



ADDITIONAL NOTES

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1. Information on the structure of bank's exposure to specific entities, capital groups, industrial and geographical market segments, together with the exposure risk assessment

In Sections 1.1., 1.2. and 1.3. amounts receivable due from the financial, non-financial and State budget sectors are presented, excluding transactions with banks.

1.1. Information on the Bank's exposure to specific industries, excluding receivables due from banks, interest or value adjustment on account of effective commission settlement, is presented in the table below:

Sectors of the economy	Gross receivables as at 31 Dec, 2006 in PLN thousand	Gross receivables as at 31 Dec, 2005 in PLN thousand
Private individuals	1,789,407	783,059
Wholesale	1,016,569	710,937
Municipal and housing services	553,248	156,699
Production of food and beverages	402,206	260,370
Production of metal goods	335,182	144,858
Construction services	208,298	153,900
Retail trade in industrial goods	201,001	96,061
Maritime transport	181,195	1,295
Rubber and plastic products	172,595	55,698
Trade in means of transport	142,683	36,662
Hotels and motels	131,944	93,857
Timber and wooden goods	125,241	143,862
Ceramics and glass	121,561	57,832
Other production	114,488	322,158
Furniture and accessories	112,409	44,063
Paper and stationery	109,545	57,136
Retail trade in groceries	107,746	104,738
Motor vehicles	103,547	48,200
Non-banking financial services	98,505	59,108
Production of non-electrical machines	95,791	21,008
Social utility services	88,972	38,298
Print shops and publishers	87,002	49,505
Other chemical products	82,644	30,627
Land transport	78,900	66,586
Textiles and fabric production	72,472	58,178
Other means of transport:	44,574	1,613
Metallurgy	29,954	24,953
Leather and leather goods, footwear	29,671	19,228
Other services	477,711	511,594
Other industries	48,542	242,913
Total	7,163,603	4,394,996

1.2. Data on the Bank's exposure by the main geographical regions of Poland are presented in the table below.

The data do not include interest, receivables due from banks, or value adjustment on account of effective commission settlement.

Geographical regions of Poland	Gross receivables as at December 31, 2006 in PLN thousand	Gross receivables as at December 31, 2005 in PLN thousand
Eastern Region	2,982,584	1,907,082
Małopolska Region	1,401,266	767,601
Western Region	996,572	647,973
Silesia Region	906,541	590,530
Northern Region	876,640	481,810
Total	7,163,603	4,394,996

For the needs of the above comparison, the Małopolska Region comprises the following provinces: Małopolska, Podkarpackie and Świętokrzyskie;

the Silesia Region comprises the following provinces: Silesia and Opolskie;

the Eastern Region comprises the following provinces: Mazovia, Lublin, Łódź, Warmia-Mazuria and Podlasie;

the Western Region comprises the following provinces: Wielkopolska, West Pomerania, Lower Silesia and Lubuskie;

the Northern Region comprises the following provinces: Pomerania and Kujawy – Pomerania.

1.3. Data regarding the Bank's exposure to specific economic sectors is presented in the table below. The data do not include interest or value adjustment on account of effective commission settlement.

Entity type	Gross receivables as at December 31, 2006 in PLN thousand	Gross receivables as at December 31, 2005 in PLN thousand
Financial sector	104,693	59,961
insurance institutions and pension funds	18	48
other financial intermediaries	77,334	57,938
auxiliary financial institutions	27,252	1,960
VISA card settlements and others	89	15
Non-financial sector	7,058,409	4,334,497
State-owned enterprises and companies	62,116	40,306
State-owned enterprises and companies and cooperatives	4,875,638	3,255,316
Individual entrepreneurs	317,784	244,685
Private individuals	1,788,232	774,292
Individual farmers	777	817
non-commercial institutions operating in favor of households	2,261	6,288
VISA card settlements and others	11,601	12,793
State budget sector	501	538
- local budgetary units	498	535
VISA card settlements and others	3	3
Total	7,163,603	4,394,996

1.4. Data regarding the Bank's exposure to specific customers and capital groups.

As at December 31, 2006, the Bank did not exceed a maximum exposure limit towards any customer or capital group as stipulated under the Banking Law.

The Bank's exposure exceeded 10% of capital equity towards 13 customers/capital groups, and totalled PLN 1,259 million. To compare, as at December 31, 2005, the Bank's exposure exceeded that level in the case of 16 customers and totalled PLN 1,249 million.

The Bank's exposure exceeded 10% of capital equity (determined to compute the solvency ratio) towards seven (7) capital groups and six (6) individual entities. The amount of the Bank's exposure to and industries of specific capital groups are presented in the table below.

No.	group/entity	industry	The Bank's total exposure in PLN thousand	
			December 31, 2006	December 31, 2005
1	capital group A	Financial services	183,957	97,770
2	capital group B	Residential construction services	138,542	85,248
3	capital group C	Production of food and beverages	107,181	105,180
4	capital group D	Textiles and fabric production	100,968	102,323
5	individual customer E	Maritime transport	92,869	-
6	capital group F	Timber and wooden goods and wholesale	88,921	21,208
7	capital group G	Production of wooden goods	85,872	71,019
8	individual customer H	Municipal and housing services	83,092	76,222
9	capital group I	Wholesale	80,618	85,158
10	individual customer J	Other production	76,787	71,329
11	individual customer K	banking services	75,024	150,110
12	individual customer L	commercial intermediary	72,950	77,547
13	individual customer M	Other services	72,615	62,885

1.5. Data regarding credit risk concentration.

The Bank's financial exposure focuses on the following sectors: production, private individual customers, services and trade and it amounts to 28%, 25%, 23% and 20% of the credit portfolio value respectively, as at the end of 2006. As compared to December 31, 2005, the Bank decreased its exposure in services, trade and production sectors whereas the exposure in private individual customer segment increased. The highest growth of exposure was reported in the private individual customer and the housing services segments, whereas the biggest decrease was reported in the other production sector.

Detailed information regarding the credit risk concentration in industries where the Bank's exposure exceeds 5% of total loans granted, are presented in Section 4.2.1.e of the Additional Notes.

2. Data regarding the source of deposit acquisition, broken by industrial and geographical market segments.

In Sections 2.1. and 2.2. amounts receivable due from the financial sector, excluding transactions with banks, non-financial and State budget sectors are presented. Interest is not included.

2.1. Data on the source of funds' acquisition by the main geographical regions of Poland.

Geographical regions of Poland	Deposits as at December 31, 2006 in PLN thousand	Deposits as at December 31, 2005 in PLN thousand
Eastern Region	1,951,798	1,241,948
Małopolska Region	1,254,515	953,971
Western Region	522,923	373,435
Silesia Region	493,592	419,620
Northern Region	388,374	335,633
Total	4,611,202	3,324,607

2.2. Information regarding fund acquisition by the Bank from specific industries is presented in the table below.

Sectors of the economy	Deposits as at December 31, 2006 in PLN thousand	Deposits as at December 31, 2005 in PLN thousand
Private individuals	1,275,446	1,271,935
Wholesale	367,849	268,994
Construction services	344,928	150,589
Municipal and housing services	238,835	46,452
Social utility services	205,192	66,464
Production of food and beverages	202,729	79,237
Non-banking financial services	180,657	15,001
Production of metal goods	162,769	126,220
Retail trade in industrial goods	152,053	48,697
Brokerage activity	150,614	77,650
Other production	85,064	72,804
Communication services	82,340	9,331
Legal and economic services	81,133	73,767
Land transport	55,340	54,211
Production of non-electrical machines	46,525	19,225
Ceramics and glass	46,453	4,977
Other means of transport:	43,722	45,242
Rubber and plastic products	42,664	27,739
Other chemical products	41,120	12,471
Catering services	32,731	6,035
Motor vehicles	32,241	25,746
Non-life insurance	29,901	60,117
Science and technology services	29,603	70,791
Trade in means of transport	29,109	13,147
Timber and wooden goods	26,805	30,756
Electrical products	26,079	16,013
Other industries	114,450	127,658
Other services	484,850	503,338
Total	4,611,202	3,324,607

3. Information about the value of subsidies to foreign branches.

The Bank does not have any foreign branches.

4. Information about financial instruments.

4.1. Financial Assets and Liabilities:

The Tables below present the change of the balance of financial assets held for trading, loans and credit facilities granted by the Bank and own receivables not held for trading, financial assets available for sale and other financial liabilities.

Financial assets held for trading in PLN thousand	01.01.2006 - 31.12.2006	01.01.2005 - 31.12.2005
Opening balance	62,909	65,353
Increases (on account of)	4,865,100	2,493,550
- purchase	4,827,383	2,465,483
- measurement of derivative instruments	18,418	26,373
- measurement of securities	287	23
- premium / discount		1,146
- coupon	1,044	119
- interest	17,968	406
Decreases (on account of)	(4,758,335)	(2,495,994)
- sale	(4,749,774)	(2,473,549)
- measurement of derivative instruments	(8,124)	(11,574)
- measurement of securities	(367)	(68)
- premium / discount	(21)	(23)
- interest	(49)	(10,780)
Ending balance	169,674	62,909

Loans and credit facilities granted by the Bank and own receivables not held for trading in PLN thousand	01.01.2006 - 31.12.2006	01.01.2005 - 31.12.2005
Opening balance	5,588,596	4,650,125
Increases (on account of)	3,527,536	960,471
- change in the net deposit balance from banks	2,765,675	942,881
- change in the balance of net receivables due from banks	713,105	
- change in the balance of receivables due on account of LC discount	524	1,630
- change in the balance of receivables due on account of documentary transactions	15,570	
- change in the net interest balance		7,100
- the measurement of bonds of Credit Suisse First Boston Singapore Branch		4,620
- change in specific provisions balance	32,662	4,240
Decreases (on account of)	(21,868)	(22,000)
- change in the net interest balance	(12,307)	
- change in the balance of net receivables due from banks		(21,350)
- change in the balance of receivables due on account of settlements with VISA cards	(7,081)	(650)
- the measurement of bonds of Credit Suisse First Boston Singapore Branch	(2,480)	
Ending balance	9,094,264	5,588,596

Financial assets available for sale in PLN thousand	01.01.2006 - 31.12.2006	01.01.2005 - 31.12.2005
Opening balance	302,730	329,775
Increases (on account of)	706,521	1,385,320
- purchase	694,759	1,375,555
- change in the balance of provisions for receivables purchased	266	
- discount	184	6,167
- coupon	1,473	1,377
- measurement	9,839	2,101

- FX differences and other		120
Decreases (on account of)	(355,707)	(1,412,365)
- sale	(343,993)	(1,408,694)
- change in the balance of net receivables purchased	(1,068)	(624)
- change in the balance of provisions for receivables purchased		(315)
- interest	(358)	(2,726)
- measurement of securities	(10,288)	(5)
- FX differences and other		(1)
Ending balance	653,544	302,730

Liabilities in respect of financial instruments in PLN thousand	01.01.2006 - 31.12.2006	01.01.2005 - 31.12.2005
Opening balance	51,939	51,136
Increases (on account of)	53,105	76,351
- measurement of derivative instruments	35,304	75,932
- interest liability in respect of derivative instruments	17,801	419
Decreases (on account of)	(17,370)	(75,548)
- measurement of derivative instruments	(17,172)	(65,877)
- interest liability in respect of derivative instruments	(198)	(9,671)
Ending balance	87,674	51,939

4.2.1. Information on financial assets and liabilities broken by categories of financial instruments.

a) Financial assets.

- financial assets held for trading – details regarding this category are presented in Note 13C in the financial part of the Report;
- financial assets held to maturity – the Bank has no assets of this category;
- financial assets available for sale – details regarding this category are presented in Note 13E in the financial part of the Report;
- loans and credit facilities granted by the Bank and own receivables not held for trading – details regarding this category are presented in Notes 2, 3 and 4 in the financial part of the Report.

b) Description of methods and essential assumptions adopted to establish fair value of financial assets and liabilities.

Fair value is the amount that a given asset could be exchanged for and a liability settled through a transaction effected on market terms between the interested, well-informed, not affiliated parties.

Securities

Debt securities held for trading are measured at market value, whereas assets which have no existing active market – at fair value using valuation methods based upon market interest rates, by discounting cash flows. The effects of a change in the market or fair value are recognized as net financial result.

Debt securities available for sale are measured at fair value and the effects of a change in the fair value are recognized as the revaluation fund. Interest income on debt securities available for sale are recognized in the profit and loss account.

For the measurement purposes, the Bank applies debt security transaction prices quoted on broker pages in the Reuters information service. In the event there are no prices on a given day, the Bank computes them using valuation methods based on market interest rates by discounting financial flows. The Bank takes both securities' prices and market interest rates for measurement needs on the measurement date at about 4.00 p.m.

Shares and minority holdings

Shares and minority holdings are recognized at their purchase price taking into consideration relevant write-

downs for impairment loss.

Derivative instruments

FX Forward and FX Swap transactions are measured at fair value. The effects of a change in the market or fair value of these instruments are recognized as net result of FX differences. In the Bank's balance sheet statement, the valuation of FX Forward and FX Swap transactions is presented in other financial assets or liabilities in respect of financial instruments.

The fair value of FX Forward and FX Swap transactions is computed by comparison of the transaction rate with the market rate binding for similar transactions at the end of a reporting period, when there is more than two (2) days' difference between the value date and the current date. In other cases, the NBP mid-rate is the reference rate.

IRS and OIS contracts are measured to market value as at a reporting date using the Discounted Cash Flow method. Discounting factors are estimated based on the market yield curve as at the measurement date. The market value is compared with the value of interest computed pursuant to the contract provisions. The difference is booked as either costs or income on account of financial transactions, accordingly.

FX Futures contracts are measured to market value every day. The difference is booked as either costs or income on account of financial transactions, accordingly.

FRAs are measured using the Discounted Cash Flow method based on the market yield curve. Measurement differences are posted in the same manner as for IRS contracts.

FX rate European call and put options are measured to fair value using the Garman-Kohlhagen model. The volatility parameter which is required when using the above model is assumed in the form of the so-called implied volatility parameter which ensures consistency of the price obtained with the actual market price.

Interest rate options are measured to fair value using the Black-Scholes model adjusted to interest-rate options. The volatility parameter which is required when using the above model is assumed in the form of the so-called implied volatility parameter which ensures consistency of the price obtained with the actual market price.

In-built derivatives

Ordinance of the Finance Minister of February 23, 2004 regarding the detailed recognition rules, measurement method, scope of disclosure and manner of presentation of financial instruments (Dz.U. (*Journal of Laws*) No. 31, item 266) in Sub-Paragraph 1a of Paragraph 10 provides for specific cases of a close connection between the nature of an in-built derivative instrument and risk inherent in such instrument and the nature of the respective agreement and risks arising from that agreement. The existence of a close relation between an in-built derivative instrument and the respective agreement releases the given unit from the obligation to separately recognize and measure an in-built instrument in its accounting books.

- c) Rules of entering into accounting books financial instruments purchased from the regulated market. The Bank acquires derivative instruments - futures contracts from the regulated market. FX futures contracts are standardized stock exchange contracts for foreign currency exchange. The essence of a contract is a daily stock exchange market valuation and related cash flows. The contracts may be settled through a physical delivery of currencies or though transferring the difference between the contract rate of exchange and the final settlement price.

Debt securities are entered into accounting books at their purchase price on the transaction date. Between the transaction date and value date, a given security is recorded in off-balance sheet items at its nominal value.

- d) Information on interest rate risk.
In 2006, the Bank pursued a policy of matching average interest rate re-pricing periods of PLN, USD, EUR and CHF assets and liabilities.
The Bank has renewed the maturing portion of its securities portfolio and purchased two-year bonds in proportion to the Bank's capital increase. Detailed information on the actual interest rate risk is presented in item 4.2.19 hereof.
- e) Information on credit risk.
The Bank's credit activity focuses on the service of small and medium-sized enterprises and private individuals. The majority of loans are granted to entities operating in trade, services and production and also to private individuals.
The table below presents credit risk in sectors in which the Bank's exposure exceeds 5% of the total volume of loans granted by the Bank. In the item "Non-performing loans," receivables are reported that are classified by the Bank as:

- watch,
- substandard,
- doubtful,
- lost,

with the specification of the lost items.

Credit risk in sectors in which the Bank's exposure exceeds 5% of the total volume of loans granted by the Bank.	31.12.2006				31.12.2005			
	Total loans		Including non-performing loans		Total loans		Including non-performing loans	
	in PLN thousand	% of total loans	in PLN thousand	% of total loans	in PLN thousand	% of total loans	in PLN thousand	% of total loans
Private individuals	1,789,407	25%	40,353	0.6%	783,059	17.8%	31,541	0.7%
of which lost			18,940	0.3%			16,533	0.4%
Wholesale	1,016,569	14.2%	111,394	1.6%	710,937	16.2%	62,183	1.4%
of which lost			34,088	0.5%			40,263	0.9%
Municipal and housing services	553,248	7.7%	4,407	0.1%	156,699	3.6%	1,292	0%
of which lost			850	0%			308	0%
Other services	477,711	6.7%	24,587	0.3%	454,781	10.4%	62,848	1.4%
of which lost			12,912	0.2%			25,096	0.6%
Production of food and beverages	402,206	5.6%	18,904	0.3%	219,750	5.0%	15,370	0.4%
of which lost			3,283	0.1%			5,934	0.1%

4.2.2. Financial assets that are measured at amortized cost, if there is no reliable measurement to fair value.

As at December 31, 2006 and as at December 31, 2005, the Bank held no such assets.

4.2.3. Assets and liabilities that are not measured at fair value

The Bank measures at fair value all the assets that are so required, i.e. assets available for sale and held for trading.

Shares and interest in subsidiaries are measured by equity method. Other shares and interests recognized as fixed assets are valued at the acquisition price, taking into account write-downs for impairment losses.

Credit exposures are measured at amortized cost using the effective interest rate method and taking into account regulations governing the creation of provisions for risk related to banking activity. The measurement at amortized cost using the effective interest rate method is applied to these loans and credit facilities where terms and amounts of future cash flows have been determined, that is, which have repayment schedule set out. The required provisions are created based on Ordinance of the Ministry of Finance dated December 10, 2003, regarding rules of creation of provisions for risk connected with operations of banks (*Journal of Laws* No. 218, item 2147).

When classifying credit exposures into risk categories, the Bank applies two independent criteria:

punctuality of a loan principal or interest repayment
economic and financial standing of the borrower.

Following the regulations on creating specific provisions for risk related to banking activity, the Bank, when classifying credit exposures into risk categories, may take into account the type of collateral which secure those exposures.

Specific provisions are created with regard to credit exposures classified into the following risk categories:

- “performing” – with regard to credit exposures arising from retail loans and retail credit facilities,
- “watch” category,
- “non-performing” – including exposures classified into “substandard”, “doubtful” or “lost” categories”.

The fair value of credit exposures classified into “loans and receivables” category does not materially differ from their book value.

Other assets and liabilities, including cash, capital and equity (except revaluation reserve) are measured at their nominal value.

Financial liabilities due to financial and non-financial entities and State budget institutions that are not held for trading and are not derivative instruments, are recognized in the balance sheet in the required payment amount.

The fair value of such liabilities does not materially differ from their book value.

4.2.4. In 2006, the Bank was not a party to any agreement under which financial assets are transformed into securities or repurchase agreement.

4.2.5. Data regarding the effects of measurement of available-for-sale financial assets to fair value.

The measurement results of available-for-sale securities to fair value as at December 31, 2006, along with comparative data, are presented in the table below:

Measurement value in PLN thousand	31.12.2006	31.12.2005
Treasury bills	(2)	(5)
Treasury bonds	2,679	2,101
deferred tax on account of the measurement of T-bills and bonds	(513)	(398)
shares in a subsidiary	422	256
deferred tax on account of measurement of shares in a subsidiary	(80)	(49)
Total	2,506	1,905

4.2.6. Table presenting changes in the financial instrument revaluation reserve specifying the balance at the beginning and at the end of the reporting period and its increases and decreases, including deferred tax.

Revaluation reserve with respect to available-for-sale financial instruments in PLN thousand	from January 1, 2006 through December 31, 2006	from January 1, 2005 through December 31, 2005
1. Opening balance	1,905	(674)
1.1. Changes (on account of):	601	2,579
a) increase on account of measurement	9,693	10,275
a) decrease on account of measurement	(9,092)	(7,696)
2. Ending balance	2,506	1,905

4.2.7. Information about income and cost from financial assets available for sale, which were removed (sold, liquidated) from the balance sheet statement.

In 2006, the Bank sold Treasury bonds out of its portfolio of available-for-sale assets, with the total nominal value of PLN 161,056 thousand. The result generated by the Bank on the above transactions was PLN 26 thousand;

For comparison, in 2005, the Bank sold the following securities from the portfolio of assets available for sale:

- ▣ Treasury bills with the total nominal value of PLN 31,000 thousand. The Bank incurred loss on the above transactions of PLN 20 thousand, while the discount sold stood at PLN 1,479 thousand;
- ▣ Treasury bonds with the total nominal value of PLN 40,000 thousand. The Bank incurred loss on the above transactions of PLN 339 thousand, while the premium/discount sold stood at PLN 421 thousand.

4.2.8. Information about income and expenses on account of financial assets sold whose fair value could not be reliably measured before, with the indication of the balance sheet value of the assets determined as at the sale date.

In 2006, the Bank did not generate any income or incur any expenses on the above account.

4.2.9. In 2006, no financial assets measured at fair value were reclassified into assets measured at the adjusted cost

of acquisition.

4.2.10. In 2006, there was a change in the value of subsidiary's shares held by the Bank. The measurement value increase at the end of 2006 stood at PLN 1,270 thousand. The change of the value was recognized in Note No. 7B to the balance sheet statement.

4.2.11. Revenues on account of interest on loans granted and own receivables, broken down by products and maturity, are presented in the table below:

Interest income in PLN thousand for the period:	from January 1, 2006 through December 31, 2006		from January 1, 2005 through December 31, 2005	
	interest accrued	interest received	interest accrued	interest received
interbank placements	1,905	,19,822	315	21,055
Interest on obligatory reserve with NBP and nostro accounts	198	2,521	165	2,309
Credits	27,126	286,930	16,690	221,344
interest on hedging transactions	730	5,804	778	7,986
receivables purchased	2	93	5	143
Guarantees paid		6		14
securities repo transactions				30
Total	29,966	315,176	17,953	252,882

Interest accrued broken by maturity in PLN thousand		
	from January 1, 2006 through December 31, 2006	from January 1, 2005 through December 31, 2005
up to 3 months	29,950	17,948
3 - 12 months	10	1
over 12 months	6	4
TOTAL	29,966	17,953

4.2.12. Information on deferred interest income:

	As at December 31, 2006 in PLN thousand	As at December 31, 2006 in PLN thousand
Interest capitalized	21	22
Deferred interest income on receivables purchased	52	29
Deferred interest income on guarantees paid	402	5,332
Deferred interest income on loans	83,806	102,576
Total	84,281	107,959

4.2.13. Interest expense due to financial, non-financial and the State budget sectors, broken by received and accrued likewise by maturity, are presented in the table below:

- Interest expense in PLN thousand for the period:	from January 1, 2006 through December 31, 2006		from January 1, 2005 through December 31, 2005	
	interest accrued	interest received	interest accrued	interest received
current accounts	563	25,591	212	24,882
interbank deposits	528	31,790	130	13,087
term deposits	3,342	46,407	4,452	54,187
blocked deposits	2179	8,565	119	801
credit facilities and loans received	11,928	32,590	2,799	20,370
insurance policies	335	1,193	1,022	4,356

interest on hedging transactions	1,094	8,644	1,094	8,641
Total	19,969	154,780	9,828	126,324

Interest accrued broken by maturity in PLN thousand for the period:		
	from January 1, 2006 through December 31, 2006	from January 1, 2005 through December 31, 2005
up to 3 months	16,323	7,846
3 - 12 months	3,627	1,955
over 12 months	19	27
TOTAL	19,969	9,828

4.2.14. Information on underlying instruments.

Within its operations, the Bank makes derivative transactions. The transactions are effected for commercial purposes and to manage the currency risk and interest rate risk. Derivative transactions are also offered to customers.

Derivative instruments

IRS contracts – consist in an exchange of interest payments based on a variable market interest rate for interest accrued at a fixed interest rate agreed upon in the contract. The instrument is measured by discounted cash flow model based on the market yield curve. The purpose of the contract is to hedge against interest rate risk.

FX forward - consists in a purchase or sale of a specific currency at a predetermined date in the future at the exchange rate agreed on the transaction date. It is measured by comparison of the transaction FX rate with the market rate for similar transactions. The purpose of the contract is to hedge against FX rate risk and maintain liquidity.

FX swap - consists in the purchase or sale of a specific currency at a spot exchange rate and a simultaneous sale or purchase of the same amount of the currency at a forward rate agreed at the transaction date, however the transactions may be concluded as a combination of a transaction with the value date equal to the transaction date and the simultaneous reverse transaction for the value date of the following day. It is measured by comparison of the transaction FX rate with the market rate for similar transactions. The purpose of the contract is to regulate liquidity and hedge against FX rate risk of the Bank's currency loan portfolio.

Interest rate options – consist in a purchase of a right to receive the settlement amount in exchange for a premium paid/received. Depending on the option type (cap/floor), the counterparty receives on a specified settlement day the settlement amount resulting from the difference between the predetermined transaction rate and the reference rate. It is measured based on a modified Black-Scholes model. The purpose of the transaction is to hedge against interest rate risk and to maintain liquidity

FX options – consist in a purchase of a right, or the Bank's assuming an obligation, to buy/sell a foreign currency at the forward FX rate established on the transaction conclusion date in exchange for a premium paid/received. It is measured based on the Garman-Kohlhagen model.

FRA – consists in an agreement between the parties to the transaction upon a fixed interest rate for a specific value of deposit. On the day of the transaction settlement, the buyer of FRA contract shall pay the settlement amount to the seller if the reference rate on the date of effecting the transaction was lower than the transaction rate. At the same time the seller of the instrument shall pay the buyer, on the transaction settlement date the settlement amount when the reference rate is higher than the transaction rate. FRA is usually concluded for the term up to 1 year and it allows, on one hand, to hedge against the growing interest rate (FRA purchase), and on the other to hedge assets against interest rate decrease (FRA sale). The instrument is measured by discounted cash flow model based on the market yield curve.

CIRS contracts – consist in an exchange of interest payments based on a variable market interest rate in one currency in exchange for interest accrued at a fixed interest rate in another currency agreed upon in the contract, with the exchange of principal amounts at the predetermined exchange rates at the beginning and end of the period, or with the exchange made only at the end of the period for which the transaction was concluded, or without any principal amount exchange. The instrument is measured by discounted cash flow model based on the market yield curve. The purpose of the contract is to hedge against interest rate risk.

OIS contracts – consist in an exchange of interest payments based on a fixed contractual interest rate for interest

payments based on a variable interest rate. The variable interest rate is determined on the basis of a rate compounded of WIBOR Overnight indexes or based on POLONIA rates determined every business day during the interest period. Such contracts are entered into for the period up to one year. The instrument is measured by discounted cash flow model based on the market yield curve. The purpose of the contract is to hedge against interest rate risk.

The tables below present data regarding derivative instruments as at December 31, 2006 and comparable data as at December 31, 2005. FX spot transactions and securities transactions with the future value date are not included in the tables.

Derivative instruments' profile as at December 31, 2006							
Instrument	Number of not matured transactions	Future revenues/ payments	Maturity	Possibility of exchange into or substitution by another asset/ liability	Agreed rates/ amounts of income and payment dates	Other conditions	Risk type
Hedging instruments against interest rate risk							
IRS	1	variable	2008.11.21	none	variable	none	Interest rate, liquidity and counterparty risks
Financial assets held for trading							
FX forward	1,050	variable	2007.01.02 – 2007.12.31	none	variable	none	FX, liquidity and counterparty risks
FX swap	12	variable	2007.01.02 – 2007.12.05	none	variable	none	FX, liquidity and counterparty risks
Options	1 228	variable	2007.01.02 – 2008.09.02	none	variable	none	FX risk
Interest rate instruments held for trading							
IRS	76	variable	2007.01.31 - 2015.12.07	none	variable	none	Interest rate, liquidity and counterparty risks
OIS	16	variable	2007.02.13- 2008.01.04	none	variable	none	Interest rate risks
Options	12	variable	2007.05.31 – 2016.03.07	none	variable	none	Interest rate, liquidity and counterparty risks
FRA	25	variable	2007.04.20 – 2007.11.20	none	variable	none	Interest rate risks

Derivative instruments' profile as at December 31, 2005							
Instrument	Number of not matured transactions	Future revenues/ payments	Maturity	Possibility of exchange into or substitution by another asset/ liability	Agreed rates/ amounts of income and payment dates	Other conditions	Risk type
Hedging instruments against interest rate risk							
IRS	1	variable	2008.11.21	none	variable	none	Interest rate, liquidity and counterparty risks
Financial assets held for trading							
FX forward	989	variable	2006.01.02- 2006.12.29	none	variable	none	FX, liquidity and counterparty risks
FX swap	20	variable	2006.01.03- 2006.11.30	none	variable	none	FX, liquidity and counterparty risks
Options	802	variable	2006.01.04- 2006.12.27	none	variable	none	FX risk
Interest rate instruments held for trading							
IRS	16	variable	2006.03.29- 2015-10-19	none	variable	none	Interest rate, liquidity and counterparty risks
Options	2	variable	2006.03.06	none	variable	none	Interest rate, liquidity and counterparty risks
FRA	13	variable	2006.01.02- 2006.07.03	none	variable	none	Interest rate risks
CIRS	6	variable	2006.03.02	none	variable	none	Interest rate, FX risks

The table below shows the breakdown of derivative instruments by nominal value as at December 31, 2006 and comparative data as at December 31, 2005.

Hedging instruments against interest rate risk, at nominal value				
	As at December 31, 2006 in PLN thousand		As at December 31, 2005 in PLN thousand	
	to be received	to be given	to be received	to be given
IRS	150,000	150,000	150,000	150,000
Financial assets held for trading				
FX forward	2,020,162	2,028,429	1,345,593	1,344,455
FX swap	619,741	612,267	1,277,571	1,269,721
Options	1,208,385	1,208,385	1,448,849	1,448,849
Interest rate instruments held for trading				
IRS	4,233,620	4,233,620	428,860	428,860
Options	106,939	106,939	1,930	1,930
OIS	6,196,800	6,196,800		
CIRS			68,299	68,299
FRA	2,500,000	2,500,000	719,568	719,568
Total	17,035,647	17,036,440	5,440,670	5,431,682

As at December 31, 2006 and December 31, 2005, not matured derivative instruments, transacted by the Bank, were the following:

Maturity of interest-rate risk hedging IRS instrument at nominal value, PLN thousand		
As at:	December 31, 2006	December 31, 2005
from 1 to 5 years	150,000	150,000
- banks	150,000	150,000
Total	150,000	150,000

Maturity date of FX instruments held for trading at nominal value, PLN thousand								
As at:	December 31, 2006				December 31, 2005			
Instrument maturity type/	FX forward	FX swap	Options	Total	FX forward	FX swap	Options	Total
up to 1 month	823,292	412,660	521,868	1,757,820	619,896	883,354	650,228	2,153,478
- banks		412,660	260,934	673,594		883,354	325,114	1,208,468
- other	823,292		260,934	1,084,226	619,896		325,114	945,010
above 1 up to 3 months	490,924	32,140	900,038	1,423,102	391,855	100,030	922,898	1,414,783
- banks	1,578	32,140	450,019	483,737		100,030	461,449	561,479
- other	489,346		450,019	939,365	391,855		461,449	853,304
3 months up to 1 year	705,946	174,941	952,126	1,833,013	333,842	294,188	1,325,572	1,953,602
- banks	5,546	174,941	476,063	656,550		294,188	662,786	956,974
- other	700,400		476,063	1,176,463	333,842		662,786	996,628
from 1 up to 5 years			42,737	42,737				
- banks			21,369	21,369				
- other			21,368	21,368				
Total	2,020,162	619,741	2,416,769	5,056,672	1,345,593	1,277,572	2,898,698	5,521,863

Maturity of interest-rate instruments held for trading at nominal value, PLN thousand										
As at:	December 31, 2006					December 31, 2005				
Instrument type/ maturity	IRS	FRA	OIS	Options	Total	IRS	FRA	CIRS	Options	Total
up to 1 month	25,000				25,000		150,000			150,000
- banks	25,000				25,000		150,000			150,000
above 1 to 3 months	25,000		1,724,040		1,749,040		469,568	68,299	3,860	541,727
- banks	25,000		1,724,040		1,749,040		469,568	34,000	1,930	505,498
- other								34,299	1,930	36,229
3 months up to 1 year	2,220,324	2,500,000	3,323,400	22,987	8,066,711		100,000			100,000
- banks	2,213,742	2,500,000	3,323,400	11,494	8,048,636		100,000			100,000
- other	6,582			11,493	18,075					
from 1 up to 5 years	1,806,816		1,149,360	99,902	3,056,078	300,000				300,000
- banks	1,486,528		1,149,360	49,951	2,685,839	300,000				300,000
- other	320,288			49,951	370,239					
above 5 years	156,480			90,988	247,468	128,860				128,860
- banks	115,740			45,494	161,234	89,430				89,430
- other	40,740			45,494	86,234	39,430				39,430
Total	4,233,620	2,500,000	6,196,800	213,877	13,144,297	428,860	719,568	68,299	3,860	1,220,587

Derivative transactions are concluded by the Bank at market prices binding on transaction dates. The table below presents valuation of not matured derivatives as at December 31, 2006 and December 31, 2005:

Balance sheet in PLN thousand	Positive market value				Negative market value			
	As at December 31, 2006		As at December 31, 2005		As at December 31, 2006		As at December 31, 2005	
	Banks	Others	Banks	Others	Banks	Others	Banks	Others
Hedging instruments against interest rate risk								
IRS					4,765		6,903	
FX instruments held for trading								
FX forward	572	21,459		10,301		30,357		10,056
FX swap	6,693		8,987		15		2,073	
Options	5,114	10,666	6,375	13,325	10,666	5,114	13,325	6,375
Total	12,379	32,125	15,362	23,626	10,681	35,471	15,398	16,431
Interest rate instruments held for trading								
IRS	9,147	516	4,731		3,481	3,961	3,168	515
Options	162	365	1		365	162		1
OIS	5				2,095			
CIRS			419	711			708	405
FRA	985		265		671		128	
Total	10,299	881	5,416	711	6,612	4,123	4,004	921
Interest accrued	to be received				to be paid			
	24,327	613	7,075	148	25,092	635	7,927	198

In addition to the above, the table below shows balance sheet equivalents of derivative instruments calculated in accordance with the rules provided for under Resolution No. 4/2004 of the Banking Supervision Commission dated October 5, 2004 regarding the scope and detailed rules of determination of capital requirements on account of specific risk types (...), rules of computing a capital adequacy ratio of a bank (...). (Official Journal of the NBP No. 15, item 25). The balance sheet equivalent is understood as the sum of replacement cost or the

expected future loss.

Instrument type	Balance sheet in PLN thousand			
	As at December 31, 2006		As at December 31, 2005	
	Banks	Others	Banks	Others
Hedging instruments against interest rate risk				
IRS	750		750	
Financial assets held for trading				
FX forward	2,319	35,311	371	19,467
FX swap	8,764		12,929	
Options	195	448	7,655	15,416
Total	11,278	35,759	20,955	34,883
Interest rate instruments held for trading				
IRS	19,185	4,254	10,775	1,304
Options	6,910	13,127		
FRA	23		191	
OIS	49			
Total	26,167	17,381	10,966	1,304

4.2.15. Risk management objectives and rules.

Liquidity risk.

The Bank defines liquidity risk as the risk of losing its ability to:

- settle its payment obligations timely,
- acquire funds alternative to the funds currently held,
- generate positive cash flow balance within a specified time horizon.

The Bank's strategy consists in ensuring high quality standards for the liquidity management processes. Under the strategy, steps towards quality improvement of the liquidity management processes have been assigned the top priority at the Bank.

The Bank's strategy is to ensure that the Bank's dependence on market conditions is limited to such an extent that in a market crisis the Bank will be able to keep its liquidity for three months, without limiting the range of services or initiating changes in the core business. In the event of a market crisis lasting for a longer period, the Bank's strategy provides that liquidity is sustained, however, the previous development direction might be changed in this situation and the Bank would allow for costly changes in the business profile.

The Bank's strategy is to minimize, in an active way, the prospect for the occurrence of unfavourable events for the Bank. Since, however, the probability that such factors occur may not be completely eliminated, the Bank's strategy consists also in ensuring that, should such factors occur, the Bank will sustain its financial liquidity at minimum own costs (measurable and immeasurable) and take efficient steps to regain the confidence of customers and financial institutions as soon as possible.

The tables below show the liquidity gap as at December 31, 2006 and comparative data as at December 31, 2005.

Liquidity gap limits in PLN million, as at:										
December 31, 2006						December 31, 2005				
Liquidity gap	Liquidity gap value	Unused limit	Limit	% of the limit used	Limit has been exceeded	Liquidity gap value	Unused limit	Limit	% of the limit used	Limit has been exceeded
10D	472	693	1,165	41%	0	577	667	1,245	46%	0
3M	50	1,102	1,153	4%	0	1,962	880	2,842	69%	0
1Y	-372	1,491	1,119	-33%	0	1,587	1,460	3,047	52%	0

Currency risk

The Bank's strategy consists in ensuring high quality standards for the currency risk management processes. Under the strategy, steps towards quality improvement of the currency risk management processes have been assigned high priority at the Bank.

The Bank's strategy with respect to exposures to market currency risk consists in the Bank's making operations resulting in assuming currency positions sensitive to market FX rate changes in order to generate a positive financial result.

Moreover, the level of the Bank's exposure to the market currency risk is at all times limited by a ceiling in such a way as to be able to ensure with high probability that:

- in a situation of an ordinary (not emergency) market volatility, on any day of a calendar year, the annual cumulated financial profit/loss (generated on account of the Bank's exposure to the currency risk), does not reach a loss exceeding the double profit planned for this year (on account of the Bank's exposure to the currency risk),
- in a situation of a market crisis, on any day of a calendar year, the annual cumulated financial profit/loss (generated on account of the Bank's exposure to the currency risk), does not reach a loss exceeding 10% of the capital.

Data regarding credit risk concentration, as at:	December 31, 2006	December 31, 2005
Position limit utilization	23%	11%
VAR limit utilization	8%	10%

Interest rate risk.

The Bank's strategy consists in ensuring high quality standards for the interest rate risk management processes. Under the strategy, steps towards quality improvement of the interest rate risk management processes have been assigned high priority at the Bank.

The Bank's strategy with respect to exposures to market interest rate risk consists in the Bank's making operations resulting in assuming open interest rate risk positions in order to generate a positive financial result. Moreover, the level of the Bank's exposure to the market interest rate risk is at all times limited by a ceiling in such a way as to be able to ensure with high probability that:

- in a situation of an ordinary (not emergency) market volatility, on any day of a calendar year:

the cumulated financial profit/loss¹ amount (generated on account of transactions subject to the exposure to the market interest rate risk), together with the cumulated change of the capital value² does not reach a negative value exceeding the profit planned for this year (on account of transactions subject to the exposure to the market interest rate risk),

- in a situation of a market crisis, on any day of a calendar year:

the cumulated financial profit/loss amount (generated on account of transactions subject to the exposure to the market interest rate risk), together with the cumulated change of the capital value' does not reach a negative value exceeding 10% of the capital,

Operational risk

For the needs of operational risk management, Fortis Bank Polska S.A. has adopted the definition of risk proposed by the Basel Committee for Banking Supervision: "The operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events".

For the needs of operational risk monitoring and the future capital requirement determination on account of this risk, the operational risk includes also legal risk.

The Bank's strategy consists in implementing and maintaining high quality standards for the operational risk management to guarantee that customer deposits and the equity are secure and the Bank's financial result is stable.

¹ In the sense: cumulated year-to-date, from the beginning of the calendar year until the given year of the calendar year.

² Cumulated change of the capital value, understood as the cumulated change in the fair value of financial instruments (resulting from the change of interest rates), the measurement of which, in the light of the binding accounting provisions, is recorded in the Bank's capital.

Under the Bank's operational risk management strategy, objectives are defined with respect to:

- quality of operational risk management,
- the manner in which the Bank is adjusted to the New Capital Accord requirements and the legal requirements resulting from Recommendation M issued by the Banking Supervision Commission.

The operational risk is a fundamental risk, which due to its complexity is characteristic of any organization, including banks. Fortis Bank Polska SA has established a special organizational unit within the Risk Management Department, responsible for on-going operational risk analysis, development and improvement of adequate operational risk control techniques in the Bank.

The Bank's Board of Executives makes a periodic assessment of how the Bank operational risk management strategy assumptions are executed. With this end in view, the Bank's Board of Executives is kept informed on an on-going basis on the scale and types of operational risk the Bank is exposed to, and also its consequences and operational risk management methods.

The Bank's operational risk monitoring systems use databases that contain information on operational losses incurred. The databases that record operational losses have been used in analyzing operational risk and mitigating this risk in the Bank.

The Bank is particularly committed to identification and assessment of reasons of current exposure to operational risk related to banking products, reducing operational risk by improving internal processes and mitigating operational risk, which accompanies the introduction of new products and services.

Fortis Bank Polska SA has developed also a Business Continuity Plan, covering all the Bank's key business functions.

Credit risk

Credit risk is assessed on the basis of the Bank's internal standards, taking into account national credit regulations in force as well as standards binding in the Fortis Bank group.

The Bank's credit decision-taking model is based on the following criteria: total credit exposure of the Bank towards a business entity/group of entities affiliated by capital or management, Business Line to which a customer belongs, internal rating and risk category.

In the credit process applied by the Bank, functions related to customer acquisition and sale of credit products as well as credit risk assessment are distributed organizationally. Customers are acquired and products sold by the business lines: Retail Banking, Commercial Banking, Private Banking and Consumer Finance, while risk is assessed by Credits.

Monitoring is carried out on the basis of internal procedures of the Bank that take into account the following:

- regulations issued by the Ministry of Finance on December 10, 2003 regarding creation of provisions related to banking activity,
- borrower risk classification system applied in the Fortis Bank group,
- Fortis Masterscale internal rating system implemented under preparations to the New Capital Accord requirements.

For monitoring purposes the Bank uses a Monitoring Card IT application to ensure efficiency, completeness and uniform standard for periodic review of credit portfolio.

Risk is mitigated and hedged by applying the following rules:

- to grant entities such financing that corresponds to their creditworthiness assessed and risk level;
- to limit sector exposure;
- to establish legal collateral for loan repayment;
- to measure the value of collateral in real terms;
- to establish individual strategies (course of actions) towards debtors with large credit exposure involving an increased risk;
- to create and plan specific provisions for existing and forecast credit exposures involving an increased risk;
- to monitor the credit portfolio.

4.2.16. Information about hedge accounting rules applied:

a) The Bank applies hedge accounting to a limited extent. Out of the existing three types of hedging relations, i.e. fair value hedging, cash flow hedging and net investment hedging, the Bank applies only the fair value hedging.

b) As at December 31, 2006, to hedge interest rate risk of bonds of Credit Suisse First Boston, Singapore branch in the nominal value of PLN 150,000 thousand and fair value of PLN 4,634 thousand, an IRS contract was concluded in the nominal value of PLN 150,000 thousand and negative fair value of PLN 4,765 thousand. For the above transaction, the Bank applies hedge accounting rules. Interest rate based hedging transactions were measured by the Bank to fair value. Adjustments to fair value were recognized in the profit and loss statement of the Bank.

For comparison, as at December 31, 2005, the fair value of the hedged instrument stood at PLN 6,765 thousand while the fair value of the hedging instrument was PLN -6,903 thousand.

c) The Bank applies hedge accounting with respect to hedging against the risk of fair value changes as a result of interest rate alterations. The fair value is hedged to limit a risk that fair value changes resulting from a specific risk related to financial assets and liabilities or a specific part thereof entered into accounting books may affect the financial result.

d) The Bank started to apply hedge accounting in the second half of 2003.

4.2.17. At present the Bank does not intend to enter into any subsequent transactions that will be hedged.

4.2.18. The Bank does not generate any profit or incur any losses on account of the measurement of the IRS hedging instrument to the Revaluation Reserve (Fund).

4.2.19. Information on interest rate risk.

Fortis Bank Polska S.A. applies the methodology of Value-at-Risk (VAR), sensitivity of the whole investment portfolio to parallel shift of interest rates and Basis-Point-Sensitivity (BPS) at any point of the curve. VAR stands for the amount of loss at a given position whose level would likely not be exceeded within the next two months (99% level of confidence). The BPS methodology enables to estimate the whole portfolio valuation sensitivity to changes at specific points of interest rate curves by 1 basis point (0.01%).

As at December 31, 2006 and in the comparable period of 2005, Fortis Bank Polska S.A. interest rate change risk was the following:

<i>2-month VaR in the banking book, in PLN million</i>	
31.12.2006	31.12.2005
17,5	12,5

Bp sensitivity (+1bp) in PLN as at December 31, 2006:

	AUD	CAD	CHF	CZK	DKK	EUR	GBP	HUF	JPY	NOK	PLN	SEK	USD	Total
D7	-1	-3	-203		-1	-624				-2	133	-2	-308	-1,011
M1	6	11	568	3	2	3,141	56	1	5	3	-1,768	8	1 228	3,264
M3		-2	-2,757			1,246					-12,460		84	-13,889
M6		-1	-1,757			3,085					-18,987		142	-17,518
M9			-2			158					-6,192		229	-5,807
M12			-15			140					-36,922		169	-36,628
Y2			-3			-693					-35,420		70	-36,046
Y3						-1,231					-15,725		14	-16,942
Y5						-1,304					-31,542			-32,846
Y10						19					-9,472			-9,453
Total	5	5	-4,169	3	1	3,937	56	1	5	1	-168,355	6	1 628	

Bp sensitivity (+1bp) in PLN as at December 31, 2005:

	AUD	CAD	CHF	CZK	DKK	EUR	GBP	JPY	NOK	PLN	SEK	USD	Total
D7			34		1	831	5		1	-200	1	-293	380
M1	1	3	10	1	3	3,041	84	68	1	-1,278	2	1,275	3,211
M3		-5	-1,335			-335	190	34		-5,419		1,580	-5,290
M6		-6	-787			-830	154			-12,074		1,059	-12,484
M9			-14			451	41			-2,165		905	-782
M12			-9			492				-1,899		1,560	144
Y2			-37			-599				-15,122		162	-15,596
Y3			-5			-1,114				-17,363		35	-18,447
Y5						-1,524				-27,013		-1	-28,538
Y10						-193				-19,223			-19,416
Total	1	-8	-2,143	1	4	220	474	102	2	-101,756	3	6,282	

Sensitivity (+100bp) in PLN:

	31.12.2006	31.12.2005
AUD	437	84
CAD	512	-874
CHF	-416,116	-213,635
CZK	288	109
DKK	138	410
EUR	398,180	28,253
GBP	5 567	47,397
HUF	54	-3
JPY	525	10,197
NOK	99	220
PLN	-16,628,226	-9,983,492
SEK	624	320
USD	162,400	626,497
Total	-16,475,518	-9,484,517

5. Data regarding contracts concluded for subscription options or ordinary share sales.

In 2006, the Bank did not conclude any contracts for either subscription options or ordinary share sales.

6. Information on assets that constitute collateral for own commitments and commitments of a third party.

As at December 31, 2006 the following assets of Fortis Bank Polska SA constituted collateral for commitments:

- ▣ collateral for the Guaranteed Means Protection Fund under the Bank Guarantee Fund:
 - Treasury bills with the total nominal value of PLN 5,000 thousand,
 - Treasury bonds with the total nominal value of PLN 3,000 thousand.

As at December 31, 2006 the value of funds covered by the guarantee system accumulated in the Bank amounted to PLN 4,485,463 thousand.

7. Information regarding repo transactions not recorded in the balance sheet statement.

In 2006, the Bank did not conclude any buy-sell-back repo transactions. In 2005, the Bank concluded six (6) buy-sell-back repo transactions, of the nominal value of PLN 10,000 thousand each.

8. Information about credit facilities granted, including irrevocable commitments.

The Table below presents off-balance sheet financial commitments granted, broken by types of entities and products:

Off-balance-sheet financial commitments								
entity / product	As at December 31, 2006 in PLN thousand				As at December 31, 2005 in PLN thousand			
	financial entities	non-financial entities	State-budget sector	Total	financial entities	non-financial entities	State-budget sector	Total
credit lines in loan accounts	189,242	1,150,709		1,339,951	163,129	825,808		988,937
overdraft facilities in current accounts	2,148	857,363		859,511	500	552,499		552,999
open VISA limits	434	43,245	53	43,732	129	59,449	52	59,630
Credit card limits:		32,267		32,267		34,961		34,961
import letters of credit	7,528	157,388		164,916	600	98,895		99,495
Framework Financing Agreements		316,862		316,862		230,047		230,047
interbank deposits with future value date	114,000			114,000				
Total	313,352	2,557,834	53	2,871,239	164,358	1,801,659	52	1,966,069

The table below shows unused credit lines broken down by an entity type and original maturity:

	As at December 31, 2006 in PLN thousand		As at December 31, 2005 in PLN thousand	
	up to 1 year	above 1 year	up to 1 year	above 1 year
financial entities	75,354	113,888	120,558	42,570
non-financial entities	877,325	273,384	687,338	138,471
Total	952,679	387,272	807,896	181,041

9. Information on off-balance sheet items, including items granted to affiliated entities.

The Table below presents off-balance sheet guarantee commitments granted, broken by types of entities and products:

Off-balance sheet guarantee commitments							
in PLN thousand	As at December 31, 2006			As at December 31, 2005			
entity / product	financial entities	non-financial entities	Total	financial entities	non-financial entities	State-budget sector	Total
guarantees issued	30,761	526,363	557,124	44,329	370,002	25	414,356
Framework Guarantee Agreements	641	108,422	109,063		53,987		53,987
confirmed export letters of credit	113,452		113,452	84,834			84,834
Total	144,854	634,785	779,639	129,163	423,989	25	553,177

The Table below presents off-balance sheet liabilities granted, broken by the parent entity, subsidiaries, affiliated entities and other entities:

Specification in PLN thousand	As at December 31, 2006				As at December 31, 2005			
	related to financing	Share (%)	guarantees	Share (%)	related to financing	Share (%)	guarantees	Share (%)
Parent entity			393	0%			395	0%
Subsidiary	49	0%			47	0%		
Affiliate	136,919	5%	29,469	4%	43,693	2%	43,734	8%
Other entities	2,734,271	95%	749,777	96%	1,922,329	98%	509,048	92%
Total	2,871,239	100%	779,639	100%	1,966,069	100%	553,177	100%

At the end of 2006, the Bank held the following off-balance sheet items related to liabilities granted to entities affiliated by capital or organization:

■ **Parent entity:**

- Guarantee issued to Fortis Bank S.A. in Brussels for the total amount of EUR 102 thousand for the period from 1 up to 2 years;
- IRS contract of the nominal value of PLN 150,000 thousand to secure a financial instrument;
- 43 commercial IRS contracts in the total nominal value of PLN 3,591,010 thousand;
- 11 commercial IRS contracts of PLN 100,000 thousand each, in the total nominal value of PLN 1,100,000 thousand;
- 12 OIS contracts in the total nominal value of PLN 5,746,800 thousand;
- call, put options recorded as off-balance-sheet items in the nominal value of PLN 1,315,323 thousand;
- commitments related to the execution of currency buy/sell transactions of PLN 542,722 thousand;

■ **Subsidiary:**

- Unused VISA card limit in the amount of PLN 49 thousand granted to Fortis Private Investments Polska S.A.;

■ **Entities affiliated by management:**

- Fortis Commercial Finance Sp. z o.o.:
 - Overdraft limit of PLN 2,000 thousand granted until December 14, 2007; as at December 31, 2006, the unused limit stood at PLN 1,585 thousand. Unused credit line in the amount of PLN 68,776 thousand granted for the period from 3 months up to 1 year;
 - Unused VISA card limit of PLN 5 thousand;
- Fortis Lease Polska Sp. z o.o.:
 - Overdraft limit of PLN 500 thousand granted until April 2, 2007; as at December 31, 2006, the unused limit stood at PLN 342 thousand.
 - Unused VISA card limit of PLN 46 thousand;
 - Unused credit line in the amount of PLN 58,638 thousand granted for the period from 3 up to 5 years;
 - Opened import letter of credit in the amount of EUR 1,965 thousand;
 - commitments related to the execution of currency buy/sell transactions of PLN 4,361 thousand;
- Fortis group banks:
 - 8 guarantees issued for the total amount of PLN 29,469 thousand for the period from 3 months up to 10 years;
 - commitments related to the execution of currency buy/sell transactions of PLN 7,664 thousand;

By analogy, at the end of December 2005, the Bank held the following off-balance sheet items related to entities affiliated by capital and management:

■ **Parent entity:**

- Guarantee issued to Fortis Bank S.A. in Brussels for the total amount of EUR 102 thousand for the period from 1 up to 2 years;
- guarantees and sureties received from Fortis Bank Brussels in the total amount of PLN 6,811 thousand;
- counter guarantees received from Fortis Bank Brussels in the total amount of PLN 10,788

thousand;

- IRS contract of the nominal value of PLN 150,000 thousand to secure a financial instrument;
- 4 operating CIRS contracts in the total nominal value of PLN 68,299 thousand;
- 10 commercial IRS contracts in the total nominal value of PLN 428,860 thousand;
- 3 FRA contracts in the total nominal value of PLN 219,568 thousand;
- call, put options recorded as off-balance-sheet items in the nominal value of PLN 1,450,779 thousand;
- commitments related to the execution of currency buy/sell transactions of PLN 1,818,267 thousand;

■ **Subsidiary:**

- Unused VISA card limit in the amount of PLN 47 thousand granted to Fortis Private Investments Polska S.A.;

■ **Entities affiliated by management:**

- Fortis Lease Polska Sp. z o.o.:
 - Unused overdraft limit of PLN 500 thousand granted until April 4, 2006;
 - Unused VISA card limit of PLN 23 thousand;
 - Unused credit line in the amount of PLN 42,570 thousand granted for the period from 3 up to 5 years;
 - open documentary letter of credit for PLN 600 thousand;
 - commitments related to the execution of currency buy/sell transactions of PLN 8,779 thousand;
- Fortis group banks:
 - 10 guarantees issued for the total amount of PLN 43,734 thousand for the period from 1 month up to 10 years;
 - commitments related to the execution of currency buy/sell transactions of PLN 23,150 thousand;
 - guarantees and sureties received for the total amount of PLN 47,412 thousand;
 - counter guarantees received for the total amount of PLN 59,842 thousand;
 - a credit line in the amount of PLN 510,552 thousand granted for the period from 5 up to 10 years;

10. Information about a proposed dividend payment, if it has not been formally approved.

Fortis Bank Polska S.A. has not issued any preference shares.

The Board of Executives intends to recommend that the Annual General Meeting should pay no dividend and allocate the entire 2006 net profit to increase the Bank's equity funds.

11. Information about liabilities related to approved dividend payment.

As at December 31, 2006, the Bank had no commitments related to the approved dividend payment.

12. Data about liabilities due to the State Budget or local government authorities arising from the acquisition of an ownership title to buildings and constructions.

As at December 31, 2006, the Bank did not have any liabilities due to the State Budget or local government authorities arising from the acquisition of an ownership title to buildings or constructions.

13. Information about revenues, costs and results of operations discontinued in a given period or expected to be discontinued in the subsequent period, and reasons for such discontinuance.

In 2006, the Bank did not discontinue any operations and does not consider reducing the current scope of its business.

14. Cost of fixed assets under construction, fixed assets for own needs.

In 2006, the Bank incurred costs of fixed assets under construction, fixed assets for own needs in the amount of PLN 42 million.

15. Investment outlays made and planned

In 2007, the Bank plans to make investment expenses of PLN 100 million.

The Table below presents investment costs incurred as at December 31, 2006 and as at December 31, 2005:

	As at December 31, 2006 in PLN thousand	As at December 31, 2005 in PLN thousand
Investments in progress	20,218	8,724
Advances on investments	0	0
Fixed assets	16,093	11,742
Equipment	5,094	3,049
Means of transport	7,411	6,806
Others	3,588	1,887
Intangible fixed assets	5,683	1,282
Computer software purchased	5,683	1,282
Total	41,994	21,748

16.1. Information on the Issuer's transactions with affiliated entities

- Credit agreement dated January 30, 2004 with Fortis Bank (Nederland) NV regarding the Bank's credit line with the limit of EUR 200 million for the period of 101 months in order to finance the Bank's operating activity. Under this credit line, the Bank can draw down advance payments in EUR, USD, CHF and JPY within 76 months of the agreement conclusion. Interest rate: 1, 3, 6 or 12-month IBOR depending on the currency and interest rate term for specific advances. Commission: 0.125% p.a. on the unused credit limit amount.
- Credit agreement dated January 30, 2004 with Fortis Bank (Nederland) NV regarding the Bank's credit line with the limit of EUR 200 million for the period of 27 months in order to finance the Bank's operating activity. In 2006, the agreement was prolonged. Under this credit line, the Bank can draw down advance payments in EUR, USD, CHF and JPY within 2 months of the agreement conclusion. Interest rate: 1, 3, 6 or 12-month IBOR depending on the currency and interest rate term for specific advances. Commission: 0.125% p.a. on the unused credit limit amount.
- On July 27, 2006, the Bank signed another credit agreement with Fortis Bank SA/NV based in Brussels and Fortis Bank (Nederland) N.V. based in Rotterdam, regarding the Bank's credit line with the limit of EUR 300 million for the period of 60 months in order to finance the Bank's current operating activity.

Under this credit line, the Bank can draw down advance payments in EUR, USD, CHF and JPY and also in PLN within 60 months of the agreement conclusion. Interest rate: 1, 3, 6 or 12-month IBOR depending on the currency and interest rate term for specific advances. Commission: 0.125% p.a. on the unused credit limit amount.
- Fortis Bank Polska SA concludes transactions on the interbank market with affiliated banks. As at December 31, 2006, Fortis Bank Polska SA made one (1) foreign currency interbank overnight placement in the amount of USD 191 million. The interest rate on this account corresponds to market rates.
- Fortis Bank Polska SA concludes transactions on the interbank market with the parent entity, i.e. Fortis Bank Brussels. As at December 31, 2006, Fortis Bank Polska SA made three (3) interbank overnight placements in Fortis Bank Brussels in the total amount of PLN 402 million. The interest rate on this account corresponds to market rates.
- Fortis Private Investments Polska SA sub-leases from Fortis Bank Polska SA office premises and parking space. The sub-lease agreement has been concluded for a definite period, i.e. until June 30, 2008.
- Cooperation Agreement dated January 7, 2000 together with subsequent annexes, entered into by the Bank and Fortis Private Investments Polska SA. Under the agreement, the Bank's customers may use investment portfolio management services through FSP Customer Service Outlets (POK) and Information Points (PI) that are situated in the Bank's branches.
- On March 29, 2005 the Bank and Fortis Private Investments Polska SA signed an amendment to the agreement on further extension of cooperation by including financial agency services in terms of distribution of FORTIS FIO (open end investment fund).

- Fortis Lease Polska Sp. z o.o. sub-leases from Fortis Bank Polska SA office premises and parking space. Two sub-lease agreements have been concluded, one for a period until June 30, 2008 and the other one until June 30, 2010.
- Credit Agreement dated November 17, 2000 with Fortis Lease Polska Sp. z o.o. along with further annexes to the Agreement. Under the Agreement, Fortis Lease was granted a revolving, multi-currency credit maturing on January 14, 2008 with an interest rate under the market conditions. At the end of December 2006, the debt outstanding balance totalled PLN 43,052 thousand. At the end of December 2006 Fortis Lease Polska Sp. z o.o. had PLN 59 million of an unused credit line limit.
- Credit Agreement dated April 5, 2002 with Fortis Lease Polska Sp. z o.o. along with further annexes to the Agreement. Under the Agreement, Fortis Lease was granted an overdraft facility in the amount of PLN 0.5 million under market conditions, for the period until April 2, 2007. As at December 31, 2006 the unused limit was PLN 342 thousand.
- Agreements dated January 2, 2002 and February 17, 2005, under which Bank informs its customers that financing is available through lease at Fortis Lease Polska Sp. z o.o. (FLP). For each lease agreement signed by a customer introduced by the Bank, the Bank receives a financial agency commission. A further co-operation agreement was signed on February 17, 2005 providing details of the cooperation and settlements with the Retail Banking Business Line. Under this agreement, the Bank entered into guarantee agreement with FLP for 50% of respective FLP receivables arising from lease agreements concluded through the Bank.
- Cooperation agreement of January 2, 2007 signed between Fortis Bank Polska S.A. and Dominet Bank SA based in Lubin. The agreement concerns rules of cooperation between the two banks with respect to agency services in offering FBP products to individual customers of Dominet Bank SA. For the performance of obligations under the agreement, Dominet Bank SA will be paid commission on amounts of the loans acquired. The agreement was concluded for an unlimited period of time.
- Surety agreement of December 28, 2006 under which Fortis Bank Polska S.A. issued a surety to Dominet Bank SA based in Lubin up to PLN 50 million for borrowers' receivables due to Dominet Bank on account of car loans. The surety was issued for the period ending on December 31, 2007.

The terms and conditions of transactions entered into with affiliated entities correspond to market conditions.

16.2. Data concerning affiliated companies (related by capital or management) referring to:

a) receivables and liabilities:

in PLN thousand	As at December 31, 2006						As at December 31, 2005					
	Parent entity		Subsidiary		Affiliates		Parent entity		Subsidiary		Affiliates	
Receivables (value / % of the total item)												
Current receivables	546,193	43%			557,187	98%	558,318	98%			435	0%
Term deposits	402,194	54%					467,734	75%			3,938	1%
Loans and receivables			89	0%	45,064	6%			3	0%	56,787	8%
Interest	1,413	32%			333	7%	213	5%			88	4%
Other assets					210	1%			91	0%	205	0%
Provision for other assets					-1	0%					-1	0%
Total receivables	948,800		89		602,793		1,026,265		94		61,452	
Liabilities (value / % of the total item)												
Vostro and Nostro accounts	84,768	6%			1,822	0%	33,029	5%				
Funds deposited on current accounts			909	0%	567	0%			503	0%	361	0%
Term liabilities			2,100	0%	181,199	6%			55,000	4%		
Loans and credit facilities received					2,591,117	100%					1,038,357	97%
Interest accrued	15	0%	1	0%	12,858	91%	3	0%	63	2%	2,412	58%
Other liabilities			11	0%	2,378	1%			11	0%	3,485	3%
Total liabilities	84,783		3,021		2,789,941		33,032		55,577		1,044,615	

b) income and expense, including interest and fees, costs of loan provisions:

	As at December 31, 2006						As at December 31, 2005					
	Parent entity		Subsidiary		Affiliates		Parent entity		Subsidiary		Affiliates	
Liabilities (value / % of the total item)												
Interest income	26,830	7%			1,926	1%	26,454	9%			3,599	1%
Commission and fee income	2,933	3%	17	0%	1,478	1%			27	0%		
Net income on measurement of derivatives	26,887	18%					52,296	56%				
FX result	25,355	24%			9	0%	8,450	11%			722	1%
Other operating income	1,760	11%	1,379	8%					34	0%		
Total income	83,765		1,396		3,413		87,200		61		4,321	
Expenses (value / % of the total item)												
Interest expense	9,980	6%	397	0%	45,846	26%	9,798	7%	696	1%	22,133	16%
Commission expenses	1,130	12%										
Net income on measurement of derivatives	27,392	19%					33,564	38%				
Operating costs											613	0%
Total expenses	38,502		397		45,846		43,362		696		22,746	

c) credit facilities granted, including irrevocable commitments:

As at December 31, 2006, Fortis Private Investments Polska S.A. had an off-balance sheet limit granted on a VISA card up to PLN 50 thousand, of which PLN 1 thousand was utilized.

By analogy, as at December 31, 2005, Fortis Private Investments Polska S.A. had a limit granted on a VISA card up to PLN 50 thousand, of which PLN 6 thousand was utilized.

d) other data:

As at December 31, 2006, Fortis Bank Polska SA held 100% shares of Fortis Private Investments Polska S.A.

The Supervisory Board of Fortis Private Investments Polska SA includes three members of the Board of Executives of Fortis Bank Polska SA.

On March 22, 2007, the Supervisory Board of Dominet SA appointed Mr Alexander Paklons to the position of the President of the Management Board of Dominet SA; on March 29, 2007 the Extraordinary General Meeting of Shareholders of Dominet Bank S.A. appointed Mr. Alexander Paklons to the Supervisory Board of Dominet Bank S.A.;

17. Information about joint ventures not required to be reported in consolidated statements.

In 2006, the Bank did not enter into any joint ventures not required to be reported in consolidated statements.

18. Information about income and costs of brokerage activities conducted by the Bank.

The Bank does not conduct any brokerage activities.

19. Information about write-offs of uncollectible receivables.

In 2006, 142 loans totalling PLN 39,466 thousand were written off against the created provisions.

For comparison, in 2005, 138 loans totalling PLN 19,476 thousand were written off against the created provisions.

20. Information about costs related to the creation of provisions for future liabilities towards employees.

In 2006, the Bank incurred costs related to the creation of provisions for liabilities due to its employees of PLN 20 million. In the comparable period, such costs stood at PLN 11 million. Details are presented in the table below:

Costs related to the creation of provisions for future liabilities towards employees, on account of:	From January 1, 2006 to December 31, 2006 in PLN thousand	From January 1, 2005 to December 31, 2005 in PLN thousand
employee bonuses	16,700	10,100
unused holiday leaves	1,146	446
severance pay related to retirement or disability pension	796	
Jubilee awards	1,132	
Total	19,774	10,546

21. The Bank does not finance employee pension schemes.

22. Information about custody operations

As at December 31, 2006 the Custody Services Group at Fortis Bank Polska SA maintained 10 securities accounts in favour of customers. The total value of customer financial instruments in the safekeeping of the Custody Services Group on that day amounted to PLN 1,849,246 thousand. In the reporting period, the Bank provided services regarding the custody and transaction settlement of securities traded on the Polish regulated and not-regulated markets, and acted as the intermediary in making transactions on the foreign market. In rendering custody services to customers, the Bank co-operated with DB Securities SA.

23. Information about asset securitization.

The Bank does not make asset securitization.

24. Information about average employment, with a breakdown into professional groups.

As at December 31, 2006, Fortis Bank Polska SA had 1,410 FTEs (full-time equivalent), that is, by 393 FTEs more than at the end of 2005. The average employment between January and December 2006 totalled 1,198.5 FTEs and was higher by 257 FTE than in the previous comparable period.

Structure of employment in terms of education:

Education of employees	31.12.2006	31.12.2005
Secondary level	28%	31%
BA equivalent	11%	10%
Higher education	61%	59%

25. Remuneration of the Members of Board of Executives and Supervisory Board and proxies

1. Remuneration and benefits received by Members of the Bank's Board of Executives:

Name and Surname:	Position	From January 1, 2006 to December 31, 2006 in PLN thousand				From January 1, 2005 to December 31, 2005 in PLN thousand			
		Remuneration	Benefits*	Other**	Total	Remuneration	Benefits*	Other**	Total
Jan Bujak	President of the Board of Executives (from January 11, 2005)	600	63	204	867	472	6	186	664
Alexander Paklons	Senior Vice-President	-	331	621	952	-	211	526	737
Bartosz Chyła	Vice-President of the Board of Executives	524	35	193	752	345	6	126	477
Jean – Luc Deguel	Vice-President of the Board of	688	134	109	931	637	120	149	906

Executives									
Jaromir Pelczarski	Vice-President of the Board of Executives	576	7	213	796	494	6	214	714
Koenraad Verhoeven	Vice-President of the Board of Executives	694	198	112	1,004	766	130	77	973
Ronald Richardson	President of the Board of Executives (until January 10, 2005)	-	-	-	-	123	13	248	384
Total:		3,082	768	1,452	5,302	2,837	492	1,526	4,855

* The "Benefits" item includes expenses related to medical care, company car (lump sum), accommodation and participation in the "Fortis Executives and Professionals Stock Option Plan" for shares of Fortis Bank NV.

** The "Other" item includes equivalent for holiday leave and remuneration for the Board of Executives' meetings.

Three members of the Board of Executives of Fortis Bank Polska S.A. that are at the same time members of Supervisory Board of Fortis Private Investments Polska S.A. did not receive remuneration for this, either in 2005 or in 2006.

2. Remuneration and benefits received by Members of the Bank's Supervisory Board:

Name and Surname	Position	January 1, 2006 to December 31, 2006	January 1, 2005 to December 31, 2005
		PLN thousand	PLN thousand
Jos Clijsters	Chairman	63	27
Paul Dor	Deputy Chairman (until June 2, 2006)	20	48
Antoni Potocki	Deputy Chairman	57	48
Werner Claes	Supervisory Board Member	54,5	42
Zbigniew Dresler	Supervisory Board Member	48	42
Didier Giblet	Supervisory Board Member	48	42
Bernard Levie	Supervisory Board Member	48	24.5
Roland Saintrond	Supervisory Board Member (until June 2, 2006)	17.5	42
Thierry Schuman	Supervisory Board Member	48	24.5
Peter James Ullman	Supervisory Board Member	48	24.5
Luc Delvaux	Chairman (until July 1, 2007)	-	27
Total:		452	391,5

3. Gross remuneration paid to proxies out of the salary fund, including ZUS (Social Security) contributions:

Remuneration in PLN thousand	01.01.2006 - 31.12.2006.	01.01.2005 - 31.12.2005.
Proxies	3,556	3,071

26. Information on loans, credit facilities, guarantees and sureties received by employees, proxies, Members of the Bank's Board of Executives and Supervisory Board.

As at December 31, 2006, Fortis Bank Polska SA extended:

to the Supervisory Board's Members:

■ VISA card limit - as at December 31, 2006 the limit was granted in the amount of PLN 29 thousand, while the debt balance stood at PLN 11 thousand;

■ one (1) guarantee issued for the amount of USD 5 thousand with the original maturity from 5 to 10 years;

to the Board of Executives' Members:

■ four (4) loans (of which 3 FC loans) with the total debt outstanding balance as at December 31, 2006 of PLN 1,010 thousand, with maturity from 3 to over 20 years and an interest rate corresponding to the applied

market rates;

- one debit limit in ROR (a savings and checking account) for PLN 50 thousand; as at December 31, 2006 the total debt outstanding balance was PLN 34 thousand;
- one (1) unused VISA card limit in the amount of PLN 5 thousand as at December 31, 2006;
- five (5) credit card limits with the total debt outstanding balance of PLN 16 thousand on this account as at December 31, 2006; the total limits granted was PLN 52 thousand;

to commercial proxies:

- one (1) debit limits in ROR (savings and checking accounts) for PLN 3 thousand; as at December 31, 2006, the total debt outstanding balance was PLN 1 thousand, with maturity above 20 years and interest rates corresponding to the applied market rates;
- thirteen (13) loans (of which 6 FC loans) with the total debt outstanding balance as at December 31, 2006 of PLN 3,186 thousand, with maturity from 3 months to above 20 years and interest rates corresponding to the applied market rates;
- two (2) credit lines in a loan account; as at December 31, 2006 unused limits amounted to PLN 371 thousand;
- four (4) credit card limits with the total debt outstanding balance of PLN 10 thousand on this account as at December 31, 2006; the total limits granted was PLN 32 thousand;

to persons related to managing and supervising persons

- four (4) debit limits in ROR (savings and checking accounts) for the total of PLN 42 thousand; as at December 31, 2006, the total debt outstanding balance was PLN 37 thousand, with maturity not longer than 1 year and interest rates corresponding to the applied market rates;
- one (1) loan with the total debt outstanding balance as at December 31, 2006 of PLN 89 thousand, with maturity from 5 to 10 years and interest rates corresponding to the applied market rates;
- three (3) VISA card limits with the total debt outstanding balance of PLN 12 thousand on this account as at December 31, 2006; the amount of limits granted was PLN 25 thousand;

Moreover, Fortis Bank Polska employees are entitled to use employee loans. The outstanding balance of such loans is shown in the table below:

	31.12.2006	31.12.2005
Employee loans in PLN thousand	54,664	25,677
Number of employee loans	658	525

General terms and conditions of loans, credit facilities, guarantees and sureties received by employees, proxies, Members of the Bank's Board of Executives and Supervisory Board do not differ from the applied market conditions.

27. Information about significant events occurred referring to previous years, presented in the financial statements / consolidated financial statements for the current period.

In 2006, no significant events occurred referring to previous years, presented in the financial statements for the current period.

28. Description of important events that occurred after the balance sheet date, i.e. December 31, 2006 and were not reported in the financial statements.

- On January 2, 2007 the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register (reference number WA. XIII NS-REJ. KRS/39479/06/938) registered the Bank's share capital increase from PLN 452,331,000.00 up to PLN 503,135,400.00 as a result of private placement of series K shares in the aggregate nominal value of PLN 50,804,400.
Upon registration, the Bank's share capital is divided into 16,771,180 shares of PLN 30 nominal value each, which entitle to 16,771,180 votes at the Bank's General Meeting.
- The Supervisory Board of Fortis Private Investments Polska S.A., has distributed the net profit of 2006 and Fortis Bank Polska SA has received the dividend of PLN 600 thousand.

29. Information on important events pertaining to the fiscal year which materially affected the structure of the balance sheet items and financial result.

- On October 26, 2006, the Extraordinary General Meeting of Shareholders resolved to increase the Bank's share capital through issuance of series K shares with the exclusion of pre-emptive rights and listing series K shares on the stock exchange market. The series K share issue was made under a private placement. All 1,693,480 ordinary series K bearer shares were subscribed for by Fortis Bank S.A./NV based in Brussels, at the issue price of PLN 118.10 each. The issue value was PLN 199,999,988.
- On December 22, 2006, the Bank applied to the Financial Supervision Commission for the approval of the share issue prospectus to listing the series K shares on the stock exchange.
On January 2, 2007 the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register (reference number WA. XIII NS-REJ. KRS/39479/06/938) registered the Bank's share capital increase from PLN 452,331,000.00 up to PLN 503,135,400.00 as a result of private placement of series K shares in the aggregate nominal value of PLN 50,804,400.
Upon registration, the Bank's share capital is divided into 16,771,180 shares of PLN 30 nominal value each, which entitle to 16,771,180 votes at the Bank's General Meeting.
- On December 29, 2006 the Office of Competition and Consumer Protection issued a decision to impose on banks a penalty for illegal practices of inflating fees for non-cash card transactions. The Bank received a penalty of PLN 2.9 million. Appeal against the immediate enforceability of the decision was filed on January 19, 2007. The Bank created a provision of PLN 2.9 million for the payment of that penalty. The provision creation costs were included in the Bank's net profit of 2006.
- Referring to the information specified in current report no. 12/2006, the second export credit of EUR 24 million for 8.5 years was disbursed to this client on November 30, 2006. The export credit was granted in cooperation with KUKE (The Export Credit Insurance Corporation) and BGK. Under subsequent agreements concluded with this client, the total exposure of the Bank may increase up to EUR 192 million, however the agreement on a transfer of specified amount as collateral decreases the total Bank's exposure.
- In 2006, new Bank units became operational:
 - Business Center in Rzeszów, and a Business Center in Łódź was separated from the Warsaw Business Center;
 - five credit centers: in Warsaw and Gdańsk – two in each of these cities, and one in Gdynia;
 - Nowy Targ Sub-Branch of the Zakopane Branch of Fortis Bank Polska S.A.

In 2006, investments in four new Branches were completed: in Warsaw, Łódź, Szczecin and Poznań. The Branches were opened at the beginning of 2007.

The Branches in Opole, Toruń and Olsztyn, operating from 2005 (providing banking services in respect of granting investment loans for small enterprises, accumulating assets of the Personal Banking segment customers, selling mortgage loans and daily banking through electronic channels) were transformed in 2006 according to the new branch model into full-service branches.

- Following the Bank's development, in 2006 the number of FBP employees increased by 39% up to 1,410 FTEs as at December 31, 2006.
- In 2006, the Bank entered into a new Consumer Finance market (mass retail banking segment), offering credit cards and cash loans to private individuals. The Bank was for example the first one to offer a credit photocard. Credit cards are offered through credit centers, direct marketing and co-branding campaigns. Cash loans are sold through credit centers.
The strategy of CF activity in FBP is currently analysed, considering the takeover of Dominet Bank by Fortis group. For example, it is planned to move the entire Consumer Finance business line to Dominet Bank. At the same time the Bank develops its activity in relation to private banking by offering specialist services for High Net Worth Individuals.

30. Information about relations between the legal predecessors and the issuer and the manner and scope of taking-over assets and liabilities.

In 2006, there were no relations between the legal predecessors and the issuer.

31. The financial statements and comparable financial data adjusted by the inflation index

As the inflation index in the last three years has been maintained below 7%, the Bank does not present financial statements adjusted by the inflation index.

32. Presentation and explanation of differences between data disclosed in the financial statements and comparative financial data/consolidated financial statements and comparative consolidated financial data, with previously compiled and published financial statements.

In comparison to the 2005 report, in the 2006 report the following 2005 financial data were transformed to ensure their comparability.

Item	As at December 31, 2005 data presented in the 2005 annual report	Change	As at December 31, 2005 comparable data	The change description	
ASSETS					
III. Due from other financial institutions	1,310,948	1,450	1,312,398		
1. Current	571,533	309	571,842	3	In 2006, the business sector of three entities changed from the non-financial into financial sector
				306	Moving suspense transaction accounts from "Other assets - other."
2. Term	739,415	1,141	740,556	In 2006, the business sector of three entities changed from the non-financial into financial sector	
IV. Due from customers	4,293,623	-1,144	4,292,479		
1. Current	883,962	-3	883,959	In 2006, the business sector of three entities changed from the non-financial into financial sector	
2. Term	3,409,661	-1,141	3,408,520		
XV. Other assets	58,828	-306	58,522	Moving suspense transaction accounts to "Receivables in the current account due from other financial institutions."	
2. Other	58,823	-306	58,517		
TOTAL ASSETS	6,369,903		6,369,903		
LIABILITIES					
II. Due to other financial institutions	2,178,376	32	2,178,408	In 2006, the business sector of three entities changed from the non-financial into financial sector	
1. Current	710,967	32	710,999		
II. Due to customers	3,144,691	3,876	3,148,567	3,908	Moving suspense transaction accounts from "Special funds and other liabilities."
2. Other, including:	3,143,120	3,876	3,146,996	In 2006, the business sector of three entities changed from the non-financial into financial sector	
a) current	1,650,954	3,876	1,654,830	-32	
VIII. Special funds and other liabilities	108,325	-3,908	104,417	Moving suspense transaction accounts to "Due to customers."	
TOTAL LIABILITIES	6,369,903		6,369,903		

The above changes did not affect the Bank's financial result as at December 31, 2005.

33. Changes made to the applied accounting rules (policy) and to the manner of developing financial statements, in comparison to the previous fiscal year.

In 2006, the Bank introduced no changes to accounting principles.

34. Correction of material errors

In 2006, the Bank did not make any correction of material errors.

35. Description of uncertainty as to the business continuation.

The financial statements for 2006 were prepared assuming the continuation the Bank's business in the foreseeable future.

36. Data regarding company mergers.

In 2006, the Bank did not merge with any other entity.

Information required under Sections 37 and 38 does not refer to Fortis Bank Polska SA, since the Bank does not prepare financial statements on a consolidated basis. Detailed explanations in this matter are given in Section 39.

39. Pursuant to Art 58 section 1 item 1 of the Accounting Act, the Bank is not required to prepare consolidated statements, as the financial data of this subsidiary are immaterial for a reliable and transparent presentation of the property, financial situation and financial result of the Bank. As at the end of December 2006, the total assets of Fortis Private Investments Polska S.A. constituted 0.2% of the Bank's total assets, FPI total income made up 0.7% of the Bank's total income, while FPI net profit accounted for 1% of the Bank's net profit.

The basic financial data of Fortis Private Investments Polska S.A., the Bank's subsidiary, are presented in Note 10B in the financial part of the Annual Report.

The parent company of Fortis Bank Polska SA is Fortis Bank Brussels with the registered office in Brussels. Fortis consolidated financial statements are published at the Belgian Stock Exchange in Brussels.

40.1. Bodies of Fortis Bank Polska S.A.:

- General Meeting of Shareholders
- Supervisory Board
- Board of Executives

As at December 31, 2006, the Supervisory Board was composed of 8 (eight) members, while the Board of Executives consisted of 6 (six) members.

40.2. Additional information to the Bank assets and liabilities.

The foreign currency structure of assets and liabilities as at December 31, 2006 is presented in the table below:

Currency	Assets	Assets (%)	Liabilities	Liabilities (%)
AUD	1,009	0.01%	707	0.01%
CAD	2,274	0.02%	1,504	0.01%
CHF	1,407,489	13.46%	1,207,659	11.55%
CZK	131	0.00%	812	0.01%
DKK	4,232	0.04%	,331	0.00%
EUR	1,687,708	16.14%	1,777,031	17.00%
GBP	70,208	0.67%	15,786	0.15%
HUF	716	0.01%	90	0.00%
JPY	27	0.00%	865	0.01%
NOK	8,355	0.08%	400	0.00%
PLN	6,540,590	62.56%	6,932,266	66.31%
SEK	7,447	0.07%	1,011	0.01%
SKK	201	0.00%	467	0.00%
USD	724,324	6.93%	515,782	4.93%
Razem	10,454,711	100.00%	10,454,711	100.00%