

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

Dear Shareholders,

The past year 2006 was special in many ways to the Bank, and highly satisfactory. It was the 20th anniversary of BRE Bank's business. It was also one of the best years in the Bank's history. The annual targets were met and exceeded. The reported profit, the highest this decade, is a tangible proof that positive trends have continued over the past few years.

I would like to draw your attention to the growth of the Bank in 2006 and the new strategic initiatives scheduled for 2007. In 2006, lending increase significantly (the retail loans portfolio was up by more than 100%); in 2007, the Bank plans to expand to new geographic markets (Czech Republic and Slovakia) and to add new products to its offer (insurance, consumer finance). Therefore, the Supervisory Board supports the Management Board's request to use the good profits of 2006 in order to strengthen the Bank's equity; we recommend that the General Shareholders Meeting approve the Management Board's decision to pay no dividend for 2006. The retained profit will support further dynamic growth of the Bank. In the long term, this will provide benefits to the Shareholders.

In 2006, the composition of the Supervisory Board remained unchanged until October when Ms Renate Kruemmer left the Supervisory Board to be replaced by Mr Achim Kassow.

The Supervisory Board held four meetings; the Executive Committee consisting of four Members worked between Supervisory Board Meetings and adopted several decisions in a circular procedure under the Supervisory Board Rules. In addition, the Supervisory Board was in close communication with the Management Board; the Supervisory Board was kept up to date about the situation of the Bank.

With respect to risks, the Supervisory Board's Risk Committee held three meetings in 2006 and adopted many decisions in a circular procedure. The Risk Committee supervised credit risk, market risk, and operating risk; it issued 198 decisions imposing limits on exposure to individual customers. In addition, the Risk Committee monitored the implementation of the new lending process, the Bank's harmonisation with the requirements of the New Capital Accord, the implementation of a new rating tool, and Poland's credit market.

In addition to the Executive Committee and the Risk Committee, the Supervisory Board has a separate Audit Committee. In 2007, the Audit Committee supervised the Bank's internal audit system, reviewed the Bank's financial statements, and issued several recommendations to the Supervisory Board, including the appointment of the auditor for 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 for years worked towards full transparency of its operation by observing the rules of corporate governance. Its efforts to implement the "Good Practices in Public Companies 2005" and to ensure equal treatment of all shareholders, its exemplary information policy and professional investor relations have been appreciated, among others, by the nomination for the 2006 Bulls and Bears Award, placing BRE Bank in an elite group of listed companies which are the champions of practical implementation of the corporate governance standards.

In conclusion, on behalf of the Supervisory Board, I wish the Bank many a success in 2007 and onwards, thanks to the current and prospective strategic initiatives. I am certain that the Bank's Management Board and staff will do all they can to sustain the current growth trend, helping to grow BRE Bank's shareholder value and satisfaction. I also believe that through these efforts the Bank will remain the best financial institution for demanding clients.

Maciej Leśny

Chairman of the Supervisory Board