

**BNP PARIBAS BANK POLSKA S.A.
CAPITAL GROUP
WARSZAWA, SUWAK 3**

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 2014 FINANCIAL YEAR**

**WITH
AUDITOR'S OPINION
AND
AUDIT REPORT**

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CONSOLIDATED FINANCIAL STATEMENTS OF THE CAPITAL GROUP FOR THE 2014 FINANCIAL YEAR

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REPORT ON THE ACTIVITIES OF CAPITAL GROUP FOR THE 2014 FINANCIAL YEAR

AUDITOR'S OPINION

To the Shareholders and Supervisory Board of BNP Paribas Bank Polska S.A.

We have audited the attached financial statements of the BNP Paribas Bank Polska S.A. Capital Group (hereinafter: "Capital Group"), for which BNP Paribas Bank Polska SA (hereinafter: "Parent Company") with its registered office in Warsaw at Suwak 3 is the Parent Company. Those consolidated financial statements include: consolidated balance sheet prepared as of 31 December 2014, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the financial year from 1 January 2014 to 31 December 2014 and notes comprising a summary of significant accounting policies and other explanatory information.

Preparation of consolidated financial statements and a report on the activities of the capital group in line with the law is the responsibility of the Management Board of the Parent Company. The Management Board of the Parent Company and members of its Supervisory Board are obliged to ensure that the consolidated financial statements and the report on the activities of the Capital Group meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013 item 330, as amended), hereinafter referred to as the "Accounting Act".

Our responsibility was to audit and express an opinion on compliance of the consolidated financial statements with the accounting principles (policy) adopted by the Capital Group and whether the financial statements give a true and fair view of the financial and economic position as well as the financial performance of the Capital Group.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act;
- national auditing standards, issued by the National Council of Statutory Auditors in Poland.

We have planned and performed our audit of the consolidated financial statements in such a way as to obtain reasonable assurance to express an opinion on the financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) applied by the Parent Company and the subsidiaries, verification – largely on a test basis – of the basis for the amounts and disclosures in the consolidated financial statements, as well as overall evaluation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements of the Capital Group for the prior financial year ended 31 December 2013 were audited by another certified auditor who issued an unqualified opinion on those financial statements on 11 March 2014.

In our opinion, the audited consolidated financial statements of BNP Paribas Bank Polska SA Capital Group in all material respects:

- give a true and fair view of the information material to evaluation of the economic and financial position of the Capital Group as of 31 December 2014 as well as its financial performance in the financial year from 1 January 2014 to 31 December 2014;
- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations, and in all matters not regulated in the standards – in accordance with the provisions of the Accounting Act and its executory provisions;
- comply with the provisions of law applicable to the Parent Company and Capital Group entities which affect the contents of the consolidated financial statements.

The report on the activities of the Capital Group for the 2014 financial year is complete within the meaning of Article 49.2 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133) and consistent with underlying information disclosed in the audited consolidated financial statements.

Jacek Marczak
Key certified auditor
conducting the audit
No. 9750

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Dariusz Szkaradek – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 4 March 2015

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL
STATEMENTS OF THE BNP PARIBAS BANK POLSKA CAPITAL GROUP
FOR THE 2014 FINANCIAL YEAR**

I. GENERAL INFORMATION

1. Details of the audited Parent Company

The Parent Company of the Capital Group operates under the business name BNP Paribas Bank Polska S.A. (hereinafter: "Parent Company"). The Company's registered office is located in Warsaw at Suwak 3.

The Parent Company operates as a joint stock company. The Parent Company is recorded in the Register of Entrepreneurs kept by the District Court, XIII Business-Registry Division in Warsaw, under KRS number 0000006421.

The Parent Company operates based on the provisions of the Code of Commercial Companies and Bank Law.

As of 31 December 2014, the Parent Company's share equaled PLN 1,532,886,878.90 and was divided into 33,719,465 ordinary shares with a face value of PLN 45.46 each.

In the audited period, the Parent Company conducted activities mainly in the area of accepting cash as demand deposits or term deposits and keeping deposit accounts as well as granting credits and loans.

Composition of the Management Board of the Parent Company as at the date of the opinion:

- | | |
|-----------------------|--|
| – Frederic Amoudru | – Chairman of the Management Board; |
| – Jan Bujak | – First Vice-Chairman of the Management Board; |
| – Jaromir Pelczarski | – Vice-Chairman of the Management Board; |
| – Michel Thebault | – Vice-Chairman of the Management Board; |
| – Marta Oracz | – Member of the Management Board; |
| – Stephane Rodes | – Member of the Management Board; |
| – Wojciech Kembłowski | – Member of the Management Board; |
| – Adam Parfiniewicz | – Member of the Management Board. |

During the audited period and until the date of the opinion no changes in the Management Board occurred.

2. Structure of the Capital Group

The consolidated financial statements as of 31 December 2014 included the following entities:

- a) Parent Company – BNP Paribas Bank Polska SA

We have audited the financial statements of the Parent Company for the period from 1 January to 31 December 2014. As a result of our audit, on 4 March 2015 we issued an unqualified opinion.

b) Companies subject to full consolidation:

Name and address of the Company	Interest in the share capital (%)	Name of entity that audited the financial statements and type of opinion issued	Balance sheet date of the consolidated entity
Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA	100%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. No opinion was issued till the date of this report	31.12.2014
Fortis Lease Polska Sp. z o.o. w likwidacji	100%	Not audited	31.12.2014
BNP Paribas Factor Sp. z o.o.	100%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. No opinion was issued till the date of this report	31.12.2014

During the financial year the composition of the audited Capital Group and the consolidated entities, for which the Parent Company prepared the audited consolidated financial statements, did not change.

3. Information about the consolidated financial statements for the prior financial year

The activities of the Capital Group in 2013 resulted in a net profit of PLN 102,283 thousand. The consolidated financial statements of the Capital Group for 2013 were audited by a certified auditor. The audit was performed by authorized entity Mazars Audyt Sp. z o. o. On 11 March 2014, the certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting, which approved the consolidated financial statements for the 2013 financial year was held on 7 April 2014.

In accordance with applicable laws, the consolidated financial statements for the 2013 financial year were submitted to the National Court Register (KRS) on 14 April 2014

4. Details of the authorized entity and the key certified auditor acting on its behalf

The entity authorized to audit the financial statements was appointed by the Supervisory Board. The audit of the consolidated financial statements was performed based on the agreement of 9 May 2014 concluded between the Parent Company and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw, al. Jana Pawła II 19, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the consolidated financial statements was conducted under the supervision of Jacek Marczak, key certified auditor (No. 9750), in the registered office of the Bank, in its branches, as well as outside the Bank's from 20 October to 28 November 2014 and from 7 January until the opinion date.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor conducting audit confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on statutory auditors and their self-governing body, auditing firms and on public oversight (Journal of Laws of 2009 No. 77, item 649, as amended) to express an unbiased and independent opinion on the consolidated financial statements of the Capital Group.

5. Availability of data and management's representations

The scope of our audit was not limited.

During the audit, necessary documents and data as well as detailed information and explanations, were provided to the authorized entity and the key certified auditor, as confirmed e.g. in the written representation of the Management Board of the Parent Company of 4 March 2015.

II. ECONOMIC AND FINANCIAL POSITION OF THE CAPITAL GROUP

Presented below are the main items from the consolidated income statement, consolidated balance sheet as well as financial ratios describing the financial performance of the Capital Group and its economic and financial position compared to the prior year.

<u>Main financial data from consolidated balance sheet</u> <u>(PLN '000)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Total assets	23,199,679	21,117,256
Cash and cash equivalents	2,714,529	1,290,247
Due from banks	95,862	79,201
Financial assets held for trading	139,584	70,118
Financial assets available for sale	2,178,751	2,607,870
Loans to customers	17,561,644	16,600,857
Hedging instruments (assets)	9,245	8,503
Intangible assets	73,816	51,632
Property, plant and equipment	99,851	111,140
Deferred tax assets	185,038	196,830
Other assets	141,359	81,017
Liabilities due to banks	112,251	424,273
Financial liabilities held for trading	134,549	69,790
Loans and credit facilities received	7,562,365	7,050,920
Liabilities due to customers	12,426,362	10,930,814
Subordinated liabilities	468,801	452,192
Provisions	54,815	60,613
Other liabilities	297,651	316,780
Total equity	2,120,835	1,804,841
<u>Main financial data from consolidated income statement</u> <u>and consolidated statement of comprehensive income</u> <u>(PLN '000)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Net interest income	565,377	537,585
Net fee and commission income	149,284	149,671
Result on financial assets and liabilities held for trading	91,210	102,313
Result on financial assets available for sale	22,888	25,441
Gains (losses) on banking activity	826,276	823,313
Operating costs	(541,584)	(524,399)
Income tax expense	(36,067)	(35,248)
Net profit for the period	103,176	102,283
Total comprehensive income	104,483	73,924
<u>Ratio analysis</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Return on equity ratio (ROE)	5%	6%
Return on assets ratio (ROA)	0.47%	0.49%
Cost to income ratio	83%	83%
Capital ratio	12.89%	12.36%*
Equity ratio	9%	9%

* The capital ratio as of 31 December 2013 was calculated in accordance with resolution No. 76/2010 of the Polish Financial Supervision Authority of 10 March 2010 on the detailed procedures for determining capital requirements for particular types of risk.

An analysis of the above figures and ratios indicated the following trends in 2014:

- Return on equity ratio (ROE) calculated as a relation of net profit for the period to equity estimated as an average of the balance as at 31.12.2013 and balance as at 31.12.2014 decreased as at the end of 2014 and amounted to 5% in comparison to 6% as at the end of 2013;
- Return on assets ratio (ROA) calculated as a relation of net profit for the period to total assets estimated as an average of the balances as at 31.12.2013 and 31.12.2014 decreased slightly as at the end of 2014 and amounted to 0.47% in comparison to 0.49% as at the end of 2013;
- Cost to income ratio calculated as a relation of total costs estimated as a sum of operating costs, amortization, cost of risk and provision losses to total income estimated as gain (losses) on banking activity remained stable and amounted to 83% 2014 and 2013;
- Capital ratio calculated in accordance with the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investments firms as at the end of 2014 amounted to 12.89% in comparison to 12.36% as at the end of 2013;
- Equity ratio calculated as a relation of total equity to the sum of total equity and total liabilities remained stable as at the end of 2014 and amounted to 9% in comparison to 9% at the end of 2013.

Application of prudence principles

During the audit we did not detect facts indicating that as of 31 December 2014 the Bank did not comply with prudence principles defined by provisions of the Banking Law, resolutions of the Management Board of the National Bank of Poland and resolutions of the Polish Financial Supervision Commission.

Capital adequacy ratio

During the audit we did not detect significant irregularities related to the calculation of the capital adequacy ratio as of 31 December 2014 for BNP Paribas Bank Polska SA Capital Group in accordance with resolution No. 575/2013 of the European Parliament and of the Council (EU) of 26 June 2013 on prudential requirements for credit institutions and investment firms.

III. DETAILED INFORMATION

1. Information about the audited consolidated financial statements

The audited consolidated financial statements were prepared as at 31 December 2014 and include:

- consolidated balance sheet prepared as of 31 December 2014, with total assets and liabilities plus equity of PLN 23,199,679 thousand;
- consolidated income statement for the period from 1 January 2014 to 31 December 2014, with a net profit of PLN 103,176 thousand;
- consolidated statement of comprehensive income for the period from 1 January 2014 to 31 December 2014, with a total comprehensive income of PLN 104,483 thousand;
- consolidated statement of changes in equity for the period from 1 January 2014 to 31 December 2014, disclosing an increase in equity of PLN 315,994 thousand;
- consolidated cash flow statement for the period from 1 January 2014 to 31 December 2014, showing a cash inflow of PLN 1,424,713 thousand,
- notes, comprising a summary of significant accounting policies and other explanatory information.

The audit covered the period from 1 January 2014 to 31 December 2014 and focused mainly on:

- verification of the correctness and fairness of the consolidated financial statements prepared by the Management Board of the Parent Company;
- verification of the consolidation documentation;
- evaluation of the correctness of the consolidation methods and procedures applied during consolidation.

2. Consolidation documentation

The Parent Company presented the consolidation documentation including:

- financial statements of entities included in the consolidated financial statements;
- consolidation packages of controlled entities included in the consolidated financial statements, adjusted to IFRS rules and the accounting principles (policy) applied of Capital Group,
- consolidation adjustments and eliminations necessary for preparation of the consolidated financial statements.

The financial statements of the subsidiaries were consolidated using the full method, i.e. full amounts of all relevant items of the financial statements of the Parent Company and the subsidiaries included in consolidation were summed up.

The Parent Company preparing the consolidated financial statements has not applied any material simplifications and exceptions to the consolidation principles with respect to the controlled entities.

3. Completeness and correctness of drawing up notes and explanations and the report on the activities of the Capital Group

The Parent Company confirmed the validity of the going concern basis in preparation of the consolidated financial statements. The notes and explanations to the consolidated financial statements gives a description of measurement principles regarding assets, liabilities, financial performance and principles of preparation of the consolidated financial statements.

The Parent Company prepared notes in the form of tables to individual items of the consolidated statement of financial position and consolidated income statement and consolidated statement of comprehensive income as well as narrative descriptions in line with the requirement of IFRS.

The Management Board of Parent Company prepared and supplemented the consolidated financial statements with a report on the activities of the Capital Group in the 2014 financial year. The report contains information determined by Article 49 of the Accounting Act and the Ordinance of the Minister of Finance Ordinance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133). We have audited the report with respect to the disclosed information derived directly from the audited consolidated financial statements.

IV. FINAL NOTES

Management Board's Representations

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor received a representation letter from the Parent Company's Management Board, in which the Board stated that the Capital Group complied with the laws in force.

Jacek Marczak
Key certified auditor
conducting the audit
No. 9750

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Dariusz Szkaradek – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 4 March 2015