

LETTER FROM THE PRESIDENT OF THE BOARD OF EXECUTIVES

Warsaw, April 2005

Ladies and gentlemen,

A very good year for Polish economy turned out to be also superb for Fortis Bank Polska. We generated net profit of PLN 74.6 million which more than doubled the 2003 result.

As Poland entered the European Union and customs barriers were removed, Polish enterprises became more interested in the Common Market and undertook concrete actions related to that. Western European companies that our Bank cooperates with through a network of over 100 Fortis Bank Business Centers in Europe, reacted similarly to the chance of their expansion in new Member States. For such companies we were a partner who provided them with both financial know-how and information about new prospects for development.

We successfully serviced a dynamically growing volume of import and export transactions. Moreover, for another year we strongly communicated to Polish entrepreneurs how and where to apply for EU subsidies. We took care that our employees could competently service the parties interested in such assistance. We launched a special website and electronic newsletter on EU subsidies, and organized a series of meetings where available assistance funds of the European Union were presented. Now many our customers have just started investment projects assuming that they would be co-financed with funds from Sector Operational Programs.

Nevertheless, comparing the balances of deposits acquired and loans granted it must be noted that our customers were evidently more willing to save money than to spend it, as the deposit portfolio grew at the pace three times higher than the credit portfolio.

The year 2004 brought a clear improvement of quality indexes in Fortis Bank Polska: the share of non-performing loans in the credit portfolio went down to 10.6%. The asset yield index increased from 0.9% to 1.5%, and the Return on Equity jumped from 7.0% to 13.4%. We managed to keep expenses under control – the cost-income ratio stood at 58.5%, which is a satisfactory result for us, close to our target of 55%.

In 2005, after several years' break we intend to expand our network of locations and employ several dozen new employees, mostly in the sales structures. Continuing the existing policy of organic growth we will fight for the market share increase, using also our offering enriched by foreign investment funds. We count on our employees, whose reliability we have been relying on for years, likewise on our customers, who have been the driving force of all our actions since the foundation of the Bank.

Sincerely yours,

Jan Bujak
President of the Board of Executives