

Current Report 2/2008



Proposed amendments to the Statute

Pursuant to §39, item 1 points 1 and 2 of the Ordinance of the Finance Minister of October 19, 2005 regarding current and periodical information furnished by issuers of securities (Journal of Acts of 2005 No. 209, item 1744),

with reference to the current report No. 27/2007 dated December 20, 2007 the Board of Executives of Fortis Bank Polska SA announces the proposed amendments to the Statutes, which will be presented for approval of the Extraordinary General Meeting of Shareholders on February 21th, 2008:

Article 15 para. 2 item 3) The existing wording:

- 3) *supervision over the implementation of the internal control system and the assessment of its adequacy and effectiveness.*

The recommended wording:

- 3) supervision over the implementation of the management system, including the risk management system and internal controls, and the assessment of its adequacy and effectiveness,**

In Article 15 para. 2 new items 4) and 5) is added in the following wording:

- 4) supervision over the consistency of the Bank's policy with respect to risk assumption with the Bank's strategy and financial plan,
5) supervision over the compliance risk management and annual assessment of the compliance risk management effectiveness by the Bank.

Article 15 para. 3 item 3) The existing wording:

- 3) *approval of the draft annual budget and long-term programs of the Bank development,*

The recommended wording:

- 3) approval of the draft annual budget, long-term programs of the Bank development and the Bank's business strategy likewise rules of the Bank's prudent and stable management.**

In Article 15 para. 3 new items 14), 15), 16) is added in the following wording:

- 14) approval of the Bank's compliance risk policy assumptions,
15) approval of internal procedures regarding internal capital estimation, capital management and capital planning processes.

16) approval of the internal control rules.

Article 16 para. 10 *The existing wording:*

10. *The Board of Executives shall be responsible for development, implementation and operation of a system of internal controls adjusted to the size and profile of risk related to the Bank's activity.*

The recommended wording:

10. The Board of Executives designs, implements and ensures functioning of the management system, that includes in particular risk management system and internal controls, adjusted to the size and profile of risk related to the Bank's activity.

Article 16a para. 2 and 3 *The existing wording:z*

2. *The basic responsibilities (competencies) of the President of the Board of Executives include management of the work of the Board of Executives, and managing of the assigned areas of the Bank's activity: in the scope of functions responsible for internal audit, monitoring of internal regulations and external laws (Compliance) and acting as Chairman of the Risk and Asset and Liabilities Management Committee.*

3. *Board of Executives member appointed upon the consent of the Banking Supervision Commission, is responsible in principle for the managing areas of the Bank's activity in the scope of Conducting pecuniary settlements, Security policy and programs, in particular assuring business continuity of Bank statutory activity through coordination of emergency operational procedures.*

The recommended wording:

- 2. The primary scope of competence of the Board of Executives' President includes the management of the Board's work and management of the Bank's activity areas covering internal controls and human resources.**
- 3. The primary scope of competence of the Executive(s) appointed subject to the consent of the Polish Financial Supervision Authority includes the management of the Bank's activity areas regarding, respectively:**
 - 1) strategic credit risk management**
 - 2) the function monitoring the observance of the Bank's internal regulations and commonly binding law (Compliance),**
 - 3) ensuring the Bank's business continuity, including the continuity of the statutory activity performance by the coordination of back-up operational processes,**
 - 4) effecting cash settlements.**

Section X *The existing wording:*

X. Internal audit

The recommended wording:

X. Management system

Article 22 shall be renamed into 22a and new Article 22 shall read as follows:

The management system includes risk management system and internal controls.

In Article 22a, after para. 1, new para. 1a is added in the following wording:

1a. The internal controls include:

- 1) risk controls,
- 2) verification whether the Bank's business is consistent with law provisions and internal regulations,
- 3) internal audit

Article 22a para. 2, 3 and 6 The existing wording:

- 1. The Supervisory Board, Board of Executives, managerial staff and all the remaining employees of the Bank participate in the internal controls process, which covers operation of all organizational units of the Bank.*
- 2. The quality of internal controls is checked by the Audit Department, whose tasks include monitoring, examination and assessment, in an independent and objective manner, of the adequacy and effectiveness of the system of internal controls, and providing opinions concerning the management of the Bank, including the effectiveness of the management of risk related to the Bank's activity.*
- 6. The Audit Department periodically notifies the Supervisory Board on the inadequacies found together with conclusions resulting from the internal audits conducted and actions undertaken to remove these inadequacies or fulfill recommendations.*

The recommended wording:

- 2. The Supervisory Board, Board of Executives, managerial staff and all the remaining employees of the Bank participate in the internal control process, which covers operation of all organizational units of the Bank's head office, branches and subsidiaries.**
- 3. The quality of internal controls is checked by the Audit Department, whose tasks include monitoring, examination and assessment, in an independent and objective manner, of the adequacy and effectiveness of the system of internal controls, and providing opinions concerning the Bank's management system, including the effectiveness of the management of risk related to the Bank's activity.**
- 6. The Audit Department periodically, at least once a year, notifies the Supervisory Board on the inadequacies found together with conclusions resulting from the internal audit assignments conducted and actions undertaken to remove these inadequacies or fulfil recommendations.**

In Section X, after Article 22a, new Article 22b is added in the following wording:

Article 22b

1. There is a risk management system in the Bank.
2. The objective of the risk management system is to identify, measure or estimate and monitor the risk inherent in the Bank's activity. It serves to ensure that detailed objectives for the Bank's business activity are correctly determined and accomplished.
3. In the risk management system, the Bank:
 - 1) applies formalised rules to determine the level of risk assumed, and risk management rules,
 - 2) applies formalised procedures aimed at identification, measurement or estimation and monitoring of the risk existing in the Bank's business, including also the expected risk level in the future,
 - 3) applies formalised limits to mitigate the risk, and the code of conduct in case the limits are exceeded,
 - 4) applies formalised management reporting system to enable monitoring of the risk level,
 - 5) has an organisational structure which is adjusted to the level and profile of the risk assumed by the Bank.
4. The Bank supervises the risk related to the activity of subsidiaries.

The name of the *Banking Supervision Commission* used in the Statute shall be replaced by the name of the *Polish Financial Supervision Authority*, specifically in Article 15 para. 2 items 1 and 2, Article 16 para. 2 and Article 16a para 3.

Announcement of the Extraordinary General Meeting of Shareholders will be published in MSiG no. 20 dated January 30, 2008.

Signatures of the Bank's representatives:

<i>Date</i>	<i>Name</i>	<i>Position</i>	<i>Signature</i>
<i>2008-01-25</i>	<i>Alexander Paklons</i>	<i>President of the Board</i>	