

Bank BPH attaches a lot of importance to the principles of corporate governance, believing that they contribute to the Bank's sustainable development and benefits all the stakeholders.

In 2008, Bank BPH went through a number of significant changes resulting from 29 November 2007 spin-off. One of the developments was change in the ownership control from UniCredit to General Electric Company on 17 June 2008. In the second half of 2008, the process of the Bank's integration with GE Money Bank ('GEMB') seated in Gdańsk was started, and the Strategy was adopted for the Merged Bank.

2008 challenges were met with the support of high standards of corporate governments. GE Group's membership became an impetus for optimizing corporate governance standards. As declared in the previous Corporate Governance Report, our procedures in this respect were harmonized last year, the work of Supervisory Board's committees was assessed and their efficiency improved. Also, external auditor's co-operation and independence was analyzed in the context of Rule IV.8 of Best Practices of Public Companies Listed on WSE. As a result, the Bank re-stated its intention to continue co-operation with KPMG as its external auditor, and to adopt the rules of providing non-audit services. These activities confirm that last year the Bank showed its commitment to highest corporate government standards.

In 2008, all requirements of Best Practices of Public Companies Listed on WSE adopted by the Stock Exchange Board ('Best Practices') of November 2007 were respected.

This year tasks shall focus around challenges related to ensuring safe Bank's operations during the financial crisis, with incumbent merger of Bank BPH and GE Money Bank and further consolidation of the Bank's market position.

Corporate governance challenges shall include further improvement in compliance of the Bank's standards with those of the majority shareholder and alignment of the Bank's internal regulations (including Articles of Association and by-laws of individual bodies) with the needs of the Merged Bank. 2009 will see the introduction of 2007 Directive on exercising some rights of public companies' shareholders, which shall give impetus to optimizing the Bank's standards in this area.

This report on corporate governance fulfils report definition of §29 section 5 of the Warsaw Stock Exchange Rules of Procedure, which spells out major related issues. Please visit our website: http://www.bph.pl/en/relacje_inwestorskie, to get full knowledge on this topic.

Shareholders' rights

The General Meeting ('GM') is the top Bank's authority. It adopts key decisions on the Bank's operations. The General Meeting takes place in Warsaw, which makes it easier for shareholders to participate. The Bank observes the rule not to cancel the meeting or change its date, once publicized. Information on convening GM together with draft resolutions is made available to investors before the legal deadline. The General Meetings are held in line with the Rules of Procedures, which are stable and have not been changed in the past. General Meetings are attended by the Bank's Supervisory and Management Boards' members, and in case of the Annual GM, also by auditors' representatives. Upon shareholders' consent, journalists can participate in the GM.

In 2008, three General Meetings were convened.

The Extraordinary General Meeting of 16 January introduced changes to Supervisory Board composition and modified the Bank's Articles of Association due to planned sales of Bank BPH shares by UniCredit with new investor's obligations towards the State Treasury. The changes consisted in allocating personal rights to the State Treasury acting as shareholder for appointing two its representatives to the Bank Supervisory Board. As

the conditions suspending entry into force have not been met, personal rights have not been finally allocated to the State Treasury as Shareholder.

The Extraordinary General Meeting of 20 February approved changes to the Supervisory Board composition as requested by the State Treasury acting as Shareholder.

The Annual General Meeting convened on 24 June approved the Bank BPH's and the Bank Group's 2007 financial statements, Management Board's report on the Bank's and its Group's activities, the Bank Supervisory Board's 2007 report, profit distribution for 2007, it granted discharge to Supervisory and Management Board members and appointed new SB members due to resignations submitted. The AGM decided to introduce the 'Rules of remunerating Bank BPH Supervisory Board members' (which is discussed at length in the point on Remuneration Committee below) as of 24 June 2008 and until the end of the current Bank BPH Supervisory Board term of office.

Bank BPH Articles of Association does not contain any additional provisions related to change of its scope, other than coming from the Commercial Companies Code.

Shareholder structure is presented below

	31 December 2007	31 December 2008
1. GE Money Bank (General Electric Company)	---	18 952 711 66,00%
2. UniCredit S.p.A.	20 397 585 71,03%	1 473 590 5,13%
3. BZ WBK AIB AM*	---	1 436 890 5%
4. State Treasury	1 058 000 3,68%	1 058 000 3,68%
5. Other, incl. BoNY	7 260 645 25,29%	5 795 039 20,18%
6. Total	28 716 230 100%	28 716 230 100%

Bank BPH's shares are equal bearer's shares with no special rights allocated. There are no reservations related to shares, including voting rights execution. There are no special control rights aligned with selected shares. There are no limitations related to change of share ownership.

Investor relations

Investor relations play a significant role in shaping corporate governance. These relations include all communication activities that enable efficient management of information addressed to investors, analysts and other capital market players (e.g. journalists). The main objectives of investor relations are: to inform about the company' operations, to build reliability, to reduce costs of capital and to gain appropriate company's valuation and acquire funds from the stock exchange.

Bank BPH runs its investor relations through: organizing conferences to announce its quarterly results (or other important events), direct one-to-one meetings with investors and analysts in the Bank's head office, conferences organized by brokers in Poland and abroad, along with roadshows, delivery on disclosure obligation in the form of announcements and regular financial reports, telephone and mail contacts and through the Investor Relations section of the Bank's internet site.

In order to meet the challenges facing a company listed on the Warsaw Stock Exchange ('WSE') and London Stock Exchange ('LSE'), in its communication with capital market institutions, investors, analysts, rating companies, the Bank follows the following principles: transparency, fairness, coherence and equal access, reliability, high quality, data comparability and co-ordination¹.

17 June 2008 marked a historical and break-through date in Bank BPH's development. This day saw finalization of the Bank's strategic package of shares acquisition by GE Money Bank realized by the purchase

¹ These rules were discussed in detail in the appendix to 2007 Bank BPH Financial Statements '5. Report on corporate governance in Bank BPH_2007' accessible at the following address: http://www.bph.pl/pl/relacje_inwestorskie/raporty_finansowe/raporty_roczne.

of HoldCo company holding 65.9% of Bank BPH shares from UniCredit. Thus Bank BPH became part of General Electric Company, an American corporation and one of the biggest global players. As a result of consecutive transactions (tender for sale of up to 66% Bank BPH shares and liquidation of HoldCo), starting from 8 September last year, GEMB is a direct owner of 66 % shares in Bank BPH, which authorize the same number of votes at the Bank's General Shareholders' Meeting.

On 23 September 2008, Bank BPH and GE Money Bank Management Boards adopted Bank BPH SA and GE Money Bank SA Merger Plan, and both banks' Supervisory Boards accepted it. According to the then announced timetable, legal merger was to be finalized in the first quarter 2009, while operational integration was to be concluded at the end of the first half 2009. It was decided that the merger would take place under Art. 124 §1 and §3 of the Banking Law and in relation to 492 §1 section 1 of the Code of Commercial Companies by the transfer of all GEMB assets onto Bank BPH with simultaneous increase in Bank BPH funding equity with the new issue of merger shares, which Bank BPH would allocate to GEMB shareholders ('**Merger Issue Shares**'). As a result of the merger, GEMB shareholders would become shareholders of Bank BPH. In line with the above-mentioned plan, GEMB share swap parity ratio for Merger Issue Shares and Own Shares (i.e. Bank BPH shares owned by GEMB) was: 0.825. This meant that GEMB shareholders would receive 0.825 Bank BPH shares for each GE share. For 81,080,688 shares in GEMB, its shareholders would receive 47,938,856 Merger Issue Shares and 18,952,711 Own Shares. On the same day, JPMorgan plc. issued Fairness Opinion about the transaction and Goldman Sachs International rendered advisory services to GEMB. Also, the opinion of a court appointed independent auditor confirmed regularity and fairness of the Merger Plan. As a result of the merger, Bank BPH funding equity was to be increased from 143,581,150 zlotys to 383,275,430 zlotys, i.e. by 239,694,280 zlotys by means of an issue of 47,938,856 Bank BPH series 'E' shares with nominal value of five zlotys each.

Bank's mid-term development strategy

On 23 September 2008, the Bank adopted mid-term development strategy for 2009-2011 for the Merged Bank. The strategy aims at creating a universal bank with strong presence in consumer finance and to assume fifth market position in the most attractive market segments. Universal character of the Bank will be maintained thanks to comprehensive services rendered to individual Customers as well as small and medium-sized enterprises. The Bank aspires to build its position as the 'Bank of first choice for medium-sized enterprises'.

However, on 25 November 2008, Management Boards of Bank BPH and GE Money Bank adopted a decision to shift the planned legal merger from the first to the third quarter 2009. It was justified by the fact that the Merger Plan and the Strategy for the Merged Bank were announced on 24 September 2008 on the basis of the then available macroeconomic projections and banking sector development guidelines. But in the context of macroeconomic changes, which materialized in October and November last year, the Banks decided that it was necessary to verify whether key elements and plans of the merged Bank fully reflected the new circumstances. At the same time, both Banks reiterated their intention to carry out the integration and declaration to gain benefits from merging their operations. They also declared that the Shareholders and the capital market would be regularly informed about the merger progress along with all procedure-related activities undertaken.

In 2008, members of the Bank BPH Management Board and Investor Relations Team presented the company to 87 investors and analysts during four quarterly performance-related conferences, a number of one-to-one meetings in the Bank's head office and on Investor's Day as mentioned below. Moreover, 187 people watched these conferences via internet transmissions. As there was

A very important and rich source of investor and analyst information is the Bank's investor relations web site containing all information important for the investors in Polish:

(http://www.bph.pl/pl/relacje_inwestorskie),

and in English:

(http://www.bph.pl/en/relacje_inwestorskie).

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not enough information about the company's future, in 2008 the Bank decided not to participate in conferences organized by brokers and abandoned the roadshows. Last year, on 24 September, for the first time in the Bank's history an Investor Day was organized in Warsaw together with GE Money and GEMB. It was attended by Polish and foreign investors and analysts. At the conference, the Merger Plan for Bank BPH and GEMB was presented along with the strategy of the Merged Bank.

Investors and analysts attach a lot of importance to annual report. Bank BPH annual report was highly evaluated by the Accounting and Tax Institute and the Warsaw Stock Exchange, which awarded it with the second prize (for the second consecutive time) in the banks and financial institutions category for the 'Best 2007 Annual Report according to IFRS' and recognized it for the 'best user value'.

Bank's Supervisory Board (as at 31 December 2008)

<p>Wiesław Rozłucki (61) Chairman</p>	<p>Former President of the Warsaw Stock Exchange (1991-2006) He graduated from the Warsaw School of Economic (formerly SGPiS, now SGH) and obtained his Ph.D. in economic geography. He worked, among others for the Ministry of Finance and Ministry of Ownership Transformations. He co-founded the Polish Institute of Directors. Currently he sits on supervisory boards of a few public companies, including TP SA, TVN and Polimex-Mostostal.</p>
<p>Peter Franklin (55) First Deputy Chairman</p>	<p>Chief Financial Officer in GE Money He graduated, among others, from Peak School and Oxford University. He has worked for General Electric since 1992, occupying various positions related to international finance of the Group (in Hong Kong, Singapore, Ireland, France and other locations).</p>
<p>Dmitri Stockton (44) Second Deputy Chairman</p>	<p>GE Senior Vice President, President and CEO of GE Global Banking He graduated from Finance Management program and holds licentiate in accounting of North Carolina State University A&T. He has worked for General Electric since 1987, first as Executive Finance program member, and then he dealt with capital audit, risk management and business development, among others.</p>
<p>Aleš Blažek (36)</p>	<p>Legal Counsel , GE Money CEE He graduated from the Legal Faculty of Charles University in the Czech Republic. Before starting work in General Electric, he was a legal counsel in White&Case and Citigroup, where he dealt with mergers and acquisitions, project management and new product development, among others.</p>
<p>Beata Gessel – Kalinowska vel Kalisz (44)</p>	<p>Legal counsel, managing partner in 'Gessel' Law Firm She wrote many publications on mergers and acquisitions as well as economic arbitration. She holds a number of prestigious functions, e.g. since 1999 she has acted as an arbitrator in the Court of Arbitration of the Polish Chamber of Commerce. In 2005, she was elected vice-president of the Court of Arbitration at 'Leviatan' Polish Confederation of Private Employers.</p>
<p>Denis Hall (53)</p>	<p>Director for risk related to banking operations and GE legal compliance He has worked in the banking sector since 1974, holding banking risk positions in Barclays, Citibank and Deutsche Bank, among others. In 2007, he joined GE Money, first as Risk Manager for Europe, Middle East and Africa (EMEA), and then he took over responsibility for global risk management in banking operations.</p>
<p>Lesław Kuzaj (56)</p>	<p>Regional Director GE, Central Europe He graduated from the Academy of Economics in Krakow. He co-founded the First Polish-American Bank. He has worked for GE since 1992, first as the General Manager to Poland and then as General Electric Bank Mieszkaniowy (Mortgage Bank) Supervisory Board member, President of Expander Sp. z o.o. and GE Investments Poland.</p>
<p>Sławomir Mirkowski (37)</p>	<p>Partner in Grant Thornton Frąckowiak He graduated from the Academy of Economics in Poznan and the School of Controlling in Katowice. Since 2001 he has acted as chartered auditor, authorized to audit financial statements. He is a member of the National Chamber of Chartered Auditors.</p>

Des O'Shea (52)	<p>Chief Commercial Officer for GE Capital Global Banking He graduated from University College Cork, Ireland in 1977 and subsequently qualified as a member of the Institute of Chartered Accountants in Ireland in 1981. He has worked for General Electric for 11 years during which he has held senior positions in Risk Management, Business Development and Commercial areas. In his current role he is responsible for Global Banking's Joint Venture's, Business Development activities, Sales and Distribution.</p>
Dorota Podedworna-Tarnowska (34)	<p>Doctor of economic sciences Since 1998, she has worked for the Warsaw School of Economic, where she lectures at Small Business Faculty in the College of Enterprise Sciences. She is a specialist in corporate finance management and financial market instruments. Earlier, she worked for the Ministry of the State Treasury. She also worked in various companies' supervisory boards.</p>
Agnieszka Słomka-Gołębiowska (32)	<p>Doctor of economic sciences Deputy Head of a Department in Industry Development Agency and Associated Professor at the Warsaw School of Economic. She is a specialist in corporate governance, restructuring and privatization. She gained her MBA in the French Management Institute and participated in research studies in Germany and USA. Author of many publications and papers for national and international conferences on corporate governance.</p>
Tomasz Stamirowski (40)	<p>President of Avallon Sp. z o.o. Management Board He graduated from Foreign Trade Faculty at the University of Łódź and Management Faculty of Grenoble University (France). Since 2001, he has been President of the Management Board at Avallon Sp. z o.o., a company managing <i>private equity</i> fund and Avallon MBO S.A. (an investment entity).</p>

- As at 1 January 2008, the Supervisory Board worked in the following composition: Alicja Kornasiewicz – Chairperson, Federico Ghizzoni – First Deputy Chairman, Luigi Lovaglio – Second Deputy Chairman, Jan Krzysztof Bielecki, Paolo Fiorentino, Krystyna Gawlikowska-Hueckel, Marek Grzybowski, Anna Krajewska, Ranieri de Marchis, Emil Ślęzak and Marek Wierzbowski.
- On 9 January 2008, Jan Krzysztof Bielecki and Luigi Lovaglio submitted their resignations from Supervisory Board membership as of 16 January 2008.
- On 16 January 2008, the Extraordinary General Meeting of Bank BPH elected Fausto Galmarini and Błażej Lepczyński (as of 16 January 2008) and Marina Natale and Marco Iannaccone (as of 17 January 2008) to the Supervisory Board.
- On 20 February 2008, the Extraordinary General Meeting of Bank BPH dismissed Marek Grzybowski and Emil Ślęzak from Supervisory Board and appointed Dorota Podedworna-Tarnowska and Agnieszka Słomka-Gołębiowska.
- As of 13 March 2008, Marek Wierzbowski resigned from his membership in the Supervisory Board.
- As of 19 March 2008, Paolo Fiorentino and Fausto Galmarini resigned from their membership in the Supervisory Board.
- Federico Ghizzoni, Marco Iannaccone, Alicja Kornasiewicz, Ranieri de Marchis and Marina Natale resigned from their membership in the Supervisory Board as of 17 June 2008, while Krystyna Gawlikowska-Hueckel, Anna Krajewska and Błażej Lepczyński submitted their resignations when the General Meeting of Bank BPH convened for 24 June 2008 considered the agenda point on 'Granting discharge to Supervisory Board members'.
- On 24 June 2008, the Annual General Meeting of Bank BPH appointed Aleš Blažek, Peter Franklin, Beata Gessel-Kalinowska vel Kalisz, Denis Hall, Lesław Kuzaj, Sławomir Mirkowski, Des O'Shea, Wiesław Rozłucki, Tomasz Stamirowski, Robert Stefanowski and Dmitri Stockton to the Supervisory Board.
- As of 13 October 2008, Robert Stefanowski resigned from his membership in the Supervisory Board.

- As at 31 December 2008, the Supervisory Board worked in the following composition: Wiesław Rozłucki (Chairman), Peter Franklin (First Deputy Chairman), Dmitri Stockton (Second Deputy Chairman), Aleš Blažek, Beata Gessel-Kalinowska vel Kalisz, Denis Hall, Lesław Kuzaj, Sławomir Mirkowski, Des O'Shea, Dorota Podedworna-Tarnowska, Agnieszka Słomka-Gołębiowska and Tomasz Stamirowski.
- As of 19 March 2009, Peter Franklin resigned from his membership in the Supervisory Board.

Bank's Management Board (as at 31 December 2008)

Józef Wancer (66) President of the Management Board	He graduated from The City University of New York and Webster University in Saint Louis, Missouri. For 23 years, he worked for Citibank in New York as Vice-president and occupied managerial positions in the bank's subsidiaries in Japan, Austria, United Kingdom and France. In 1995-2000 he was Vice-president and then President of Raiffeisen Centrobank in Warsaw. Starting from 1 March 2000, he has been President of Bank BPH Management Board.
Mirosław Boniecki (46) Deputy President of the Management Board	He graduated from the Warsaw School of Economic (formerly SGPiS, now SGH). He has worked in the banking sector since 1989. In October 2001, he became Bank BPH Management Board Member responsible for international markets, assets and liabilities management and sales of treasury products. Since 16 October 2004 he has been Deputy President of Bank BPH Management Board.
Grzegorz Dąbrowski (48) Deputy President of the Management Board	He graduated from the Warsaw School of Economic (formerly SGPiS, now SGH). Initially he worked for PBK and was responsible, among others, for trade finance, strategic customers and pricing strategy. In 2002-2007, he acted as Corporate Banking Managing Director for Capital Macro-region in Bank BPH. Between November 2007 and January 2008 he worked for Bank Pekao (after integration with part of Bank BPH). Starting from 2008, he has worked for Bank BPH again, first as General Manger of Corporate Banking and Real Estate Finance Area and then as Deputy President of the Bank's Management Board upon consent of the Financial Supervisory Authority.
Kent Holding (44) Deputy President of the Management Board	He graduated from Georgia Institute of Technology. In 1990, he gained his MBA at Duke University, Fuqua School of Business. He started his professional carrier in USA in Procter & Gamble. In 2006, he assumed the position of the Deputy President of the Management Board, head of the Financial Division in GE Money Bank, and in 2007 he became Management Board Member of Bank BPH. Before that he worked for Agora and Central European Media Enterprises, among others.
Piotr Królikowski (42) Deputy President of the Management Board	He graduated from the Academy of Catholic Theology in Warsaw, Albert Ludwig University in Freiburg, Germany and Executive Education program for top managers in INSEAD Fontainebleau, France. Since 1996, he worked for Bank Creditanstalt, Svenska Handelsbank, BIG Bank Gdański and Bank Millennium. Before becoming Bank BPH Management Board members, he was a board member in Deutsche Bank S.A.
Kazimierz Łabno (46) Deputy President of the Management Board	He graduated from Jagiellonian University and Academy of Economics in Krakow. Since 1 October 2007, he has been Bank BPH Board member responsible for IT, operation, services, project management and integration. Since 1990 he has been responsible for integration processes and implementation of many key projects in Bank BPH. On 10 March 2008 he was appointed Deputy President of Bank BPH Management Board.
Cezary Mączka (44) Deputy President of the Management Board	He graduated from the Legal Faculty of the University of Gdańsk and was trained as prosecutor. He gained his MBA title at the Gdańsk Foundation for Managers' Training and Strathclyde Glasgow Business School. Since 2001, he has worked for GE, whereby he gained his experience in human resources area. On 10 March 2008, he was appointed Deputy President of Bank BPH Management Board.
Carl-Normann Vökt (44) Deputy President of the Management Board	He graduated from the University of Graz. He also studied in Mexico. He worked for Bank Austria Creditanstalt S.A, among others. Then he acted as General Manager for Risk Management Division in BPH and in 2007 he became member of Bank BPH Management Board.

- On 10 March 2008, the Supervisory Board changed positions of the hitherto Management Board members: the title of Deputy Presidents of the Bank's Management Board were granted to Kazimierz Łabno and Carl-Normann Vökt as well as Cezary Mączka as of 10 March 2008 and Grzegorz Dąbrowski upon consent of the Financial Supervision Authority.
- On 23 April 2008, the Supervisory Board appointed Piotr Królikowski as Deputy President of the Management Board as of 1 May 2008.
- On 17 June 2008, Bank BPH obtained legally required consent from the Financial Supervision Authority to appoint Grzegorz Dąbrowski as Deputy President of the Bank's Management Board.
- Due to the end of Bank's Management Board term, on 24 June 2004 Bank BPH Supervisory Board appointed the following people to the Bank's Management Board for the new term of office: Józef Wancer (President of the Management Board), Mirosław Boniecki (Deputy President of the Management Board), Grzegorz Dąbrowski (Deputy President of the Management Board), Kent Holding (Deputy President of the Management Board), Piotr Królikowski (Deputy President of the Management Board), Kazimierz Łabno (Deputy President of the Management Board), Cezary Mączka (Deputy President of the Management Board), Carl-Normann Vökt (Deputy President of the Management Board).

Bank's Management and Supervisory Boards

Bank's Supervisory Board

The Supervisory Board ('SB') exercises on-going supervision over the Bank's activities. It is appointed for a joint three-year term of office by the General Meeting. In line with the SB Rules of Procedure that defines its internal organization, the Supervisory Board members appoint their Chairman and two Deputy Chairmen from their composition. In case of a draw, the vote cast by the SB Chairman is decisive. Key tasks of the SB Chairman include, among others: defining SB meetings' agendas, convening and chairing SB meetings, opening GMs and granting consent for special modes of SB decisions.

After the change in the strategic investor, and due to alignment of internal regulations, 2008 saw changes to the Supervisory Board Rules of Procedure, consisting in, among others: expansion of responsibility scope of the Credit Committee and modification of its name into the Risk Committee, introducing minor changes in the operations of Investment Committee and completing SB Rules of Procedure with the provisions on the obligation to assess the Supervisory Board's work and submit this assessment to the General Meeting.

Apart from on-going supervision over the key areas of the Bank's operations (including budget performance and current Bank's results, operations of individual business divisions and risk management), the Supervisory Board devoted a lot of time and attention to the above-mentioned challenges related to the change in strategic investor and internal procedures harmonization. In 2008, the Supervisory Board held 6 meetings and adopted 49 resolutions. In delivering on its tasks, the Supervisory Board was assisted by its committees (Remuneration, Audit, Risk and Investment Committees), whose operations are described further on in the Report.

Last year, the Supervisory Board also dealt with HR issues. After reduction in the Management Board's composition caused by the spin-off, the Supervisor Board elected four new Management Board members. As decided by the Supervisory Board, all the issues related to Management Board members' remuneration and conditions of employment were discussed by the Remuneration Committee, and then approved by the Supervisory Board.

In 2008, the Supervisory Board delivered on all its obligations stemming from Best Practices and presented the General Meeting with a concise company's assessment and evaluation of risk management and internal audit systems, it assessed its own operations and opinionated issues to be discussed by the General Meeting.

Average participation of SB members in its meetings amounted to 80% (just like in 2007). Supervisory Board members could participate in its meetings via a video conference connection, and absent members could cast their votes via another SB member. SB meetings were open to Management Board members except for the points related to personnel issues.

SB members' attendance in 2008

Name	Position	Related to	SB membership	Participation in SB meetings	Membership in Audit Committee	Participation in AC meetings	Membership in Investment Committee	Membership in Remuneration Committee	Membership in Credit/Risk Committee
J. K. Bielecki	Member	UCI	To 16.01	0/0					
A. Blažek	Member	GE	From 24.06	3/3	Member from 24.06	2/2	Member from 24.06		
P. Fiorentino	Member	UCI	To 19.03	1/2			Member to 19.03	Member to 19.03	
P. Franklin	First Deputy Chairman.	GE	From 24.06	3/3	Member from 24.06	1/2	Chairman from 24.06	Member from 12.11	Member from 24.06
F. Galmarini	Member	UCI	From 16.01 to 19.03	2/2					
K. Gawlikowska-Hueckel	Member	Independent	To 24.06	2/3	Member to 24.06	2/3		Member From 14.04 to 24.06	
B. Gessel-Kalinowska vel Kalisz	Member	Independent	From 24.06	2/3					
F. Ghizzoni	First Deputy Chairman.	UCI	To 17.06	2/3	Member to 17.06	2/3	Chairman to 17.06	Chairman to 17.06	Member to 17.06
M. Grzybowski	Member	MSP	To 20.02	1/1	Member to 20.02	1/1			
D. Hall	Member	GE	From 24.06	3/3					Chairman from 24.06
M. Iannaccone	Second Deputy Chairman	UCI	From 17.01 to 17.06	1/3			Member from 14.04 to 17.06	Member from 14.04 to 17.06	
A. Kornasiewicz	Chairman	UCI	To 17.06	1/3					Member to 17.06
A. Krajewska	Member	Independent	To 24.06	3/3	Chairman to 24.06	3/3			
L. Kuzaj	Member	GE	From 24.06	2/3					
B. Lepczyński	Member	Independent	From 16.01 to 24.06	3/3					
L. Lovaglio	Second Deputy Chairman	UCI	To 16.01	0/0					
R. de Marchis	Member	UCI	To 17.06	1/3			Member to 17.06		Chairman to 17.06
S. Mirkowski	Member	Independent	From 24.06	3/3	Chairman From 24.06	2/2			
M. Natale	Member	UCI	From 17.01 to 17.06	2/3					
D. O'Shea	Member	GE	From 24.06	3/3				Member from 24.06	Member from 24.06
D. Podedworna-Tarnowska	Member	MSP	From 20.02	5/5	Member from 10.03	3/4			
W. Rożucki	SB Chairman	Independent	From 24.06	3/3	Member to 24.06	2/2			
A. Słomka-Gołębiowska	Member	MSP	From 20.02	4/5			Member From 24.06		
T. Stamirowski	Member	Independent	From 24.06	3/3			Member from 24.06		
R. Stefanowski	Member	GE	From 24.06 to 13.10	2/2				Member from 24.06 to 13.10	Member from 24.06 to 13.10
D. Stockton	Second Deputy Chairman	GE	From 24.06	3/3				Chairman from 24.06	Member from 24.06
E. Ślęzak	Member	MSP	To 20.02	1/1					
M. Wierzbowski	Member	Independent	To 13.03	0/2				Member to 13.03	

UCI – UniCredit; MSP – Ministry of State Treasury

Independent Supervisory Board members

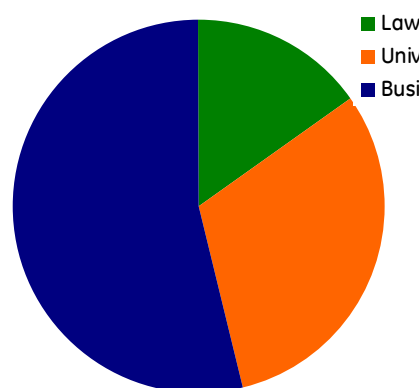
With the view to abide by the highest global standards, Bank BPH Articles of Associate require more independent members in the Supervisory Board, i.e. 30% than the WSE code of Best Practices.

At the beginning of the reporting period, the following people fulfilled the independence criterion: Anna Krajewska, Krystyna Gawlikowska-Hueckel and Marek Wierzbowski. At the end of 2008, the following Supervisory Board members were independent: Beata Gessel-Kalinowska vel Kalisz, Sławomir Mirkowski, Tomasz Stamirowski and Wiesław Rożucki.

It should also be mentioned that since the introduction of significant changes to SB composition on 24 June 2008, the function of Supervisory Board Chairman is performed by an independent member.

Bank BPH Articles of Association read that if a decision is to be made in case of potential conflict of interests, consent needs to be granted by a majority of independent members. This provision applies, among others, to the Bank's acceptance of benefits payable to Management Board members and granting consent for the Bank to conclude a significant agreement with a related entity, member of its authorities or entities linked thereto. In 2008, all resolutions on the above-mentioned matters were adopted in compliance with this requirement.

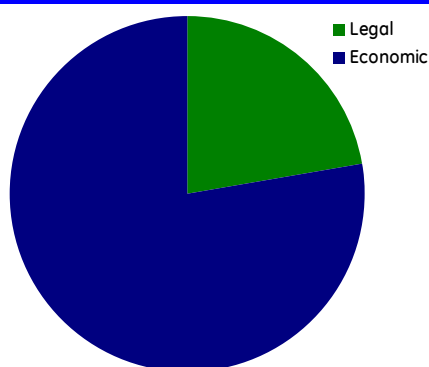
SB Members relations



Description of Supervisory Board members (as at the end of 2008)

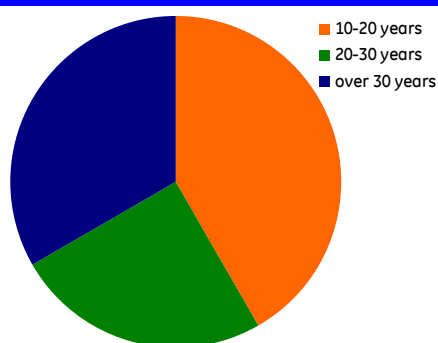
Supervisory Board members represent various circles and professional experience. Half of them are Polish nationals. More than half work in business environment. Others are related to economic universities, law firms or auditing companies. All SB members boast higher education. The Supervisory Board has a varied age structure. The above-mentioned factors impact the SB efficiency in a positive way and enable broad picture of the Bank's business.

SB Members education

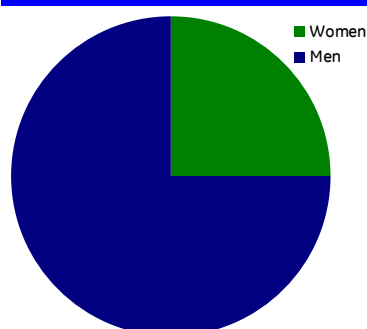


Due to the change in strategic investor and resignations of most of the hitherto SB members, the newly elected members have less than one year experience in sitting on Bank BPH Supervisory Board. Therefore, to enable smooth start-up of work, a special introductory program was launched to present the company's issues.

Professional experience



Gender parity



Operations of the Audit Committee ('AC')

As at 31 December 2008, the Committee consisted of the following members:

- Sławomir Mirkowski (Chairman),
- Aleš Blažek,
- Peter Franklin,

Last year, the Audit Committee held 5 meetings.

Date of AC meeting	Main issues/ recommendations
25 January 2008	<ul style="list-style-type: none">• Internal audit report for the period before the Bank's spin-off• Recapitulation of the AC activities in 2007• Guidelines of the then strategic investor (UniCredit) in the scope of audit committee's operations (it was confirmed that the AC complied with the above-mentioned guidelines)
10 March 2008	<ul style="list-style-type: none">• 2007 internal audit report 2007 (a positive opinion was issued on Internal Audit Department operations)• Training on the New Capital Accord
18 April 2008	<ul style="list-style-type: none">• 2007 financial statements (with KPMG representative): AC formulated draft report on Bank BPH SA financial statements audit, audit report on Management Board's report of the Bank's operations in 2007 and concise assessment of the company's standing including evaluation of significant risk management and internal audit, approved later by the SB
18 September 2008	<ul style="list-style-type: none">• Internal audit report for the first two quarters 2008• Opinionating draft SB resolutions on internal audit functions in the Bank (annual and three-year plans, budget)• Mid-year financial statements (with the participation of CFO and KPMG representatives)• Assessment of external auditor's independence: it was confirmed that the Bank complied with rule IV.8 of Good Practices of external auditor, and a relevant draft SB resolution was presented
13 November 2008	<ul style="list-style-type: none">• Q3 2008 internal audit report• Rules of internal audit in the Bank• Scope and timetable of financial statements audit, professional standard, professional standards, research methodology, composition of the team of key people responsible for the research (with KPMG representatives)• Independence policy and information on non-audit services rendered last year• Management Letter and Management Board's reply• GE standards concerning AC work: it was concluded that the work of Bank BPH SB Audit Committee generally complied with these guidelines• Draft SB policy on contracting non-audit services with the external auditor: discussed in the chapter dealing with conflict of interests management• Draft Master Services Agreement between Bank BPH and GE Consumer Finance International Holdings SAS

Individual activity of AC members was presented in the table on all SB members' attendance.

The Audit Committee's commitment should be emphasized: on behalf of the SB, its AC audits the Bank's financial statements and meets with the external auditor to gain broad recognition of the Bank's financial statements.

Operations of the Remuneration Committee

As at 31 December 2008, the Committee consisted of the following members:

Dmitri Stockton (Chairman),
Peter Franklin,
Des O'Shea.

The Remuneration Committee plays a key role in approval of the Bank Management Board members' remuneration. In 2008, the Remuneration Committee issued 11 equivocal opinions on the contracts of employment and no-competition clauses, changes thereto and adoption of bonus and additional benefits scheme.

The Committee held one meeting (on 14 November 2008) devoted, among others, to planning of the motivation system for Board members and key issues of human resources management in the Bank. In line with the Good Practices, remuneration of the Bank's authorities' members is related to the scope of their tasks and responsibilities, reflecting the company's size and its financial performance.

In 2008, significant changes were introduced to the rules of remunerating Supervisory Board's members. The Rules of remunerating Supervisory Board's members adopted by the Resolution No. 60/2008 substituted 2006 document. They confirmed that the rules of remunerating Supervisory Board members are aimed at motivating them to active and efficient performance of their functions. In the context of internal organization of the Supervisory Board's work and its responsibility, remuneration was divided into the basic part and the so-called 'functional benefit'. Monthly basic salary of the Bank's SB member amounts to 9 000 zlotys, whereas the functional benefits were set at 8 000 zlotys for the SB Chairman, 3 000 zlotys for the First and Second Deputy Chairman and 2 000 zlotys for the chairman of any other committee. Additionally, it was decided that the Bank would cover the costs of travel and accommodation related to SB and its committees' meetings and to the performance of obligations entrusted by the Bank's Supervisory Board.

The Management Board Members Remuneration policy

The remuneration policy based on meritocracy is a vital element of any organization, as its purpose is to attract, retain, and recognize the employees who contribute to the achievement of the organization's strategic goals. The purpose of this policy is also to create the environment that will motivate and reward the employees to attain the best possible performance.

There are several elements that constitute the total remuneration of the Management Board: base salary, variable compensation, long-term incentive plan, options (GE program based on GE Company shares) and benefits in kind like premium medical benefit, a company car, accidental death & disability insurance and other.

Year 2008 was the year of aligning the structure of the Management Board remuneration to GE standards. The total compensation for each Management Board member was defined based on the job content, seniority to create a competitive package that will ensure the motivation and retention of the individuals.

All the above-mentioned elements of remuneration are linked to individual and company performance.

Each of the Management Board members signed the separate non-competition and non-solicit agreements. During the non-compete period following the end of employment the Management Board member is obliged to refrain from engaging in any competitive activities carried out by banks as well as other entities falling within the factual and statutory scope of the business of the Bank.

From the date on which the Bank became part of General Electric, its Management and Supervisor Boards' members are covered by civil liability policy (Corporate Officers & Directors Assurance Ltd. and XL Insurance). It is a global program which has been running in the strategic investor's group since 1968 and is renewed on annual basis (in June).

Operations on the Risk Committee

As at 31 December 2008, the Committee consisted of the following members:

Denis Hall (Chairman),

Peter Franklin,

Des O'Shea,

Dmitri Stockton.

Due to market requirements on risk management, and alignment of the Banks standards with GE guidelines, on 12 August 2008, the Credit Committee changed its name to the Risk Committee and expanded the scope of its responsibilities. Apart from expressing opinions on bigger credit exposures, its duties also include analyzing selected issues related to risk management in the Bank. At its single 2008 meeting, the Committee discussed management of market and reputation risks and contractors' limits in the context of financial markets turmoil.

Apart from analyzing key risk management issues, the Risk Committee also expressed its opinions on customer credit exposures that exceeded relevant competence levels.

Operations of the Investment Committee

As at 31 December 2008, the Committee consisted of the following members:

Peter Franklin (Chairman)
Aleš Blažek,
Agnieszka Słomka-Gołębiowska,
Tomasz Stamirowski.

Due to preparations for the Banks' integration and consequent suspension of investment projects with budgets exceeding pre-defined limits, in 2008, the Bank's Management Board presented one project for opinion. At its 18 December 2008 meeting, the Investment Committee expressed its positive opinion on the purchase of the IT system to support managing one of the Bank's operational areas.

Supervisory Board assistance

The Supervisory Board uses assistance of the Bank's employees. The Bank provides newly elected SB members with a full set of documents necessary for work, while internal Bank's services respond to all SB members' queries.

Within the scope of its competencies and in line with the Bank's Supervisory Board Rules of Procedure, the SB has the right to request that the Bank delivers expert reports and research at own costs. Last year, the Bank's Supervisory Board made no such requests.

Within the confines of the SB budget, its members can improve their knowledge and skills necessary for the performance of their duties.

An important element to assist the SB was the launch of the introductory program for newly elected members, which enables them to quickly take on all the duties related to their SB functions. The program featured sessions on the Bank's structure and operations, structure and priorities of the strategic investor and risk management in Bank BPH. This initiative is planned to become a permanent development program.

Bank's Management Board

The Bank's Management Board runs its business and represents the Bank outside. The President of the Management Board is appointed by the Supervisory Board, while the remaining Management Board members are appointed at the request or upon the opinion of Management Board President. The President runs the Management Board's work and represents the Bank. His competencies include, among others, convening and chairing Management Board's meetings, allocating on-going tasks to other Management Board members and issuing internal Bank's regulations. He also has a decisive vote in case of a draw. The Bank's Management Board works on the basis of its Rules of Procedure. This document defines the rules of Management Board's work, decision-making procedure, competencies and tasks.

At the beginning of 2008, the Bank's Management Board consisted of four members. After expanding its composition, since June 2008 the Management Board has included 8 members, each responsible for a single area (division) in the Bank's operations.

In 2008, the Bank's Management Board held 48 meetings (in 2007, there were 49 meetings) and adopted 212 resolutions (in 2007 26 resolutions were adopted). Every-day tasks performed by the Management Board, stemming from legal provisions and the Bank's Articles of Association included, among others: analysis of the current financial performance of the Bank and its individual divisions, risk management, approval of credit exposures and business development. The beginning of 2008 also marked alignment of the Bank's standards to its reduced scale of operations after spin-off, while in the second half of the year, the Bank's Management Board devoted a lot of time to GEMB integration.

The Bank's structure defined in its Organizational Rules is well fitted to its size; the tasks performed and risk profile. It is approved by the Bank's Management and Supervisory Boards. The structure of the Bank's Head Office is defined in the Bank's Head Office Organizational Rules. They define its break-down into Divisions, among others. The Bank's Management Board has no Committees, while there are the following permanent committees within the Head Office structure: Credit Committee, Assets and Liabilities Management Committee, Product and Software Development Committee and Operational Risk Committee.

Managing conflict of interests

The Bank attaches a lot of importance to managing potential conflicts of interests.

The Management and Supervisory Boards' members are obliged to inform of the existing conflict of interests and to abstain from potential voting on such matter.

An in-house solution adopted by the Bank is a document regulating granting of loans and undertaking obligations towards the Bank Management and Supervisory Boards' members, people occupying management positions in the Bank and related thereto. This regulation is more restrictive than the Polish Banking Law, and it also accounts for the need to harmonize this process within the strategic investor's group.

On behalf of the Supervisory Board, the Audit Committee opinionates the Bank's contracting non-audit services with the external auditor. Last year, the Bank reviewed its practices within this scope, and the Supervisory Board adopted a Policy on contracting non-audit services with the external auditor.

In 2008, the Bank started works on launching the Ombudsperson. The Ombudsperson performs a social non-profit function. He/she is an independent trustee of the Bank's employees in complicated cases, which require actions extending beyond the regular industrial relations. The launch of the Ombudsperson function results from unification of Bank BPH rules with General Electric guidelines. Its further realization is planned for 2009. Regardless of this fact, the Bank also develops its compliance function, adjusting it to currently applicable standards.

Bank BPH Supervisory Board Policy on co-operation with the external auditor

In December 2008 the Bank's Supervisory Board adopted detailed rules on selected aspects of its external auditor relations.

The Audit Committee was charged with the obligation to oversee objectivity, fairness and independence of the chartered auditor. As Bank BPH is part of the General Electric Company, the rules adopted complied with Polish and American standards (which are in line with Sarbanes-Oxley Act).

For reporting purposes, four categories of external auditor's services were defined: audit services and non-audit services (including audit-related services, tax services and all the remaining services), while the latter require position opinions of GE and Bank BPH Audit Committees before they are contracted. The list of prohibited services was also defined, specifying services that cannot be rendered by the external auditor.

It was also decided that at least once a year the Bank's Audit Committee shall assess its total co-operation with the external auditor, its objectivity and independence and reviews fees paid for audit and non-audit services.

Internal audit and risk management relating to financial statements development

Development of financial statements, just like other Bank's operations, is subject to internal audit, consisting of two independent parts: functional audit (exercised by each employee and his/her immediate supervisor and people co-operating with them) and institutional audit (performed by the Internal Audit Department 'IAD'). The Internal Audit Department enjoys broad independence and constant access to the Bank's Supervisory Board.

Since 2005, the Bank has used an Integrated Reporting Platform for functional audit of financial statements development. The platform is used for obligatory and management reporting and has in-built control mechanisms. Financial statements development processes are defined in relevant procedures and contain significant elements of functional control. Control mechanisms applied are technical (numbers-related and logical control formulas in the reporting systems are implemented at individual steps of reports generating process) and content-oriented (systemic analysis of control reports).

Institutional control of the Bank's reporting process is performed by the Internal Audit Department through annual audits. They are performed on the basis of annual and three-year audit plans approved by the President of the Bank's Management Board and accepted by the Bank's Supervisory Board. The objective of these audits is to provide independent assessment of the reporting process compliance with internal and external regulations, regularity of existing functional audits and their contents. IAD results and post-audit recommendations are presented directly to the Heads of the Bank's organizational units concerned and the President of the Management Board, and also to the SB Audit Committee on quarterly basis.