

**REPORT
OF THE SUPERVISORY BOARD
OF BRE BANK SA**

on evaluation of Report of the Management Board on its activities in 2007 and
Financial Statements for 2007
prepared for the Ordinary General Meeting of Shareholders
of 14 March 2008

In the past reporting period e.g. from the last General Meeting of Shareholders, the Supervisory Board performed its statutory duties in the following composition:

Chairman	Maciej Leśny
Deputy Chairman	Martin Blessing
Members	Gromosław Czempiński
	Achim Kassow
	Teresa Mokrysz
	Michael Schmid
	Jan Szomburg
	Nicholas Teller

In accordance with the principles of corporate governance adopted by the Bank and § 22.3 of the By-Laws of BRE Bank, there are three standing committees within the Supervisory Board. These include the Executive Committee, Risk Committee and Audit Committee.

These Committees are working in the following composition:

Executive Committee:

Chairman	Maciej Leśny
Deputy Chairman	Martin Blessing
Members	Nicholas Teller
	Jan Szomburg

Audit Committee

Chairman	Achim Kassow
Members	Martin Blessing
	Maciej Leśny
	Jan Szomburg

Risk Committee:

Chairman	Michael Schmid
Members	Maciej Leśny
	Nicholas Teller

Supervisory Board's Committees perform their functions in accordance with guidelines approved by the Supervisory Board.

In accordance with § 22.5 of the By-Laws of BRE Bank, all standing committees operating within the Supervisory Board provide the shareholders with reports on their activities in the past reporting year. The reports are attached to the materials disclosed at the General Meeting of Shareholders.

In the past reporting period (in-between two Ordinary General Meetings of Shareholders) the Supervisory Board performed its statutory duties of regular supervision over activities of the Company, in accordance with requirements of Art. 382, § 1 of the Code of Commercial Companies. The Supervisory Board convened four times. The Executive Committee convened four times, the Risk Committee convened four times and the Audit Committee four times.

As required by the Code of Commercial Companies, the Supervisory Board evaluated the financial statements for 2007, read the auditor's report by PriceWaterhouseCoopers and, based on that professional source, the Supervisory Board determined that the financial statements of the Bank and the BRE Group presented by the Management Board at the General Meeting of Shareholders of the Bank met requirements of Art. 382 § 3 of the Code of Commercial Companies. The Board also passed resolutions approving the report of the Management Board of the Bank and financial statements of the Bank for 2007, as well as consolidated financial statements of the Capital Group of BRE Bank SA for 2007. In a separate resolution, the Supervisory Board approved the Management Board's proposal on the distribution of profit for 2007.

The Supervisory Board recommends that the General Meeting of Shareholders approval of such reports and adoption of the draft resolution on distribution of profit for 2007 as well as approve a resolution on appointment of an auditor to audit financial statements of BRE Bank and Capital Group of BRE Bank for 2008.

In the past reporting period (between two Ordinary General Meetings of Shareholders), the Supervisory Board passed 40 resolutions. In accordance with the effective By-Laws, the resolutions pertained to: approval of the uniform text of By-Laws of BRE Bank as amended at the previous General Meeting, appointment of an auditor to audit financial statements of BRE Bank and BRE Bank Group, approval of the Regulations of the Supervisory Board and of the Management Board of the Bank, granting funds to BRE Bank Foundation, adoption of 2008 budget and Medium-Term Plan for 2008-2010, approval of materials for the Ordinary General Shareholders meeting, appointment of a new Management Board member, approval of the individual exposure limit to the Management Board member, extending the mortgage to the Management of BRE Bank SA, taking a bilateral loan from Commerzbank, approval of the Internal Control Rules, and work plan of the Internal Audit Department for 2008, approval of the authorities of the Credit Committee of the Management Board and the Risk Committee of the Supervisory Board in the system of competences, approval of the disclosure policy of BRE Bank SA on capital adequacy, approval of taking a subordinated loan from Commerzbank and pre-term redemption of subordinated debt securities and entitlement particular Supervisory Board Members to perform independent supervisory duties. In accordance with Basel II Project, the Supervisory Board adopted a number of resolutions connected with this project. Resolutions concerned the rules of careful and stable management of BRE Bank, credit risk management strategy and policy, market risk, liquidity risk, operational risk, compliance risk and internal capital adequacy assessment process and capital management policy. Since January 2008, the BRE Bank follows the Best Practices of WSE listed Companies. The Supervisory Board adopted a suitable resolution regarding complying with the recommendations and rules contained therein. At the beginning of 2008, the

Supervisory Board also adopted a resolutions concerning procedure of awarding bonuses for Members of the Management Board and conditions of employment contracts.

In addition, at its meetings the Supervisory Board accepted or acknowledged periodical reports of the Management Board on financial situation of the Bank, current results of business lines, quality of the credit portfolio, changes in the investment portfolio, achievements of corporate banking and retail banking development on the foreign markets.

The Supervisory Board approved and monitored performance, forecast and performance corrections for the budget. The Supervisory Board gladly welcomed excellent results of 2007, much better than budgeted.

During the whole reporting period, in-between meetings of the Supervisory Board, the Chairman of the Supervisory Board remained in contact with the Management Board of the Bank and consulted with members of the Supervisory Board, in particular the Presidential Committee on various aspects of the Bank's operations.

Together with the Ordinary General Meeting of Shareholders, both term of office of the Supervisory Board and Management Board are to be expired.

The Supervisory Board would like to thank the Management Board for constructive cooperation in the past reporting period. I would like to wish spectacular success to the newly elected Management Board.

I would also like to thank all Members of the Supervisory Board for their involvement and contribution into the works of the Supervisory Board in the past period. On behalf of the Supervisory Board, I would like to thank to the Board members who do not apply for the election in the next term of office. I would like to wish many success in your further professional experience. To the newly elected Supervisory Board, I would like to wish further constructive cooperation.

Maciej Leśny

Chairman of the Supervisory Board Member