

**BNP PARIBAS BANK POLSKA S.A.
WARSAW, UL. SUWAK 3**

**FINANCIAL STATEMENTS
FOR THE 2014 FINANCIAL YEAR**

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

TABLE OF CONTENTS

AUDITOR'S OPINION	3
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF BNP PARIBAS BANK POLSKA SA FOR THE 2014 FINANCIAL YEAR	5
I. GENERAL INFORMATION	5
1. Details of the audited Bank	5
2. Information on the financial statements for the previous financial year.....	5
3. Details of the authorized entity and the key certified auditor acting on its behalf.....	6
4. Availability of data and management's representations	6
II. ECONOMIC AND FINANCIAL POSITION OF THE BANK	6
III. DETAILED INFORMATION	8
1. Evaluation of the accounting system.....	9
2. Information identifying the audited financial statements.....	9
3. Information about selected material items of the financial statements	9
4. Completeness and correctness of drawing up notes and explanations and the report on the activities of the Bank	10
IV. FINAL NOTES	10

FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR

1. Balance Sheet
2. Income statement
3. Statement of Comprehensive Income
4. Statement of Changes in Equity
5. Cash Flow Statement
6. Notes comprising a summary of significant accounting policies and other explanatory information

REPORT ON THE ACTIVITIES OF THE BANK 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 BNP Paribas Bank Polska SA (hereinafter: "Bank") with its registered office in Warsaw at Suwak 3, including balance sheet prepared as of 31 December 2014, income statement and statement of comprehensive income, statement of changes in equity, 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 as required by the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations.

Preparation of financial statements and a report on the activities in line with the law is the responsibility of the Management Board of the Bank. The Management Board of the Bank and members of its Supervisory Board are obliged to ensure that the financial statements and the report on the activities 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 financial statements with the accounting principles (policy) adopted by the Bank 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 Bank and on the correctness of the underlying accounting records.

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 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) and material estimates applied by the Bank, verification – largely on a test basis – of the accounting evidence and records supporting the amounts and disclosures in the financial statements, as well as overall evaluation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of the Bank 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 financial statements of BNP Paribas Bank Polska S.A. in all material respects:

- give a true and fair view of the information material to evaluation of the economic and financial position of the Bank 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 and based on properly kept accounting records;
- comply with the provisions of law and the articles of association of the Bank, which affect the contents of the financial statements.

The Report on the activities of the Bank 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 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 FINANCIAL STATEMENTS
OF BNP PARIBAS BANK POLSKA S.A.
FOR THE 2014 FINANCIAL YEAR**

I. GENERAL INFORMATION

1. Details of the audited Bank

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

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

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

As of 31 December 2014, the Bank's share capital 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 Bank 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 as of 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. Information on the financial statements for the previous financial year

The activities of the Bank in 2013 resulted in a net profit of PLN 86,271 thousand. The financial statements of the Bank for the 2013 financial year were audited by a certified auditor. The audit was performed by authorized entity Mazars Audyt Sp. z o.o. The certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting which approved the financial statements for the 2013 financial year was held on 7 April 2014. The General Shareholders' Meeting decided to distribute the net profit for 2013 in the following manner:

- | | |
|-------------------------|------------------------|
| – Supplementary capital | – PLN 7,000 thousand; |
| – General risk fund | – PLN 79,243 thousand; |
| – Retained earnings | – PLN 28 thousand. |

The financial statements for the 2013 financial year were submitted to the National Court Register (KRS) on 14 April 2014. The consolidated financial statements for the 2013 financial year were submitted to the National Court Register (KRS) on 14 April 2014.

3. 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 financial statements was performed based on the agreement of 9 May 2014 concluded between the Bank and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with 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 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 2015 until the opinion date.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor conducting the 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 financial statements of the Bank.

4. 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 4 March 2015.

II. ECONOMIC AND FINANCIAL POSITION OF THE BANK

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

<u>Main items from the balance sheet (PLN '000)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Total assets	22,818,160	19,653,614
Cash and cash equivalents	2,714,490	1,290,203
Due from banks	95,862	79,201
Financial assets held for trading	139,584	70,118
Financial assets available for sale	2,174,940	2,604,354
Loans to customers	17,162,317	15,074,082
Hedging instruments (assets)	9,245	8,503
Other investments	21,067	115,851
Intangible assets	72,669	51,603
Property, plant and equipment	99,691	111,013
Deferred tax assets	185,949	169,237
Other assets	142,346	64,248
Liabilities due to banks	112,204	424,273
Financial liabilities held for trading	134,549	69,790
Loans and credit facilities received	7,143,268	5,586,978
Liabilities due to customers	12,473,715	11,008,192
Subordinated liabilities	468,801	452,192
Provisions	54,721	57,364
Other liabilities	295,215	291,683
Total equity	2,113,651	1,756,237
<u>Main items from the income statement and statement of comprehensive income (PLN '000)</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Net interest income	557,640	500,309
Net fee and commission income	138,106	139,786
Dividend income	39,047	24,283
Result on financial assets and liabilities held for trading	91,320	101,443
Gains (losses) on banking activity	846,925	796,033
Operating costs	(529,505)	(505,588)
Income tax expense	(32,387)	(28,112)
Net profit for the period	137,112	86,271
Total comprehensive income	138,163	58,311
<u>Ratio analysis</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Return on equity ratio (ROE)	7%	5%
Return on assets ratio (ROA)	0.65%	0.44%
Cost to income ratio	80%	85%
Capital ratio	13.41%	12.86%*
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 increased as at the end of 2014 and amounted to 7% in comparison to 5% 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 increased as at the end of 2014 and amounted to 0.65% in comparison to 0.44% 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 decreased from 85% in 2013 to 80% in 2014;
- 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 13.41% in comparison to 12.86% 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 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. Evaluation of the accounting system

The Bank has valid documentation describing the adopted accounting principles, complying in all material respects with Article 10 of the Accounting Act. The principles have been applied consistently and did not change compared to the principles applied in the prior year. The opening balance resulting from the approved financial statements for the prior financial year has been properly introduced into the accounting records of the audited period.

Based on tests performed during the audit procedures, we have verified the adopted accounting system and found no misstatements that would affect the financial statements. Our audit did not include, though, the entire accounting system used by the Bank.

The Bank performed a physical count of assets and liabilities within the scope necessary to confirm the existence of the presented assets and liabilities.

2. Information identifying the audited financial statements

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

- balance sheet prepared as of 31 December 2014, with total assets and liabilities plus equity of PLN 22,818,160 thousand;
- income statement for the period from 1 January 2014 to 31 December 2014, with a net profit of PLN 137,112 thousand;
- statement of comprehensive income for the period from 1 January 2014 to 31 December 2014 with a total comprehensive income of PLN 138,163 thousand;
- statement of changes in equity for the period from 1 January 2014 to 31 December 2014, disclosing an increase in equity of PLN 357,414 thousand;
- cash flow statement for the period from 1 January 2014 to 31 December 2014, showing a cash inflow of PLN 1,424,718 thousand;
- notes, comprising a summary of significant accounting policies and other explanatory information.

3. Information about selected material items of the financial statements

The structure of assets and liabilities as well as items affecting the financial result have been presented in the financial statements.

Financial assets and liabilities

The Bank classifies its financial instruments into the following categories:

- financial assets or financial liabilities measured at fair value through profit or loss;
- financial assets held to maturity;
- loans and receivables;
- available-for-sale financial assets;
- other financial liabilities.

Types of financial assets and liabilities have been correctly presented in the respective explanatory note to the balance sheet.

Structure of loans and advances from banks and customers

Types of trade receivables have been correctly presented in the respective explanatory note to the balance sheet.

Structure of deposits from banks and customers

Types of liabilities have been correctly presented in the respective explanatory note to the balance sheet.

Repayments, accruals and provisions for liabilities

The explanatory notes to prepayments, accruals and provisions for liabilities correctly present the structure of the items.

Deferred expenses and income have been correctly classified with respect to the audited financial year. Provisions for liabilities have been determined at reliably estimated amounts. The items have been recognized completely and correctly in all material respects in relation to the financial statements as a whole.

4. Completeness and correctness of drawing up notes and explanations and the report on the activities of the Bank

The Bank confirmed the validity of the going concern principle in the preparation of the financial statements. The notes and explanations give a correct and complete description of measurement principles regarding assets, liabilities, financial result and principles of preparation of the financial statements.

The notes to the financial statements give a correct and complete description of the reporting items and clearly present other information required under IFRS.

The financial statements have been supplemented with the Management Board's report on the activities of the Bank in the 2014 financial year. The report contains information required under 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). We have audited the report with respect to the disclosed information derived directly from the audited 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 Bank's Management Board, in which the Board stated that the Bank 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