

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

BNP PARIBAS BANK Polska S.A.

**for the year ended
31 December 2012**

I. GENERAL SECTION

Description of the Company and general information

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 statute, 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.

The share capital as at 31 December 2012 amounted to PLN 1,434,646 and was divided into 28,692,926 shares with a nominal value of PLN 50 each.

As at 31 December 2012 the shares in the Bank 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 2012 the equity of the Company amounted to PLN 1,697,954 thousand.

As at 31 December 2012 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 Kembłowski Member of the Board
- Marta Oracz Member of the Board
- Adam Parfiniewicz Member of the Board
- Stephane Rodes Member of the Board

In 2012 the composition of the Management Board was changed as follows:

At its meeting held on 23 May 2012 the Supervisory Board of the Bank appointed Mr Adam Parfiniewicz to the position of the Member of the Board of BNP Paribas Bank Polska SA from 23 May 2012 until the end of 5-year term ending on the date of the Ordinary Shareholders' Meeting of the Bank approving the financial year 2014.

As at 31 December 2012, the Supervisory Board of BNP Paribas Bank Polska SA was composed as follows:

- Camille Fohl President
- Jarosław Bauc Vice-president
- Filip Dierckx Vice-president
- Monika Bednarek Supervisory Board Member
- Francois Benaroya Supervisory Board Member
- Jean Deullin Supervisory Board Member

- Helene Dubourg Supervisory Board Member
- Andrzej Wojtyna Supervisory Board Member.

On 1 February 2012 Mr Lars Machenil handed in his resignation as Supervisory Board Member.

The Ordinary Shareholders' Meeting held on 23 May 2012 appointed 3 new members of the Supervisory Board:

- Francois Benaroya,
- Filip Dierckx,
- Helene Dubourg.

Mr Mark Selles, who has taken up new duties in the BNP Paribas SA Group, stepped down as Supervisory Board Member on the date of the Ordinary Shareholders' Meeting, i.e. 23 May 2012. Mr Selles sat in the Bank Supervisory Board from 30 April 2010.

At the Supervisory Board Meeting held on 23 May 2012 after the closing of Shareholders' Meeting, Mr Filip Dierckx assumed the position of Vice-president of the Supervisory Board, Chairman of the Audit Committee and Member of the Remuneration Committee.

The average employment in the audited period was of 2,773 employees.

The audited statement of financial position as at 31 December 2012 discloses total assets and liabilities of PLN 19,245,705 thousand, the profit and loss account for the financial year ended 31 December 2012 discloses a net profit of PLN 29,288 thousand, the statement of comprehensive income for the financial year ended 31 December 2012 discloses a comprehensive income of PLN 65,333 thousand, the statement of changes in equity discloses an increase in equity by PLN 324,190 thousand and the statement of cash flows discloses an increase of cash balance by PLN 847,135 thousand.

The audited entity made available all data, information and explanations required by Statutory Auditor, in particular representation letters on complete data entering in the books of accounts, the disclosure of all contingent liabilities and informing about all material events after the balance sheet date. The audit was not limited in scope.

The closing balance as at 31 December 2011 was entered in the books as the opening balance as at 1 January 2012.

Financial statements for the preceding year ended 31 December 2011, approved by the Shareholders' Meeting resolution of 23 May 2012 were filed with the National Court Register on 6 June 2012. Pursuant to the resolution of the Shareholders' Meeting of 23 May 2012 the net profit for the year ended 31 December 2011 in the amount of PLN 21,032,978.01 will be allocated as follows:

- PLN 1,682,638.24 thousand to supplementary capital,
- PLN 19,350,339.99 thousand to general risk fund,
- balance of retained earnings of PLN 0.22 to general risk fund.

Financial statements for the preceding financial year were audited by Mazars Audyt Sp. z o.o., which issued an unqualified opinion.

Financial statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2011 were published in Monitor Polski B issue 1879/2012 of 30 August 2012.

Mazars Audyt Sp. z o.o. was appointed Statutory Auditor conducting the audit of the financial statements for the financial year ended 31 December 2012 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 supervisory bodies 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.

II. ANALYTICAL SECTION

1. Main figures characterizing the entity

Profit and loss account (in PLN thousand)	1/01/2012- 31/12/2012	1/01/2011- 31/12/2011	1/01/2010 - 31/12/2010*
Interest income	925,699	948,920	898,044
Interest expense	(423,796)	(397,180)	(314,018)
Net interest income	501,903	551,740	584,026
Fees and commissions income	177,564	180,123	212,168
Fees and commissions expense	(39,051)	(43,004)	(55,349)
Net fee and commission income	138,513	137,119	156,819
Dividend and other investment income	22,153	-	-
Net trading income	107,929	67,180	74,844
Net gain/loss on available-for-sale financial assets	17,434	(661)	1,376
Net profit/loss on hedging transactions	(3,291)	12,353	-
Net profit/loss on hedged items	3,291	(12,353)	-
Other revenues	23,267	19,666	28,875
Other operating expenses	(23,286)	(15,792)	-
Total income, net	787,913	759,252	845,940
Personnel expenses	(285,429)	(263,849)	(231,229)
Depreciation of fixed assets and intangible fixed assets	(57,747)	(64,766)	(75,829)
Other expenses	(242,133)	(260,534)	(287,674)
Net impairment losses	(154,560)	(118,299)	(192,663)
Profit before income tax	45,311	48,734	58,545
Income tax expense	(16,023)	(27,701)	(15,889)
Net profit	29,288	21,033	42,656
Total income	65,333	23,502	44,277
Statement of financial position (in PLN thousand)	31/12/2012	31/12/2011	31/12/2010*
Cash and cash equivalents	1,903,463	1,056,316	1,172,860
Financial assets held for trading	145,838	175,761	194,290
Due from banks	208,045	359,211	159,013
Loans to customers	14,611,837	14,883,190	13,151,131
Hedging instruments	11,179	17,759	-
Investments – Available for Sale	1,817,783	3,655,428	3,247,825
Other investments	120,648	112,996	18,208
Tangible and intangible assets	152,245	178,205	181,473
Fixed assets held for sale	4,785	4,785	4,785
Income tax settlements	1,927	-	84,015
Deferred tax assets	204,890	219,627	215,222
Other assets	63,065	59,890	127,413
Total assets	19,245,705	20,723,168	18,556,235
Financial liabilities held for trading	86,718	126,034	97,699
Due to banks	382,327	1,028,324	745,774
Due to customers	10,113,114	9,028,053	8,211,775
Credits and loans received	6,023,287	8,214,636	7,163,459
Changes of hedged fair value items in hedge of interest rate risk	8,800	13,132	-
Liabilities relative to issuance of debt securities	-	-	30,000
Subordinated liabilities	694,251	592,628	565,236
Current tax liabilities	-	17,218	-
Tax provision	7,368	-	-
Other liabilities	196,722	285,060	385,772

Provisions	35,164	44,319	21,419
Equity	1,697,954	1,373,764	1,335,101
Total liabilities	19,245,705	20,723,168	18,556,235

* 2010 data is not comparable

2. Selected financial ratios

	31/12/2012	31/12/2011	31/12/2010**
Balance sheet total (in PLN thousand)	19,245,705	20,723,168	18,556,235
Gross result (in PLN thousand)	45,311	48,734	58,545
Net result (in PLN thousand)	29,288	21,033	42,656
Equity (in PLN thousand)*	1,697,954	1,373,764	1,335,101
Net result to equity ratio	2%	2%	3%
Capital adequacy ratio	14.46%	12.01%	13.52%
Income generating assets to total assets	77%	73%	72%
Interest bearing liabilities to total liabilities	91%	93%	92%

* including the result of the current year

** 2010 data is not comparable

As at 31 December 2012 the capital adequacy ratio amounted to 14.46% vs. 12.01% at the end of December 2011. This change was brought about by the increase of credits and hence the increase of capital requirements addressing credit risk.

On 2 January 2012 the Bank received a written request of the Polish Financial Supervision Authority to supplement and correct the Recovery Programme for BNP Paribas Bank Polska S.A. The Bank submitted the updated Recovery Programme for BNP Paribas Bank Polska S.A. on 3 February 2012. The update provides for:

- prolonging the Recovery Programme until 2014,
- financing credits in PLN in 100% using funds gathered by clients as current and fixed deposits in PLN,
- maintaining the capital adequacy ratio at the level not lower than 12.0%,
- additional payments to capital of the Bank through capital increase in 2012 by issuing new shares.

In our opinion, the results of the audit of the Bank's financial statements as at 31 December 2012, 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 Bank'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 2009 No. 152, item 1223 with subsequent amendments),
- 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. Assessment of the correctness of the accounting system applied

The books of the Bank are kept in accordance with the adopted accounting policy. Adopted principles are adjusted to the conditions and needs of the Bank.

In the year under audit, the books of accounts were kept in the Bank's headquarters in Cracow. The books reflect the course of business operations in a documented manner, while meeting compulsory accounting standards.

The Company's books of accounts were kept using computer software in accordance with statutory requirements defined in article 13 sections 4 and 5 of the Accounting Act.

Pursuant to the Accounting Act and the Regulation of the Minister of Finance 1 October 2010 on the specific principles of accounting for banks (Journal of Laws of 2010 No. 191, item 1279), the Company carried out a stock-taking of assets and liabilities which was settled and entered into the books.

The manner of storage and protection of accounting evidence, accounting books and financial statements met the requirements of article 71 of the Accounting Act.

1.3 Compliance with prudential standards

Following our audit we have not identified any significant departures from the prudential standards relating to loan concentration, obligatory reserve and capital adequacy ratio, etc.

1.4 Materiality levels adopted for the audit

We have planned and applied a relevant materiality level in the performed audit procedures in order to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements.

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 2012 the balance sheet total amounted to PLN 19,245,705 thousand. The major items in the asset structure were loans to customers (mainly credits) in the amount of PLN 14,611,837 thousand. The most significant items of liabilities as at the balance sheet date include dues to customers of PLN 10,113,114 thousand and credits and loans received in the amount of PLN 6,023,287 thousand.

2.2. Profit and loss account

The management of the audited entity adjusted the accounting principles of particular elements of profit and loss account to the specificity of conducted activity. Interest income of PLN 925,699 thousand constitutes the main source of income for the Bank and was correctly assigned to the audited financial year in all material respects. The net profit of PLN 29,288 thousand generated in 2012 results mainly from the increase of net trading income.

2.3. Statement of comprehensive income

The statement of comprehensive income disclosing a comprehensive income of PLN 65,333 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 2012, 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.

The information presented conforms to the books of accounts in all material respects.

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

In accordance with International Financial Reporting Standards, the audited Bank is under obligation to prepare a statement of cash flows and a statement of changes in equity. The cash-flow statement 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 2012.

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 11 pages numbered consecutively. The appendix comprising financial statements of BNP PARIBAS BANK POLSKA S.A. as at 31 December 2012 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, 8 March 2013

