

ADDITIONAL NOTES

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

1.1. Information regarding the Bank's exposure to specific industries is presented in the table below. The data do not include the interest accrued:

Sectors of the economy	Gross loans as at December 31, 2003 PLN thousand	Gross loans as at December 31, 2002 PLN thousand
Wholesale	555,446	402,460
Private individuals	451,979	211,984
Construction services	184,060	143,197
Motor vehicles	177,053	166,569
Production of food and beverages	173,215	95,071
Other production	154,325	93,542
Municipal and housing services	123,311	100,967
Timber and wooden goods	90,075	26,480
Retail trade in groceries	88,699	14,197
Retail trade in industrial goods	81,683	85,289
Production of metal goods	77,167	51,259
Power plants, gasworks and waterworks	51,479	58,594
Economic building industry	50,577	21,933
Non-banking financial services	49,717	44,354
Land transport	46,073	32,251
Print shops and publishers	39,589	29,695
Trade in means of transport	31,281	15,539
Furniture and accessories	31,252	14,537
Rubber and plastic products	25,778	19,009
Paper and stationery	25,288	12,992
Hotels and motels	25,262	3,425
Other chemical products	23,001	13,116
Developer services	21,828	-
Other services	655,625	548,231
Other sectors	107,560	76,968
Total	3,341,323	2,281,659

1.2. Data on the Bank's exposure by the main geographical regions of Poland are presented in the table below. Interest is not included.

Geographical regions of Poland	Gross loans as at December 31, 2003	Gross loans as at December 31, 2002
	PLN in thousands	PLN in thousands
- Eastern Region	1,876,290	1,320,616
- Małopolska Region	433,228	273,366
- Western Region	427,347	320,862
- Silesia Region	325,333	194,577
- Northern Region	279,125	172,238
TOTAL	3,341,323	2,281,659

For the needs of the above comparison,

- the Malopolska Region comprises the following provinces: Malopolska, Podkarpackie and Swietokrzyskie,
- the Silesia Region comprises the following provinces: Silesia and Opole,
- the Eastern Region comprises the following provinces: Mazovia, Lublin, Łodz, Warmia-Mazuria and Podlasie,
- the Western Region comprises the following provinces: Wielkopolska, West Pomerania, Lower Silesia and Lubuskie, and
- the Northern Region comprises the following provinces: Pomerania and Kujawy - Pomerania.

1.3. Data regarding the Bank's exposure to specific economic sectors are presented in the Table below. Interest is not included.

Entity type	Gross loans as at December 31, 2003	Gross loans as at December 31, 2002
	PLN in thousands	PLN in thousands
Financial sector	49,465	46,116
- insurance institutions and pension funds	143	153
- other financial intermediaries	48,717	45,742
- auxiliary financial institutions	605	221
Non-financial sector	3,291,770	2,234,243
- State-owned enterprises and companies	94,446	65,719
- private enterprises and companies and cooperatives	2,457,492	1,646,148
- individual entrepreneurs	269,626	490,724
- individuals	451,867	211,984
- individual farmers	999	933
- non-commercial institutions operating in favor of households	5,833	8,215
- settlements with non-financial entities on account of VISA card settlements	11,507	10,520
The budget sector	88	1,300
- local budgetary units	88	1,300
TOTAL	3,341,323	2,281,659

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.

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

As at the end of 2003, the Bank did not exceed the maximum exposure limit determined in the Banking Law with respect to any customer or capital group. As regards nine (9) customers, the Bank's exposure exceeded 10% of equity and totaled PLN 599 million, as compared to December 31, 2002 when in relation to five (5) customers the Bank's exposure exceeded 10% of its equity and totaled PLN 308 million.

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

2.1. Data on the source of funds acquisition by the main geographical regions of Poland are presented in the table below. Interest is not included.

Geographical regions of Poland	Deposits as at December 31, 2003 PLN in thousands	Deposits as at December 31, 2002 PLN in thousands
- Eastern Region	959,937	874,509
- Małopolska Region	706,067	679,696
- Western Region	298,026	297,100
- Silesia Region	289,871	244,933
- Northern Region	265,821	214,035
TOTAL	2,519,722	2,310,273

2.2. Information regarding fund acquisition by the Bank from specific industry sectors is presented in the Table below. Interest is not included.

Sectors of the economy	Deposits as at December 31, 2003 PLN thousand	Deposits as at December 31, 2002 PLN thousand
Private individuals	1,333,358	1,361,577
Other services	345,929	302,134
Wholesale	171,312	152,943
Construction services	84,805	64,808
Production of metal goods	54,983	44,237
Other production	53,247	34,606
Retail trade in industrial goods	48,877	33,076
Land transport	45,137	20,166
Legal and economic services	41,958	24,228
Production of food and beverages	37,200	32,324
Science and technology services	28,372	23,277
Municipal and housing services	23,343	18,166
Timber and wooden goods	21,633	5,114
Social insurance	20,268	1,529
Hotels and motels	16,907	7,289
Motor vehicles	16,430	12,398
Electric products	15,937	7,616
Non-banking financial services	14,519	18,008

Housing building industry	13,052	11,524
Power plants, gasworks and waterworks	11,605	4,546
Publishing services	11,323	29,923
Other sectors	109,527	100,784
Total	2,519,722	2,310,273

In Sections 2.1. and 2.2. amounts due to the financial sector (excluding banks), non-financial sector and State budget sector are presented.

3. Information about changes in the value of subsidies for foreign branches, with the balance as at the beginning of the period, increases and decreases, broken by specific entities, and the balance as at the end of the period.

The Bank does not have any foreign branches.

4. Information about financial instruments, considering the Issuer's specificity

4.1. Financial assets and liabilities

- Financial assets or liabilities held for trading - financial assets or liabilities which were purchased in order to obtain economic gains as a result of short-term price changes and fluctuations of other market factors,
- Financial assets held to maturity – financial assets for which contracts provide the date of nominal value payments and determine the right to receive economic gains at specific dates such as the interest rate in the amount fixed or possible to determine, provided that the Bank intends and is able to hold these assets to maturity, except for loans granted by the bank and its own receivables;
- Financial assets available for sale – other financial assets that are not loans granted by the bank or the bank's own receivables;
- Credits and loans granted by the Bank and own receivables not held for trading - loans and credit facilities granted by the Bank (financial assets which originated as a result of giving cash earmarked for a specific purpose directly to the other party to a contract), other own receivables and debt securities that are not classified into the "held-for-trading", "held-to-maturity" or "available-for-sale" categories.
- Other financial liabilities - liabilities originated as a result of the measurement of derivative instruments to fair value.

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 held to maturity, financial assets available for sale and other financial liabilities:

Financial assets held for trading	December 31, 2003 in PLN thousand	December 31, 2002 in PLN thousand
Opening balance	155,620	12,673
Increases (on account of)	1,459,511	249,568
- purchase	1,457,587	248,937
- measurement of financial instruments	493	631
- interest	1,431	
Decreases (on account of)	(1,473,159)	(106,621)
- sale	(1,467,184)	(97,364)
- measurement of financial instruments	(3,289)	(9,257)
- measurement of securities	(706)	
- discount	(1,980)	
Ending balance	141,972	155,620

Loans and credit facilities granted by the Bank and own receivables not held for trading	December 31, 2003 in PLN thousand	December 31, 2002 in PLN thousand
Opening balance	2,663,880	3,099,884
Increases	1,252,746	188,707
- change in net credit balance	1,058,678	94,673
- increase related to the purchase of interest-bearing bonds of Credit Suisse First Boston Singapore Branch	152,301	
- change in net interest accrued balance	17,795	12,666
- change in other receivables balance	23,972	2,639
- change in specific provisions balance		78,729
Decreases	(303,694)	(624,711)
- change in specific provisions balance	(4,545)	(110,787)
- change in net deposit balance from banks	(299,149)	(513,924)
Ending balance	3,612,932	2,663,880

Financial assets held to maturity	December 31, 2003 in PLN thousand	December 31, 2002 in PLN thousand
Opening balance	16 764	78 940
Increases (on account of)		
Decreases (on account of)	(16 764)	(62 176)
- redemption	(16 652)	
- interest	(112)	(75)
- redemption of participation units in open investment funds		(62 101)
Ending balance	0	16 764

Financial assets available for sale	December 31, 2003 in PLN thousand	December 31, 2002 in PLN thousand
Opening balance	510,821	248,671
Increases (on account of)	2,664,340	1,894,017
- purchase	2,662,577	1,890,489
- interest	1,755	3,418
- measurement		104
- FX rate differences	8	6
decreases (on account of)	(2,743,160)	(1,631,867)
- sale	(2,728,978)	(1,623,727)
- interest	(3,660)	(6,596)
- measurement of securities	(10,522)	(1,544)
Ending balance	432,001	510,821

Liabilities related to financial instruments	December 31, 2003 in PLN thousand	December 31, 2002 in PLN thousand
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Opening balance	-	-
Increases (on account of)	1,093	-
- interest liability on account of derivative instruments	1,093	-
Ending balance	1,093	-

4.2.

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

a) **Financial assets**

- Financial assets held for trading – as at December 31, 2003 the portfolio of securities held for trading included Treasury bills in the fair value amounting to PLN 129,577 thousand. In this item, the Bank recognizes also Treasury bonds whose fair value as at the end of December 2003 amounted to PLN 10,816 thousand. Financial assets held for trading include also a positive result of measurement of derivative instruments in the amount of PLN 1,579 thousand;
- Financial assets held to maturity – the Bank does not hold any assets of this category;
- Financial assets available for sale - in this item, the Bank recognizes Treasury securities: bills and bonds. These instruments are to hedge the interest rate risk and utilization of liquidity surplus. As at the end of December 2003, their total value stood at PLN 431,949 thousand. In this item, the Bank recognizes also its shares in SWIFT in the amount of PLN 52 thousand;
- Loans and credit facilities granted by the Bank and own receivables not held for trading – in this item, the Bank recognizes receivables due from customers in the amount of PLN 3,293,117 thousand on account of loans granted, decreased by the specific provision created and increased by the interest accrued, interbank placements with the interest – PLN 143,836 thousand and receivables related to discounting letters of credit and documentary transactions – PLN 23,678 thousand and interest-bearing bonds of Credit Suisse First Boston Singapore Branch in the nominal value of PLN 150,000 thousand together with the coupon calculated in the amount of PLN 1,094 thousand, the premium to be settled in the amount of PLN 1,711 thousand and a adjustment on account of hedging the fair value of the interest rate risk in the amount of PLN (504) thousand.

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 liability settled, through a transaction effected on market terms, between the interested, well-informed, not affiliated parties.

- Measurement of securities

Debt securities held for trading are measured at fair value and the effects of a change in the fair value are recognized as net financial result.

Debt securities held to maturity are recognized at their purchase price adjusted for accrued interest, discount and premium. Debt securities held to maturity are adjusted for write-offs on account of an impairment loss.

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.

Debt securities are entered into accounting books at the purchase price and transaction date, taking into account the value date. Between the transaction date and value date, a given security is recorded in off-balance sheet items in a nominal value, considering the side of the transaction effected.

- Measurement of derivative instruments

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

The fair value of FX Spot transactions, 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 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 daily measurement is recognized either as costs or income on account of financial transactions, respectively.

European options sold and purchased are measured at the FX rate to fair value using the Black-Scholes model in the version adapted to the above 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.

- Shares and minority holdings are recognized at their purchase price taking into consideration relevant write-offs on account of impairment loss.
- Shares in the Bank's subsidiary, i.e. Fortis Securities Polska SA are measured using the equity method. The results of the measurement of the shares of Fortis Securities Polska SA are recognized in the following:
 - Revaluation reserve fund, in the part resulting from movements in own equity of the unit in which the investment was made and which were not recognized in the profit and loss account,
 - Profit and loss account, with regard to the remaining part.
- Amounts receivable and payable on account of loans, credit facilities and other receivables are recognized at the amount of required payment, which includes also interest due, taking into consideration specific provisions built under the Ordinance of the Finance Minister dated December 10, 2001 regarding the rules of creating provisions for risk related to banking activity (Journal of Laws No 149 item 1672, as amended). The required provisions are created at the end of each reporting period. Provisions for receivables denominated in foreign currencies are translated into Polish zlotys together with the amounts receivable covered by the provisions.
- Valuation of in-built derivative instruments

Ordinance of the Finance Minister of February 23, 2004, amending the Ordinance regarding the detailed recognition rules, valuation/measurement method, scope of disclosure and manner of presentation of financial instruments (*Journal of Laws* Dz.U. no. 31, item 266), inserted Sub-Paragraph 1a into Paragraph 10, which 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.

Lease agreements concluded by Fortis Bank Polska S.A. where a payment is denominated in a foreign currency meet the conditions set out in Paragraph 10, Sub-Paragraph 1a of the said Ordinance. As a result, the Bank has not recognized and measured separately in-built derivative instruments arising from such agreements in its financial statements for the accounting year ending December 31, 2003.

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 payment flows related. The contracts may be settled through a physical delivery of currencies or through transferring the difference between the contract FX rate and the final settlement price. Futures contracts are measured daily in market value. The daily measurement is recognized as either costs or income on financial transactions, respectively.

d) Information on interest rate risk

In 2003, the Bank pursued a policy of matching average interest rate re-pricing periods of USD and EUR assets and liabilities, which are re-priced in one, three and six month periods. At the same time, the Bank maintained longer interest rate re-pricing periods of PLN assets versus PLN liabilities, in order to ensure that interest income on the Bank's capital invested will remain in 2004 at the current level despite further interest rate cuts expected this year. In order to achieve longer interest rate re-pricing periods in PLN assets, the Bank invested its liquidity surplus in State Treasury bonds of fixed interest rate and maturity up to ten years, and Treasury bills.

e) Information on credit risk

The Bank's credit activity focuses on the service of small and medium enterprises. The majority of loans are

granted to entities operating in trade and services economic sectors. 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-list,
- sub-standard,
- doubtful,
- lost,

with the specification of the lost items.

Credit risk in sectors where the Bank's exposure exceeds 5% of the total loans granted by the Bank	December 31, 2003				December 31, 2002			
	Performing loans		Non-performing loans		Performing loans		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
Other services	525,393	16%	130,232	4%	439,354	19%	108,877	5%
of which lost			29,439	1%			34,141	1%
Wholesale trade	455,141	14%	100,305	3%	323,639	14%	78,821	3%
of which lost			52,289	2%			50,280	2%
Private individuals	427,537	13%	24,442	1%	194,748	9%	16,897	1%
of which lost			14,562	0%			12,483	0.5%
Construction services	115,639	3%	68,421	2.1%	72,931	3%	70,266	3.1%
of which lost			46,656	1.4%			41,624	1.8%
Motor vehicles	169,461	5%	7,592	0%	161,197	7%	5,372	0%
of which lost			235	0%			551	0%
Production of food and beverages	161,390	5%	11,825	0%	80,239	4%	14,832	1%
of which lost			7,061	0.2%			6,319	0.3%

4.2.2 Financial assets that are measured to amortized costs.

Assets available for sale are measured to fair value. As the fair value of NBP bonds blocked for the mandatory reserve may not be measured in a reliable way, the Bank applied the method of amortized cost to such items. As of 31.12.2003, the value of such securities totaled PLN 26 218 thousand.

Loans and credit facilities from financial and non-financial entities and the State and local government institutions are recognized at the amount of required payment, which includes also interest due, taking into account specific provisions built under the Ordinance of the Finance Minister dated December 10, 2001 regarding the rules of creating provisions for risk related to banking activity (Journal of Laws No 149 item 1672, as amended).

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

The Bank measures to fair value all assets that are so required: held-for-trading and available-for-sale assets.

Shares in subsidiaries are measured using the equity method. Other shares recognized in fixed assets are measured to their purchase price, taking into account impairment loss.

Fixed assets and intangible assets are measured at the end of each reporting period at purchase prices less depreciation charges. Moreover, the Bank also recognizes revaluation conducted in accordance with applicable regulations and impairment loss.

Other assets and liabilities, including cash and own equity, are measured to nominal value.

Financial liabilities, which are neither held for trading nor are derivatives are recognized in the amount of the payment required, which includes also the interest due.

4.2.4 In 2003, 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:

As at January 1, 2003 and December 31, 2003 the available-for-sale securities were measured to market value. The measurement value was recognized in the Bank's balance sheet statement in the Revaluation Reserve item. The measurement results are presented in the Table below:

	Measurement value in PLN thousand	
	January 1, 2003	December 31, 2003
Treasury bills	1,046	88
Treasury bonds	995	(8,569)
TOTAL	2,041	(8,481)

4.2.6 Information about income and cost from financial assets available for trade, which were removed (sold, liquidated) from the balance sheet statement:

In 2003, Fortis Bank Polska SA sold the following securities from the portfolio of assets available for sale:

- Treasury bills of the nominal value amounting to PLN 113,790 thousand.

The Bank earned profit on the above transactions in the amount of PLN 517 thousand, while the discount sold amounted to PLN 3,527 thousand.

In addition to the above, T-bills in the book value of PLN 5,032 thousand were transferred from the available-for-sale asset portfolio to the held-for-trading asset portfolio.

- The following Treasury bonds in the total nominal value of PLN 93,000 thousand:
 - o OK0804 ISIN PL 0000102760, in the nominal value of PLN 40,000 thousand,
 - o PS0608 ISIN PL 0000102869, in the nominal value of PLN 20,000 thousand,
 - o OK0805 ISIN PL 0000103107, in the nominal value of PLN 33,000 thousand,

The Bank earned profit on the above transactions in the amount of PLN 560 thousand and the discount/premium sold amounted to PLN 2,029 thousand.

- The NBP cash bills in the nominal value of PLN 400,000 thousand.

The Bank incurred loss on the above transactions in the amount of PLN 3 thousand, while the discount sold amounted to PLN 104 thousand.

4.2.7 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 2003, the Bank did not generate any income or incur any expenses on account.

4.2.8 At the end of 2003, no financial assets measured at fair value were reclassified into assets measured at the adjusted cost of acquisition.

4.2.9 In 2003, there was a change in the value of subsidiary's shares held by the Bank. The change of the value was recognized in note no. 7B to the balance sheet statement.

4.2.10 Revenues on account of interest on loans granted and own receivables are presented in the Table below:

	December 31, 2003 in PLN thousand		December 31, 2002 in PLN thousand	
	Interest accrued	interest received	interest accrued	interest received
Interbank placements	18	25,468	518	67,216
Loans	11,530	147,177	7,973	183,002
interest on the interest-bearing bonds of Credit Suisse First Boston Singapore	1,094	-	-	-

Branch				
interest on financial instruments	959	-	-	-
interest on receivables related to documentary transactions	217	443	-	-
Receivables purchased	26	339	1	20
Guarantees paid	-	7	1	9
securities bought under repurchase agreements	-	125	-	-
TOTAL	13,844	173,558	8,493	250,247

4.2.11 Deferred interest income:

	December 31, 2003 in PLN thousand	December 31, 2002 in PLN thousand
Interest capitalized	26	223
Deferred interest income on receivables purchased	59	75
Deferred interest income on guarantees paid	4,220	3,667
Deferred interest income on loans	87,813	73,070
TOTAL	92,118	77,035

4.2.12 Interest expense due to financial, non-financial and the State budget sectors, broken by paid and accrued are presented in the Table below:

	December 31, 2003 in PLN thousand		December 31, 2002 in PLN thousand	
	Interest accrued	Interest paid	Interest accrued	Interest paid
Current accounts	65	18,292	81	38,010
Interbank deposits	605	13,409	177	8,169
Term deposits	3,989	36,459	5,348	80,324
Blocked deposits	964	7,370	1,461	18,851
Credit facilities and loans received	1,685	15,852	4,764	16,838
insurance policies	19	-	-	-
TOTAL	7,327	91,382	11,831	162,192

4.2.13 Information about underlying instruments

The Bank makes derivative transactions. The transactions are effected in commercial purposes and to manage the FX risk and interest rate risk. Transactions in derivatives are also offered to customers.

FX forward - consists in a purchase / 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.

FX Futures - consists in a purchase / sale of foreign currencies at the exchange rate agreed at the moment of concluding the transaction at the Warsaw Commodity Exchange (Warszawska Gielda Towarowa S.A.). The contracts are standardized in terms of amounts and maturity. They are measured at a market rate provided by the Warsaw Commodity Exchange. Simultaneously, cash flows resulting from the futures measurement (marking to market) are made on a daily basis. The purpose of the contract is to hedge against FX rate risk.

IRS contracts - consists 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. It 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.

Securities forward - consists in a sale / purchase of securities at a predetermined date in the future at the price agreed on the transaction date. It is measured by discounted cash flow model based on the market yield curve. The instrument is held for trading.

Description of derivative instruments as at December 31, 2003 (in PLN thousand)					
Instrument	FX Forward	FX Swap	FX Futures	IRS	Securities forward
number of transactions that have not matured yet	557	26	29	2	1
Future revenue/payments	variable	variable	variable	variable	variable
Maturity	2004.01.02 - 2004.12.31	2004.01.02 - 2004.04.21	2004.01.21 - 2004.03.19	2003.11.18 - 2008.11.21	2003.12.31 - 2004.01.02
possibility of exchange into another asset / liability item	no	no	no	no	no
Agreed rates/amounts of revenue and payment dates	variable	variable	variable	variable	variable
other conditions	none	none	none	none	none
risk type	FX rate, liquidity, counter party	FX rate, liquidity, counter party	FX rate, WCE liquidity	interest rate, liquidity, counter party	interest rate, liquidity, counter party

As at December 31, 2003, the derivative instruments that had not yet matured were the following:

Instrument type	Nominal value									
	December 31, 2003 in PLN thousand							December 31, 2002 in PLN thousand		
	Maturity						Total	Banks	Other	Total
	up to 3 months		3 months - 1 year		1 year - 5 years					
Banks	Other	Banks	Other	Banks	Others	Total	Banks	Other	Total	
FX rate	1,050,072	285,399	747,885	197,169		11,742	2,292,267	373,397	625,105	998,502
- FX forward	1,139	216,651		190,152		11,742	419,684		625,105	625,105
- FX swap	1,048,933		747,885				1,796,818	373,397		373,397
- FX futures		68,748		7,017			75,765			
Interest rate					150,000		150,000			
IRS contracts					150,000		150,000			
Total	1,050,072	285,399	747,885	197,169	150,000	11,742	2,442,267	373,397	625,105	998,502

Derivative transactions are made by the Bank at market prices binding on transaction dates. The Table below presents valuation of instruments that did not mature as at December 31, 2003:

Instrument type	Positive market value				Negative market value			
	December 31, 2003 (in PLN thousand)		December 31, 2002 (in PLN thousand)		December 31, 2003 (in PLN thousand)		December 31, 2002 (in PLN thousand)	
	Banks	Other	Banks	Other	Banks	Other	Banks	Other
FX rate	24,431	5,217	4,691	13,828	23,359	6,617	3,389	11,399
- FX forward	1	5,217		13,828	3	6,455		11,399
- FX swap	24,430		4,691		23,356		3,389	
- FX futures						162		
Interest rate	493							

- IRS contracts	493							
Total	24,924	5,217	4,691	13,828	23,359	6,617	3,389	11,399

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 5/2001 of the Banking Supervision Commission dated December 12, 2001 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. 22, item 43 as amended). The balance sheet equivalent is understood as a nominal value of derivative instruments weighted by the product risk and counter party risk/ The Bank does not have comparable data as at December 31, 2002.

Instrument type	Balance sheet equivalent	
	December 31, 2003	
	Banks	Others
- FX forward	4,863	3,800
- FX swap	-	-
- FX futures	-	-
- IRS contracts	3,000	-
Total	7,863	3,800

4.2.14 Risk management objectives and rules

The Bank's strategy as regards risk has the following objectives:

- o protection of funds and liabilities of other type, such as deposits, share capital, securities, entrusted to the Bank by clients and shareholders;
- o prevention against losses and using the opportunities to earn profit in the controlled environment, i.e. within determined processes, rules, parameters that are subject to periodical review and changes implemented by the Bank's Board of Executives;
- o development of operational activity in compliance with assumptions adopted by the Board of Executives and Supervisory Board;

Effective risk management regarding the entire bank has become a formal necessity due to changeable economic and social parameters, which are e.g. characterized by frequently changing interest rates and FX rates and also more and more complex law provisions environment.

Main rules

Any new products and services that involve liquidity, interest rate, credit and/or operational risks, are subject to the following verification process before the launch of the concerned product or service:

- o Step 1: identification of potential risks involved.
- o Step 2: check whether the Bank is able to assess and monitor identified potential risks in an efficient way from start to maturity.
- o Step 3: check if identified potential risks can be hedged at market prices, under which conditions and to what extent.
- o Step 4: check if envisaged sales prices cover hedging costs (risk premium).
- o Step 5: check if existing systems and procedures allow to process transactions in a professional way.

If a new product or service does not meet the Bank's criteria of sound risk management nevertheless good reasons exist for launching the product or service, the Board of Executives will decide whether or not or under which conditions the new product or service can be offered.

The same rule also applies to fundamental changes to existing products and services if such changes affect market, liquidity, credit or operational risks.

Liquidity risk

Limits

The Bank monitors liquidity risk through a multidimensional system of limits and reports.

In liquidity management the Bank relies on the liquidity gap analysis. Results of such analysis are used for information purposes and are directly translated into management decisions through the system of liquidity limits relating to the size of liquidity gap.

The Bank applies the following limits for the maximum cumulative liquidity gap:

- o Long-term liquidity limit – All Currencies
- o Short-term liquidity limit – All Currencies
- o Long-term liquidity limit – PLN
- o Short-term liquidity limit – PLN
- o Long-term liquidity limit – USD
- o Short-term liquidity limit – USD
- o Long-term liquidity limit – EUR
- o Short-term liquidity limit – EUR

Limits are constructed in such a way as to make sure that in none of the one-day ranges the cumulative liquidity gap does not exceed the level determined by the limit. Limits are subject to verification and review at least on an annual basis.

The Bank uses limits other than gap limits in liquidity management:

- o Current liquidity limit – Unstable Liabilities
- o Current liquidity limit – Largest Depositors
- o Current liquidity limit – Largest deposit concentration by economic sector
- o Current liquidity limit – Minimum Level
- o Current liquidity limit – Potential Commitments

These are the limits valid as at the balance sheet date. They may be changed or new limits may be added at any time by the ALCO Committee.

The ALCO Committee reviews limits and reporting techniques at least once a year.

Liquidity Risk Management Objectives

- o to keep PLN deposits priced at table rates at a minimum level of approximately 40% of total PLN customer deposits.
- o to keep PLN deposits with a contractual maturity exceeding 3 months at a minimum level of approximately 30% of total PLN customer deposits.
- o To ensure a long-term, stable source of funding for foreign currency credit production.

Market risk

The Bank monitors market risk, i.e. FX risk and interest rate risk through a multidimensional system of limits and reports.

Interest rate risk

The Bank uses limits for the maximum value at risk and the maximum position for the purpose of interest rate risk management.

Foreign Exchange Risk

The Bank uses limits for the maximum value at risk and the maximum position for the purpose of FX risk management.

The ALCO Committee reviews limits and reporting techniques at least once a year. The following instruments are applied for hedging purposes:

- Securities, Treasury bonds and bills issued by the State Treasury and the NBP,

- Interbank money market transactions,
- Interbank foreign exchange swap transactions.

The ALCO Committee may decide at any time to amend this list or to add new hedging instruments.

The hedging strategy of the Bank is reviewed and decided by the ALCO Committee taking into consideration existing limits, revenue opportunities, current market situation and most probable market development, each time the Committee meets.

Operational Risk

For the needs of the operational risk management, Fortis Bank Polska SA has adopted a risk definition proposed by the Basel Committee on 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 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 division, constituting an integral part of the Risk Management Department, responsible for on-going operational risk analysis, development and improvement of adequate risk control techniques in the Bank.

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 reducing operational risk by improving internal processes and to limiting operational risk related to launching new products and services.

Fortis Bank Polska SA has also adopted a special Business Continuity Plan, covering all the Bank’s key business functions.

The Role of ALCO Committee in Banking Risk Management

ALCO Committee sets limits for:

- general market risk position (interest rate, currency, price fluctuations risk),
- interest rate risk for specific portfolios maintained in accounting records.

ALCO Committee establishes risk management strategies for short, medium and long-term time horizons subject to the approval of the Board of Executives and the Supervisory Board.

ALCO Committee makes periodic adjustments to the implementation of respective market risk management strategies for short, medium and long-term time horizons.

Risk Management Department

The Risk Department supports the Board of Executives in all issues pertaining to banking activity risk, except for credit risk. The risk management includes:

- ALM – Asset and Liability Management (business line responsible for the management of the Bank’s assets and liabilities)
- market risk,
- risk modeling,
- transfer pricing,
- operational risk.

The Risk Management Department Director directly reports to the Vice-President, Chief Financial Officer, and is a member of the ALCO Committee.

The Risk Management Department is responsible for:

- interest rate re-pricing dates mismatch monitoring and reporting it to ALCO,
- presenting risk hedging strategies to ALCO,
- monitoring the utilization of risk limits and reporting it to ALCO.

Credit Risk

The risk is analyzed using a standard assessment methodology applied in the Bank. When assessing credit risk, both a given credit product risk and the total Bank's credit exposure risk towards an entity, including all loans granted and other risk-bearing financial products, are analyzed.

The Bank has in place a multi-level credit application analysis and credit decision-making system. The analysis and decision-making level depends on the total Bank's exposure towards an economic entity or a group of affiliated entities. The system adopted by the Bank aims to ensure maximum objectivity in the application assessment process and minimum risk related to the Bank's credit exposure.

The Bank's credit decisions pertain both to the loan applied for by a given entity (loan amount and terms), and to the total Bank's exposure towards this entity.

As regards entities that qualify to, or have been classified into a higher-risk category using a classification system adopted by the Bank, additional procedures are applied along with the generally binding ones, to mitigate the Bank's risk.

In the Bank's credit process, client acquisition and credit product sales functions are organizationally separated from credit risk assessment. Client acquisition and credit product sales are the main tasks of CB and RB Business Lines, while risk assessment is the responsibility of the Credits.

There are two business lines in the Bank: Commercial Banking BL- responsible for the service of medium enterprises and corporate entities; and Retail Banking BL that offers services to Individuals and Small Enterprises.

To balance both functions, the "four eyes principle" has been adopted for credit decision making. The rule means that with regard to each case, the decision is made by a representative of the Credits and a representative of either CB or RB Business Line.

Monitoring is conducted based on internal Bank's procedures, taking into account the provisions of the Finance Minister Ordinance dated December 10, 2001 regarding the creation of provisions for risk related to banking activities, and the rating rules binding in the Fortis group. At present, these procedures are updated in connection with the implementation, effective January 1, 2004, of an Ordinance of the Minister of Finance dated December 10, 2003 that amended the previous provisions.

Risk is mitigated and secured by applying the following rules:

- entities are granted financing in the amount corresponding to the assessment of their creditworthiness and risk level,
- legal collateral for the loan repayment is established,
- the collateral value is realistically assessed,
- the Bank's Credit Committee determines an individual strategy as regards debtors of large credit exposure with heightened risk,
- specific provisions are created and planned for the existing and forecast higher-risk credit exposures.

4.2.15 Information regarding hedge accounting applied broken down by fair value hedging, cash flow hedging and hedging investments in a foreign entity

- 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) To hedge interest rate risk of purchased interest-bearing bonds of Credit Suisse First Boston, Singapore branch an IRS contract was concluded in the nominal value of PLN 150,000 thousand; the fair value of this instrument as at December 31, 2003 amounted to PLN 493 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.
- 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 part thereof entered into accounting books may affect the financial result.

d) Previously the Bank has not applied hedge accounting.

4.2.16 The Bank at present does not intend to enter into any transactions that will be hedged.

4.2.17 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).

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

In 2003, the Bank did not conclude any contracts for either subscription options or ordinary share sales.

6. Detailed information on assets that constitute collateral for own commitments and commitments of a third party, and also on the value of commitments collateralized by these assets.

As at December 31, 2003, the following assets of Fortis Bank Polska SA constituted collateral for commitments:

- Treasury bills of the nominal value of PLN 194,000 thousand blocked against a technical loan facility extended to the Bank by the NBP. The technical loan is contracted in the amount of 80% of the bills blocked;
- Treasury bills of the nominal value of PLN 12,000 thousand that collateralize the Guaranteed Means Protection Fund under the Bank Guarantee Fund. As at December 31, 2003, the value of funds covered by the guarantee system accumulated in the Bank amounted to PLN 2,712,064 thousand;
- Bonds related to the reduction of the mandatory reserve rates, in the value of PLN 24,979 thousand, converted by the National Bank of Poland in February 2002 (marketable bonds).

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

In 2003, the Bank entered into three repo agreements (buy-sell-back transactions) with customers of the Bank regarding T-bills in the total nominal value of PLN 32,300 thousand, four buy-sell-back transactions with banks regarding cash bills in the total nominal value of PLN 400,000 thousand. As at the end of 2003, the above transactions did not appear in the Bank's balance sheet statement.

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 (in PLN thousand)								
entity/product	December 31, 2003				December 31, 2002			
	financial entities	non-financial entities	State budget sector	Total	financial entities	non-financial entities	State budget sector	Total
credit lines in loan accounts	37,764	316,871	-	354,635	10,998	163,995	-	174,993
overdraft facilities in current accounts	1,500	399,344	1,715	402,559	2,148	286,906	2,092	291,146
open VISA limits	83	55,087	67	55,237	232	57,462	85	57,779
import Letters of Credit	12,911	46,929	-	59,840	-	44,057	-	44,057
Framework Financing Agreements	-	153,615	-	153,615	-	134,516	-	134,516
interbank deposits with the future value date	-	-	-	-	67,000	-	-	67,000
Total	52,258	971,846	1,782	1,025,886	80,378	686,936	2,177	769,491

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

entity / maturity	December 31, 2003 in PLN thousand		December 31, 2002 in PLN thousand	
	up to 1 year	1 year or longer	up to 1 year	1 year or longer
financial entities	-	37,764	-	10,998
non-financial entities	280,304	36,567	146,136	17,859
Total	280,304	74,331	146,136	28,857

9. Data about off-balance sheet items, in particular about contingent liabilities, including a breakdown of guarantees and sureties issued (together with bill-of-exchange and other guarantee-like liabilities), with a separate list of guarantees or sureties issued in favor of affiliated entities.

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

Off-balance sheet guarantee commitments (in PLN thousand)								
Entity / product	December 31, 2003				December 31, 2002			
	financial entities	non-financial entities	State budget sector	Total	financial entities	non-financial entities	State budget sector	Total
- guarantees issued	2,105	126,519	40	128,664	998	103,717	35	104,750
- Framework Guarantee Agreements	-	23,717	-	23,717	-	8,933	-	8,933
- confirmed export Letters of Credit /accepted drafts	12,448	-	-	12,448	7,931	-	-	7,931
Total	14,553	150,236	40	164,829	8,929	112,650	35	121,614

The Table below shows off-balance -sheet liabilities granted, broken by subsidiaries, affiliated entities and other entities:

Specification	December 31, 2003 in PLN thousand		December 31, 2002 in PLN thousand	
	related to financing	guarantees	related to financing	guarantees
Parent entity	-	1,714	-	603
Subsidiaries	-	-	75	-
Affiliated entities	50,683	323	11,010	323
Other entities	975,203	162,791	758,406	120,688
Total	1,025,886	164,828	769,491	121,614

As at the end of December 31, 2003, the Bank held the following off-balance sheet items related to affiliated entities:

- Parent entities:
 - Three guarantees issued to Fortis Bank Brussels for the total amount of PLN 1 714 thousand for the period from one (1) month to three (3) years;
 - Guarantees and suretyships received from Fortis Bank Brussels for the total amount of PLN 133,173 thousand;
 - An IRS contract in the amount of PLN 150,000 thousand, concluded to hedge a financial instrument.
- Affiliated entities:
 - Fortis Lease Polska Sp. z o.o.:

- a limit in VISA card in the amount of PLN 12 thousand granted to Fortis Lease Polska sp. z o.o., the off-balance sheet debt on that account amounts to PLN 8 thousand;
- unused credit line in the amount of PLN 37,764 thousand granted to Fortis Lease Polska Sp. z o.o. for up to five (5) years;
- Fortis Lease Polska Sp. z o. o. held also a documentary L/Cs opened for the total amount of PLN 12,911 thousand.
- Fortis group banks:
 - A guarantee issued to an affiliated entity in the amount of PLN 323 thousand;
 - Guarantees and suretyships from affiliated entities in the total amount of PLN 11,116 thousand;
 - A credit line granted by an affiliated entity in the amount of PLN 7,753 thousand for the period of between three (3) and five (5) years.

By analogy, at the end of 2002, the Bank held the following off-balance sheet items related to affiliated entities:

- Parent entities:
 - Two guarantees issued to Fortis Bank SA in Brussels for the total amount of PLN 603 thousand for the period from one month to three years;
 - Guarantees and suretyships received from Fortis Bank Brussels for the total amount of PLN 75,927 thousand;
- A subsidiary:
 - A VISA card limit in the amount of PLN 75 thousand granted to Fortis Securities Polska SA;
- Affiliated entities:
 - Fortis Lease Polska Sp. z o.o.:
 - a limit in VISA card in the amount of PLN 12 thousand granted to Fortis Lease Polska sp. z o.o.;
 - unused credit line in the amount of PLN 10,998 thousand granted to Fortis Lease Polska Sp. z o.o. for up to five (5) years;
 - Fortis group banks:
 - A guarantee issued to an affiliated entity in the amount of PLN 323 thousand;
 - Guarantees and suretyships from affiliated entities in the total amount of PLN 16,713 thousand;
 - Credit lines granted by an affiliated entity in the amount of PLN 10,219 thousand for the period of between three (3) and five (5) years.

10. Information about a proposed dividend payment.

The Board of Executive will recommend the Shareholders' Meeting to allocate the 2003 net profit in the amount of PLN 36,021,431.24 to the general risk fund.

Fortis Bank Polska SA has not issued any preference shares.

11. Information about liabilities related to approved dividend payment.

As at the date of filing this annual report, 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, 2003, 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 2003, 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 2003, the Bank incurred costs of fixed assets under construction, fixed assets for own needs in the amount of PLN 12.5 million.

15. Investment made and investments planned for the next 12 months from the balance-sheet date, including non-financial fixed assets.

In 2004, the Bank plans to make investment outlays in the amount of PLN 14.5 million.

The Table below presents investment costs incurred as at December 31, 2003 and as at December 31, 2002:

	December 31, 2003 PLN thousand	December 31, 2002 PLN thousand
Investments in progress	4,589	8,878
Advances on investment	-	114
Fixed assets	4,447	4,479
Equipment	1,497	2,767
Means of transport	2,320	1,438
Other	630	274
Intangible fixed assets	3,208	2,195
Computer software purchased	3,208	2,195
TOTAL	12,244	15,666

16.**16.1. Information about the issuer's transactions with affiliated entities, also those capital or organizationally affiliated under the Banking Law Act, related to the transfer of rights and obligations, including the principles of the Bank's credit policy towards affiliated entities and a percentage share assigned to transactions with such entities.**

- Loan Agreement concluded on September 24, 1998 with Fortis Bank S.A. and Fortis Bank Nederland NV (former Generale Bank). On November 12, 1999, an Annex to the Agreement was signed. Under the Agreement, the Bank was granted a credit line of up to DEM 200 million (at present about EUR 102 million) for seven (7) years. It was replaced by a loan agreement concluded on January 30, 2004 described in Item 28 of Additional notes.
- Loan Agreement dated September 24, 2001 with Fortis Bank (Nederland). Under the Agreement, the Bank was granted a credit line of EUR 50 million for four (4) years.
- Fortis Bank Polska SA concludes transactions on the interbank market with Fortis Bank in Brussels. As at December 31, 2003, Fortis Bank Polska SA had no interbank placements or deposits, either placed with or deposited by Fortis Bank Brussels, or overnight deposits. Fortis Bank Brussels also has nostro and vostro accounts. The interest rate on these accounts corresponds to market rates.
- Fortis Securities Polska SA sub-leases from Fortis Bank Polska SA office premises and parking space. The sub-lease agreement was concluded on February 15, 2001, for five (5) years and is renewable.
- Cooperation Agreement dated January 7, 2000 together with subsequent annexes, entered into by the Bank and Fortis Securities 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.
- Revolving Credit Agreement dated November 17, 2000 with Fortis Lease Polska Sp. z o.o. together with the subsequent annex Under the Agreement, a revolving multi-currency credit facility was granted in the amount of PLN 55 million to be repaid by November 17, 2005, bearing the market interest rate. As at the end of 2003, the credit outstanding balance amounted to PLN 48,427 thousand. Fortis Lease Polska Sp. z o.o. had at the end of 2003 an unused credit limit granted in the amount of PLN 51 million.
- Overdraft Credit Facility Agreement dated April 5, 2002 with Fortis Lease Polska Sp. z o.o. Under the Agreement, Fortis Lease was granted an overdraft facility in the amount of PLN 0.5 million under the market conditions, to be repaid by April 7, 2004.

16.2. Data concerning affiliated companies on:

a) receivables and liabilities:

	December 31, 2003 in PLN thousand		December 31, 2002 in PLN thousand	
	Parent company	Subsidiary	Parent company	Subsidiary
Receivables				
Current receivables	23,306		48,100	
Term deposits			50,000	
Loans				352
Interest	1		15	1
Other assets				1
Total receivables	23,307	-	98,115	354
Liabilities				
Current accounts	2,291	7,481	215	24
Interest accrued		1		
Other liabilities	57			
Total liabilities	2,348	7,482	215	24

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

	December 31, 2003 in PLN thousand		December 31, 2002 in PLN thousand	
	Parent company	Subsidiary	Parent company	Subsidiary
Income				
Interest income	7,769	3	10,053	28
Commission and fee income	749	22	544	20
Net income on measurement of IRS derivatives	493			
Other operating income	21	213		392
Total income	9,032	238	10,597	440
Expense				
Interest expense	1,707	23	81	115
Commission and fee expense	194		122	
Operating costs	70	204	21	567
Total costs	1,971	227	224	682

c) granted credit facilities, including irrevocable commitments,

On September 30, 2002, the Bank extended to Fortis Securities Polska SA an overdraft facility of PLN 1 million, to be repaid until March 31, 2004, on market conditions. As at December 31, 2003 Fortis Securities Polska had no outstanding debt related to that facility.

d) other data:

As at the end of 2003, the Bank owned 100% of shares of Fortis Securities Polska SA.

The Supervisory Board of Fortis Securities Polska SA includes two members of the Board of Executives of Fortis Bank Polska SA.

The Annual General Meeting of Shareholders of Fortis Securities Polska S.A. held on June 26, 2003 resolved to increase the Company's share capital from PLN 9,048 thousand up to PLN 53,036 thousand through the issue of "R" and "S" series shares. Both issues were acquired by the Bank. The Bank reported the increase of its shares in Fortis Securities Polska S.A. in the balance sheet item: "Shares and holdings in other entities".

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

In 2003, the Bank did not enter into any joint ventures not required to be shown 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 into costs, with a breakdown into the titles of write-offs and manner of writing off such receivables – against created provisions, against costs of financial operations, including the specification of losses related to loans and cash loans.

During 2003, 108 loans totaling PLN 23,618 thousand were written off against the created provisions.

20. Information about costs related to the creation of provisions for future liabilities towards employees, including the specification of titles:

In 2003, the Bank incurred costs related to the creation of provisions for liabilities due to its employees on account of:

- Bonus in the amount of PLN 4,406 thousand;
- Unused annual leaves in the amount of PLN 394 thousand;

21. Information about costs of financing employee pension schemes.

The Bank does not finance employee pension schemes.

22. Information about custody operations.

As at December 31, 2003, the Custody Services Group at Fortis Bank Polska SA maintained 36 securities accounts in favor of customers. The total value of customer financial instruments in the safekeeping of the Custody Services Group on that day amounted to PLN 886,815 thousand. During the first half of 2003, 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.

Fortis Bank Polska SA does not make asset securitization.

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

At the end of 2002, Fortis Bank Polska SA had 876 FTEs (full-time equivalent). In the course of 12 months, this number decreased to 869. The average employment between January and December 2003 totaled 879 FTEs.

Structure of employment in terms of education:

	December 31, 2003	December 31, 2002
High-school graduates	37%	39%
College graduates	9%	8%
University	54%	53%

25. Information about the total value of remuneration and rewards (in cash and in kind), paid or due, separately to persons managing and supervising the issuer in the issuer's organization, regardless of whether they were recognized as costs or profit sharing, and if the issuer is a controlling entity or a major investor – separate information about the amount of compensation and rewards received for performing functions in the governing bodies of subsidiaries, sister companies and affiliated entities (for each group separately).

Remuneration, including profit sharing, paid to the Board of Executives, Supervisory Board and holders of procuration of Fortis Bank Polska SA is shown below.

Remuneration	01.01.2003 - 31.12.2003 (in PLN thousand)	01.01.2002 - 31.12.2002 (in PLN thousand)
Board of Executives	3,799	6,012
Supervisory Board	329	370
Holders of procuration	2,824	2,990

Two Members of the Board of Executives of Fortis Bank Polska SA who are Members of the Supervisory Board of Fortis Securities Polska SA did not receive any remuneration on that account either in 2003 or in 2002.

26. Information about the value of unpaid advances, loans, cash loans, guarantees or any other agreements

under which the party is obligated to provide benefits in favor of the issuer, its subsidiaries, sister companies or affiliated entities, with interest rates and repayment terms of such amounts being specified, granted by the issuer in the issuer's organization and separately in organizations of the issuer's subsidiaries, sister companies and affiliated entities (separately for each group), to persons managing and supervising [the issuer], and the issuer's employees and separately to their spouses, relatives and relations by affinity up to the second degree, adoptees or adopters and any other persons who such managing and supervising persons are personally related with, with the interest rates and repayment terms of such amounts being specified.

As at December 31, 2003 Fortis Bank Polska SA extended:

to the Supervisory Board Members:

- two (2) Visa card limit of the outstanding balance of PLN 31 thousand as at December 31, 2003, which is recognized as the off-balance sheet debt.

to the Board of Executives' Members

- two (2) foreign currency loans of the total outstanding balance as at December 31, 2003 amounting to EUR 89 thousand, of maturity between three (3) and ten (10) years; the interest rate does not differ from market rates;
- one loan in PLN of the outstanding balance as at December 31, 2003 amounting to PLN 166 thousand, of maturity between five (5) and ten (10) years; the interest rate does not differ from market rates;
- two (2) overdraft facilities in ROR accounts (i.e., checking and savings accounts) for the total amount of PLN 100 thousand; as at December 31, 2003 the related balance sheet debt amounted to PLN 50 thousand and maturity was up to one year; the interest rates do not differ from market rates;
- four (4) VISA card limits - the total debt balance on that account reported in off-balance sheet items amounted as at December 31, 2003 to PLN 41 thousand.

to holders of procuration

- three (3) overdraft facilities in ROR accounts (i.e., checking and savings accounts) for the total amount of PLN 22 thousand as at December 31, 2003 and maturity up to one year; the interest rates do not differ from market rates;
- seven (7) loans, including ones denominated in foreign currency, of the total outstanding balance of PLN 466 thousand as at December 31, 2003, of maturity between two (2) and ten (10) years, at an interest rate corresponding to the applied market rates;
- five (5) Visa card limits - the total debt balance on that account reported in off-balance sheet items amounted as at December 31, 2003 to PLN 33 thousand,
- one (1) credit line in a credit account in the amount of CHF 23 thousand and maturity of between one (1) and three (3) months and at an interest rate corresponding to the applied market rates.

to persons related to managing of supervising persons:

- one (1) FC loan of the outstanding balance of EUR 6 thousand as at December 31, 2003, with maturity of between five (5) and ten (10) years, at an interest rate corresponding to the applied market rates;
- 1 limit in a ROR account (i.e., checking and savings account) for the total amount of PLN 60 thousand as at December 31, 2003 the outstanding balance amounted to PLN 57 thousand; the interest rate does not differ from market rates;
- 1 VISA card limit of up to PLN 5 thousand as at December 31, 2003.

to employees:

- 2 advance payments for business expenses of the total amount of PLN 1.5 thousand.

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

	December 31, 2003	December 31, 2002
Employee loans in PLN thousand	19,560	7,787
Number of employee loans	575	247

The interest rate of employee loans does not differ from market rates.

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

In 2003, no significant events occurred referring to previous years, presented in the financial statements for the current period.

28. Information about important events that occurred after the balance sheet date and were not shown in the financial statements / consolidated financial statements.

- Effective January 1, 2004, the Bank has implemented the following changes to the accounting rules:
 - In prepayments and accrued income, the Bank recognizes commission and fee income:
 - for granting credit facilities or change of their terms (e.g. interest rate, repayment schedule, collateral) of unspecified payment dates of particular installments. These are overdraft credit facilities and revolving credits.
 - for issuing guarantees and change of guarantee terms (e.g. extension of the guarantee validity date).

The above commissions and fees are spread over time using a straight-line method over the credit agreement duration or guarantee validity period, accordingly.
- On January 30, 2004 two loan agreements were signed with Fortis Bank S.A./N.V. with its registered office in Brussels and Fortis Bank (Nederland) N.V. with its registered office in Rotterdam:
 - Loan Agreement regarding taking a credit line by the Bank with Fortis Bank (Nederland) N.V. with a limit of EUR 200 million for the period of 101 months to finance the Bank's current operating activity. Under the credit limit, the Bank may take advances in EUR, USD, CHF, JPY in the period of 76 months of signing the agreement. Interest rate: 1, 3, 6 or 12-month IBOR rate depending on a currency and duration of an interest period of specific advances. Commission: 0.125% p.a. on the unused part of the credit limit. This Loan Agreement replaces the Loan Agreement dated September 24, 1998 as amended by annex no. 3 dated November 12, 1999 regarding taking a credit line by the Bank with a limit of DEM 200 million, i.e. EUR 102 million, which was repaid on February 5, 2004;
 - Loan Agreement regarding taking a credit line by the Bank with Fortis Bank (Nederland) N.V. with a limit of EUR 200 million for the period of 27 months which is renewable, to finance the Bank's current operating activity. Under the credit limit, the Bank may take advances in EUR, USD, CHF, JPY in the period of 2 months of signing the agreement. Interest rate: 1, 3, 6 or 12-month IBOR rate depending on a currency and duration of an interest period of specific advances. Commission: 0.125% p.a. on the unused part of the credit limit.

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

In the fiscal year in question, no important events occurred which affected the structure of the balance sheet items and financial result.

30. Information on relations between the legal predecessors and the issuer and the manner and extent of taking over assets and liabilities.

In the first half of 2003, there were no relations between the legal predecessors and the issuer.

31. Financial statements and comparative financial data/consolidated financial statements and comparative consolidated financial data, at least in relation to key balance-sheet items and the profit and loss account/consolidated balance sheet and consolidated profit and loss account, adjusted by the relevant inflation index, specifying the source of the index and method of its application, assuming that the period of the last financial statements is the base period, if the cumulated average annual inflation rate from the last three years of operation of the issuer has reached or exceeded 100%

As the inflation index in the last three years has been maintained below 20%, 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/consolidated financial statements.

In connection with changes of the accounting rules, in order to achieve data comparability in the report, the following comparable financial data have been transformed as at December 31, 2002:

ASSETS: in PLN thousand	December 31, 2002	change on account of reclassification	December 31, 2002 incl. changes
III. Due from other financial institutions	496,338	21	496,359
2. Term	254,019	21	254,040
IV. Due from customers	2,172,196	(21)	2,172,175
1. Current	418,610	55,295	473,905
2. Term	1,753,586	(55,316)	1,698,270

Adjustment amount (in PLN thousand)	of which:	Adjustment title
+/-21		Change of a customer type from a non-financial entity into a financial entity
55,295		change of the manner of presentation of non-performing current receivables, movement from item "term" to item "current"
-55,316	-21	Change of a customer type from a non-financial entity into a financial entity
	-55,295	change of the manner of presentation of non-performing current receivables, movement from item "term" to item "current"

LIABILITIES: in PLN thousand	December 31, 2002	change on account of reclassification	December 31, 2002 incl. changes
III. Due to customers	2,280,289	-	2,280,289
1. Savings:	256,670	(256,670)	-
a) current	256,670	(256,670)	-
2. others:	2,023,619	256,670	2,280,289
a) current	667,276	256,670	923,946

Adjustment amount (in PLN thousand)	Adjustment title
+/-256,670	the change refers to movement of data from item „Current savings accounts” to item "Other current liabilities" - change of data presentation

- In the semi-annual report the bonds issued by the National Bank of Poland held in the portfolio in connection with the mandatory reserve were incorrectly classified as financial assets held to maturity. As at the end of 2003 and in the comparable data as at the end of 2002 these bonds are recognized in the group of financial assets available for sale.

33. Changes in the applied accounting policies and manner of preparing financial statements/consolidated financial statements, made with respect to the previous fiscal year(s), their reasons, titles and impact of financial consequences due to such changes on the property and financial situation, liquidity, financial result and profitability.

In 2003, the Bank did not change its accounting policies.

34. Corrections of material errors, their reasons and titles, and effect of ensuing financial consequences on the property and financial situation, liquidity, financial result and profitability.

In 2003, the Bank did not make any correction of material errors.

35. Information regarding any uncertainties as to the possibility of continuing operations.

The financial statements for the period January 1 - December 31, 2003 were prepared with an assumption that the Bank's economic activities will be continued in the foreseeable future.

36. Data regarding company mergers

In 2003, the Bank did not merge with any other entity.

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

39. If the issuer does not prepare consolidated statements, the additional explanatory notes to the financial statements should include information about legal grounds for a decision not to prepare consolidated statements.

The Bank does not prepare consolidated financial statements pursuant to Art 58 of the Accounting Act, under which the consolidation may exclude a subsidiary if the financial data of this subsidiary are immaterial for a reliable and transparent presentation of the property, financial situation and financial result of the unit. As at the end of December 31, 2003, the total assets of Fortis Securities Polska SA constituted 1.3% of the Bank's total assets, FSP's total income made up 1% of the Bank's total income.

The basic financial data of FSP, the Bank's subsidiary, are presented in Note 10B in the financial part of the Annual Report.

40. If the issuer required to prepare financial statements on a consolidated basis excludes, under separate regulations, a controlled entity from its consolidated statements, or using the equity method (one-line consolidation), additional notes to the consolidated statements should provide legal grounds for excluding such an entity from the consolidated statements, with relevant data and key economic and financial indicators being given.

Fortis Bank Polska SA does not prepare financial statements on a consolidated basis.

41. Other information

41.1. Bank's authorities:

Fortis Bank Polska SA has the following authorities:

- Annual General Meeting of Shareholders,
- Supervisory Board,
- Board of Executives.

As at December 31, 2003, the Supervisory Board was composed of 7 members, and the Board of Executives of 5 members.

41.2. Additional information to the Bank assets and liabilities

The foreign currency structure of assets and liabilities as at December 31, 2003 is presented in the table below.

Currency	Assets (PLN thousand)	Assets (%)	Liabilities (PLN thousand)	Liabilities (%)
AUD	326	0.01%	239	0.01%
CAD	1,592	0.03%	235	0.01%
CHF	140,131	3.06%	4,995	0.11%
CZK	393	0.01%	327	0.01%
DKK	708	0.01%	118	0.00%
EUR	1,259,687	27.47%	1,061,796	23.15%
GBP	1,734	0.04%	1,994	0.04%
HUF	14	0.00%	0	0.00%
JPY	261	0.01%	0	0.00%
NOK	691	0.01%	218	0.00%
PLN	2,712,076	59.14%	3,092,638	67.44 %
SEK	879	0.02%	478	0.01%
USD	467,482	10.19%	422,937	9.22%
Razem	4,585,974	100.00%	4,585,974	100.00%