MANAGEMENT BOARD REPORT

ON ACTIVITIES

OF DOMINET BANK SPÓŁKA AKCYJNA

FOR THE PERIOD FROM

1 JANUARY 2009 TO 31 JULY 2009

Pursuant to the decision of the District Court for the Capital City of Warsaw in Warsaw dated 31 July 2009, Dominet Bank S.A. and Fortis Bank Polska SA merged under Article 492 §1 item 1 of the Polish Commercial Companies Code by way of transfer of all the assets of Dominet Bank S.A. (acquiree) to Fortis Bank Polska SA (acquirer) in exchange for shares which Fortis Bank Polska SA delivered to the shareholder of Dominet Bank S.A. As of the day of issue of the Decision by the Court Dominet Bank S.A. was by way of law removed from the Polish court Register (KRS). This Management Board Report on Activities of Dominet Bank S.A. for the period from 1 January 2009 to 31 July 2009 is the last report on activities of the Company

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I. INTRODUCTION

1. ECONOMY IN THE FIRST HALF OF 2009

GDP – dynamic and components

The first half of 2009 brought further slowing down of the GDP dynamic. As per estimates of the Chief Statistical Office (GUS), in the first quarter of this year the GDP increased by as little as 0.8% Year on Year, and in the second quarter 2009 by 1.2% Year on Year, which is a much poorer result than the 2.9% reported in the fourth quarter of 2008 and 5.6% the year before.

In the first quarter of 2009 the poorest results were reported by industry, where gross added value decreased actually by minus 5.9% Year on Year. The increase in the gross added value was still reported in the building industry (+3.4% Year on Year) and in market services (+3.1% Year on Year). Nonetheless, it should be pointed out that both in the building industry and market services the rate of increase in the added value was much lower than the levels from 2008.

Labour market

In the first half of 2009 the condition of the labour market deteriorated drastically. As at the end of June the number of the registered unemployed persons was 1.66 million, which represents an increase of 14% compared to June of the previous year.

In the first half of the current year employment in the corporate sector decreased by minus 0.5% Year on Year (compared to the increase of 5.6% Year on Year in the same period of 2008). Further, the rate of increase in remuneration slowed down significantly. In the first six months of 2009 nominal remuneration in the corporate sector increased by 5% Year on Year, that is over two times slower than in the first half of 2008.

Exchange rate and inflation

The average inflation rate in the first six months of 2009 stood at 3.5% Year on Year. And so, this result was much lower than 4.2% Year on Year generated the year before. The main inflation factor here remained an increase in food prices and prices of services and goods associated with housing (which added 1.13 and 1.01 percentage point respectively to the inflation).

After a significant slowdown reported in the first three months of this year, in the second quarter of 2009 the Polish zloty started its appreciation. As at the end of June one euro was worth 4.4696 zlotys (compared to 4.7013 as at the end of March 2009) and one dollar was worth 3.1733 zlotys (compared to 3.5416 as at the end of March 2009). Nonetheless, as at the end of the first half of 2009 the exchange rate of the Polish currency was still much weaker than the year before (when it stood at 3.3542 to euro and 2.1194 to dollar respectively).

Foreign trade and the balance of payments

In May 2009 the one-month cumulative deficit in the current turnover account was – EUR 10.9 billion, that is it was much better than the same result from May 2008, when the index stood at minus EUR 17.5 billion. That improvement resulted mainly from the lower trade deficit (minus EUR 11.3 billion in May 2009; minus EUR 13.9 billion in May 2008) and from the lower deficit in the balance of income (minus EUR 9.27 billion in May 2009; minus EUR 12.3 billion in May 2008).

Public finance

As at the end of June 2009 the budget deficit amounted to minus PLN 16.6 billion zlotys, which represented the equivalent of 91.6% of the annual plan. So, progress in implementation of the budget was much higher than the year before, when the implementation of the annual plan reached barely 12.8%. A dramatic deterioration in the fiscal condition (according to estimates of the Ministry of Finance the loss in this year's tax income connected with lower GDP dynamic reached nearly PLN 47 billion) entailed a review of this year's fiscal assumptions. In accordance with the amendment proposed by the government, this year's budget deficit will increase to minus PLN 27.2 billion from minus 18.2 included in the budget bill for the year 2009.

Corporate financial results

In the first quarter of 2009, financial results of non-financial institutions declined compared to the same period of the previous year. Net profit of the sector amounted to PLN 9.8 billion and was 52.1% lower than the year before. Net profit margin decreased to 2.2% from 4.6% the year before. 62.3% companies reported net profit, that is fewer than in the first quarter of 2008 (66.9%).

2. BANKING SECTOR IN THE FIRST HALF OF 2009

Monetary policy of the NBP and interest rates of commercial banks

The dramatic slowdown of the Polish economy resulted in the fact that even with the inflation in excess of the upper limit of the acceptable fluctuation range (1.5-3.5%) the Monetary Policy Council continued a series of increases in interest rates. As a result of this, as at the end of June 2009 the NBP reference rate dropped to 3.50% and was 2.5 percentage point lower than at the beginning of the series of decreases.

In the first half of 2009 the dynamic of household deposits still increased. In that period this category increased by 25% Year on Year compared to 18.3% Year on Year the year before. However, the increase in corporate deposits slowed down (to 4.1% Year on Year from 7.8% Year on Year in the first half of 2008). The weaker Polish zloty improved the dynamic of loans extended to households – in the first half of 2009 the category increased by 41% Year on Year. Loans extended to companies reported much worse results. In this case, the annual rate of increase was 22.4% Year on Year and was slightly lower than the year before (25.2%).

Financial results of banks

In the first quarter of this year the banking sector reported a drastic deterioration in its results. High increase in costs (consisting in, among other things, the creation of provisions for non-performing loans) made the net profit of the sector nearly 50% lower than the year before. The slow down of economy, increase in unemployment, decrease in liquidity of the interbank market as well as violent changes in exchange rates of foreign currencies to the Polish zloty translated into a significant increase in credit risk and financial risk.

3. INTEGRATION WITH FORTIS BANK POLSKA SA

In the first half of 2009 the dominant entity also changed as a result of acquisition by BNP Paribas S.A. of 75% shares in Fortis Bank SA/NV. Dominet Bank S.A. became a part of the BNP Paribas Group, one of the largest financial institutions in the Euro Zone.

Regardless of the market situation and ownership changes, at the dominant entity level the Bank consistently performed tasks related to the integration of Fortis Bank Polska SA with Dominet Bank S.A. Both the banks considerably got closer functionally, which aimed at the building of one, strong entity taking advantage of possibilities offered by the merger of complementary financial institutions. The moving of the Bank Head Office from Piaseczno to Fortis Bank Polska SA's office in Warsaw at ul. Suwak 3 was a crucial element accelerating the integration. Thanks to intensive work of the management of both the institutions the legal and operational merger was carried out without disruptions, in accordance with the scheduled deadline, on 31 July 2009.

II. SHAREHOLDER STRUCTURE, CAPITAL, SUPERVISORY BOARD, MANAGEMENT BOARD, ARTICLES OF ASSOCIATION

1. SHAREHOLDERS OF DOMINET BANK S.A.

In the year 2008 there were no changes made to the ownership structure of Dominet Bank S.A. Dominet S.A. with its registered seat in Piaseczno was still the sole shareholder of Dominet Bank S.A... The dominant entity towards the Bank was Fortis Bank SA/NV based in Brussels, which holds directly 100% shares of Dominet S.A. giving Fortis Bank SA/NV based in Brussels the right to exercise 100% of the total number of voting rights at the General Meeting of Shareholders.

To 10 October 2008 Fortis Bank SA/NV had been a part of Fortis, an international banking and insurance group. After taking over assets of the Fortis Group by the governments of Belgium, the Netherlands and Luxembourg, as well as a result of further agreements concluded between the Government of the Kingdom of Belgium and the Fortis Group, the Government of the Kingdom of Belgium became the owner of 99.93% shares of Fortis Bank SA/NV through Société Fédérale de Participations et d'Investissement. Since October 2008 Dominet Bank S.A. has not been related to the Fortis holding by capital.

Further, in October 2008 the Belgian government entered into agreement with the financial and banking group BNP Paribas registered in France, which provided for a takeover by BNP Paribas of 75% shares of Fortis Bank SA/NV. BNP Paribas announced a takeover of control over Fortis Bank SA/NV along with its international subsidiaries (including Dominet Bank S.A.). This agreement was approved by the General Meeting of Shareholders of the Fortis Group in April 2009.

Having finalized the transactions, since 13 May 2009, BNP Paribas SA has been the owner of 74.93% shares of Fortis Bank SA/NV. The Belgian government, through SFPI (Société Fédérale de Participations et d'Investissement) kept 25% shares, and individual investors were left with 0.07%

shares.

In connection with the acquisition of the majority shares in Fortis Bank SA/NV, on 12 May 2009 BNP Paribas SA acquired indirectly 73.647 shares of Dominet Bank, which represented 100% of the share capital. On 20 May 2009 the Polish Financial Supervision Authority approved the exercising by BNP Paribas SA through Fortis Bank SA/NV of the voting right at the General Meeting of Shareholders of Dominet Bank S.A. with more than 75% shares of the Bank.

2. CAPITAL

In order to ensure harmonious and secure development of the Company in the year 2009, on 21 April 2009 the Bank Management Board entered into agreement with Fortis Bank SA/NV, under which the Bank was granted subordinated loan amounting to PLN 60 million for the period of 10 years. On 30 June 2009 the Polish Financial Supervision Authority approved the inclusion of the loan, as a subordinated debt, in the Bank's own funds (supplementary funds), in accordance with article 127 of Banking Law.

3. INFORMATION ABOUT SUPERVISORY AND MANAGEMENT BODIES

Changes in the composition of the supervisory body

As at 1 January 2009 the Supervisory Board of Dominet Bank S.A. for the seventh term of office was composed of the following persons:

1. Alexander Paklons – Supervisory Board Chairman
2. Jozef Kenis – Supervisory Board Member
3. Charles David McArthur – Supervisory Board Member
4. Piotr Kowynia – Supervisory Board Member
5. Jaromir Pelczarski – Supervisory Board Member

On 24 June 2009 the Extraordinary General Meeting of Shareholders dismissed the Supervisory Board member Mr Jaromir Pelczarski from the position of the Supervisory Board member and appointed Mr Philippe Van Hellemont member of the Supervisory Board.

As at 31 July 2009 the Supervisory Board of Dominet Bank S.A. was composed of the following persons:

1. Alexander Paklons – Supervisory Board Chairman
2. Jozef Kenis – Supervisory Board Member
3. Charles David McArthur – Supervisory Board Member
4. Piotr Kowynia – Supervisory Board Member

5. Philippe Van Hellemont – Supervisory Board Member

Changes in the composition of the management body

As at 1 January 2009 the Management Board of Dominet Bank S.A. was composed of the following persons:

1. Jacek Obłękowski – Management Board President
2. Robert Woźniak – Management Board Vice President
3. Bogdan Bruczko – Management Board Vice President
4. Piotr Urbańczyk – Management Board Vice President
5. Adam Karolak – Management Board Vice President

Due to the resignation as of 31 March 2009 from positions of Vice Presidents of the Bank Management Board of Mr Bogdan Bruczko, Mr Adam Karolak and Mr Piotr Urbańczyk, the Supervisory Board decided to appoint Mr Jan Bujak Vice President of the Management Board as from 1 April 2009 as well as to delegate temporary fulfilment of duties of the Management Board Vice President to the Supervisory Board Member Mr Jaromir Pelczarski. Pursuant to resolutions of the Supervisory Board dated 26 March 2009 and 23 April 2009 the Supervisory Board of Dominet Bank S.A., under Article 383 § 1 of the Polish Commercial Companies Code, delegated Mr Jaromir Pelczarski to temporarily fulfil duties of Dominet Bank S.A. Management Bard Vice President in the period from 1st April 2009 to 22nd April 2009, and then in the period from 24th April 2009 to 24th June 2009. Next, the Supervisory Board unanimously adopted a resolution on the subject of appointment as of 25 June 2009 Mr Jaromir Pelczarski the Bank Management Board Vice President. As at 31 July 2009 the Bank Management Board was composed of the following persons:

1. Jacek Obłękowski – Management Board President
2. Robert Woźniak – Management Board Vice President
3. Jan Bujak – Management Board Vice President
4. Jaromir Pelczarski – Management Board Vice President

4. RULES OF APPOINTMENT AND DISMISSAL OF THE MANAGEMENT

The Company's Management Board is composed from 3 to 7 persons. The number of the Management Board Members is established by the body that appoints the Management Board, i.e. the Supervisory Board. The Management Board Members are appointed for the joint term of office, which lasts five years. The Supervisory Board appoints and dismisses the Management Board President and, upon the request of the Management Board President, the Management Board Members. The Management Board Member tenders a resignation to the Supervisory Board in writing.

5. POWERS OF THE MANAGEMENT

Powers of the Company's Management Board result from the law in force, including the Polish Commercial Companies Code and the Company's Articles of Association. Detailed formal matters have been set forth in the Management Board By-Laws. The Company's Management Board has been authorized by the General Meeting of Shareholders to increase the Bank's share capital within the target capital for the period to 31 August 2009.

6. AMENDMENTS TO THE BANK'S ARTICLES OF ASSOCIATION

In the period from 1 January 2009 to 31 July 2009 there were no changes made to the Articles of Association of Dominet Bank S.A.

7. BANKING SUPERVISION

On 3 February 2009 the Bank received recommendations from the Polish Financial Supervision Authority in connection with the comprehensive audit conducted at the Bank by employees of the Office of the Polish Financial Supervision Authority in the period from 27 August to 26 September 2008. In accordance with recommendations of the Commission on 23 February 2009 the Bank submitted a detailed schedule of work on implementation of post-audit recommendations, which covers deadlines and manner of implementation of individual assignments and which indicates persons directly responsible for implementing them. The Commission was presented with reports on a quarterly basis on implementation of the recommendations.

Further, on 3 March 2009 the Bank submitted the Rehabilitation Program constituting the 2009 Financial Plan of the Bank to the Polish Financial Supervision Authority for approval. It was then updated to include elements resulting from the existing macroeconomic situation of the country as well as issues indicated by the Commission in the letter sent on 8 April 2009. The Bank sent the updated Rehabilitation Program to the Commission on 20 May 2009. Due to the preparation process for the merger of Dominet Bank with Fortis Bank Polska that was in progress, including the application of both Banks for obtaining approval for the merger filed at the Polish Financial Supervision Authority, the Polish Financial Supervision Authority decided to examine the Rehabilitation Program drawn up for the new merged bank.

III. FUNDAMENTAL DIRECTIONS OF THE BANK'S ACTIVITIES IN BUSINESS AND OPERATIONAL AREAS

1. WORK ON THE STABILITY OF AND INCREASE IN THE DEPOSIT BASE

The total balance of the deposit base increased by over 34%, from PLN 1,628 million as at the end of December 2008 to PLN 2,182 million as at the end of July 2009. From January to July 2009 the Bank continued activities aiming to maintain and increase in the balance of the deposit base, mainly based on call deposits and term deposits obtained from private individuals. As at the end of July 2009 deposits from individuals accounted for over 91% of the total balance of deposits whereas as at the end of 2008 the share was at approximately 85%.

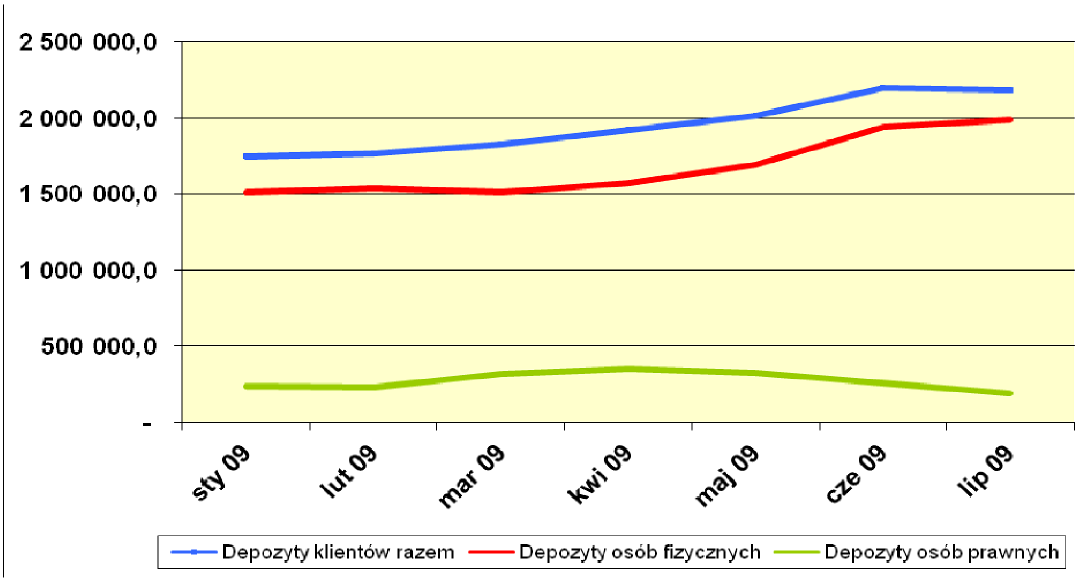
Throughout the said period the Bank adjusted its deposit offer to market conditions and customer expectations on an ongoing basis. The product offer focused on traditional bank deposits, dedicated mainly to individual customers due to a larger stability of this group of deposits. The Bank's offer comprised both term and call deposits. In order to implement the adopted policy in the area of deposits, the Bank took steps by, among other things:

- promoting savings accounts to current account holders,
- common promotion, in cooperation with Fortis Bank Polska, of ExtraZysk deposit,
- promotional sale of the four-month Szmaragdowa deposit,
- common promotion, in cooperation with Fortis Bank Polska SA, of the four-month Po Prostu deposit and indication that 6.60% interest rate p.a. does not depend on the fulfilment of any additional conditions.

The construction of the products offered was clear to customers and it guaranteed income determined in advance.

In the period from January to July 2009 last-year's trend of lower interest rate for deposits with longer maturity periods was maintained. Term deposits with contractual periods of three and four months bore the highest interest rate.

The chart below shows the deposit base in the period from January to July 2009.



Depozyty klientów razem – total customer deposits

Depozyty osób fizycznych – individual customer deposits

Depozyty osób prawnych – corporate customer deposits

Sty – Jan

Lut – Feb

Mar – Mar

Maj – May

Cze – Jun

Lip - Jul

The chart illustrates a systematic increase in the total balance of deposits and an increase in the share of funds coming from private individuals. At the end of the said period the drop in the balance of deposits from companies was compensated by the increase in the balance of deposits from private individuals and allowed the maintenance of an upward trend of the entire base.

2. LENDING PORTFOLIO

As at the end of July 2009 credit receivables reached PLN 2,528.6 million (the end of 2008 – PLN 2,255.0 million) i.e. PLN 273.6 million more compared to the end of 2008. The increase in the balance in the period from December 2008 to July 2009 was 12.1 %.

As at 31.07.2009 retail loans amounted to PLN 2,331.5 million and were higher compared to the balance as at the end of 2008 by PLN 245.1 million, i.e. by 11.8 %. In the period from December 2008 to the end of July 2009 the structure of the retail loan portfolio did not change significantly. Cash loans at reached the largest share in the structure of retail loans – 59.0%, and 54.4% in the structure of the entire balance of loans.

The exposure of cash loans increased from PLN 1,294.7 million to PLN 1,374.6 million, i.e. by 6.2 % compared to the end of the year 2008.

As at 31.07.2009 car loans amounted to PLN 740.7 million, which represents an increase of PLN 79.7 million, i.e. by 12.1% compared to the end of the year 2008 and car loans extended to private individuals increased by PLN 46.8 million and loans extended to persons conducting business activity (SME sector) increased by PLN 32.8 million. The share of car loans in the entire credit portfolio was the same as at the end of 2008 and the end of July 2009 and stood at 29.3%

Credit cards generated a high increase in the portfolio, the exposure increased by over 30%, from PLN 72.3 million to PLN 96.1 million. As at the end of July 2009 their share in the lending portfolio was 3.8%.

Loans for housing purposes are the second group of loans whose exposure increased significantly in the period from December 2008 to July 2009. As at 31.07.2009 they reached PLN 191.1 million and increased by 75% (PLN 82.4 million) compared to December 2008. Those loans represented 7.6% of the lending portfolio as at the end of July 2009.

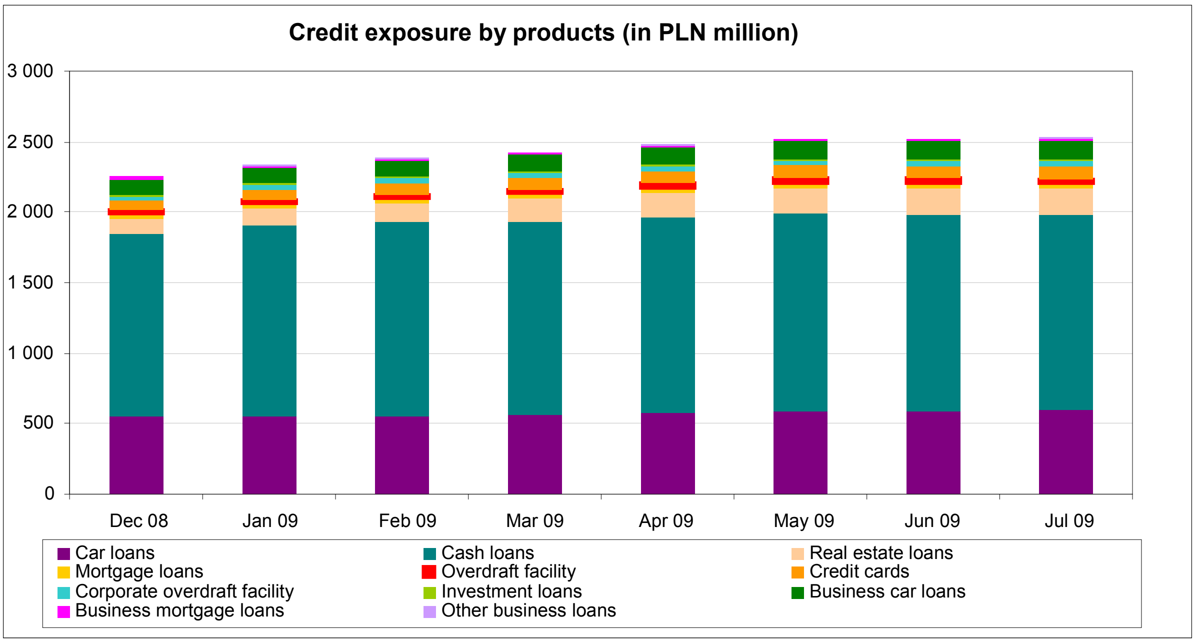
The increase in the exposure in the business loan segment compared to 2008 resulted most of all from the increase in the number of loans for purchases of cars for purposes of business activity, extended to entrepreneurs from the SME sector. The Bank also reported a drop in the value of the loan portfolio in investment loans – by PLN 1.5 million (11.9%). As a result of this, the amount of exposures to companies as at the end of July 2009 closed with the amount of PLN 197.1 million and was 16.8% higher than in the year 2008. As at the end of July 2009 the share of business loans in the portfolio increased to 7.8% against 7.5% in the year 2008.

Level and structure of the loan portfolio

PLN million

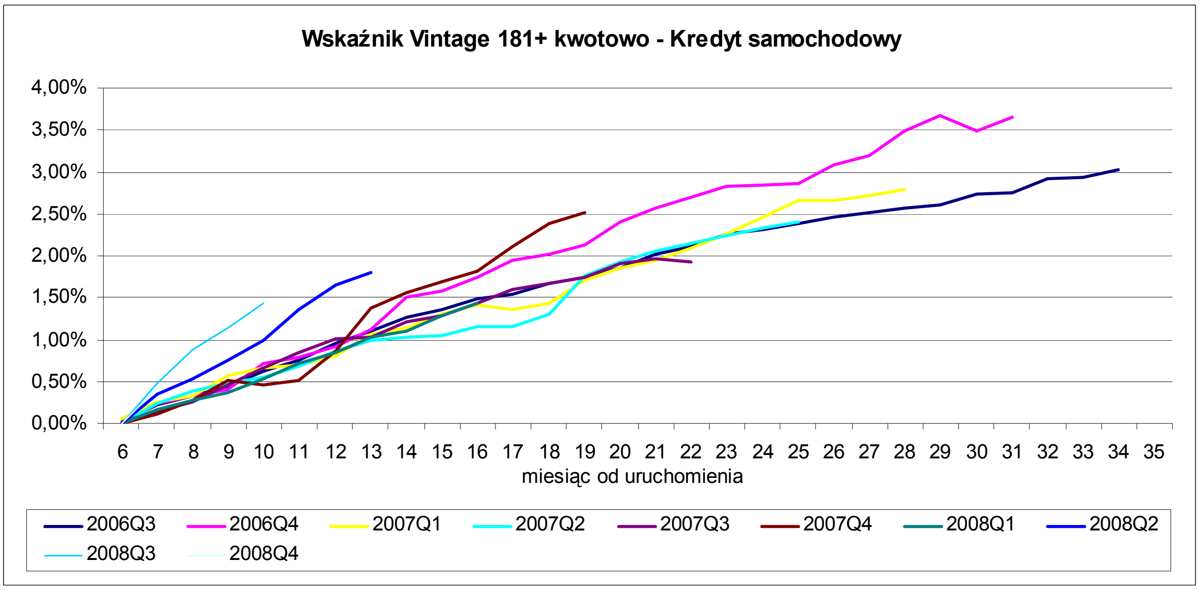
	2008 year-end		July 2009		Change July 2009 - 2008 year-end	Dynamic July 2009 - 2008 year-end
Total	**2 255,1**	**100,00%**	**2 528,6**	**100,00%**	**273,5**	**12,13%**
Retail loans	2 086,3	92,52%	2 331,5	92,21%	245,1	11,75%
Car loans	553,7	24,55%	600,5	23,75%	46,8	8,46%
Cash loans	1 294,7	57,41%	1 374,6	54,36%	79,8	6,17%
Real estate loans	108,8	4,82%	191,1	7,56%	82,3	75,70%
Mortgage loans	30,2	1,34%	37,0	1,47%	6,8	22,52%
Overdraft facility	26,6	1,18%	32,1	1,27%	5,5	20,80%
Credit cards	72,3	3,21%	96,1	3,80%	23,8	32,87%
Business loans	168,7	7,48%	197,1	7,79%	28,4	16,80%
Corporate overdraft facility	30,2	1,34%	31,0	1,22%	0,8	2,71%
Investment loans	12,8	0,57%	11,2	0,44%	-1,5	-11,90%
Car business loans	107,3	4,76%	140,2	5,54%	32,8	30,60%
Mortgage business loans	14,9	0,66%	11,9	0,47%	-3,0	-19,93%
Other business loans	3,6	0,16%	2,8	0,11%	-0,8	-22,86%

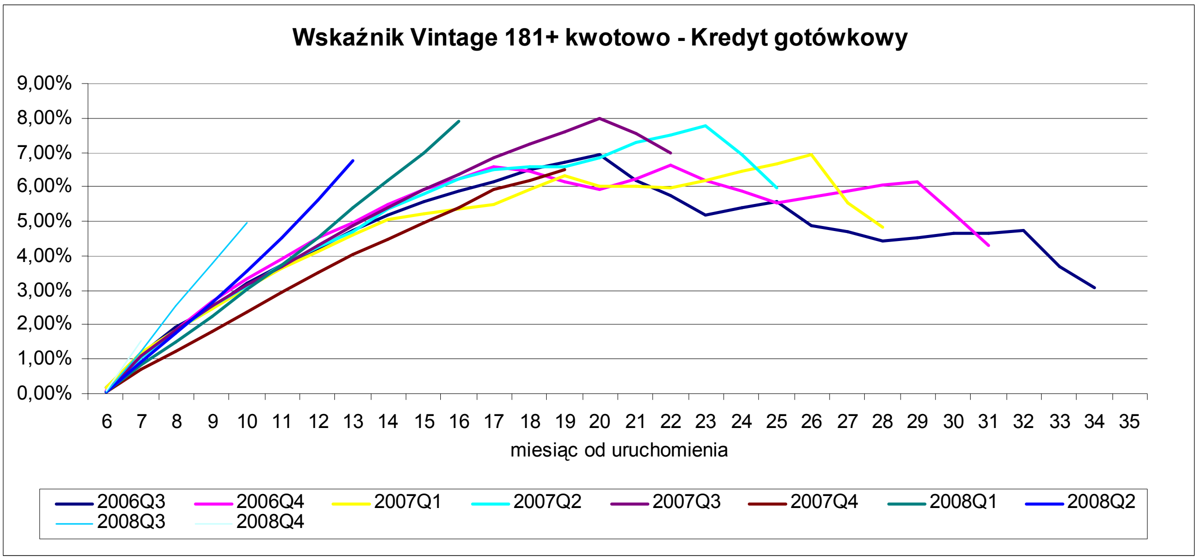
** Excluding purchased debts*



As at the end of July 2009 the Bank created PLN 105 million worth of provisions for credit receivables (non-performing loans). The high cost of provisions is a result of the deterioration in the credit portfolio quality due to the cooling of the economic situation reported since December 2008. The Bank reported an increase in the percentage of defaulting loans mainly with respect to the cash loan portfolio and credit card portfolio. The car loan portfolio turned out to be much more resistant to the impact of macroeconomic factors.

Vintage 181+, illustrating the share of loans with arrears of more than 180 days, indicate a worse quality of loans originated in the second half of 2008. This index provides information about the share of loans for which provisions are created.

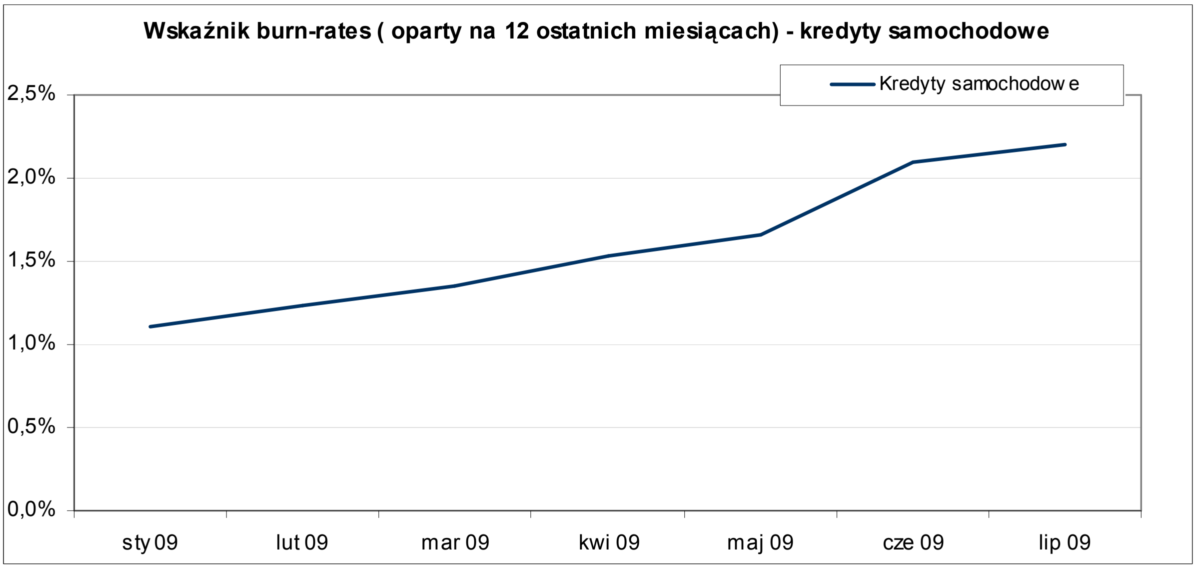


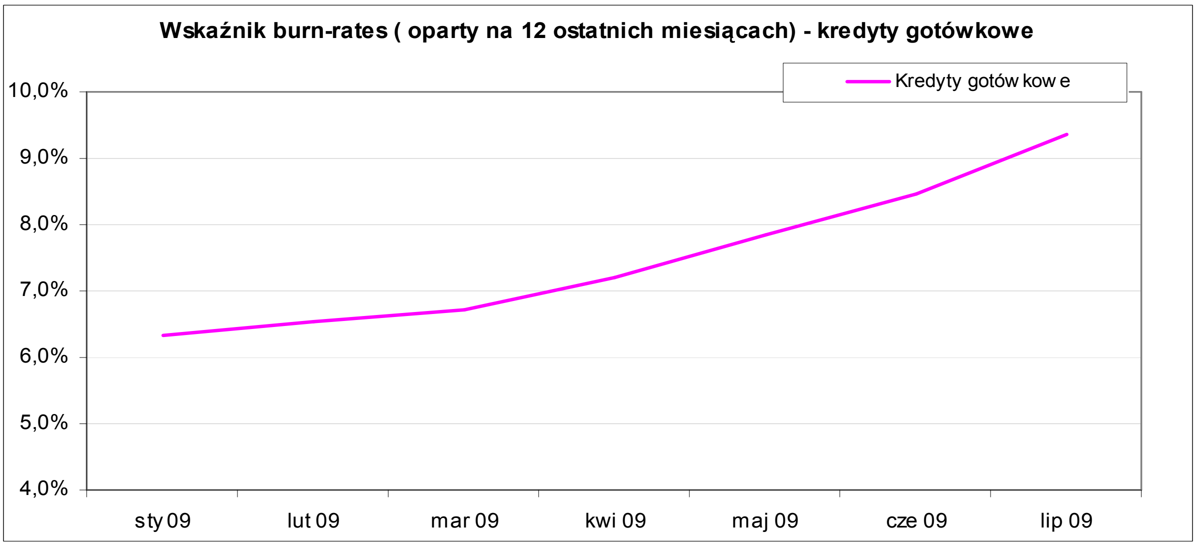


Car vintage 181+ by amounts

Cash vintage 181+ by amounts

As at the end of July 2009 the burn-rate stood at 2.21 % for car loans and 9.35% for cash loans. As at the end of 2008 the value of the said indexes reached 0.80 % and 5.78% respectively. The reported increase in a result of deterioration in the quality of the portfolio of loans originated in the second half of 2008, as well as of a dramatic drop in originations of new loans starting from February 2009. Both the phenomena applied mostly to the cash loan portfolio.





Burn-rate (based on last 12 months) car loan

Burn-rate (based on last 12 months) cash loan

3. DIRECTIONS OF DEVELOPMENT OF THE MARKET OFFER

Activeness of the Bank in the area of development of products was determined largely by preparations to the merger with Fortis Bank Polska SA. Therefore, the Bank focused on work on functional modification of products from the Bank's offer in order to adjust them better to expectations of Customers. This type of approach allowed the Bank to make the offer more attractive on the one hand

and on the other hand it interfered much less in the structure of processes and functionality of IT tools, which allowed timely conducting of preparations for the merger of the Banks.

In view of the foregoing, activities performed in the financial period with respect to development of the offer focused on the following areas:

1) LENDING PRODUCTS – CASH LOAN AND CAR LOAN

In the first quarter of 2009 the Bank modified lending products: cash loan (Kredyt familijny) and car loan (Szybki wyjazd).

KREDYT FAMILIJNY (FAMILY LOAN)

As a result of market analyses performed, including needs of Customers, in March 2009 a modified cash loan called Kredyt familijny (Family Loan) appeared in the Bank's offer. In this case the main modifications concerned the number of borrowers and insurance policies. The Bank adopted a rule for this loan that the loan is applied for by two borrowers being a married couple. Further, the Bank decided to combine the borrowers' income, as a result of which their borrowing capacity will increase, which will in turn enable the awarding of higher loan amounts. As far as insurance is concerned, the Bank introduced an obligation of holding insurance policies against risk of loss of life and employment by both the borrowers.

KREDYT SAMOCHODOWY „SZYBKI WYJAZD" („FAST DEPARTURE" CAR LOAN)

In order to diversify and complement the product offer, the Bank introduced an additional option of a flexible loan for own purposes called „Szybki Wyjazd" („Fast Departure"). This type of loan was different from the standard car loan in terms of both procedure and price.

The modifications introduced with respect to the procedure for handling the product aimed to accelerate the disbursement of funds to a business partner. The standard disbursement took place after car registration and after the creation of collaterals. In this case loan disbursement took place following the conclusion of a purchase and sale agreement and following the signing of a loan agreement although prior to registration and the creation of collaterals.

The offer covered only loans for cars at sale at selected business partners (with low loss ratio). The interest rate on the loan was higher than on the standard loan (due to higher risk). Nonetheless, the interest rate could decrease significantly compared to the standard loan following the presentation of car registration certificate within 30 days from the date of signing the agreement and the creation of collaterals.

2) DEPOSIT PRODUTS

During the economic crisis, including crisis in global financial markets, obtaining funds for financing lending activities was a key master for the Bank. Therefore, one of the priorities of development was the creation of a new deposit offer of the Bank, which would be attractive to Customers. As a result of this, in the year 2009 the following new deposit products appeared in the offer of Dominet Bank S.A.:

LOKATA „SZMARAGDOWA" („EMERALD DEPOSIT")

Lokata Szmaragdowa (Emerald Deposit), whose sale was launched by the Bank in February 2009, was a response to the needs of individual customers and to offers of competitors.

The deposit could be held by private individuals: residents and non-residents. The minimum deposit amount was PLN 500. The maturity period for the deposit was 4 months.

The interest rate on the deposit was 7% p.a.

Interest was accrued from the day of receipt of funds in the account to the day preceding the day of withdrawal of interest inclusive and capitalization took place after expiry of the declared deposit period.

The deposit is renewed automatically and terminating the deposit prior to its expiry entails total loss of interest.

LOKATA „PO PROSTU" („SIMPLY" DEPOSIT)

In May 2009 Dominet Bank launched a marketing camping for a new, four-month term deposit called „Po prostu" ("Simply").

The deposit could be held by private individuals: residents and non-residents. The minimum deposit amount was PLN 1,000 and the maturity period for the deposit was 4 months.

The interest rate on the deposit was fixed at 6% p.a.

Interest was accrued from the day of receipt of funds in the account to the day preceding the day of withdrawal of interest inclusive and capitalization took place after expiry of the declared deposit period.

The deposit is renewed automatically and terminating the deposit prior to its expiry entails total loss of interest.

3) BANCASSURANCE

In the area of development of the bancassurance offer modifications aimed mainly to standardize the offer for the merged Bank and to increase income and mitigate risk.

In the year 2009 the following actions were taken:

- In February cash loan NA TAK linked life insurance rates changed from 3.99% to 5.99%;
- In March cash loan NA TAK linked job loss / accident insurance rates changed from 7.30% to 8.30%;
- In April the Bank drew up agreements of credit insurance in the transition period and extra standard LTV insurance agreements for mortgage products with TU Europa;
- The Bank prepared payment card insurance agreements for the merged bank with TU InterRisk Vienna Insurance Group;
- In order to check the correctness of calculation of insurance after the day of merger with Fortis Bank Polska, in June the Bank drew up insurance agreements for cash loan NA TAK, flexible loan for own purposes and for credit cards for pilot purposes;
- In July the Bank drew up annexes to insurance agreements and to agent agreements related to cash loans, car loans and mortgage products for the merged bank with STU Ergo Hestia SA (property insurance), STU na Życie Ergo Hestia SA (life insurance), Compensa Towarzystwo Ubezpieczeń na Życie SA (life insurance), Towarzystwo Ubezpieczeń InterRisk SA Vienna Insurance Group (property and personal insurance), Fortis Deutschland/ Financial Insurance Company Limited (credit card linked property and personal insurance package).

4) ELECTRONIC DISTRIBUTION CHANNELS

In order to reduce operating costs, the Bank also developed new functionalities of electronic distribution channels and introduced further improvements so as to attract new customer groups (young people, people living in small towns with a small number of traditional branches) and support in the future cross-selling initiatives (e.g. sale of investment products and credit products in the Internet). DOMiNET package may be an example here.

DOMiNET package is aimed at individual customers who want accounts to have broad functionality and access via the Internet to many banking services and products on preferential conditions.

Products and services which the package includes have the following functionalities:

- settlement functionality (savings and settlement account along with a debit card),

- savings functionality by current account linked savings account,

- Internet banking,
- information functionality (SMS service).

An attractive interest rate on the savings account allows customers to deposit free funds profitably whereas convenient and comprehensive servicing of the accounts in the e-Dominet portal makes this package ideal for persons who use the Internet network and who appreciate modernity, speed, security and reliability of banking transactions conducted.

Due to the integration work that is being done, the prepared package will be launched after the legal merger date of Dominet Bank S.A. and Fortis Bank Polska SA.

5) MICRO-ENTERPRISES

In the year 2009, seeing needs of small and medium-sized enterprises, including micro-enterprises, Dominet Bank intensified the sale of the offer which also covers a package of products and services aimed at the smallest firms conducting business activity not longer than one year. We provide companies with permissible debit balance allowing neutralization of occasional problems with financial liquidity. The revolving overdraft facility provides funds for financing needs connected with conducting day-to-day activity, e.g. purchasing materials necessary for the functioning of a firm. Further, we ensure access to products and services offered by the Bank by means of the Internet platform.

Additionally, in July 2009, within implementation of the "Program for supporting entrepreneurship using guarantees and sureties of BGK" Dominet Bank S.A. entered into a cooperation agreement with Bank Gospodarstwa Krajowego. Solutions offered under this agreement take into account European Union regulations with respect to the issue of guarantees and allow more efficient mitigation of credit risk of the Bank.

6) MORTGAGE CREDIT AND LOANS

In the period from January to July 2009 Dominet Bank S.A. offered its individual customers comprehensive solutions with respect to the financing of broadly understood housing and consumer needs through the following mortgage credit and loans:

HOUSING LOAN – enabling satisfaction of own housing needs of a customer by financing purposes such as, amongst other things, purchases of real property in the primary market and secondary markets, building a house with own supervision, repairs, change of real property or reimbursement of costs incurred for the above-mentioned purposes.

REFINANCE CREDIT – used for repayment of housing loans with other banks with a possibility to refinance own funds paid by the Customer and the repaid principal.

KREDYT MULTI-HIPOTEKA (MULTI-MORTGAGE CREDIT) – used for repayment of all types of loans and other regular liabilities of customers in connection with financing housing purposes and making funds available for any purpose

MORTGAGE LOAN – used for financing any purpose not connected with business / agricultural activity.

The mortgage loan offer was accompanied by insurance products dedicated to borrowers who take advantage of the Bank's mortgage products, such as:

- Borrower insurance: insurance against loss of fixed source of income, permanent disability insurance, hospital stay insurance, lump sum funeral expenses
- Borrower's property insurance and private life civil liability insurance

In the said period, within the process of integration of Dominet Bank SA with Fortis Bank Polska SA work was done to launch the said offer in the merged Bank, as a result of which in June 2009 Fortis Bank Polska SA replaced the existing offer of mortgage credit with four new products by introducing the following:

- HOUSING CREDIT,
- REFINANCE HOUSING CREDIT,
- KREDYT MULTI HIPOTEKA (MULTI-MORTGAGE CREDIT),
- MORTGAGE LOAN.

Thus, the Bank extended the existing scope of financed purposes to include, among other things, consolidation of consumer liabilities and financing of any purposes, and the Bank's offer took on its target shape, in force after the day of legal merger of both the institutions.

4. CREDIT RISK MANAGEMENT

In the period from January to July 2009 in the credit risk management area the Bank undertook several initiatives aimed at optimization of key processes and their adaptation to the changing macroeconomic environment. Further, the Bank worked on getting ready for the merger with Fortis Bank Polska.

1) DEVELOPMENT OF CREDIT POLICIES

Since January 2009 the Bank undertook several actions in the credit policy area aimed at limitation of impact of unfavourable changes in the macroeconomic environment on the quality of the new obtained lending portfolio.

In February 2009 the Bank made significant changes to rules of extension of cash loans and credit cards aiming to tighten criteria of assessment of the borrowing capacity and intensification of verifying actions. In the same month the Bank launched a new scoring model with better efficiency with respect to qualitative assessment of customers applying for cash loans and credit cards.

Simultaneously, the Bank worked further on rules of acceptance of applications taking into account detailed analyses of behaviour of the lending portfolio taking into account the section of parameters that have impact on the quality of loan repayment rate. As a result of the work, at the beginning of May 2009 the Bank Management Bard approved the tightened lending policies for the extension of cash loans and credit card limits. Specifically, changes in the attitude to credit risk assessment covered:

1) Limitation of acceptable risk groups determined on the basis of the scoring assessment solely to low-risk customers,
2) Further tightening of criteria of assessment of the borrowing capacity, in particular a decrease of the acceptable value of the parameter that determines the maximum amount of debt for a borrower,
3) Introduction of rules, determined on the basis of historical data, promoting lowest-risk profiles.

As a result of the said actions, the structure of originations of new loans changed so that the fundamental part of the new credit volume is in the best-risk group. This results in improvement to early loss ratio indexes, which gives some optimism with respect to the quality of the new portfolio.

As for loans for car purchases, in June 2009, based on transversal analyses of the credit portfolio, the Bank introduced changes to the credit policy towards significant reduction in risk for newly obtained loans. The changes consisted in tightening of criteria of assessment of the borrowing capacity, implementation of a new scoring model, increasing a group of customers with unacceptable risk profile as well as in limitation of availability of loans for medium-risk groups.

In the second quarter of 2009, the Bank worked in cooperation with dedicated units of Fortis Bank Polska SA on credit policies for retail customers that came into force after the merger of the banks. In the course of the work additional elements were introduced to the approval policies aimed at improvement to the risk profile for loans obtained.

2) DEVELOPMENT OF MONITORING AND DEBT COLLECTION PROCESSES

Due to the deterioration of the macroeconomic situation and related escalating financial problems of part of borrowers, from January to July 2009 the Bank took additional actions aimed at strengthening of the monitoring and debt collection process and thus improvement to the quality of the lending portfolio. The following changes were made:

1) 40% more employees were delegated to the Monitoring and Debt Collection Department. This was achieved mainly by allocation of staff from other units of the Bank and partly by taking on new employees,

2) Intensification of cooperation with external debt collection companies by outsourcing of a major part of the defaulting credit portfolio,

3) The Bank ended cooperation with an external company that did not meet expectations of the Bank with respect to effectiveness of monitoring and debt collection activities performed. The portfolio of loans serviced by this company was distributed among the other companies with which the Bank cooperates,

4) The Bank started to conduct field trips at an early delinquency level, also through services of external companies,

5) Staff of the Bank's local branches were involved in the process of early monitoring by notification of new customers of the Bank of arrears in the repayment of loans (a phone call to the seventh day of delinquency) and by commissioning activities that consist in searching for contacts with customers,

6) The Bank introduced a system of notification of customers of approaching deadline for instalment repayment through SMSs,

7) The Bank launched a restructuring procedure (for customers with no arrears or for those with arrears at an early stage), aimed at facilitating loan repayment to customers.

The increase in the number of staff, broader cooperation with debt collection agencies as well as intensification of actions taken enabled a rise in the number of debt collection activities of over 30 %, comparing the first quarter of 2009 to the fourth quarter of 2008.

Due to the rise in the staff members and the transfer of a part of the portfolio to be serviced by external companies, the number of loans per one staff member in the telephone monitoring team (soft debt collection) fell dramatically, thanks to which an employee may perform activities with higher efficiency.

3) SALE OF THE NON-PERFORMING LOAN PORTFOLIO

In June 2009 the Bank finalized two subsequent transactions of the sale of the non-performing portfolio: the sale of bank loans, sale of casus from securitization of non-performing loans. In both casus the sale concerned mainly retail loans: cash loans and car loans.

4) MODELLING CREDIT LOSSES

In the period from January to July 2009 the Bank got ready for implementation of a methodology of measuring loss of the amount of loan receivables, compliant with the International Financial Reporting Standards (IFRS), which was scheduled to take place on the day of merger with Fortis Bank Polska SA. The methodology was based on PD and LGD models, prepared in 2008, in accordance with requirements of the Internal Ratings-Based Approach (AIRB) covering cash loan portfolio and car loan portfolio and on analyses of historical data in the case of the other product groups. In the said period the models went through annual validation, which proved they are stable and high-quality models.

5) DEVELOPMENT OF SCORING MODELS TO SUPPORT ASSESSMENT OF LOAN APPLICATIONS

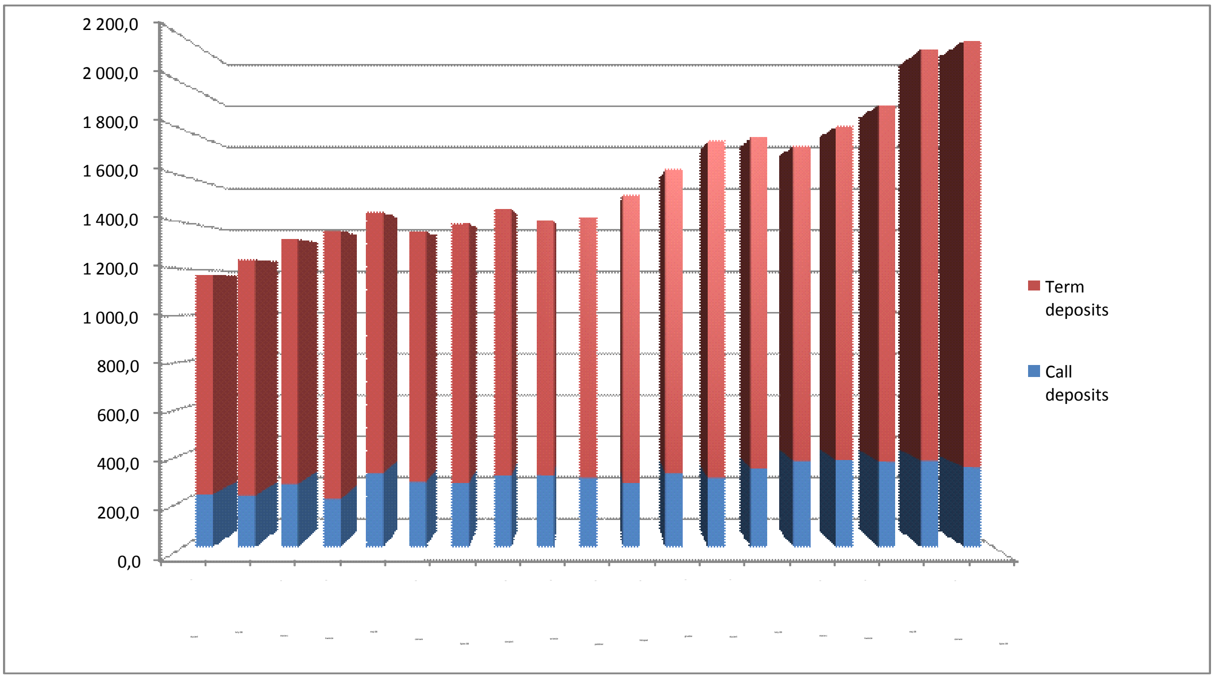
In February 2009 the Bank implemented a new scoring model for assessment of cash loan applications and credit card applications. The model was then implemented also for the assessment of car loan applications. Further, in the period from January to July 2009 the Bank worked on preparation of a new specialized scoring model to support assessment of car loan applications. The project aims to increase the discrimination power and stability of the model compared to solutions adopted so far by the Bank. This will allow a reduction in credit losses and maintain a percentage of accepted applications at an unchanged level. The implementation of the new model has been scheduled to take place in the second part of 2009.

5. ACTIVITIES RELATING TO MAINTENANCE OF THE BANK’S LIQUIDITY

In 2009, the Bank implemented the strategy of liquidity management consisting in securing Access to funding sources that enable implementation of assumptions of the development strategy and maintenance of capability to timely meet obligations.

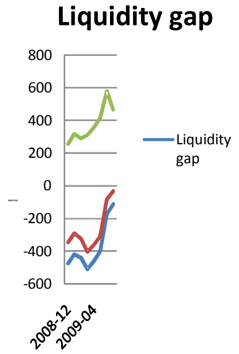
In the year 2009 the fundamental source of funding exposures of the Bank was the deposit base. The implementation of the assumptions of the market strategy by, among other things, an increase in the deposit base, specifically from individual customers had a positive impact on the liquidity gap level and on maintenance of a high level of stability of the deposit base over the period from January to July 2009. In that period the Bank reported very good results with respect to the increase in deposits from individual customers, the amount of the deposits rose by 44% (PLN 613 million) to PLN 1,993 million. Thanks to this, in the period from January to July 2009 the structure of the deposit base improved. The share of deposits from individual customers in the entire base increased by over 6.5 percentage points to 91.3% whereas the share of total term deposits increased to 84.2% of total deposits (i.e. by 3.8 percentage points).

The chart below shows the dynamic of the deposit base.



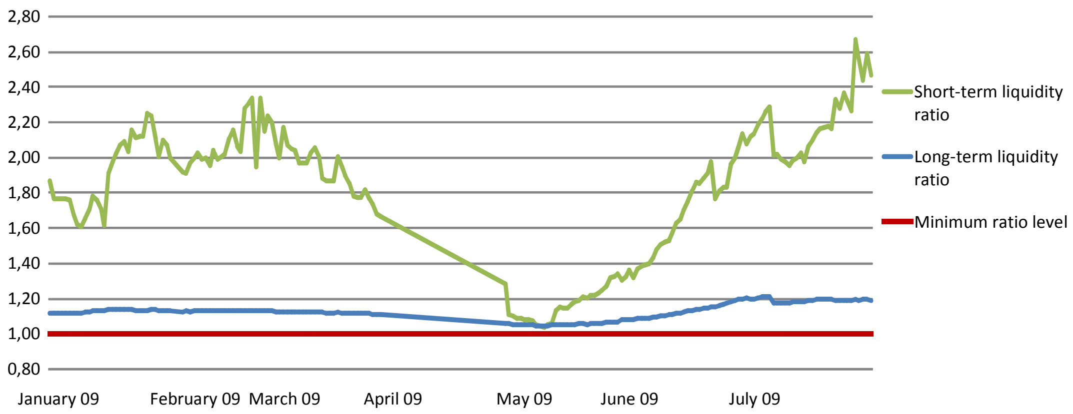
As a result of intensive market activities with respect to obtaining deposits, the Bank succeeded in decreasing the liquidity gap by PLN 362 million compared to the balance as at the end of the previous year. The real liquidity gap, having excluded the securitized lending portfolio, amounted to minus PLN 34 million as at the end of July 2009.

	2008-12	2009-01	2009-02	2009-03	2009-04	2009-05	2009-06	2009-07
Loans	2 256	2 334	2 384	2 426	2 479	2 525	2 525	2 529
Loan provisions	-153	-163	-175	-187	-206	-218	-206	-232
Net loans	**2 103**	**2 171**	**2 209**	**2 240**	**2 273**	**2 308**	**2 319**	**2 296**
Customer deposits	**1 628**	**1 751**	**1 768**	**1 728**	**1 812**	**1 905**	**2 145**	**2 183**
Liquidity gap	**-475**	**-420**	**-441**	**-511**	**-461**	**-402**	**-174**	**-113**
securitization	*128*	*127*	*114*	*106*	*99*	*92*	*91*	*79*
Liquidity gap after funding by securitization	**-346**	**-293**	**-328**	**-405**	**-362**	**-310**	**-83**	**-34**



The high increase in the deposit base from individual customers, compliant with the previous forecasts allowed the Bank to become independent from additional obtaining funds from the interbank market and to partly limit funding from credit facilities obtained from Fortis SA/NV. These very good results in obtaining deposits enabled the Bank to decrease the use of external funding sources by 145 million by early repayment of PLN 100 million worth of facility to Fortis SA/NV as well as repayment of PLN 45 million due to the expiring loan securitization program.

The Bank did not report any problems with the maintenance of supervisory liquidity norms determined in a resolution of the Polish Financial Supervision Authority. An additional capital support obtained in the first half of the current year from Fortis Bank SA/NV in the form of a subordinated loan of PLN 60 million as well as a successive increase in the stable deposit base contributed to improvement to the basic supervisory indexes, which were presented in the chart below.



6. OPERATIONAL RISK MANAGEMENT

In the period from January to July 2009 the Bank the Bank continued its activities aiming to meet qualitative criteria with respect to operational risk management.

The Bank continued the process of reporting operational events and losses by employees of the Bank, including information about both losses recorded in the Bank's ledger and about events that have non-financial consequences. The Bank also differentiates unacceptable events, that is events that generate risk and which calls for taking corrective actions. Losses recorded in excess of a certain financial threshold are reported to Opera, Fortis Bank Polska SA's system. They are also reported within COREP reporting. The Bank reported operational losses which occurred or which were identified in the first half of 2009 and which were in excess of the equivalent of EUR 1,000.

Within the process of monitoring operational risk, the Bank analyzes the level of operational risk indices (RI), from among which it differentiates key operational risk indicators (KRI).

The Bank Management Board and Supervisory Board are informed on a regular basis about the operational risk level. Additionally, the Management Board receives information about unacceptable events, RI and KRI ratios and about actions taken within operational risk management.
In order to meet obligations resulting from calculation of the operational risk capital requirement within Pillar I, the Bank calculated the operational risk capital requirement using the Basic Indicator Approach (BIA).

Pursuant to the "Internal Capital Adequacy Assessment Process at Dominet Bank S.A." within Pillar II, the Bank determined internal capital necessary to cover this risk. On the basis of results of workshops transferred to the risk map, the Bank determined the business risk capital requirement (including strategic risk and reputation risk capital requirement).

In the period from January to July 2009 the Bank continued the project of merger of Dominet Bank S.A. with Fortis Bank Polska SA. Due to the significance of the merger of Dominet Bank S.A. and Fortis Bank Polska SA, an important task was the performance of operational risk analysis in the merger process. The operational risk analysis was initiated by units in charge of operational risk management at Dominet Bank S.A. (Operational Risk Division) and at Fortis Bank Polska SA (Operational Risk Management Department). Guidelines concerning the performance of the analysis were formulated by *Risk Management Retail Banking Global (ORM RB Global)*. The tasks was performed in cooperation with Deloitte ,PMO of the Merger Project and with d with persons entitled to assess operational risk for indicated products from particular streams (assignment teams). The tasks was organized in the form of several workshops (four meetings of VK) about operational risk analysis for products that will be offered, under the Merger Plan, by the merged Bank after Day1. The self-assessment covered an assessment of the risk materiality (in terms of exposure to risk) as well as effectiveness of control mechanisms. The assessed operational risk was assigned to defined factors. Results achieved during workshops were discussed with ORM RB Global and submitted to the Integration Project Management Bureau Manager, PMO and representatives of particular streams, and then sent by ORM RB Global employee in the form of presentation and detailed appendixes to Chairman of the Supervisory Board of Fortis Bank Polska, Board of Executives of Fortis Bank Polska and to persons in charge of particular lines in the risk area.

In January 2009 the Bank implemented a new ORM regulation. Changes to the Rules of Operational Risk Management result from the adaptation to the Fortis standards as well as from the updating of provisions of the regulation to the procedures in force.
The Bank sent subsequent reports on ORM, Compliance and BCM for the two quarters of 2009 to *Risk Management Retail Banking Global* in Brussels.

7. ACTIVITIES RELATING TO TECHNOLOGICAL DEVELOPMENT AND SECURITY

In the period from 2007 to 2008, as a result of implementation of optimization projects, implementation of solutions that increase efficiency and flexibility, the Bank stabilized the configuration of the information and communications technology environment. The IT infrastructure built at Dominet Bank S.A. was modern and complementary. The advanced technical solutions applied were adequate to the number of operations conducted and they ensured their high security and reliability as well as they gave a guarantee to maintain continuity of customer service in the year 2009.

Tasks planned within development of IT technology in the year 2009 aimed mainly to maintain the adequate level of technical resources to the achievement of business objectives.

Due to the scheduled merger with z Fortis Bank Polska SA in 2009 the Bank did not plan to make significant changes to the functionalities of the systems utilised. Most planned modifications resulted from the strategy of merger of both Banks, a necessity to adapt to the existing solutions to the new already shared information and communications technology environment.

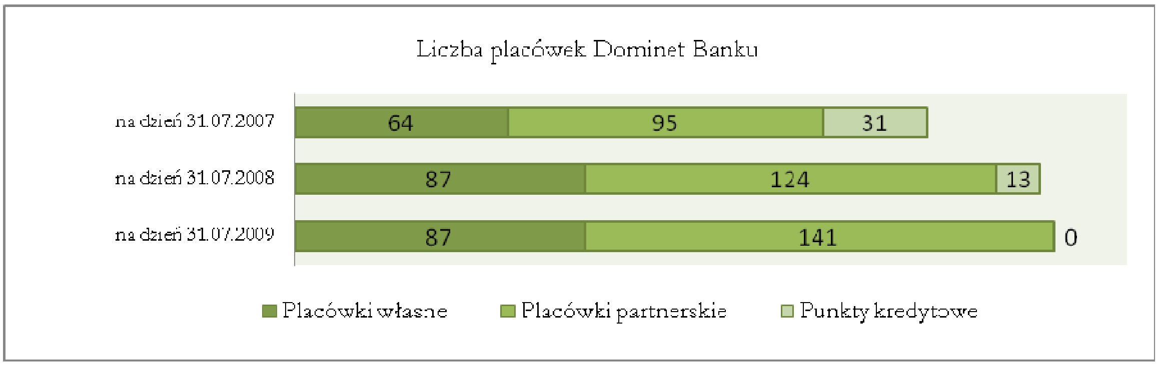
The most significant tasks in the merger process covered the following IT areas:

- Building the shared IT architecture (an analysis of the existing architectures of the Banks, development of a concept of operation of the new environment, building new solutions and modification of the existing ones),
- Migration of data (analysis of structures, functioning of products, logics of systems, etc., development of a concept of migration, preparation of tables of conversion and extracts of source data, conducting the proper migration),
- Integration of IT infrastructure (configuration of LAN/WAN network, configuration of the shared telephone infrastructure),
- Agreeing the policy and business continuity plans for the merged bank,
- Agreeing and integration of network standards, protections and management of rights,
- Integration of procurement within IT (determination of hardware standards, implementation of a common solution for conducting the procurement process),
- Shared help desk for the merged bank,
- Integration of organization of IT.

All other work on IT were subjected and assessed from the point of view of the merger with Fortis Bank Polska SA.

8. ACTIVITIES RELATING TO TERRITORIAL EXPANSION – BRANCH NETWORK DEVELOPMENT

As at 31 July 2009 the distribution network of Dominet Bank consisted of 228 local branches with full functionality.



The number of Dominet Bank branches compared to previous periods

Liczba placówek Dominet Banku – the number of Dominet Bank branches

Na dzień 31.07.2007 – as at 31.07.2007

Na dzień 31.07.2008 - as at 31.07.2008

Na dzień 31.07.2009 - as at 31.07.2009

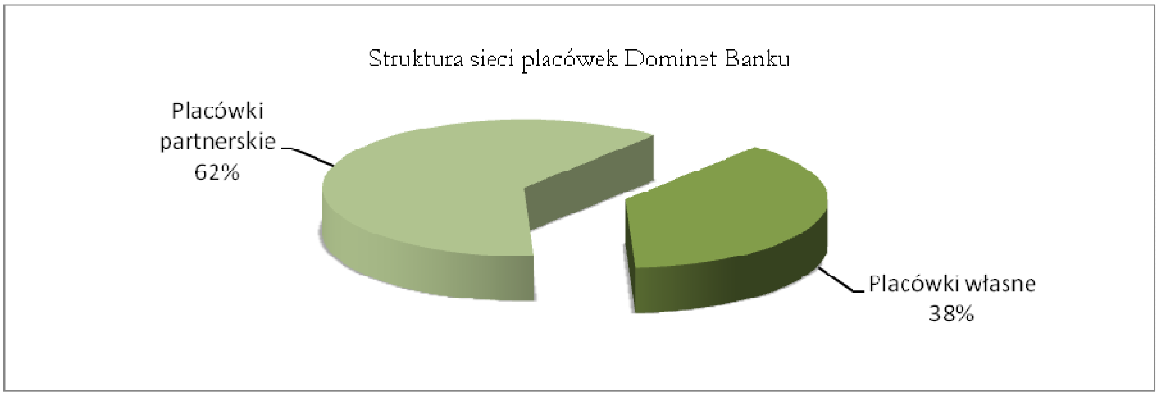
Placówki własne – own branches

Placówki partnerskie – partner branches

Punkty kredytowe – credit points

The chart above shows the number of the Bank branches in comparison with the same period in the previous years. Compared to the year 2008, as at the end of July of the current year, Dominet Bank network was larger by the total of 17 full-functionality branches. 141 out of these were branches run by partners, and 87 branches were own branches.

Thus, the network structure was as follows:



Percentage split of Dominet Bank S.A. branch network – as at 31/07/2009

Struktura sieci placówek Dominet Banku - the structure of Dominet Bank branch network

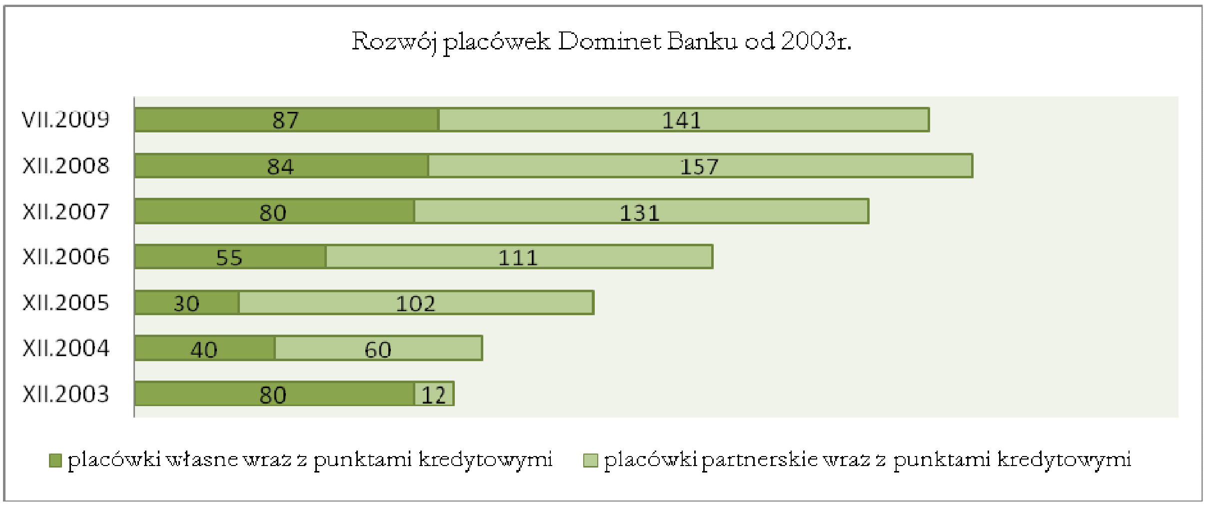
Placówki partnerskie - partner branches

Placówki własne - own branches

At the beginning of the current year the Bank network was composed of 9 credit and agent points whereas in the same period of the year 2008 the Bank had 13 points. In accordance with the strategy of the Bank's branch network, all the Bank's credit and agent points were closed down to 31 July 2009. The resignation from the credit and agent points was conducted whilst the full servicing of the market was ensured by the nearest full-functionality branches.

Under the strategy adapted to market requirements, in the period from 1 January do 31 July 2009 Dominet Bank did not develop the branch network, neither own branches nor partner branches. The branch performance was reviewed, thanks to which the process of improvement of the distribution network started. As a result of this, the Bank converted 8 partner branches to the Bank's own branches and 2 own branches were converted to partner branches. To the end of July the Bank closed down 4 local branches, i.e. in Warsaw, Knurów, Wrocław and Piaseczno. Similarly to the closing down of credit points, the continuity of customer service was provided by near branches of the Bank.

The chart below presents the development of Dominet Bank S.A. network from December 2003 to 31 July 2009.



Development of Dominet Bank S.A. branch network from December 2003 to July 2009

Rozwój placówek Dominet Banku od 2003r. – Development of Dominet Bank branche network from 2003

Placówki własne wraz z punktami kredytowymi - own branches including credit points

Placówki partnerskie wraz z punktami kredytowymi - partner branches including credit points

9. COOPERATION WITHIN THE PARTNER BRANCH MODEL

From the beginning of the year to 31 July 2009 the Bank terminated 7 partner agreements and started cooperation with one New Partner. Also in the same period 24 Partners signed Annexes to the Cooperation Agreements. The Annexes introduced rules of the new cooperation model implemented gradually to the end of 2007.

IV. FINANCIAL CONDITION OF THE BANK

The unfavourable macroeconomic situation that is still in 2009 in Poland and in the world resulted in a negative impact on conditions of conducting operational activities by the Bank, which called on the part of the Bank for taking actions on an ongoing basis aiming to review development assumptions adopted before. Due to the global crisis, the Bank also reported significant deterioration in the capacity of customers to service their credit debts, which translated to the deterioration in the Bank's financial results.

Over the seven months of 2009 the Bank reported an increase in the total assets of 14% to PLN 3,265 billion. As far as actions aimed at improvement to the market position are concerned, in that period the Bank reported an increase in the lending portfolio amount of 13% and an increase in customer deposits of 34%. Per annum, increase indexes were 22% with respect to lending activities and 58% with respect to deposits respectively.

Due to the deteriorating conditions for conducting banking operations, the dynamic of increase in assets slowed down as a result of tightening the lending policy. Despite this, the increase in the lending portfolio amounted to PLN 289 million. Simultaneously, the Bank intensified its efforts aiming to increase the degree of self-sufficiency of the Bank with respect to financing lending activities, which resulted in a significant increase in the deposit base (an increase of PLN 554 million).

Market tasks performed by the Bank allowed the maintenance of a high dynamic of net banking operations Year on Year at 23%, which amounted to PLN 168 million as at the end of July 2009 (in the same period of the previous year at PLN 137 million).

For the seven months of the year 2009 operating expenses of the Bank amounted to PLN 122 million and were 10% up compared to the same period of the previous year, mainly as a result of development projects carried out (including development projects completed in 2008) and due to intensive integration work done in 2009. It should be pointed out that as a result of a rational policy of strict cost control it was possible to achieve significant improvement to the Cost Income Ratio from 81% to 73% in the same period of the previous year.

Provisions created by the Bank for credit debts, which were 297% higher compared to the period from before a year and amounted to minus PLN 121 million were a factor that had a considerably negative effect on results of the Bank in.

Table The dynamic of income and expenses

	Execution 7M 2008	Execution 7M 2009	Δ 2009/ 2008	Δ 2009 - 2008

1	2	3	4	5
Net banking operations	136 784	167 825	22,69%	31 041
Total operating expenses	111 334	122 048	9,62%	10 714
Net provisions	-30 620	-121 466	296,69%	-90 846
C/I ratio	**81,39%**	**72,72%**	**-10,65%**	**-8,67%**

The Bank reported an increase of 25% in net interest as a result of an increase in working assets. Net commission rose by 4% as a result of a considerable drop in day-to-day production. Results of the Bank in areas that generate income should be considered to be satisfactory. Nonetheless, we should like to point out external factors limiting the dynamic of increase in the Bank's income. In the year 2009 interest expenses increased dramatically. The dynamic of those expenses Year on Year was nearly two times higher than the dynamic of interest income. This behaviour of funding expenses was a consequence of escalation of the competitive fight in the local market for deposits. The dynamic of interest income was 39%, and the dynamic of interest expenses stood at 68% respectively.

The Bank's results in the year 2009 remained under pressure of implementation of the merger project with Fortis Bank Polska SA. The merger plan resulted in a necessity to limit market initiatives of the Bank affecting the slow down in the dynamic of income and entailed a necessity to incur additional operating costs resulting from the need for restructuring of the Bank.

Eventually, the Bank closed the year 2009 with gross loss of minus PLN 79.6 million net loss of minus PLN 64.6 million.

V. SUMMARY – MERGER WITH FORTIS BANK POLSKA SA

In March 2007 Fortis Bank SA/NV with its registered seat in Brussels acquired 100% shares of Dominet S.A. – owner of Dominet Bank S.A. By acquiring Dominet Bank S.A. the Belgian shareholder undertook to merge Fortis Bank Polska SA with Dominet Bank S.A. as one of the conditions of granting approval by the Polish Financial Supervision Authority for exercising the voting right from the shares held.

In January 2008 Dominet Bank S.A. signed a cooperation agreement with Fortis Bank Polska SA, whose subject matter was an obligation of the parties to take all necessary steps leading to the merger of both the banks. Next, in November 2008 Boards of Executives of both the banks adopted the Merger Plan, under which the merger would take place by way of transfer of all assets of Dominet Bank S.A. (as an acquiree) to Fortis Bank Polska SA (as an acquirer), in exchange for newly issued shares of Fortis Bank Polska SA, delivered to the existing shareholders of Dominet Bank S.A., under Article 492 §1 of the Polish Commercial Companies Code.

At the General Meetings of Dominet Bank S.A. and Fortis Bank Polska SA on 26 June 2009 shareholders of both the Banks approved the Merger Plan. The General Meeting of Shareholders of Fortis Bank Polska SA also adopted resolutions with respect to an increase in the share capital of Fortis Bank Polska SA from PLN 503.1 million to PLN 660.4 million by way of issue of 5,243,532 Series L ordinary bearer shares with the nominal value of PLN 30.00 each for the shareholder of Dominet Bank S.A. (i.e. Dominet S.A.).

The Polish Financial Supervision Authority made a decision about approval of the merger of both the banks on 8 July 2009.

On 31 July 2009 Fortis Bank Polska SA and Dominet Bank S.A. merged legally. As a result of the merger, Fortis Bank Polska SA entered into all the rights and obligations of Dominet Bank S.A., and Dominet Bank S.A. was wound up without conducting liquidation proceedings.

As a result of the merger, Dominet S.A. received 23.82% shares entitling it to exercise 23.82% voting rights at the General Meeting of Shareholders of Fortis Bank Polska SA.

After the merger day Fortis Bank Polska SA and Dominet S.A. will remain under common control of Fortis Bank SA/NV, whose main shareholder is BNP Paribas.

Signatures of all members of the Management Board

26.08.2009	Alexander Paklons Management Board President	.... signature
26.08.2009	Jan Bujak Management Board First Vice President Chief Financial Officer	.... signature
26.08.2009 .	Jan-Luc Deguel Management Board Vice President	.... signature
26.08.2009	Jaromir Pelczarski Management Board Vice President	.... signature

26.08.2009	Philippe Van Hellemont Management Board Vice President	.... signature
26.08.2009	Jacek Obłękowski Management Board Vice President	.... signature