

**Supervisory Board
Dominet Bank S.A. in Lubin**

**Report on activities
of the Supervisory Board of Dominet Bank S.A. in Lubin
in the period from January 1, 2009 to July 31, 2009**

I. General information:

In the reporting period from 1 January 2009 to 31 March 2009, the Supervisory Board of Dominet Bank S.A. acted as a five-member board in the following composition:

1. Alexander Paklons – Chairman of the Supervisory Board,
2. Józef Kenis - Member of the Supervisory Board,
3. Charles David McArthur – Member of the Supervisory Board,
4. Piotr Kowynia – Member of the Supervisory Board,
5. Jaromir Pelczarski – Member of the Supervisory Board.

By virtue of resolutions adopted by the Supervisory Board on 26 March 2009 and 23 April 2009 Mr Jaromir Pelczarski, pursuant to Article 383 1 of the Polish Code of Commercial Companies and Partnerships, was delegated by the Supervisory Board of Dominet Bank S.A. to temporarily perform duties of Vice-President of Dominet Bank S.A. Board of Executives in the period from 1 April 2009 to 22 April 2009, and then from 24 April 2009 to 24 June 2009.

On 24 June 2009 the Extraordinary General Meeting of Shareholders discharged Mr Jaromir Pelczarski from the function of a member of the Supervisory Board and appointed Mr Philippe Van Hellemont to the Supervisory Board.

Therefore, in the period from 24 June 2009 to 31 July 2009 the Supervisory Board acted in the following composition:

1. Alexander Paklons – Chairman of the Supervisory Board,
2. Józef Kenis - Member of the Supervisory Board,
3. Charles David McArthur – Member of the Supervisory Board,
4. Piotr Kowynia – Member of the Supervisory Board,
5. Philippe Van Hellemont – Member of the Supervisory Board.

Mr Alexander Paklons, Chairman of the Supervisory Board, managed the activities of the Supervisory Board from 1 January to 31 July 2009.

The Supervisory Board claims that in the reporting period it was composed of persons with thorough knowledge of law, economy, banking, management and finance. The majority of the Supervisory Board members have practical knowledge acquired when holding managerial positions in international economic institutions. The Supervisory Board assesses that qualifications of the Supervisory Board members ensure due performance of duties of the Supervisory Board arising out of regulations in force. The application of experience and knowledge of the Supervisory Board members contributed to the attainment of goals set for the Supervisory Board.

II. Assessment of the Financial Statement for the reporting period from 1 January 2009 to 31 July 2009.

Pursuant to Article 382 section 3 of the Polish Commercial Companies Code, the assessment of the Company's Financial Statement and the Board of Executives' Report regarding Dominet Bank S.A. activity for the period from 1 January 2009 to 31 July 2009 will be made by the Supervisory Board of Fortis Bank Polska S.A., which is the supervisory authority of the legal successor of Dominet Bank S.A.

III. Assessment of the internal control system and of the material risk management system.

In accordance with provisions of the Statute, the Bank has an internal control system that exercises control over the lawfulness and due performance of operations conducted by the Bank, reliability of reports submitted as well as of information provided by the Bank. The purpose of the internal control system is to support decision-making processes contributing to the ensuring of efficiency and effectiveness of the Bank's operations, trustworthiness of financial reports and compliance of Bank's operations with laws and internal regulations. The internal control system comprises mechanisms of risk control and assessment of Bank operations compliance with laws and internal regulations as well as internal audit. Internal audit is performed at the Bank by the Audit Department which forms an organizationally separate unit reporting directly to the President of the Board of Executives. Duties of the Audit Department include examination and assessment, in an independent and objective manner, of the adequacy and effectiveness of the system of internal controls, and providing opinions concerning the Bank's management system, including the effectiveness of the risk management related to the Bank's activity. Functional internal control is exercised by every employee of the Bank and, additionally, by their supervisors and people who cooperate with the employee as well as by managers of the Bank's organizational units with respect to the quality and correctness and also the performance of duties by individual staff members in order to ensure compliance of these activities with procedures and controls at the Bank. The Audit Department's activities are overseen by the Bank's Supervisory Board. At the Supervisory Board's meetings the Audit Department presents information on identified

Irregularities and conclusions drawn from the conducted internal audits as well as actions taken to eliminate irregularities or implement these conclusions. The Head of the Audit Department is invited to attend the meetings of the Board of Executives and the Supervisory Board at which issues concerning the performance of internal control at the Bank are considered.

The internal control performance at the Bank is positively assessed by the Supervisory Board.

IV. Actions taken by the Supervisory Board in the period from 1 January 2009 to 31 July 2009.

In accordance with provisions of the Polish Code of Commercial Companies and Partnerships and the Statute of Dominet Bank S.A., the Supervisory Board exercised permanent supervision over the Company's activity in the period from 1 January to 31 July 2009. In order to perform the assigned duties, the Supervisory Board maintained regular contact with the Bank's Board of Executives and held meetings at the Company's registered office, at which the current financial standing of the Company was discussed and resolutions were adopted with respect to motions presented by the Company's Board of Executives.

In the period from 1 January 2009 to 31 July 2009 five meetings of Dominet Bank S.A. Supervisory Board were convened. All meetings were held in the composition enabling adoption of resolutions. Altogether, nineteen resolutions were adopted, three of which were adopted pursuant to §18 Item 3 of the Bank's Statute, i.e. by means of direct remote communication facilities. At the first meeting in 2009 convened on 12 December 2009, the Members of the Supervisory Board read, among others, drafts of Financial and Capital Plans of the Bank for 2009. The Supervisory Board obliged the Bank's Board of Executives to verify the submitted plans. After the submission of the verified plans by the Board of Executives, on 2 March 2009 the Supervisory Board adopted a resolution on the approval of the abovementioned Plans. Additionally, on 2 March 2009 in a resolution adopted upon a motion of the Board of Executives, the Supervisory Board approved the Bank Board of Executives' decision to sell Dominet Bank S.A. ATM network. At the next meeting held on 26 March 2009, the Supervisory Board accepted the resignation of Mr Bogdan Bruczko, Mr Adam Karolak and Mr Piotr Urbańczyk from the function of Vice-President of the Board of Executives and decided to appoint Mr Jan Bujak to the position of Vice-President of the Board of Executives effective 1 April 2009 and also delegate Mr Jaromir Pelczarski, Member of the Supervisory Board, to temporarily perform duties of Vice-President of the Board of Executives.

At the meeting on 23 April 2009, the Members of the Supervisory Board adopted a resolution stating that the delegation of Mr Jaromir Pelczarski to temporary performance of the duties of the Vice-President of the Board of Executives would be continued and also

approved the Report on the Supervisory Board's activity in 2008. Furthermore, in connection with information from the Polish Financial Supervision Authority (PFSA) on the need to verify and supplement the program of rehabilitation proceedings, the Supervisory Board Members obliged the Board of Executives to notify the PFSA about the planned update of the rehabilitation program and decided to convoke another meeting of the Supervisory Board at which the updated Financial Plan, being at the same time the Rehabilitation Program would be approved. Eventually, the abovementioned meeting was held on 14 May 2009. Apart from the Financial Plan for years 2009-2010 (which constitutes the Rehabilitation Program) the Supervisory Board also approved the Capital Plan for years 2009-2010. At the last meeting held in 2009 which took place on 25 June 2009, the Members of the Supervisory Board, within their competences, approved the Financial Statement of Dominet Bank S.A. for 2008 and the Board of Executives Report on the Bank's activity in 2008 and proposed the approval of the discharge of duties of the Dominet Bank S.A. Board of Executives in 2008. Furthermore, the Supervisory Board adopted a resolution recommending the General Meeting of Shareholders to adopt a resolution regarding the integration of Fortis Bank Polska S.A. and Dominet Bank S.A. and a resolution on selecting an auditor to review the Bank's Financial Statement prepared as at the day of closing the accounting books and on entering information on the merger of Dominet Bank S.A. and Fortis Bank Polska S.A. into the National Court Register (KRS). At the same time, the Supervisory Board unanimously adopted a resolution regarding the appointment of Mr Jaromir Pelczarski to the position of Vice-President of the Bank's Board of Executives effective on 25 June 2009.

The Supervisory Board focused in particular on the functioning of the internal control system. At the Supervisory Board meetings were presented, e.g. reports on the Internal Audit Department activities and their results in respect to audits performed at the Bank . Moreover, the Supervisory Board was provided on an ongoing basis with reports regarding the current financial standing of the Bank.

In the period from 1 January 2009 to 31 July 2009 the Supervisory Board has adopted the following resolutions:

- **Resolution no. 1/VII/2009** dated March 2, 2009; adopted pursuant to § 18 Item 3 of Dominet Bank S.A. Statute regarding the approval of the Financial Plan for Dominet Bank S.A. for 2009.
- **Resolution no. 2/VII/2009** dated March 2, 2009 adopted pursuant to § 18 Item 3 of Dominet Bank S.A. Statute regarding the approval of the Capital Plan for Dominet Bank S.A. for 2009.
- **Resolution no. 3/VII/2009** dated March 2, 2009 adopted pursuant to § 18 Item 3 of Dominet Bank S.A. Statute regarding the approval of the Dominet Bank S.A. Board of Executives decision on the sale of Dominet Bank S.A. ATM network.

- **Resolution no. 4/VII/2009** dated March 26, 2009 regarding the revision of monthly remuneration of Mr Jacek Obłękowski.
- **Resolution no. 5/VII/2009** dated March 26, 2009 regarding the appointment of Mr Jan Bujak to the position of Vice-President of the Board of Executives of Dominet Bank S.A. in Lubin.
- **Resolution no. 6/VII/2009** dated March 26, 2009 regarding the delegation of Mr Jaromir Pelczarski to temporary performance of the duties of Vice-President of Dominet Bank S.A. Board of Executives for the period of 1 April 2009 to 22 April 2009.
- **Resolution no. 7/VII/2009** dated April 23, 2009 regarding the approval of the Dominet Bank S.A. Board of Executives Report related to compliance risk management at the Bank.
- **Resolution no. 8/VII/2009** dated April 23, 2009 regarding the adoption of the Report on activities of Dominet Bank S.A. Supervisory Board in 2008.
- **Resolution no. 9/VII/2009** dated April 23, 2009 regarding the application to the Polish Financial Supervision Authority for approval of the performance of the function of Vice-President of the Board of Executives by Mr Robert Woźniak.
- **Resolution no. 10/VII/2009** dated April 23, 2009 regarding the delegation of Mr Jaromir Pelczarski to temporary performance of the duties of Vice-President of the Dominet Bank S.A. Board of Executives for the period of 24 April 2009 to 24 June 2009.
- **Resolution no. 11/VII/2009** dated May 14, 2009 regarding the approval of the Financial Plan for Dominet Bank S.A. for 2009 - 2010 which constitutes the rehabilitation program under Article 142 of the Banking Law Act and the Capital Plan for Dominet Bank S.A. for 2009-2010.
- **Resolution no. 12/VII/2009** dated June 25, 2009 regarding the assessment of the Financial Statement of Dominet Bank S.A. for 2008.
- **Resolution no. 13/VII/2009** dated June 25, 2009 regarding the assessment of the Board of Executives Report regarding Dominet Bank S.A. activity in 2008.
- **Resolution no. 14/VII/2009** dated June 25, 2009 regarding the coverage of losses incurred in the year 2008 from the Bank's additional capital.
- **Resolution no. 15/VII/2009** dated June 25, 2009 regarding the approval of the agenda and date of the Annual General Shareholders Meeting.
- **Resolution no. 16/VII/2009** dated June 25, 2009 regarding the merger with Fortis Bank Polska S.A.
- **Resolution no. 17/VII/2009** dated June 25, 2009 regarding a consent to commission KPMG Audyt Sp. z o.o. to audit Dominet Bank S.A. financial statement made as of the day of closing the accounting books.
- **Resolution no. 18/VII/2009** dated June 25, 2009 regarding the approval of the operating instruction "Internal Capital Adequacy Assessment Process (ICAAP) Methodology at Dominet Bank S.A."

- **Resolution no. 19/VII/2009** dated June 25, 2009 regarding the appointment of Mr Jaromir Pelczarski to the position of Vice-President of the Board of Executives of Dominet Bank S.A. in Lubin.

V. General evaluation of the Company's condition in the period from 1 January 2009 to 31 June 2009

The Bank's activity from 1 January 2009 to 31 June 2009 was under great influence of the dynamically changing macroeconomic environment. Global economic recession of 2008 had significant impact on the slowdown of Poland's economic development causing lower foreseeability related to conducting business activity and reduction in profitability of banking sector in Poland. This was manifested in the deterioration of products' profitability, increase in credit risk costs and decrease of net operating profit. In view of the looming danger of economic stagnation, which consequently triggers the increase in unemployment rate, the Bank tightened its credit policy as a measure counteracting deterioration of the credit portfolio quality parameters. The above decision had a direct influence on the limitation of the Bank's ability to boost income in 2009. Therefore, it was indispensable to apply more conservative customer acquisition methods focusing on safe customers. This prudent credit policy required the repositioning of the Bank's credit offering.

The functioning of Dominet Bank by the end of July 2009 was under great influence of the legal merger and operational integration with Fortis Bank Polska S.A. scheduled for 31 July 2009. After the adoption of the resolution regarding the merger of Fortis Bank and Dominet Bank by the Annual General Meeting of Shareholders on 26 June 2009 and upon receiving the consent from the Polish Financial Supervision Authority concerning the merger, the Commercial Division of the District Court issued a decision on the merger and thus terminated the operation of Dominet Bank as an independent company.

This report has been drawn up pursuant to Article 382 § 3 of the Polish Code of Commercial Companies and Partnerships. In view of the foregoing, the Supervisory Board states that in the reporting period from 1 January 2009 to 31 July 2009 it attained the set goals arising from the binding law provisions.

Signed by:



Chairman of the Supervisory Board
Alexander Paklons