14,823,117	74.5	11,195,867	78.8
Investments- Available for Sale	1,218,990	6.1	603,235	4.2
Property, Plant and Equipment	112,926	0.6	113,816	0.8
Intangible assets	25,896	0.1	22,287	0.2
Deferred tax assets	96,586	0.5	33,873	0.2
Other assets	135,383	0.7	193,559	1.4
TOTAL ASSETS	19,886,304	100.0	14,211,014	100.0

EQUITY AND LIABILITIES	31.12.2008	% of total	31.12.2007	% of total
	PLN '000		PLN '000	
Liabilities				
Financial liabilities held for trading	961,601	4.8	201,381	1.4
Due to banks	7,554,483	38.0	5,895,545	41.5
Due to customers	9,308,212	46.8	6,307,428	44.4
Subordinated liabilities	417,240	2.1	358,200	2.5
Current tax liabilities	56,890	0.3	26,601	0.2
Other liabilities	354,092	1.8	251,929	1.8
Provisions	16,874	0.1	15,974	0.1
Total liabilities	18,669,392	93.9	13,057,058	91.9
Equity				
Share capital	503,135	2.5	503,135	3.5
Share premium	308,656	1.6	308,656	2.2
Other capital	344,983	1.7	183,200	1.3
Revaluation reserve	(18,053)	(0.1)	(2,818)	0.0
Retained earnings	-	-	(15,811)	(0.1)
Net profit for the year	78,191	0.4	177,594	1.3
Total equity	1,216,912	6.1	1,153,956	8.2
TOTAL LIABILITIES AND EQUITY	19,886,304.0	100.0	14,211,014.0	100.0



2.1.2 Profit and loss account

	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
	PLN '000	PLN '000
Interest income	1,005,027	606,041
Interest expense	(610,215)	(317,008)
Net interest income	394,812	289,033
Fee and commission income	186,239	150,023
Fee and commission expense	(11,393)	(10,474)
Net fee and commission income	174,846	139,549
Dividend and other investment income	-	3,400
Net trading income	(54,541)	140,169
Net loss on available-for-sale financial assets	(3,233)	(2,723)
Net profit(loss) on hedging transactions	257	(126)
Other revenues	14,906	10,987
Operating income	527,047	580,289
Personnel expenses	179,178	160,198
Depreciation of fixed assets and intangible fixed assets	38,222	25,257
Other expenses	144,286	138,918
Net impairment losses	62,776	41,309
Profit before income tax	102,585	214,607
Income tax expense	(24,394)	(37,013)
Profit for the period	78,191	177,594

2.2 Selected financial ratios

	2008	2007
Total assets (PLN '000)	19,886,304	14,211,014
Gross profit (PLN '000)	102,585	214,607
Net profit (PLN '000)	78,191	177,594
Shareholders' equity (PLN '000)*	1,138,721	976,362
Return on equity	6.87%	18.2%
Capital adequacy ratio	9.8%	11.7%
Income generating assets to total assets	77.6%	86.3%
Interest bearing liabilities to total liabilities	92.6%	96.2%

* excluding current-year net profit

2.3 Interpretation of selected financial ratios

Total assets increased by PLN 5,675,290 thousand, i.e. 40% as compared to 31 December 2007. The growth was due to an increase in loans to customers that increased by PLN 3,627,250 thousand, i.e. by 32%, increase in financial assets held-for-trading that increased by PLN 1,118,844 thousand, i.e. by 441% and investments available-for-sale that increased by PLN 615,755 thousand, i.e. by 102%. On the liabilities side an increase was due to increase in due to customers that grew by PLN 3,000,784 thousand, i.e. by 47% and increase in due to banks by PLN 1.658.938 thousand, i.e. by 28%.

The gross profit for 2008 amounted to PLN 102,585 thousand which was a decrease of PLN 112,022 thousand when compared to 2007 gross profit. The decrease in the gross profit resulted mainly from loss on financial instruments held-for-trading that amounted to PLN 54,541 thousand compared to gain of PLN 140,169 thousand earned in 2007.

The net income for 2008 was PLN 78,191 thousand and was by PLN 99,403 thousand, i.e. 55% compared with 2007.

Capital adequacy ratio as at 31 December 2008 was 9.8% and decreased compared to 31 December 2007. That resulted mainly from an increase in capital requirements for credit risk and a decrease of net profit.

Share of income-generating-assets in total assets decreased from 86.3% as at 31 December 2007 to 77.6% as at 31 December 2008.

Share of the interest-bearing liabilities in total liabilities decreased from 96.2% as at 31 December 2007 to 92.5% as at 31 December 2008.

3 Detailed report

3.1 Proper operation of the accounting system

The Bank maintains current documentation describing the applied accounting principles, adopted by the Management Board, to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system. Our assessment covered in particular:

- appropriateness and consistency of the accounting principles used,
- correctness of the documentation of business transactions,
- fairness, accuracy and verifiability of the books of account, including the matching of accounting entries with supporting documentation and the financial statements,
- compliance of the adopted policies relating to safeguarding of accounting records, books of account and the financial statements with the Accounting Act.

On the basis of the work performed we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

3.2 Verification of assets and liabilities

The Bank performed a verification of assets and liabilities and in accordance with the requirements and time frame specified in Art. No. 26 of the Accounting Act.

Count differences have been recorded in the period covered by the unconsolidated financial statements.

3.3 Compliance with banking regulations

Based on our audit we have not identified any significant deviations in the bank's compliance with the banking regulatory norm pertaining among other to loan concentration, obligatory reserve and capital adequacy ratio.

3.4 Audit materiality

We have planned and applied an appropriate level of precision in conducting our audit procedures in order to obtain reasonable assurance about whether the unconsolidated financial statements taken as a whole are free of material misstatements.

3.5 Notes to the financial statements

All information included in the notes to the unconsolidated financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the financial statements taken as a whole.

3.6 Report on the Bank's activities

The Report on the Bank's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the unconsolidated financial statements.

3.7 Information on the opinion of the independent auditor

Based on our audit of the unconsolidated financial statements as at and for the year ended 31 December 2008, we have issued an unqualified opinion with the following emphasis of matter:

“Without qualifying our opinion, we draw attention to note 32 point 32.2 to the unconsolidated financial statements. Fortis Bank Polska S.A. is a member of Fortis Bank SA/NV Group which is currently undergoing ownership changes. The ultimate outcome of the ownership changes and its impact on the Bank cannot presently be determined.”

Signed on the Polish original

.....
Certified Auditor No. 90121/8144
Paweł Ryba, Director

Signed on the Polish original

.....
For KPMG Audyt Sp. z o.o.
ul. Chłodna 51, 00-867 Warsaw
Certified Auditor No. 9941/7390
Bożena Graczyk
Member of the Management Board

Signed on the Polish original

.....
For KPMG Audyt Sp. z o.o.
ul. Chłodna 51, 00-867 Warsaw
David Pozzocco, Partner

Warszawa, 31 March 2009