

R E P O R T

on the activity of the Supervisory Board of Kredyt Bank S.A. in 2011

The Supervisory Board declares to have performed a permanent and current supervision over the activity of Kredyt Bank S.A. The supervisory activities were performed in accordance with the legal requirements applicable to joint-stock companies. The above was also contributed to by the meetings with the Management Board members, who, based on the books and documents, provided the exhaustive explanations and submitted other documents related to the Bank's management.

The composition of the Supervisory Board in 2011 was as follows:

The General Assembly of Kredyt Bank S.A. appointed as of May 26, 2010, seven Members of the Supervisory Board for the VIII term of office which during its meeting on May 26, 2010 established itself in the following manner:

- | | |
|--------------------------|---|
| 1. Mr. Andrzej Witkowski | - Chairman of the Supervisory Board, |
| 2. Mr. Adam Noga | - Deputy Chairman of the Supervisory Board, |
| 3. Mr. Ronny Delchambre | - Member of the Supervisory Board, |
| 4. Mr. Stefan Kawalec | - Member of the Supervisory Board, |
| 5. Mr. Dirk Mampaey | - Member of the Supervisory Board, |
| 6. Mr. Jarosław Parkot | - Member of the Supervisory Board, |
| 7. Mr. Marco Voljč | - Member of the Supervisory Board, |

On May 25, 2011 Mr. Dirk Mampaey resigned from the function of the Member of the Supervisory Board. On the same day the Ordinary General Assembly of Kredyt Bank S.A. appointed as the Member of the Supervisory Board Mr. Guy Libot.

In the reporting year the Supervisory Board passed its decisions at 5 meetings. The Supervisory Board meetings were held on: February 23, 2011, April 4, 2011, May 25 2011, September 19, 2011 and November 16, 2011. 36 resolutions were passed which concerned, among other things, the following:

- appointment of the chartered public accountant – company Ernst & Young Audit Sp. z o.o. to examine the financial statements of the Bank for the financial year 2011 (Resolution no. 3/2011 of February 23, 2011),
- an update of the capital policy in Kredyt Bank S.A. (Resolution No 4/2011 of February 23, 2011 r.),

- updating the process of internal capital adequacy assessment in Kredyt Bank S.A. (Resolution No. 4/2011 of February 23, 2011),
- approval of the “Operational Risk Management Policy in KB Group” (Resolution No. 4/2011 of February 23, 2011),
- approval of the Regulations of the Management Board of Kredyt Bank S.A. (Resolution No. 4/2011 of April 4, 2011 and Resolution No. 1/2011 of September 19, 2011),
- appointment of the Members of the Management Board of the Bank for the new term of office and ascertainment of the number of the Members of the Management Board of Kredyt Bank S.A. (Resolution No. 1/2011 – 7/2011 of May 25, 2011)
- approval of the “Information Policy of Kredyt Bank S.A Concerning the Detailed Principles and Mode of Announcing the Information Related to Capital Adequacy” and “ALM Risk Management Policy in KB Group”, “Market Risk Management Policy in Commercial Activities of KB Group” and “Liquidity Risk Management Policy in KB Group” (Resolution No. 2/2011 and No. 3/2011 of April 4, 2011),
- changes in the composition of the Audit, Risk and Compliance Committee and Remuneration Committee (Resolution No. 12/2011 and No. 13/2011 of May 25, 2011),
- determination of the “Enterprises Credit Risk Management Policy of Kredyt Bank S.A.” and approval of the “Retail Credit Risk Management Policy” (Resolution No. 3/2011 and No. 4/2011 of September 19, 2011)
- determination of the uniform wording of the Bylaws of Kredyt Bank S.A. taking into account the amendments passed by the Ordinary General Assembly of Kredyt Bank on May 25, 2011 (Resolution No. 1/2011 of November 16, 2011)

Periodical information on the Bank’s financial results, quality of the credit portfolio and the Bank’s activity in the quarterly periods were a permanent element of the Supervisory Board meetings.

The Supervisory Board examined and gave its positive opinion about the materials for the General Assembly of Kredyt Bank S.A. that was held in the reporting period:

- Ordinary General Assembly of Kredyt Bank S.A. held on May 25, 2011 (2010 financial statement, the report on the activity of the Bank in 2010 prepared by the Bank’s Management Board, the Management Board proposals regarding profit distribution, the Supervisory Board’s report on the assessment of the financial statement for year 2010, amendments to the Bylaws, approval of the amendments to the Regulations of the Supervisory Board of Kredyt Bank, change in the composition of the Supervisory Board, approval of the amended document “The Best Practices of WSE Listed Companies”

The Supervisory Board analyzed the situation in the area of the Bank’s internal audit, risk management, compliance, financial reporting through approving the minutes of meetings of Audit, Risk and Compliance Committee of Kredyt Bank S.A. and

acquainted itself with the decisions taken by the Remuneration Committee and also approved the minutes of its meetings.

The Supervisory Board, having analyzed on April 5, 2012, the documents specified below, submitted by the Bank's Management Board, i.e.:

- profit-and-loss account for the period from January 1, 2011 until December 31, 2011 showing a net profit amounting to PLN 310.318 thousand,
- the report of total proceeds for the period from January 1, 2011 until December 31, 2011 showing the total proceeds in the amount of PLN 320.989 thousand,
- balance sheet as of December 31, 2011 with its total assets and liabilities and equity amounting to PLN 41.551.380 million,
- specification of changes in equity for the period from January 1, 2011 until December 31, 2011 showing the increase in the equity by PLN 220.475 thousand,
- cash flow statement for the period from January 1, 2011 until December 31, 2011, showing the decrease in net cash by PLN 1.459.913 million,
- principles of accounting policy and additional explanatory notes.

together with:

- the consolidated profit-and-loss account for the period from January 1, 2011 until December 31, 2011 showing a net profit amounting to PLN 327.244 thousand,
- the consolidated report of total proceeds for the period from January 1, 2011 until December 31, 2011 showing the total proceeds in the amount of PLN 337.915 thousand,
- consolidated balance sheet as of December 31, 2011 with its total assets and liabilities and equity amounting to PLN 42.003.084 million,
- specification of changes in consolidated equity for the period from January 1, 2011 until December 31, 2011 showing the increase in the equity by PLN 237.401 thousand,
- the consolidated cash flow statement for the period from January 1, 2011 to December 31, 2011, showing the decrease in net cash by PLN 1.459.936 million,
- principles of accounting policy and additional explanatory notes.

in accordance with Article 382 section 1 and 3 of the Commercial Companies and Partnerships Code the Supervisory Board assessed 2011 financial statement of Kredyt Bank S.A. and the report on activity of Kredyt Bank S.A. in 2011 prepared by the Bank's Management Board, the Supervisory Board examined also the consolidated financial statement of the Capital Group of Kredyt Bank for 2011 and the report of the Management Board on activities of the Capital Group of Kredyt Bank for 2011.

The Supervisory Board assessed the reports as regards their conformity with the books and documents as well as a true state of things. The Supervisory Board acquainted itself with the opinion of an independent auditor as well as the Report supplementary to the opinion from auditing financial statement and consolidated financial statement for the year ended on December 31, 2011. Having assessed the reports and having acquainted itself with the opinion and auditor's report the Supervisory Board stated that the reports presented by the Management Board were prepared reliably, in accordance with the books and true state of things as well as the provisions of the relevant laws in the area of accountancy.

Pursuant to the Article 382 § 3 of the Commercial Companies and Partnerships Code the Supervisory Board submits this report on the activity of the Supervisory Board in 2010 as well as the assessment of the financial report of Kredyt Bank S.A. and the assessment of the report on the Bank's activity in 2011; and at the same time the Supervisory Board requests the General Assembly to approve the above.

Furthermore, pursuant to Article 395 § 5 of the Commercial Companies and Partnerships Code, the Supervisory Board recommends to the General Assembly to approve the 2011 financial statement of the Capital Group as well as the report on the activity of the Capital Group of Kredyt Bank in 2011.

The Supervisory Board recommends to the General Assembly of Kredyt Bank S.A. to approve

- the financial statement as well as the report on the activity of Kredyt Bank S.A. in 2011 prepared by the Bank's Management Board.
- the consolidated financial statement of the Capital Group of Kredyt Bank in 2011. as well as the report on the activity of the Capital Group of Kredyt Bank in 2011.
- grant of vote of approval for the Members of the Management Board for the financial year 2011.

Moreover the Supervisory Board declares to have issued a positive opinion on the Management Board's motion concerning the distribution of the Bank's 2011 profit amounting to PLN 310 318 322,72.

II. Assessment of activity of Supervisory Board of Kredyt Bank S.A.

The Supervisory Board of Kredyt Bank S.A. – pursuant to point 1, sub-point 2 part III of the Best Practices of Companies Listed on the Warsaw Stock Exchange (Resolution of the Warsaw Stock Exchange Supervisory Board 17/1249/2010 of May 19, 2010) submits to the Ordinary General Assembly of Kredyt Bank S.A. the assessment of its activity in 2011 together with the report on the activity of the Audit, Risk and Compliance Committee, Remuneration Committee, assessment of the company's situation together with the evaluation of the internal audit system and risk management system.

In the reporting period the Supervisory Board exercised a continuous supervision over the Bank's activity: analyzed financial results and the Company's general situation as well as exercised other supervisory activities in accordance with its competence. The tasks of the Supervisory Board were primarily focused on winning public trust both in the financial situation and the Bank's business activity. The financial situation, strategy, the transparency of management mechanisms, effectiveness of the internal audit system, observance of the Bank's appropriate policy and goals, and also creating the Bank's image were the areas where the Supervisory Board Members expressed a lot of support.

In the reporting period the Supervisory Board, within its competence, applied the corporate governance principles concerning the joint stock companies listed on the stock exchange market and included in the document "The best practices of the companies listed on the WSE".

The Supervisory Board acts in accordance with its Regulations which is available on the Bank's internet page.

In 2011 two committees functioned within the Supervisory Board's structure: the Audit, Risk and Compliance Committee and Remuneration Committee which were established by the Supervisory Board to fulfill the particular supervisory activities.

There are independent members who sit on the Supervisory Board and the committees.

All the Supervisory Board Members have adequate education and professional experience, represent high moral standards and are able to expend the time needed to properly fulfill their duties as the Supervisory Board Members.

The Supervisory Board members once a quarter submit their declarations about the links with the shareholders having a right to exercise over 5% of total votes during the General Assembly. These declarations, in a form of an overall table, are published on the Bank's internet website.

The Supervisory Board members have received from the Bank's Management Board regular and exhaustive information about all crucial issues in the Bank's activity, the risk related to the activity carried out as well as the methods of managing that risk.

III. Report on the activity of the Audit, Risk and Compliance Committee of Kredyt Bank S.A. in 2011

The Audit Committee of Kredyt Bank S.A. was established by the Supervisory Board of Kredyt Bank S.A. by the Resolution No. 1/2002 at the meeting held on January 30, 2002.

In 2011 the Audit Committee of Kredyt Bank S.A. acted pursuant to:

- Regulation of the Supervisory Board of Kredyt Bank S.A. – Resolution no. 25/2010 of the Ordinary General Assembly of Kredyt Bank S.A. of May 26, 2010, in force until May 25, 2011;
- Regulation of the Supervisory Board of Kredyt Bank S.A. – Resolution no. 28/2011 of the Ordinary General Assembly of Kredyt Bank S.A. of May 25, 2011, in force in force since May 25, 2011,
- Regulation of the Audit, Risk and Compliance Committee of Kredyt Bank S.A. of November 25, 2010 in force until September 19, 2011;
- Regulation of the Audit, Risk and Compliance Committee of Kredyt Bank S.A. of September 19, 2011

As of January 1, 2011 the composition of the Audit Committee of Kredyt Bank S.A. was as follows:

Mr. Dirk Mampaey	- Chairman of the Audit Committee
Mr. Marko Voljč	- Member of the Audit Committee
Mr. Adam Noga	- Member of the Audit Committee.

Due to resignation from the function of a Member of the Supervisory Board of Mr. Dirk Mampaey on May 25, 2011 Mr. Guy Libot was appointed to the composition of the Supervisory Board by the Ordinary General Assembly of Kredyt Bank S.A.

During the Supervisory Board meeting on May 25, 2011, the composition of the Audit, Risk and Compliance Committee was supplemented by the newly appointed Member of the Supervisory Board. Members of the Audit, Risk and Compliance Committee appointed Mr. Guy Libot as the Chairman of that Committee.

As of December 31, 2011 the composition of the Audit, Risk and Compliance Committee of Kredyt Bank S.A. was as follows:

Mr. Guy Libot	- Chairman of the Audit, Risk and Compliance Committee
Mr. Marko Voljč	- Member of the Audit Committee
Mr. Adam Noga	- Member of the Audit Committee.

The Audit, Risk and Compliance Committee supports the activities of the Bank's Supervisory Board. In order to achieve that the Audit, Risk and Compliance Committee, in the name of the Supervisory Board exerts supervision over the consistency, effectiveness and efficacy of the internal audit system, compliance function and also the risk management connected with the Bank's activity, drawing special attention to the financial reporting. The Audit, Risk and Compliance Committee supervises the processes carried out at the Bank from a point of view of

their conformity with the absolutely binding laws as well as the Bank's internal regulations.

The Audit, Risk and Compliance Committee exerts supervision over:

- the services rendered by the external auditors, having in mind especially the issue of their independence, in accordance with the applicable provisions of the law. The ARC reviews the kind and scope of services other than the ones related to the examination of the financial statements, rendered by the external audit for the Bank's benefit,
- compliance with the internal procedures in force within the Bank, including the Code of Ethics, provisions of the Bylaws and binding laws;
- organization of the internal audit function within Kredyt Banks S.A. with special consideration devoted to the issue of independence, professional skills and the level of competence and expertise of the internal auditors;
- organization of the compliance function in Kredyt Bank S.A. with special consideration devoted to the issue of independence, professional skills and the level of competence and expertise of the Compliance Department.

Additionally the Audit, Risk and Compliance Committee monitors:

- reliability of financial statements and reporting process;
- effectiveness of structures, processes and control applied to identification, monitoring and management of risks to which Kredyt Bank S.A. is exposed;
- if the Principles of Activity of Audit and Inspection Department are complied with;
- if the Principles of Activity of Compliance Department are complied with;

The ARC carries out an annual review of the quality of internal audit based upon the information prepared by the managers supplemented by the opinion of the Audit and Inspection Department.

In performance of its activities four meetings of the Audit, Risk and Compliance Committee were held and their dates were as follows:

- February 23, 2011,
- May 25, 2011,
- September 19, 2011,
- November 16, 2011.

During the meetings in 2011 the Audit, Risk and Compliance Committee members performed their tasks in the following areas:

- assessment of the internal audit system,
- approval of the audit and inspection plans,
- assessment of the activity of the Audit and Inspection Department,
- review of the results of the audits completed,
- monitoring of implementations of recommendations issued by the Audit and Inspection Department,

- monitoring of recommendations issued by the external auditor in the Letter to the Management Board,
- survey of progress made in executing post-audit recommendations of the Financial Supervision Commission.

Compliance function:

- review of tasks taken up by the Compliance Department,
- approval of action plans of Compliance Department and monitoring of recommendations implementation status,
- review of the major litigations and the amendments to the relevant laws.

Risk management:

- review of issues related to risk management,
- supervision over the implementation of standards concerning the operating risk management,

Financial reporting:

- recommending the selection of a chartered public accountant to the Supervisory Board,
- crucial accounting and financial issues as well as tax issues, including the amendments to the tax regulations,
- opinions and reports of the external auditor concerning the annual and semi-annual financial statements.

IV. Report on the activity of the Remuneration Committee of Kredyt Bank S.A. in 2011

The Remuneration Committee of Kredyt Bank S.A. was established by the Supervisory Board at the meeting held on February 9, 2005 by the Resolution No. 9/2005.

The Remuneration Committee of Kredyt Bank S.A. acts pursuant to:

- Regulation of the Supervisory Board of Kredyt Bank S.A. – Resolution no. 25/2010 of the Ordinary General Assembly of Kredyt Bank S.A. of May 26, 2010, in force until May 25, 2011;
- Regulation of the Supervisory Board of Kredyt Bank S.A. – Resolution no. 28/2011 of the Ordinary General Assembly of Kredyt Bank S.A. of May 25, 2011, in force in force since May 25, 2011,
- Regulation of the Remuneration Committee of Kredyt Bank S.A of September 15, 2005;

As of January 1, 2011 the composition of the Remuneration Committee of Kredyt Bank S.A. was as follows:

- Mr. Marko Voljč - Chairman of the Remuneration Committee,
- Mr. Andrzej Witkowski - Member of the Remuneration Committee,
- Mr. Dirk Mampaey - Member of the Remuneration Committee.

Due to resignation from the function of a Member of the Supervisory Board of Mr. Dirk Mampaey on May 25, 2011 Mr. Guy Libot was appointed to the composition of the Supervisory Board by the Ordinary General Assembly of Kredyt Bank S.A.

During the Supervisory Board meeting on May 25, 2011, the composition of the Remuneration Committee was supplemented by the newly appointed Member of the Supervisory Board.

As of December 31, 2011 the composition of the Remuneration Committee of Kredyt Bank S.A. was as follows:

- Mr. Marko Voljč - Chairman of the Remuneration Committee,
- Mr. Andrzej Witkowski - Member of the Remuneration Committee,
- Mr. Guy Libot - Member of the Remuneration Committee.

The Remuneration Committee supports the activity of the Supervisory Board of Kredyt Bank S.A. as regards the principles of remuneration applicable to the Members of the Management Board.

In 2011 the Remuneration Committee of the Supervisory Board of Kredyt Bank S.A. realized the tasks of presenting to the Supervisory Board the recommendations concerning the remuneration principles of the Bank's Management Board Members.

In performance of its activities four meetings of the Remuneration Committee were held and their dates were as follows:

- April 4, 2011,

- May 25, 2011,
- September 5, 2011,
- November 16, 2011.

In particular, the Remuneration Committee's tasks in 2011 included the following:

- determination of principles of remunerating the Member of the Management Board who commenced performance of his function on the Management Board of Kredyt Bank S.A. in 2011,
- determination of the activities aimed at the modification of the principles of remunerating the Members of the Management Board in line of the recommendations of the Financial Supervision Commission and the legal regulations on the EU level, and implementation of the relevant amendments to the principles of granting bonus payments to the Management Board of Kredyt Bank S.A.
- review of remuneration of the Members of the Management Board of Kredyt Bank S.A. with the view to the current market level and recommendation of appropriate actions,
- organizational issues related to the entrusting of the function of the Chairman of the Remuneration Committee and the Secretary of the Remuneration Committee.

While executing the assigned tasks, the Remuneration Committee recognized that the observance of the Bank's internal regulations as well as adherence to the absolutely binding provisions is an issue of overriding importance.

The Human Resources Department as well as the Legal Department supported the activity of the Remuneration Committee.

V. Assessment of Bank's situation including the assessment of the internal audit system and the risk management system in 2011

Assessment of Bank's situation

The year 2011 was characterized by significant volatility of global financial markets connected with, among others, with deteriorating, especially in the second half of the year, economic situation of some countries in the Euro zone. Similarly as in the previous years the situation of Polish economy remained relatively good and the pace of the GDP growth in Poland increased from 3,9 year-to-year to 4,3, which meant one of the highest dynamics in EU countries.

The highest contribution to such situation was brought by maintaining high pace growth of private consumption, which due to high inflation, difficult situation on the employment market and limited availability of consumption loans, remained below the level of the recent economic downturn. Towards accelerating the dynamics of economic growth acted also the increase of the enterprises investments supported by loans extended to such enterprises.

A relatively good economic situation of Poland favoured prosperity in the banking system. The year 2011 ended with improvement of results of most of the banks. The main factors driving the increase of payments from clients were housing loans (despite incremental harshening of regulatory requirements within the ambit of currency lending) and loans for enterprises. The segment of the market that observed a decrease was the consumption loans sector.

An increase of liabilities towards clients contributed to the increase of interests on deposits resulting from the increase of rates and deterioration of liquidity situation on the interbank market. Increase of deposits from individuals was also caused by the increased tendency towards saving by households due to uncertainty related to their future financial situation and decrease of stock exchange indices discouraging to investments on the stock exchange market.

The strategy of Kredyt Bank realized in 2011 envisaged the focus on rendering services to the middle class and small and medium enterprises as well as precisely selected products, in which the Bank tried to compete with the best market players. Implementation of a series of organizational changes was completed in the area of mortgage banking, banking for enterprises and risk management. The projects initiated in the previous year were continued in the infrastructure area aimed at improvement of competitiveness of the Bank

In 2011 Kredyt Bank achieved the result of net profit at the value of PLN 310.318 thousand and gross profit of PLN 408.520 thousand. The figures were higher than the ones reached in 2010 by 179,0% and 185,7% respectively. Such results allowed attainment of better than in 2010 values of ROE (return on equity) indicator at the level of 10,6% and ROA (return on assets) indicator at the level of 0,7%.

The most important factor that influenced the differences between 2011 results and 2010 results was the decreasing of credit risk costs and lesser encumbrance of the gross profit by write-offs for loss of value of financial assets and other assets and provisions (respectively PLN 193.711 thousand and PLN 464.578 thousand). The level of this category was positively impacted by the sale of retail loans portfolio completed in the first half of 2011 (impact on the balance of write-offs amounted to PLN 84.964 thousand).

Operational profit for 2011 (understood as the gross profit without net deductions due to loss of value and share in profits of affiliated entities) amounted to PLN 602.231 thousand and was lower than operational profit for 2010 (PLN 607.547 thousand) by 0,9%. The levels of operational results in 2011 were primarily affected by:

- increase by PLN 97.191 thousand as compared to 2010 of the interest result which was caused by the visible increase of deposit margin levels in both main business segments and increase on loans margin levels especially in the enterprises segment,
- decrease by PLN 27.390 thousand of the result on the commercial activity caused primarily by the negative valuation of securities against the fair value by the profit-and-loss account in relation to the decrease of quotations on the Warsaw Stock Exchange,
- increase by PLN 72.964 thousand of operating costs due to the increase of higher tax and other charges costs (Bank Guarantee Fund and VAT tax) and increase of marketing costs aimed at improvement of brand perception and development of acquisition of individual clients.

In 2011 the structure of financing the Bank's assets was improved through the limitation of financing from the interbank market. It was possible as a consequence of placing more stress on the acquisition of clients' deposits. As of the end of 2011 the value of net receivables due from clients amounted to PLN 28.840.369 thousand. i.e. by 6,7% more than at the end of 2010, while the value of liabilities towards clients amounted to PLN 28.094.775 thousand i.e. by 9,3% more than as of the end of 2010. The share of liabilities towards clients in the overall sum of liabilities and capitals increased by 7,8 percentage point and amounted as of the end of 2011 to 67,6%. Loans / deposits indicator at the end of 2011 amounted to 102,7% as compared to 105,1% at the end of 2010.

Continuation of the policy of limiting large, non-profitable exposures in the area of banking for enterprises and strict control of levels of risk weighted assets positively impacted the solvency ratio. At the end of 2011 it reached the level exceeding the regulatory requirements and amounted to 12,7% and the indicator including in its calculation only own funds (Tier 1 funds) amounted to 8,8%.

The changes in the area of credit risk management introduced in 2010 supplemented by centralization of the credit process in the enterprises sector and completion in the first half of 2011 of the transaction of sale of retail loans portfolio enabled the limitation of the credit risk costs and improvement of quality of credit portfolio. As to the situation at the end of 2011, the participation of receivables for which impairment

prerequisites were identified in the overall gross sum of credit receivables amounted in Kredyt Bank to 8,6%, i.e. by 1,5 percentage points less than as of the end of 2010.

The financial results attained in 2011, improvement of credit portfolio quality and levels of indicators of liquidity and solvency justify the positive assessment of the Bank's financial condition.

Assessment of the internal audit system

The assessment of the internal audit system functioning at Kredyt Bank S.A. as well as the companies composing the Kredyt Bank S.A. Group is performed on a regular basis by the Audit and Inspection Department. The assessment of the internal audit control is presented to the Audit, Risk and Compliance Committee members and the chairman of the Audit, Risk and Compliance Committee informs other members of the Supervisory Board about the findings of the assessment.

Assessment is conducted based on results of audits carried out and inspections with taking into account the monitoring of already issued recommendations of the Audit and Inspection Department, external auditor and post-audit recommendations of regulatory bodies.

19 business processes at the Bank and 4 processes in the subsidiaries were assessed in 2011. The key processes that really have an impact on the functioning of the internal audit system are as follows:

- crediting,
- managing the value, risk and capital,
- electronic banking,
- cards,
- information risk management.

Assessment of the risk management system

In the process of risk management the most important role is played by the main bodies of the Bank i.e. the Management Board and the Supervisory Board. The Supervisory Board with the intermediation of the Audit, Risk and Compliance Committee is informed about the most important decisions and gives its opinions on the Management Board's actions within the said respect.

The measurement and monitoring of all kinds of risk in Kredyt Bank is handled by the Risk and Capital Management Division. Departments created within the framework of the Division report all matters related to risk being fully independent from the business units. In the process of identification, measurement and management of risk Bank utilizes the techniques proper for each type of risk.

The direct management of a given type of risk is handled by the Risk and Capital Committee (CROC) headed by the Member of the Management Board responsible for the Risk and Capital Management Division – body supporting the Management Board of the Bank in the processes of managing, monitoring and controlling risk and capital.

The superior goals of risk management policy are consistently realized in the first place in the area of observance of external and internal limits and optimizing and mitigating of risk in the form of a constant monitoring process. The process of risk

management is strictly connected with the process of capital management. The most important goal of capital management is its optimization, of course with the simultaneous fulfillment of the capital requirements. To achieve the above-stated goal the ICAAP (Internal Capital Adequacy Assessment Process) was implemented in the first half of 2008.

Supervisory Board of Kredyt Bank S.A.

Warsaw, 5 April 2012