

Letter of the President of Management Board

Ladies and Gentlemen,

We leave behind a difficult year due to a situation on global financial markets, which translated into troubles in the Polish financial sector. It was also a period of crucial decisions and changes in the financial group that Fortis Bank Polska is part of. As a result of actions undertaken by the Governments of Belgium, the Netherlands and Luxembourg in autumn 2008, Fortis underwent a thorough transformation. The changes caught obvious attention of our bank customers and demanded frankness from us when commenting on the events.

Regardless of Fortis related events, we pursued our development strategy which always included high financial ratios as its crucial component. The financial performance of the Capital Group of Fortis Bank Polska in 2008 was affected by a severe depreciation of Polish zloty. It primarily had an adverse impact on the situation of the bank's customers and their ability to settle commitments related to FX Forward contracts. As a result of a negative valuation of derivative instruments, combined with growth of provisions for credit receivables arising out of completed derivative transactions, the Group recorded a net loss in the fourth quarter. In consequence, our net profit for the whole year stood at PLN 78.5 million, the level recorded back in 2006. I wish to emphasise that despite such unfavourable market conditions, we managed to maintain our stability measures, i.e. liquidity and solvency ratios, at the desired level.

During the entire 2008, our income continued to increase. It proves that areas vital for the Bank have developed in line with our intentions. Mortgage loans were still highly popular among Retail Banking business line customers. Small and medium enterprises made more FX transactions and used investment loans. Meanwhile, commercial banking and private banking business lines increased the number of their customers. Our customers had a chance to participate in our educational projects to provide them with tools to improve competitiveness. Entrepreneurs were invited to meetings devoted to acquisition of the EU subsidies or seminars on products offered by the Global Markets Business Line.

Information confidentiality and security are of utmost importance for our bank. Last year, Fortis Bank Polska was awarded the information security ISO certificate as a formal confirmation of practices applied by us. It was the first certification in the Polish banking sector covering products, services and process in all organisational units. ISO evidences that any information, from the moment of a product concept birth until its sale and customer data management, is adequately protected.

I speak with satisfaction about achievements of Fortis Bank Polska, especially that we await changes that will redefine our position in the banking sector. I mean the integration with Dominet Bank and the prospect of joint operation of our banks in the distribution network of 270 branches. The new Fortis Bank will develop traditional banking based on a network of brick branches; it will be a universal bank with a clear segmentation. We aspire to become a significant player on the retail market, but we will maintain our unaltered involvement in the cooperation with enterprises.

The current economic environment draws our attention to an appropriate risk management. Cost discipline will be equally important as looking for cost synergies related to the integration with Dominet Bank, which are expected at PLN 200 million. Today, our business priorities include

personalised customer approach and investing in employee development - because our staff is the guarantee of a successful cooperation with the Bank's customers. Our outlays on employee development will be considerably reinforced by a three-million subsidy from the European Social Fund.

Looking back at the past year, I feel we owe special thanks to our customers for their trust. At the time of discussions about ownership changes related to the principal shareholder of Fortis Bank Polska SA, the customer confidence was particularly important to us. I thank our employees for their everyday work which I highly respect and appreciate. Furthermore, I extend our thanks to the Supervisory Board for their support of the Bank's Board of Executives in their duties.

Yours faithfully,

Alexander Paklons
President of the Board of Executives
Fortis Bank Polska SA