

## **Letter of the Chairman of the Supervisory Board of BRE Bank SA to the Shareholders**

Dear Shareholders,

The past year 2007 was very successful for BRE Bank and gave many reasons for satisfaction. It was a year of continuation of all positive trends started in earlier years, and a record-high year in terms of the generated financial results. The qualitative and quantitative targets set for the year were achieved and even exceeded. The generated profit, which was the best profit on regular business in the history of the Bank, was best proof of the right strategic business decisions made in the past years and their effective implementation.

I want to draw your attention to the growth of the Bank over the past year, primarily demonstrated by the high, two-digit growth of loan and deposit volumes, growth of the customer base, and growth of the market share of individual banking products. In addition, the Bank with its retail offer expanded to the Czech Republic and Slovakia, this becoming a transborder bank. Consequently, the Supervisory Board share the position of the Management Board of the Bank that the very good profit of 2007 should be used to strengthen the equity of the Bank, like in previous years, and recommend to the General Shareholders Meeting no dividend payout for 2007. The retail earnings will help further dynamic growth of the Bank. Its long-term growth will be beneficial to the Shareholders.

The Supervisory Board held 4 meetings, and the Executive Committee worked between the meetings, adopting many decisions in a circular procedure in keeping with the Rules of the Supervisory Board. In addition, the Supervisory Board were in regular communication with the Management Board, and were informed on an on-going basis about the situation in the Bank.

In matters of risk, the Supervisory Board worked through the Risk Committee which supervised on a regular basis credit risk, market risk, and operational risk, adopting 110 decisions on large risk exposures to individual companies (including 5 rejections) in 2007. In addition, the Bank updated its rating support system (RC-Pol) by implementing early warning indicators, and completed the implementation of the New Capital Accord (Basel 2, standard approach).

In addition to the work of the Executive Committee and the Risk Committee, the Supervisory Board also worked through the Audit Committee. In 2007, like in previous years, the Audit Committee supervised the Bank's internal audit service, reviewed the Bank's financial statements, and issued several recommendations to the Supervisory Board, including on the appointment of the auditor of the financial statements and the approval of the annual reports of BRE Bank and the BRE Bank Group.

As a listed company, the Bank has always paid great attention to the transparency of its operation, as demonstrated by compliance with the principles of corporate governance. The binding principles were modified as of the beginning of 2008. After the modification, BRE Bank declares continued compliance with the Best Practice of WSE Listed Companies 2007 in order to maintain equal treatment of all shareholders, exemplary information policy, and professional investor relations.

In conclusion, on behalf of the whole Supervisory Board, let me express my hope that this year and the coming years will be just as successful for the Bank. This hope rests on the recently strengthened foundations of the Bank and its position on the Polish banking market. I am certain that both the Management Board of the Bank and its employees will make best efforts to sustain the current upward trends resulting in further growth of the value of BRE Bank and the satisfaction of its Shareholders. I also believe that these efforts will help BRE Bank remain the best financial institution for demanding customers.

Maciej Leśny

Chairman of the Supervisory Board