

## **Evaluation of work of the Supervisory Board of BRE Bank SA for 2008**

to be presented at the Ordinary General Meeting of Shareholders  
to be held on 16.03.2009

Pursuant to part III, point 1, subsection 2) of the Good Practices for WSE Listed Companies in force as of 1 January 2008, comprising corporate governance principles, the Supervisory Board hereby presents an evaluation of its work for 2008 to the Ordinary General Meeting of Shareholders.

### Composition evaluation

In 2008, the Supervisory Board of BRE Bank SA was composed of the following members:

- Maciej Leśny – Chairman, Independent Member
- Martin Blessing – Deputy Chairman (until 4 September 2008)
- Dr. Andre Carls - Deputy Chairman (from 5 September 2008 )
- Gromosław Czempiński – Independent Member (until 13 March 2008)
- Dr. Achim Kassow - Member
- Teresa Mokrysz – Independent Member
- Michael Schmid - Member
- Waldemar Stawski – Independent Member (from 14 March 2008)
- Dr. Jan Szomburg – Independent Member
- Nicholas Teller – Member (until 13 March 2008)
- Marek Wierzbowski – Independent Member (from 14 March 2008)
- Martin Zielke - Member (from 14 March 2008)

In March 2008, due to the expiration of a term of office of the previous composition, a new Board was appointed.

Currently five out of nine members of the Supervisory Board are independent members in accordance with the Good Practices for WSE Listed Companies in force as of January 2008. Until March 2008, independent members constituted half of the Board (four out of eight members). All independent members of the Supervisory Board of BRE Bank SA have presented written statements of their independence.

All members of the Supervisory Board have competence and qualifications necessary carry out their obligations. Each of them also has the substantive and practical knowledge of BRE Bank operation, taking into account its specifics. Moreover, the composition of the Supervisory Board reflects the aim to ensure greatest diversity of its members both in the context of their professional experience as well as their knowledge and skills. The Board is composed of persons with experience in managerial positions in banks as well as people of science and non-banking business. The above mentioned aim to diversify its members concerns also opinions on the work of the Management Board and activity of BRE Bank. The aim of this diversification is to keep a fresh look and assessment of the situation with regards to issues mentioned above.

### Work evaluation

The Supervisory Board of BRE Bank SA evaluates its work in 2008 as effective. Meetings of the Supervisory Board were held in the presence of all members. Only in individual, justified cases, 1 or 2 Supervisory Board members abstained from meetings. The quorum required by regulations was always ensured. The Supervisory Board passed all resolutions and decisions unanimously.

Over the past years, the Supervisory Board of BRE Bank has had 3 Standing Committees appointed:

- Executive Committee
- Audit Committee
- Risk Committee

The work of the entire Supervisory Board was facilitated by delegating selected members of the Supervisory Board to perform selected supervisory activities in a more detailed manner in the Bank within the above mentioned Committees. The Supervisory Board of BRE Bank positively the work of its

Committees in 2008. They operated in accordance with their authorities and carried out their duties in full.

The Executive Committee had been operating in the time between the meetings of the Supervisory Board in full composition. In accordance with the Rules of the Supervisory Board, the Committee adopted a range of decisions in a circular procedure, in particular, concerning:

- transactions effected within the BRE Bank Group
- granting consent to transactions exceeding 1% of own funds
- personnel issues
- remuneration of the Management Board.

The Audit Committee exercised ongoing supervision over internal audit at the Bank. It also dealt with financial statements of the Bank and the BRE Bank Group. The external auditor kept the Committee informed about the conclusions from the audit of financial statements, while the internal audit - about the status of implementation of the post-audit recommendations issued by KNF (Polish Financial Supervision Authority). Moreover, the Audit Committee issued a range of recommendations for the Supervisory Board regarding approval of the internal audit plan, selection of the auditor to examine financial statements, approval of annual reports of BRE Bank and the BRE Bank Group.

In matters regarding risk, the Supervisory Board acted through the Risk Committee supervising credit, market and operational risk on an ongoing basis. In 2008, the Risk Committee adopted 94 decisions and rejected 4 motions concerning significant risk-bearing exposures for particular business entities. Moreover, the Committee exercised supervision over the project implementing advanced methods for measuring credit risk (the AIRB project), which is currently the Bank's key project in the risk area.

#### Commitment evaluation

In 2008, all members of the Supervisory Board of BRE Bank SA were duly involved in works of the Board. All the members, in particular, the Chairman and Deputy Chairman, maintained permanent contact with the Management Board by way of consultations on issues regarding the Bank's operations. It is noteworthy that, the Chairman of the Supervisory Board works in the headquarters of BRE Bank on a daily basis, which positively influences the ongoing contacts between the Supervisory Board and the Management Board and is a sign of particular commitment to fulfilling obligations of the Chairman of the Supervisory Board. Moreover, in 2008, the Deputy Chairman of the Supervisory Board held regular meetings with the Chairman of the Supervisory Board and members of the Management Board of the Bank in the time between the meetings of the Supervisory Board.

#### Corporate governance

The functioning of the Supervisory Board of BRE Bank SA fully meets all requirements stipulated in Good Practices for Companies Listed on WSE.

Maciej Leśny  
Chairman of the Supervisory Board