

LETTER FROM THE PRESIDENT

Ladies and Gentlemen,

It is with great satisfaction that I would like to inform you that the net profit brought by Fortis Bank Polska to its Shareholders last year exceeded PLN 31 million. Thus we managed almost to triple our 2001 year-end result.

The efforts of both the Bank's Board of Executives and Employees to keep operating costs reasonable while increasing the net operating income need your special attention. We have successfully implemented plenty of organizational and system solutions to support the said objectives. Along with lower operating costs, the Bank improved by several percent its basic performance indicators, such as net interest income, net commission and fee income, net FX income and the net operating income mentioned above.

In 2002, Fortis Bank Polska pursued a prudent credit policy. As a result, the net credit portfolio was not as high as we expected though still higher by several percent than at the end of 2001. Furthermore, specific provisions created for non-performing loans were lower than initially planned. Despite this, the share of non-performing loans was at a substantial 16% level at the end of the year, which had a significant impact on our net profit. The total amount of deposits placed in the bank decreased at the end of the year. At the same time, however, we noted considerable growth of assets entrusted by customers for management by Fortis Securities Polska, a subsidiary of Fortis Bank Polska.

In the following years, we will work on growing the number of customers in the high-net-worth private individuals and small and medium enterprises segments. Continued strict cost control coupled with better use of the capital we have should result in a further improvement of our financial performance.

Every year, Fortis brand is more and more popular among the Bank's potential customers. In 2002, the level increased by almost 100% in our target segment. In a research, respondents indicate exclusiveness and modernity as the main attributes of Fortis Bank, and describe it as a bank that has an individual approach to its customers and offers high service quality.

These attributes have no doubt contributed to the fact that Polish Chamber of Commerce, Polish-American Consulting Foundation for Small and Medium Enterprises and the Warsaw Banking Institute considered Fortis Bank Polska worth the name of the "Enterprise Friendly Bank" for the third time in a row.

I wish to thank the Supervisory Board for their friendly counsel and support in difficult times. My thanks are extended to the Bank's Employees for their hard work and understanding for actions taken by the Board of Executives.

Sincerely yours,
Jean-Marie De Baerdemaeker

