

THE BOARD OF EXECUTIVES PRESIDENT'S LETTER

Warsaw, April 2006

Dear Sirs,

Even though not as spectacular as last year, the economic growth had a very positive impact on the investment activity of our Customers. At the same time, Fortis Bank's financial results were dynamically growing. As a result, at the end of 2005, we exceeded our historical net profit threshold of PLN 100 million.

At Fortis Bank, the growth of investment loan balance surpassed 30 percent while the balance of all commercial loans grew by 22 percent. In the same period the latter index for the banking sector was merely of 1.5 percent. Such a good result I shall credit, among others, to our great commitment to cooperation with customers interested in investment projects subsidized from the European Union aid funds. Over a number of years, we have endeavored to the maximum extent possible to assist companies intending to develop both on the domestic and international markets by extending available services, training our employees and also conducting information actions for businesses. Our aim is to strengthen our position in this area by taking suitable marketing actions.

Our individual customer loan portfolio was growing faster than in the whole banking sector. To a great extent, it was attributable to the excellent sales of mortgage loans. We recorded a 66% increase of mortgage loan balance. At the same time, we did not cease to take due care of the loan portfolio quality. Therefore, with a great satisfaction I can observe that it was a subsequent year in a row when the share of non-performing loans in Fortis Bank's loan portfolio was on the decrease. Additionally, I would like to draw your attention to the return on assets and return on equity ratios that rose from 1.5 percent to 1.8 percent and from 15 percent to 17.5 percent respectively.

Moreover, we did not forget of the Customers intending to save money. In addition to traditional fund placement methods such as bank deposits, in 2005 we offered access to foreign investment funds to all interested Customers. This was possible thanks to our cooperation with Fortis Investments, a Luxembourg company. Furthermore, for affluent Poles we are preparing *Private Banking* services. We wish to develop this part of our offer in the years to come.

Next year, we will increase employment and develop our distribution network by opening new branch offices to provide services to private individual customers and small businesses and also new Business Centers dedicated to large enterprises. For 2006 we plan to open 6 new branches and 3 new Business Centers. We are determined to grow!

Yours faithfully,

Jan Bujak
President of the Board of Executives