

**Translation of Statutory Auditor's Report
supplementing the opinion on
consolidated financial statements of**

BNP PARIBAS BANK Polska S.A.

**for the year ended
31 December 2013**

I. GENERAL SECTION

1. Identification of the Group

1.1. Name of the Group

Grupa Kapitałowa BNP Paribas Bank Polska S.A.

1.2. Information about the parent company

The parent company, BNP Paribas Bank Polska S.A. with its registered office in Warsaw, ul. Suwak 3 was established on 5 November 1990 (then under business name Krakowskie Towarzystwo Bankowe Spółka Akcyjna in Cracow) and entered in the Business Register by the District Court for the Capital City of Warsaw, Business Court, XVI Business Registration Division under entry RHB 49002.

On 17 April 2001 the Bank was entered in the National Court Register kept by the District Court for the Capital City of Warsaw, XIII Business Division under entry 0000006421.

The tax and statistics registration are as follows:

NIP 676-007-83-01 REGON 003915970

The Bank's principal business activity, according to its Articles of Association, is:

- accepting cash as sight deposits and term deposits and keeping deposit accounts,
- keeping other bank accounts,
- granting credits and loans, including consumer credits and loans,
- performing bank settlements, issuing debit cards and effecting operations with the use of such cards,
- granting and confirming bank guarantees and sureties and opening and confirming letters of credit,
- issuing securities, including convertibles and banking securities, performing commissioned operations and incurring liabilities related to the issue of securities,
- participating in trading of financial instruments, including keeping securities trading accounts,
- performing money and currency market operations, including futures and derivative transactions
- effecting cheque and bill of exchange transactions as well as operations with warrants,
- buying and selling debts,
- purchasing and selling foreign exchange values,
- safekeeping of objects and securities and providing access to safe deposit boxes,
- providing the following financial services: consulting and advisory services in relation to financial, fiduciary, leasing and brokerage matters,

- providing sales-related services for open pension funds and safekeeping of pension fund assets,
- providing agency services related to acquiring units, investment certificates or investment fund titles, intermediation in sale and redemption of the same, safekeeping of investment fund assets,
- providing agency services related to property insurance,
- providing agency services related to personal insurance services, including life insurance,
- providing certification services in accordance with the electronic signature regulations, excluding qualified certificates issued by the banks within transactions to which they are parties,
- providing agency services in international funds transfers and settlements in international trade,
- issue of electronic money instrument.

Moreover, the Group carries out operations through its subsidiaries in the following areas:

- creation and management of investment funds;
- intermediary services in sale and repurchase of investment fund participation units and participation titles in foreign funds;
- management of portfolios including one or more financial instruments;
- offering the lease of fixed assets, including real estate, vehicles, construction machines and specialized equipment for the industry;
- provision of factoring services both with and without the assumption of client solvency risk.

The share capital as at 31 December 2013 amounted to PLN 1,304,380,415.96 and was divided into 28,692,926 shares with a nominal value of PLN 45,46 each.

As at 31 December 2013 the shares in the Company were held as follows:

	<i>Number of shares</i>	<i>% in share capital</i>	<i>Number of voting rights at AGM</i>	<i>% in total number of voting rights</i>
BNP Paribas Fortis (former Fortis Bank S.A./NV)	23,418,013	81.62%	23,418,013	81.62%
Dominet S.A.	5,243,532	18.27%	5,243,532	18.27%
Other	31,381	0.11%	31,381	0.11%
Total	28,692,926	100%	28,692,926	100%

As at 31 December 2013 the equity of the Company amounted to PLN 1,804,841 thousand.

As at 31 December 2013 the Management Board of BNP Paribas Bank Polska S.A. was as follows:

- Frédéric Amoudru President of the Board
- Jan Bujak Senior Vice-president of the Board
- Jaromir Pelczarski Vice-president of the Board
- Michel Thebault Vice-president of the Board
- Wojciech Kemblowski Member of the Board
- Marta Oracz Member of the Board
- Adam Parfiniewicz Member of the Board

- Stephane Rodes Member of the Board

In 2013 there were no changes in the composition of the Management Board.

As at 31 December 2013, the Supervisory Board of BNP Paribas Bank Polska SA was composed as follows:

- Jean-Paul Sabet Chairman
- Jarosław Bauc Vice-chairman
- Filip Dierckx Vice-chairman
- Monika Bednarek Supervisory Board Member
- Francois Benaroya Supervisory Board Member
- Yvan De Cock Supervisory Board Member
- Jean Deullin Supervisory Board Member
- Helene Dubourg Supervisory Board Member
- Andrzej Wojtyna Supervisory Board Member

On 4 April 2013 the Ordinary General Meeting of the Bank appointed 2 new members of the Supervisory Board:

- Jean-Paul Sabet,
- Yvan De Cock.

Mr. Camille Fohl, as a result on new responsibilities in the BNP PARIBAS Group, resigned from the position of Chairman of the Supervisory Board and member of the Supervisory Board of the Bank on the date of the Annual General Meeting, i.e. 4 April 2013. Mr. Camille Fohl was a member of the Supervisory Board since 26 June 2009.

At the Supervisory Board meeting held after the close of the General Meeting on 4 April 2013, Mr. Jean-Paul Sabet became Chairman of the Supervisory Board.

The average employment in the audited period was of 2,794 employees.

The consolidated financial statements for the preceding financial year ended 31 December 2012 approved by the resolution of the Ordinary Shareholders' Meeting of 4 April 2013 were filed with the National Court Register on 12 April 2013.

1.3. Subsidiaries subject to consolidation

As at 31 December 2013 the subsidiaries were: Investment Fund Companies BNP Paribas Polska S.A and Fortis Lease Polska Sp. z o. o. and BNP Paribas Factor Sp. z o.o.. These entities were consolidated using full consolidation method.

1.4. Identification data of the consolidated financial statements

The audited consolidated financial statements comprise:

1. Consolidated statement of financial position drawn up as at 31 December 2013 disclosing total assets and liabilities of PLN 21,117,256 thousand,

2. Consolidated profit and loss account for the period from 1 January 2013 to 31 December 2013 disclosing a net profit of PLN 102,283 thousand,
3. Consolidated statement of comprehensive income for the period from 1 January 2013 to 31 December 2013 disclosing a comprehensive income of PLN 73,924 thousand,
4. Consolidated statement of changes in equity for the period from 1 January 2013 to 31 December 2013 disclosing an increase of consolidated equity by PLN 73,896 thousand,
5. Consolidated statement of cash flows for the period from 1 January 2013 to 31 December 2013 disclosing decrease in cash balance by PLN 690,823 thousand,
6. Notes to the consolidated financial statements comprising a summary of significant accounting policies and other explanatory notes.

The parent entity and subsidiaries subject to consolidation prepared their financial statements as at 31 December 2013, i.e. the closing day.

Mazars Audyt Sp. z o.o. was appointed Statutory Auditor conducting the audit of the consolidated financial statements for the financial year ended 31 December 2013 further to the decision of Supervisory Board of 23 May 2012. The audit was carried out by Mazars Audyt Sp. z o.o., ul. Piękna 18, 00-549 Warsaw, registered as an entity entitled to examine the financial statements under entry 186, by virtue of the contract signed on 11 June 2012.

Mazars Audyt Sp. z o.o., members of its Management Board and other staff participating in the audit of financial statements of the Company comply with independence requirements in accordance with article 56, section 3 of the Act on Statutory Auditors and Their Self-government and Entities Entitled to Audit Financial Statements and Public Supervision.

1.5. Principles of preparation of financial statements of related entities

All the subsidiaries in which the parent company holds directly or indirectly through its subsidiaries more than 50% of voting rights are subject to full consolidation.

Consolidated financial statements were prepared in accordance with International Financial Reporting Standards approved by the European Union, and in matters non regulated under the above Standards, in accordance with the Polish Accounting Act and related implementation provisions.

The consolidated statement of financial position covers financial statements of the parent entity and subsidiaries being part of the Group as at the balance sheet date.

The value of consolidated assets and liabilities results from adding up the appropriate figures of the unconsolidated balance sheets and consolidated entries relating mainly to eliminations of the intercompany balances, unrealized profits and losses disclosed as items subject to consolidation and eliminations relating to shares in subsidiaries held by the parent entity along with the part of equity of each subsidiary that corresponds to the share of the parent entity.

The consolidated profit and loss account has been prepared by adding up appropriate items of the unconsolidated profit and loss accounts for the full financial year, except for the following Companies: Fortis Lease Polska Sp. z o. o. (since the acquisition date 01.07.2011) and BNP Paribas Factor Sp. z o.o (since the acquisition date 2.04.2012), after eliminating revenues and expenses relating to transactions between consolidated entities.

2. Information about Independent Statutory Auditor's opinion

Based on the audit of the Bank's consolidated financial statements as at 31 December 2013 and for the period ended on this day, we issued an unqualified opinion on 11 March 2014.

II. ANALYTICAL SECTION

1. Main figures characterizing the Group

Profit and loss account (in PLN thousand)	1/01/2013 – 31/12/2013	1/01/2012 – 31/12/2012	1/01/2011- 31/12/2011*
Interest income	890,090	1,018,956	997,862
Interest expense	(352,505)	(474,180)	(424,559)
Net interest income	537,585	544,776	573,303
Fees and commissions income	198,193	185,844	183,640
Fees and commissions expense	(48,522)	(39,993)	(43,181)
Net fee and commission result	149,671	145,851	140,459
Dividend and other investment income	14	18	20
Net trading income	102,313	109,244	67,476
Net gain/loss on available-for-sale financial assets	25,441	17,022	-661
Net profit/loss on hedging transactions	(2,805)	(3,291)	12,353
Net profit/loss on hedged items	2,805	3,291	(12,353)
Other revenues	29,776	22,214	19,330
Other operating expenses	(21,487)	(22,590)	(15,792)
Total income, net	823,313	816,535	784,135
Personnel expenses	(278,658)	(292,209)	(267,788)
Depreciation of fixed assets and intangible fixed assets	(44,999)	(59,184)	(65,288)
Other expenses	(245,741)	(255,849)	(265,905)
The costs of risk and result on provisions	(116,332)	(153,649)	(108,985)
Result on sale of assets and shares	(52)	(2,079)	(3,070)
Profit before income tax	137,531	53,565	73,099
Income tax expense	(35,248)	(22,724)	(33,657)
Net profit	102,283	30,841	39,442
Total income	73,924	67,335	41,914
Statement of financial position (in PLN thousand)	31/12/2013	31/12/2012	31/12/2011*
Cash and cash equivalents	1,290,247	1,980,588	1,116,422
Financial assets held for trading	70,118	145,838	175,761
Due from banks	79,201	208,045	359,239
Loans to customers	16,582,614	16,159,656	16,646,927
Hedging instruments	8,503	11,179	17,759
Investments – Available for Sale	2,607,870	1,825,430	3,658,899
Tangible and intangible assets	162,772	153,507	179,959
Fixed assets held for sale	18,243	32,100	5,254
Income tax settlements	19,841	4,423	-
Deferred tax assets	196,830	233,373	246,207
Other assets	81,017	76,673	72,877
Total assets	21,117,256	20,820,812	22,479,304
Financial liabilities held for trading	69,790	86,718	126,034
Due to banks	424,273	382,360	1,042,630
Due to customers	10,894,299	10,064,950	8,828,685
Credits and loans received	7,050,920	7,589,756	10,014,560
Changes of hedged items to fair value	6,097	8,800	13,132
Subordinated liabilities	452,192	694,251	592,628
Other liabilities	353,378	225,949	319,223
Current tax liabilities	128	-	24,043

Deferred tax provisions	808	7,416	-
Provisions	60,530	39,667	47,292
Equity	1,804,841	1,730,945	1,403,922
Total liabilities	21,117,256	20,830,812	22,479,304

* Please note that the Bank introduced some presentation changes as specified in the note 5 to the Financial Statements. Therefore, 2011 data is not fully comparable.

2. Selected financial ratios

	31/12/2013	31/12/2012	31/12/2011**
Balance sheet total (in PLN thousand)	21 117 256	20,830,812	22,479,304
Gross result (in PLN thousand)	137 531	53,565	73,099
Net result (in PLN thousand)	102 283	30,841	39,442
Equity (in PLN thousand)*	1 804 841	1,730,945	1,403,922
Net result to equity ratio	6%	2%	3%
Capital adequacy ratio	12,36%	13.80%	11.53%
Income generating assets to total assets	79%	79%	75%
Interest bearing liabilities to total liabilities	91%	91%	93%

* with the result of the current year

** 2011 data are not comparable

As at 31 December 2013 the capital adequacy ratio amounted to 12.36% vs. 13.80% at the end of December 2012. The decrease in adequacy ratio compared to December 2012 was mainly due to the planned repayment of a subordinated loan in the amount of EUR 60 million in January 2013 (excluding repayment of the loan, the capital adequacy ratio at the end of last year would be of 12.4%), as well as the increase in the capital requirement for credit risk due to the increase of receivables from customers.

On 11 July 2013 the Polish Financial Supervision Authority approved an updated Recovery Programme for BNP Paribas Bank Polska S.A.

In the updated Programme approved by the Polish Financial Supervision Authority new principles regarding financial forecasts for 2013-2014 were adopted in order to account for the economic slowdown and faster reduction of interest rates by Monetary Policy Council than expected. According to the Polish Financial Supervision Authority full implementation of the Programme should enable the Bank to generate positive financial results and improve key financial and economic indicators and complete the implementation of recovery proceedings within previously stipulated time limit, i.e. by 31 December 2014.

In our opinion, the results of the audit of the Group's consolidated financial statements as at 31 December 2013, the analysis of the above presented ratios as well as all the information available to us as at the date of preparing this report and the opinion, do not present any threat to the Group's ability to continue as a going concern over the 12 months from the cut off date.

III. DETAILED SECTION

1. Information about the audit course and accounting organisation

1.1. Legal provisions applied in the audit

The audit was conducted applying the following provisions:

- a) International Standards on Auditing,
- b) Accounting Act dated 29 September 1994 (Journal of Laws of 2013, item 330),
- c) Act of 29 August 1997, Banking Law (Journal of Laws of 2002 No. 72, item 665 with subsequent amendments),
- d) Act on Statutory Auditors and Their Self-government and Entities Entitled to Audit Financial Statements and Public Supervision of 7 May 2009 (Journal of Laws of 2009 No. 77, item 649),
- e) Regulation of the Minister of Finance of 1 October 2010 on specific principles of accounting for banks (Journal of Laws of 2010 No. 191, item 1279),
- f) Regulation of the Minister of Finance of 16 December 2008 on the principles for establishing general banking risk provisions (Journal of Laws of 2008 No. 235, item 1589, with subsequent amendments),
- g) Code of Commercial Companies – Act of 15 September 2000 (Journal of Laws no. 94, item 1037 with subsequent amendments).

1.2. Consolidation documentation

The consolidation documentation kept by the parent entity complies in all material aspects with the requirements of International Financial Reporting Standards. The documentation comprises the description and explanation of each adjustment, the calculation of amounts and its presentation in the balance sheet and profit and loss account and permits to connect the data of the consolidated financial statements with the unconsolidated financial statements being the basis of its preparation.

2. Information about selected material elements of the financial statements

The numerical data was presented in an appendix constituting an integral part of the Statutory Auditor's Report.

2.1. Statement of financial position

As at 31 December 2013 the balance sheet total amounted to PLN 21,117,256 thousand. The major items in the asset structure were loans to customers (mainly credits) of PLN 16,582,614 thousand. The most significant items of liabilities as at the balance sheet date include dues to customers (mainly deposits) of PLN 10,894,299 thousand and credits and loans received of PLN 7,050,920 thousand.

2.2. Profit and loss account

The consolidated financial statements include particular items of profit and loss accounts of entities making part of the Group as at the balance sheet date for the period from 1 January 2013 to 31 December 2013.

Interest income of PLN 890,090 thousand constitutes the main source of income for the Group and was correctly assigned to the audited financial year in all material respects.

The net profit of PLN 102,283 thousand generated in 2013 results mainly from the decrease of operating costs and risk costs.

2.3. Statement of comprehensive income

The statement of comprehensive income disclosing a comprehensive income of PLN 73,924 thousand was correctly presented in reference to the books of accounts.

2.4. Notes to the financial statements

Notes to the financial statements for the year ended 31 December 2013, including a summary of significant accounting policies and other explanatory notes, were prepared, in all material respects, in accordance with International Financial Reporting Standards approved by the European Union.

2.5. Statement of cash flows and statement of changes in equity

In accordance with International Financial Reporting Standards, the Group is under obligation to prepare a consolidated statement of cash flows and a consolidated statement of changes in equity.

The statement of cash flows and the statement of changes in equity have been presented correctly in all material respects, with reference to the statement of financial position and the profit and loss account.

2.6. Management Board Report

The information contained in the Management Board Report for the audited financial year, in the part relating to data contained in the accounting books, is compliant with the data presented in the financial statements as at 31 December 2013.

The Management Board report complies, in all material aspects, with the requirements specified in Article 49, section 2 of the Accounting Act and the Regulation of the Minister of Finance of 19 February 2009 on Current and Periodical Information Provided by Securities Issuers and Criteria of Recognizing as Equivalent the Information Required under Regulations of a Non-Member State (Journal of Laws of 2009 No. 33, item 259).

IV. FINAL COMMENTS

This document is an English translation of Statutory Auditor's report originally issued in Polish. The original language version takes precedence over this translation. The original report contains 12 pages numbered consecutively. The appendix comprising financial statements of BNP PARIBAS BANK POLSKA S.A. as at 31 December 2013 constitutes an integral part of the Statutory Auditor's report.

On behalf of

Mazars Audyt Sp. z o.o. No. 186

Warsaw, ul. Piękna 18



Bogusław LASKOWSKI

Michel KIVIATKOWSKI

Key Statutory Auditor

Partner

No. 6115

Warsaw, 11 March 2014