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Message of the President of the Board of Executives Fortis Bank Polska SA to Shareholders

Dear Sir or Madam,

We close this difficult year as an organization with a strong capital base, supported by a financially stable group of global scope and experience.

The financial performance of Fortis Bank Polska was strongly affected by economic crisis and sudden depreciation of Polish zloty in the last quarter of 2008, which had an adverse impact on the situation of the Bank's customers with commitments arising under FX Forward contracts. Furthermore, difficult macroeconomic conditions resulted in problems with fulfilment of credit agreement obligations faced by a group of institutional customers and deterioration in repayment of consumer loans. This situation was directly a contributing factor to a rise in the proportion of non-performing loans in the total loan portfolio. As a consequence, Fortis Bank Polska closed the past year with a significantly higher level of write-offs for impairment of credit receivables.

Despite such unfavourable changes in the macroeconomic environment, the Bank managed to generate rewarding results from current activity. At the same time, we maintained liquidity and solvency ratios at the desired level. At the end of the year the Bank's capital adequacy ratio equalled over 13%, thus exceeding the minimum threshold of 8% required under the Bank Law Act. The support provided by our direct owner proved to be essential for the maintenance of safe capital position of Fortis Bank Polska.

Integration with Dominet Bank, the first simultaneous formal and operational merger on the Polish banking market, gave rise to a new model of functioning at Fortis Bank Polska. The successful completion of this project allows us to perceive Fortis Bank Polska as a universal bank, offering its products and services to every market segment. Today, the "new" Fortis Bank employs 2.5 thousand people, services 400 thousand clients through distribution network of 250 branches and 8 Business Centres.

The integration of two organizational structures, in the period of difficult market situation, draws our attention to the optimization of operations in this new bank. In order to improve the operating efficiency, we have decided to integrate the existing functions performed by the Head Office of Dominet Bank in Lublin with the operating structures of Fortis Bank Polska. Furthermore, we have undertaken additional actions aimed at increasing the Bank's work efficiency which, in the long term, should translate into positive financial result in 2010. Essential elements of the said actions include risk control in all areas of the Bank's activity, stable increase of lending portfolio and reduction of costs, also through employment optimization. All the above initiatives will be continued in 2010. I do believe that their implementation will help Fortis Bank Polska to rebuild its base for further development.

Last year witnessed some crucial changes both in business as well as in capital environment of Fortis Bank Polska. In May, through our main shareholder, we joined the European group BNP Paribas. We became a part of an institution with the largest deposit base in Europe and high ratings, an institution which precisely defines the significance of our country for the development of the group. Poland constitutes an important platform for the future growth of BNP Paribas, and Fortis Bank Polska



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plays a leading role in the strategy of building the group's universal banking offering. From now on, we will closely cooperate with other companies representing the BNP Paribas group on the Polish market, and also we will benefit from synergies arising from this cooperation. In this regard, especially important will be the cooperation between Fortis Bank Polska and BNP Paribas Branch in Poland.

Within the "one organization" model, both institutions, specializing in various business areas, will service the entire sector of enterprises in Poland.

The presence of Fortis Paribas in the BNP Paribas group is also visible in the new logo of BNP Paribas Fortis, which at the end of last year was gradually advertised, for example in the Bank's branches. The logo which we use to promote our products and services refers to the awareness of Fortis brand, yet at the same time builds awareness of the new owner's brand on the Polish market – an institution recognizable worldwide and in Europe.

I would like to thank our clients for their understanding shown with respect to the ongoing changes in our environment. I assure you that maintaining good relations with our clients remains one of the Bank's key objectives.

I would like to address my special thanks to the employees of Fortis Bank Polska. They are the authors of all successful projects and they make the organizational culture of our company. I have always greatly appreciated their competences. Therefore, I would like to single out the people who were involved in projects carried out by the Fortis Foundation. Being the best ambassadors of the Foundation's activities, they contributed to the building of Fortis Bank Polska's image as an institution sensitive to the needs of communities in which it operates.

Furthermore, I extend our thanks to the Supervisory Board for their support of the Bank's Board of Executives in their duties.

Yours sincerely,

Alexander Paklons
President of the Board of Executives
Fortis Bank Polska SA