BRE Bank SA Supervisory Board Assessment of the Company's Standing in 2007

including an evaluation of the internal control system
and the significant risk management system

Basis: Rule III.1(1) of the Best Practice for WSE Listed Companies

The Supervisory Board make a very positive assessment of the standing of BRE Bank SA in 2007 in all aspects, and notes the Company's achievements in 2007 with great satisfaction.

The year 2007 was another record year for the Company. The consolidated profit before tax was PLN 954.5 million, including PLN 845.6 million on continued operations. This was BRE Bank's best year in history in terms of the profit on regular business. The Supervisory Board note this with satisfaction, as we do the respective contribution of the core business and one-off events to the profit. Notwithstanding the great importance and profit impact of the sale of the subsidiary Skarbiec Asset Management Holding in implementation of the adopted strategy, the contribution of continued operations to the consolidated profit before tax was close to 89%. This attests to the relative stability of the results generated by the Bank and lays the foundation for a strong outlook.

The growth in profitability was closely combined with a growth in effectiveness. The consolidated ROE before tax was 35.9% in 2007, making further progress after the ROE generated a year earlier (26.9% in 2006, another successful year).

The Supervisory Board make a positive assessment of the Company's cost position. In spite of significant investments in business growth (mBank's transborder expansion, branch network expansion) and the cost related to the growing scale of the Bank's business, the costs were under control. This was demonstrated by the consolidated cost/income ratio which was 55.5%, much lower than in 2006 (63.7%).

In addition to dynamic growth in profitability and effectiveness, 2007 was a year of dynamic growth in BRE Bank's customer base and retail and corporate loan and deposit volumes. Corporate deposits were up by 24% (v. banking sector up by 15%) and corporate loans up by 36.8% (sector up by 24%). Retail deposits were up by 46.8% and retail loans up by 59.6%.

The Supervisory Board make a particularly positive assessment of the Bank's growing market share in many product categories; the Supervisory Board consider this development proof of BRE Bank's strengthening competitive position in Poland's banking market. The market share in corporate deposits grew to 9.3% and the market share in corporate loans grew to 6.5%. The market share in retail deposits and investment funds grew from 2.6% to 3.1% and the market share in retail loans grew from 4.5% to 5.2%. The Bank's market share in mortgage loans grew to a high 9.5%, making the Bank the third largest market player in Poland.

In the opinion of the Supervisory Board, the growth of the Bank's profitability, effectiveness, and scale of business in 2007 took place in the context of maintained complete safety of the Bank's capital. The consolidated capital adequacy ratio remained around a safe 10% and stood at 10.16% at the end of 2007 in line with the targets.

The Supervisory Board note with satisfaction that the transformation of the Bank's business profile towards a universal bank continues. The process is reflected in the structure of the Bank's results. In 2007, the contribution of Retail Banking to the BRE Bank Group's profit before tax grew to 24%, compared to 20% in 2006. The diversification of the Bank's sources of income is considered by the Supervisory Board a most positive trend; in the opinion of the Supervisory Board, it further strengthens the foundation of the Bank's business.

In the context of fast endogenous growth currently enjoyed by the Bank, as summarised above, the Supervisory Board recommend to the General Shareholders' Meeting that no dividend be paid out from the 2007 profit in order to retain the entire profit with the Bank and thus to strengthen the Bank's capital base. This will help the Bank to continue growing, create the necessary conditions of growth, and consequently contribute to the capacity of achieving the goal of growing the Company's shareholder value. The strengthening of the capital base is also required in order to maintain the capital adequacy ratio at a safe level, targeted at not less than 10%.

The positive trends in the strengthening position of BRE Bank have been appreciated by rating agencies. In July 2007, Fitch Ratings raised BRE Bank's individual rating from D to C/D (sixth best grade on a scale of 9). In 2007, Moody's Investors Service raised BRE Bank's ratings several times: in February, the financial strength rating was raised from D- to D; in May, the long-term rating of deposits was raised from A3 to A2 and the short-term rating of deposits was raised from P2 to P1; in August, the financial strength rating outlook was raised from stable to positive.

The Supervisory Board make a very positive assessment of continued efforts of both the Bank's Management Board and staff to enable further growth of the Bank and its financial results. The current position of the Bank confirms the strategy adopted three years ago and consistently pursued. At the same time, the Supervisory Board note with great satisfaction that their opinion on the BRE Bank SA Group's strong foundations of further growth and enhanced shareholder value, expressed a year ago by the Supervisory Board in their assessment of the Company's position in 2006, proved correct, as demonstrated by the development of BRE Bank's standing in 2007. The Supervisory Board hereby sustain their opinion in the expectation that this year 2008 will be another very positive year for BRE Bank SA and its subsidiaries.

Evaluation of the internal control system and the significant risk management system

BRE Bank SA's internal control system comprises institutional control performed by the Internal Audit Department and functional control. Furthermore, in the framework of the Supervisory Board, there operates the Audit Committee which monitors the internal control and for which the Internal Audit Department prepares reports.

The Supervisory Board emphasise the commitment of the Bank's Management Board to matters related to the internal control system, and make a positive assessment of the Management Board's support for the development of functional control solutions and initiatives aimed at ensuring the adequate position and rank of institutional control.

In the opinion of the Supervisory Board, institutional control improved, compared to 2006, with respect to risk identification, risk rating and risk monitoring as well as the Bank's operational effectiveness. In Q4 2007, this opinion was shared by the General Inspectorate of Banking Supervision whose audit opinion stated that the Bank's risk management steadily improved and that measures taken by the Internal Audit Department were increasingly effective.

In H2 2007, BRE Bank formally regulated issues of functional control by implementing relevant internal regulations. Therefore, in the opinion of the Supervisory Board, it is now too early to evaluate functional internal control as such an evaluation would be premature and incomplete.

In 2007, the Bank's risk management system was largely modified as required by the implementation of the New Capital Accord (Basel 2) and harmonisation with the Resolutions of the Banking Supervision Commission (KNB) of 13 March 2007. Consequently, in Q4 2007, the Supervisory Board approved:

- "The BRE Bank SA Credit Risk Management Strategy (ICAAP)";
- "The BRE Bank SA Market Risk Management Strategy and Policy";
- "The BRE Bank SA Liquidity Risk Management Strategy and Policy";
- "The BRE Bank SA Operational Risk Management Strategy and Policy";
- "The BRE Bank SA Group Internal Capital Adequacy Assessment Process (ICAAP)";
- "The BRE Bank SA Capital Management Policy";
- "The BRE Bank SA Compliance Risk Management Policy".

In the opinion of the Supervisory Board, the BRE Bank SA risk management system covers all risks significant to the Company; however, considering its recent considerable modification, it is now too early to make a complete evaluation as such an evaluation would be premature and incomplete.

Chairman of the Supervisory Board

Maciej Leśny