

**REPORT**  
**OF THE SUPERVISORY BOARD OF BRE BANK SA**  
on its activities in 2012 and on results of evaluation  
of the 2012 Management Board Reports and Financial Statements  
prepared for the Ordinary General Meeting of Shareholders  
held on 11 April 2013

In the past reporting period the Supervisory Board was composed of the following members:

Chairman	Maciej Leśny
Deputy Chairman	Ulrich Sieber
Members	Dr Andre Carls
	Dr Eric Strutz (until 30 March 2012)
	Stephan Engels (since 1 April 2012)
	Sascha Klaus (until 25 July 2012)
	Dirk Wilhelm Schuh (since 26 July 2012)
	Thorsten Kanzler
	Teresa Mokrysz
	Waldemar Stawski
	Dr Jan Szomburg
	Prof. Marek Wierzbowski

In the past year, Dr Eric Strutz resigned from his Supervisory Board functions as at 30 March 2012 and Mr Stephan Engels took over his position. Mr Sascha Klaus resigned from his Supervisory Board functions as at 25 July 2012. His functions were taken over by Mr Dirk Wilhelm Schuh.

As per the the Corporate Governance Rules adopted by the Bank, pursuant to the Code of Best Practices of WSE Listed Companies, within the meaning of Article 22 of the By-Laws of BRE Bank, in accordance with the requirements of the Act on statutory auditors and their council, entities authorised to audit financial statements, and public supervision, as well as following the recommendation from KNF, four standing committees are convened within the Supervisory Board, namely: the Executive Committee, the Audit Committee, the Risk Committee and the Remuneration Committee.

The Supervisory Board Committees are composed of the following members:

Executive Committee:	
Chairman	Maciej Leśny
Members	Dr Andre Carls
	Ulrich Sieber
	Dr Jan Szomburg

Audit Committee:

Chairman	Stephan Engels
Members	Dr Andre Carls Maciej Leśny Teresa Mokrysz

Risk Committee:

Chairman	Dirk Wilhelm Schuh
Members	Thorsten Kanzler Maciej Leśny Waldemar Stawski

Remuneration Committee:

Chairman	Ulrich Sieber
Members	Dr Andre Carls Maciej Leśny Prof. Marek Wierzbowski

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

The Executive Committee performs the supervisory function in the period between the Supervisory Board meetings and approves transactions exceeding 1% of the Bank's own funds.

The Audit Committee among others oversees and monitors the financial reporting process, the effectiveness of the internal control system, the cooperation with the external auditor and activities of the Bank's internal audit. The Audit Committee gives its opinion about the election of the external auditor and recommends approval or rejection of financial statements.

The Risk Committee exercises among others permanent supervision over credit risk, market risk, operational risk and liquidity risk. The Risk Committee recommends the approval of large exposures posing single-entity risk according to parameters defined by the Supervisory Board.

The Remuneration Committee reviews the principles of remuneration and sets the amount of bonus for Members of the Management Board as per the system determined by the Supervisory Board. The Remuneration Committee issues recommendations regarding general guidelines for the Management Board on the level and structure of remuneration for the senior management of the Bank and the policy of variable items of remuneration of the persons holding managerial positions at the Bank. It also approves the engagement of Members of the Management Board in competitive activities.

Under Article 22 (5) of the By-Laws of BRE Bank, all standing committees convened within the Supervisory Board make the reports on their performance in the past reporting period available to shareholders. The reports are appended hereto and are presented in the set of documents to the Ordinary General Meeting of Shareholders.

In the past reporting period, the Supervisory Board performed its statutory obligations related to exercising permanent supervision over the company's operation in accordance with the requirements of the Polish Commercial Companies Code. Within its competence, the Supervisory Board analysed the Report of the Bank's Management Board, assessed the Financial Statements for 2012, read and evaluated the report prepared by the statutory auditor - PricewaterhouseCoopers Sp. z o.o.

Taking advantage of that professional source, the Supervisory Board confirms that the Financial Statements of the Bank and BRE Bank Group, presented by the Management Board and prepared for the Ordinary General Meeting of Shareholders, meet the formal and legal requirements. The Supervisory Board adopted resolutions regarding the approval of the Reports of the Bank's Management Board and Financial Statements of BRE Bank SA for 2012 as well as of the Consolidated Financial Statements of BRE Bank Group for 2012. The proposal of the Management Board regarding profit distribution for 2012, including the motion on dividend payment and the recommendation on the appointment of the auditor for auditing financial statements in 2013 -2014 were approved by the Supervisory Board in separate resolutions.

The Supervisory Board recommends that the Ordinary General Meeting of Shareholders approves the aforesaid Financial Statements, adopts the draft resolutions on profit distribution and appoints Ernst and Young Audit Sp. z o.o. as statutory auditor of the financial statements of BRE Bank SA and BRE Bank Group for the years 2013-2014.

In the past reporting period, the Supervisory Board held six meetings. Fifty five resolutions were adopted. The resolutions concerned, in particular:

- approval of the Financial Statements of BRE Bank S.A., BRE Bank Group and other materials for the Ordinary General Meeting of Shareholders,
- approval of the financial plan for 2013 as well as Multi-Year Plan for 2013-2016,
- adoption of the Strategy for the BRE bank Group for years 2012-2016,
- acceptance of the Rules of careful and stable management of the Bank,
- approval of Capital Management Policy,
- approval of Corporate Governance Policy,
- acceptance of the essential organisational structure of BRE Bank,
- personnel issues,
- acceptance of remuneration policy, including rules and policy of variable items of remuneration of the risk takers,
- approval of the changes in the Employee Programme and the Incentive Programme for Members of the Management Board,
- approval of Rules for Planning and Appraising Objectives (MbO) for the Members of the Management Board,
- adoption of amendments to the Rules of the Supervisory Board,
- approval of the new By-Laws of BRE Bank,
- appointment of the Remuneration Committee of the Supervisory Board and approval of its Rules,
- approval of the Rules of the Risk Committee of the Supervisory Board,
- allocation of funds to the BRE Bank Foundation,
- approval of the Report on the Compliance Risk Management,

- approval of the Report of the Coordinator for Outsourcing in the scope of implementation of the Outsourcing Policy at BRE Bank SA for 2011,
- approval of the Annual Report on Exercising Supervision over the Processes of Handling Claims and Complaints at BRE Bank SA for 2011,
- acceptance of changes in the Conflict of Interest Management Policy,
- acceptance of changes in the Principles of investing in financial instruments by persons linked to BRE Bank,
- approval of the Internal Audit Plan for 2012 and acceptance of amendments in the Internal Control Rules,
- approval of the Assessment of the internal control and risk management systems in 2011,
- approval of the Risk Management Strategy of BRE Bank Group,
- approval of the Operational Risk Management Strategy,
- approval of the Liquidity Risk Management Strategy,
- acceptance of the Internal Capital Adequacy Assessment Process (ICAAP) at BRE Bank Group,
- approval of the new Rules for giving credits, cash loans, bank guarantees and sureties to Members of the Supervisory Board and the Management Board of BRE Bank SA and persons in management positions with BRE Bank.

Moreover, the Supervisory Board at its meetings approved or acknowledged the periodic reports of the Management Board on the Bank's financial standing, as well as the current results of particular business lines and the Group's subsidiaries.

The Supervisory Board is pleased to adopt the Strategy of BRE Bank Group for the years 2012-2016 "One Bank for Customers and Employees". The Supervisory Board fully supports the Management Board in the realization of the strategic initiatives, including the plan to unify the brand for all business lines in 2013. The Supervisory Board will closely cooperate with the Management Board to reach the goals of further development of the Bank.

The Supervisory Board is pleased to acknowledge the strong financial results achieved by BRE Bank Group in 2012 and congratulates the Management Board and the employees of the Group for the achieved results.

In 2013 the Management Board term of office comes to an end. On behalf of the whole Supervisory Board I thank you the whole Management Board for the past five years of constructive and effective cooperation. I am sure that the Management Board to be elected for the next term of office will continue the initiated efforts and good work. I wish the Bank further success.

Maciej Leśny  
Chairman of the Supervisory Board