

**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 2012**

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
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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.

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 2012 amounted to PLN 1,434,646,300.00 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 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 2012 the equity of the Company amounted to PLN 1,730,945 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 Kemblowski 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
- Jaroslaw 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 2,815 employees.

The consolidated financial statements for the preceding financial year ended 31 December 2011 approved by the resolution of the Ordinary Shareholders' Meeting of 23 May 2012 were filed with the National Court Register on 6 June 2012 and published in Monitor Polski B on 30 August 2012.

1.3. Subsidiaries subject to consolidation

As at 31 December 2012 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. (since acquisition date 2 April 2012). These entities were consolidated using full consolidation method.

On 2 April 2012 the Bank purchased 100% of shares of Fortis Commercial Finance Sp. z o.o. with its registered office in Warsaw from the Dutch company, Fortis Commercial Finance Holding N.V. On 29 June 2012 the company changed its business name to BNP Paribas Factor Sp. z o.o. with share capital of PLN 10.4 million divided into 20,820 shares.

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 2012 disclosing total assets and liabilities of PLN 20,830,812 thousand,
2. Consolidated profit and loss account for the period from 1 January 2012 to 31 December 2012 disclosing a net profit of PLN 30,841 thousand,
3. Consolidated statement of comprehensive income for the period from 1 January 2012 to 31 December 2012 disclosing a comprehensive income of PLN 67,335 thousand,
4. Consolidated statement of changes in equity for the period from 1 January 2012 to 31 December 2012 disclosing an increase of consolidated equity by PLN 327,023 thousand,
5. Consolidated statement of cash flows for the period from 1 January 2012 to 31 December 2012 disclosing an increase in cash balance by PLN 864,154 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 2012, 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 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.

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.

II. ANALYTICAL SECTION

1. Main figures characterizing the Group

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	1,018,956	997,862	898,044
Interest expense	(474,180)	(424,559)	(313,349)
Net interest income	544,776	573,303	584,695
Fees and commissions income	185,845	183,640	214,837
Fees and commissions expense	(39,994)	(43,181)	(55,772)
Net fee and commission result	145,851	140,459	159,065
Dividend and other investment income	18	20	81
Net trading income	109,244	67,476	74,844
Net gain/loss on available-for-sale financial assets	17,022	-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	22,226	19,330	28,879
Other operating expenses	(23 369)	(15 792)	-
Total income, net	815,768	784,135	848,940
Personnel expenses	(292,209)	(267,788)	(233,838)
Depreciation of fixed assets and intangible fixed assets	(58,542)	(65,288)	(76,031)
Other expenses	(252,624)	(265,905)	(288,942)
Net impairment losses	(156,095)	(108,985)	(192,666)
Result on sale of assets and shares	(2,733)	(3,070)	-
Profit before income tax	53,565	73,099	57,463
Income tax expense	(22,724)	(33,657)	(15,889)
Net profit	30,841	39,442	41,574

Statement of financial position (in PLN thousand)	31/12/2012	31/12/2011	31/12/2010*
Cash and cash equivalents	1,980,588	1,116,422	1,172,870
Financial assets held for trading	145,838	175,761	194,290
Due from banks	208,045	359,239	159,013
Loans to customers	16,159,687	16,646,927	13,151,131
Hedging instruments	11,179	17,759	-
Investments – Available for Sale	1,825,430	3,658,899	3,248,293
Other investments	-	-	12
Tangible and intangible assets	153,507	179,959	181,638
Fixed assets held for sale	32,100	5,254	4,785
Income tax settlements	4,423	-	84,015
Deferred tax assets	233,373	246,207	215,280
Other assets	76,642	72,877	127,749
Total assets	20,820,812	22,479,304	18,539,076
Financial liabilities held for trading	86,718	126,034	97,699
Due to banks	382,358	1,042,630	745,774
Due to customers	10,064,950	8,828,685	8,195,268
Credits and loans received	7,589,758	10,014,560	7,163,459
Changes of hedged items to fair value	8,800	13,132	-
Liabilities relative to issuance of debt securities	-	-	30,000
Subordinated liabilities	694,251	592,628	565,236
Other liabilities	226,475	319,223	386,046

Current tax liabilities	-	24,043	92
Deferred tax provisions	7,416	-	-
Provisions	39,141	47,292	21,419
Equity	1,730,945	1,403,922	1,334,083
Total liabilities	20,830,812	22,479,304	18,539,076

* Please note that the Bank introduced some presentation changes as specified in the note 5 to the Financial Statements. Therefore, 2010 data is not fully comparable.

2. Selected financial ratios

	31/12/2012	31/12/2011	31/12/2010*
Balance sheet total (in PLN thousand)	20,830,812	22,479,304	18,539,076
Gross result (in PLN thousand)	53,565	73,099	57,463
Net result (in PLN thousand)	30,841	39,442	41,574
Equity (in PLN thousand)	1,730,945	1,403,922	1,334,083
Net result to equity ratio	2%	3%	3%
Capital adequacy ratio	13.80%	11.53%	13.64%
Income generating assets to total assets	79%	75%	72%
Interest bearing liabilities to total liabilities	91%	93%	92%

* Please note that the Bank introduced some presentation changes as specified in the note 5 to the Financial Statements. Therefore, 2010 data is not fully comparable.

As at 31 December 2012 the capital adequacy ratio amounted to 13.80% vs. 11.53% at the end of December 2011. This change was brought about by the increase of the Bank's share capital and the Polish Financial Supervision Authority's consent to classify the subordinated loans as additional funds.

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 addition, following the request of BNP Paribas Group, the Polish Financial Supervision Authority gave its consent to extend the deadline for fulfilling the BNP Paribas commitment to raise its free float up to the level of at least 15% until the end of 2013. BNP Paribas Group plans to increase the free float through a new issue of shares and sale of current shares, which can have a positive impact on the capital position of the Bank in 2013.

In our opinion, the results of the audit of the Group's consolidated 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 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 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. 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 2012 the balance sheet total amounted to PLN 20,830,812 thousand. The major items in the asset structure were loans to customers (mainly credits) in the amount of PLN 16,159,687 thousand. The most significant items of liabilities as at the balance sheet date include dues to customers (mainly deposits) in the amount of PLN 8,882,232 thousand and credits and loans received in the amount of PLN 10,038,767 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 2012 to 31 December 2012 except for BNP Paribas Factor Sp. z o.o. (since the acquisition date 2.04.2102).

Interest income of PLN 1,018,956 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 30,841 thousand generated in 2012 results mainly from the increase of net trading income and higher risk costs.

2.3. Statement of comprehensive income

The statement of comprehensive income disclosing a comprehensive income of PLN 67,335 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.

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 statement of cash flows and a 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 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 12 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

