



**Raiffeisen Bank Polska S.A. Group**

**Opinion and Report  
of the Independent Auditor  
Financial Year ended  
31 December 2014**

The opinion contains 2 pages  
The supplementary report contains 11 pages  
Opinion of the independent auditor  
and the supplementary report  
on the audit of the consolidated financial statements  
for the financial year ended  
31 December 2014



**KPMG Audyt**  
**Spółka z ograniczoną**  
**odpowiedzialnością sp.k.**  
ul. Chłodna 51  
00-867 Warszawa  
Poland

Telefon +48 22 528 11 00  
Fax +48 22 528 10 09  
E-mail kpmg@kpmg.pl  
Internet www.kpmg.pl

*This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.*

## **OPINION OF THE INDEPENDENT AUDITOR**

*To the General Meeting of Raiffeisen Bank Polska S.A.*

### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the Group, whose parent entity is Raiffeisen Bank Polska S.A. with its registered office in Warsaw, Piękna 20 Street ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

### *Management's and Supervisory Board's Responsibility for the Consolidated Financial Statements*

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group's activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the report on the Group's activities are in compliance with the requirements set forth in the Accounting Act.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion, the accompanying consolidated financial statements of Raiffeisen Bank Polska S.A. Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

**Specific Comments on Other Legal and Regulatory Requirements**

*Report on the Group's Activities*

As required under the Accounting Act, we report that the accompanying report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
Registration No. 3546  
Chłodna 51 Street  
00-867 Warsaw

*Signed on the Polish original*

.....  
Justyna Zań  
Key Certified Auditor  
Registration No. 12750  
Limited Liability Partner with power of attorney

19 March 2015

*Signed on the Polish original*

.....  
Stacy Ligas  
Limited Liability Partner with  
power of attorney



*TRANSLATION*

**Raiffeisen Bank Polska S.A. Group**

Supplementary report  
on the audit of the consolidated  
financial statements  
Financial Year ended  
31 December 2014

The supplementary report contains 11 pages  
The supplementary report  
on the audit of the consolidated financial statements  
for the financial year ended  
31 December 2014

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## **1. General**

### **1.1 Identification of the Group**

#### **1.1.1 Name of the Group**

Raiffeisen Bank Polska S.A. Group (hereinafter "the Group")

#### **1.1.2 Registered office of the Parent Entity of the Group**

Piękna 20 Street  
00-549 Warsaw  
Poland

#### **1.1.3 Registration of the Parent Entity in the National Court Register**

Registration court: District Court for Capital City Warsaw in Warsaw, XIII  
Commercial Department of the National Court Register  
Date: 30 May 2001  
Registration number: KRS 0000014540  
Share capital as at the end  
of reporting period: PLN 2,256,683,400

#### **1.1.4. Management of the Parent Entity**

The Management Board is responsible for management of the Parent Entity.

As at 31 December 2014, the Management Board of the Parent Entity was comprised of the following members:

- Piotr Czarnecki –President of the Management Board,
- Maciej Bardan –First Vice-President of the Management Board,
- Jan Czeremcha –Vice-President of the Management Board,
- Ryszard Drużyński –Vice-President of the Management Board,
- Łukasz Januszewski –Member of the Management Board,
- Piotr Konieczny –Member of the Management Board,
- Marek Patuła –Member of the Management Board,

On 20 May 2014 the Supervisory Board of the parent entity resolved to accept Mr. Kazimierz Stańczak resignation from the position of the First Vice-President of the Management Board of the parent entity, effective on that date.

On 20 May 2014 the Supervisory Board of the parent entity appointed Mr. Maciej Bardan as the First Vice-President of the Management Board of the parent entity responsible for Retail Banking Division, effective on 1 June 2014.

### **1.2 Information about companies comprising the Group**

#### **1.2.1 Companies included in the consolidated financial statements**

As at 31 December 2014, the following companies were consolidated by the Group:

Parent Entity:

- Raiffeisen Bank Polska S.A.

Subsidiaries consolidated on the full consolidation basis:

- Raiffeisen-Leasing Polska S.A.
- Raiffeisen Insurance Agency Sp. z o.o.
- Raiffeisen-Leasing Service Sp. z o.o.
- Raiffeisen-Leasing Real Estate Sp. z o.o.
- Raiffeisen Financial Services Polska Sp. z o.o.
- Raiffeisen Investment Polska Sp. z o.o.
- Raiffeisen Solutions Sp. z o.o.
- Compass Variety Funding LTD
- ROOF Poland 2014 LTD

### **1.2.2 Entities excluded from consolidation**

As at 31 December 2014, the following subsidiaries of the Group were not consolidated:

- Leasing Poland Sp. z o.o.
- RI Inwestycje Sp. z o.o.
- Telpol3 S.A. (w likwidacji)

The financial statements of the above mentioned entities are not significant to the Group's consolidated financial statements. According to the Parent Entity's Management any economic decisions made by the users of the consolidated financial statements would not be altered, if these entities were consolidated.

## **1.3 Key Certified Auditor and Audit Firm Information**

### **1.3.1 Key Certified Auditor information**

Name and surname: Justyna Zań  
Registration number: 12750

### **1.3.2 Audit Firm information**

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
Address of registered office: ul. Chłodna 51, 00-867 Warsaw  
Registration number: KRS 0000339379  
Registration court: District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register  
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of entities authorised to audit financial statements, maintained by the National Council of Certified Auditors, under number 3546.

#### **1.4 Prior period consolidated financial statements**

The consolidated financial statements for the financial year ended 31 December 2013 were audited by KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The consolidated financial statements were approved at the Extraordinary General Meeting of the Parent Entity on 25 April 2014.

The consolidated financial statements were submitted to the Registry Court on 4 November 2014.

#### **1.5 Audit scope and responsibilities**

This report was prepared for the General Meeting of Raiffeisen Bank Polska S.A. with its registered office in Warsaw, Piękna 20 Street and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

The Parent Entity prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of the Supervisory Board dated 28 December 2004.

The consolidated financial statements have been audited in accordance with the contract dated 28 October 2013, concluded on the basis of the resolution of the Supervisory Board dated 17 October 2013 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.

We audited the consolidated financial statements at the Group entities during the period from 10 October 2014 to 19 March 2015.

Management of the Parent Entity is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group’s activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the financial statements.

The Management Board of the Parent Entity submitted a statement, dated the same date as this report, as to the true and fair presentation of the accompanying consolidated financial



statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All required statements, explanations and information were provided to us by Management of the Group and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfil the independence requirements from the companies included in the Group as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

## **1.6 Information on audits of the financial statements of the consolidated companies**

### **1.6.1 Parent Entity**

The separate financial statements of the Parent Entity for the year ended 31 December 2014 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., certified auditor number 3546, and received an unmodified opinion.

### **1.6.2 Other consolidated entities**

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Raiffeisen-Leasing Polska S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2014	Unmodified opinion
Raiffeisen Insurance Agency Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2014	Unmodified opinion
Raiffeisen-Leasing Real Estate Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2014	In progress
Raiffeisen Financial Services Polska Sp. z o.o.	BDO Sp. z o.o.	31 December 2014	Unmodified opinion
Raiffeisen Investment Polska Sp. z o.o.	Integral Audit Sp. z o.o.	31 December 2014	Unmodified opinion
Raiffeisen Solutions Sp. z o.o.	BDO Sp. z o.o.	31 December 2014	Unmodified opinion
Compass Variety Funding LTD	PricewaterhouseCoopers Chartered Accountants and Registered Auditors, Ireland	31 March 2014*	Unmodified opinion
ROOF Poland 2014 LTD	MKO Partners Limited, Chartered Accountants, Ireland	31 December 2014	In progress
Raiffeisen-Leasing Service Sp. z o.o.	Not subject to statutory audit requirement		

\* The consolidated financial statements include the financial information corresponding to the financial year of the parent entity.

## 2 Financial analysis of the Group

### 2.1 Summary analysis of the consolidated financial statements

#### 2.1.1 Consolidated statement of financial position

<b>ASSETS</b>	<b>31.12.2014</b>	<b>% of total</b>	<b>31.12.2013*</b>	<b>% of total</b>
	<b>PLN '000</b>	<b>balance sheet</b>	<b>PLN '000</b>	<b>balance sheet</b>
Cash and balances with Central Bank	2,683,875	4.6	2,422,051	4.5
Amounts due from banks	654,891	1.1	367,637	0.7
Financial assets held for trading	361,623	0.6	8,770,806	16.4
Derivative financial instruments	900,712	1.5	534,229	1.0
Investment securities	12,529,109	21.4	1,802,410	3.4
Loans and advances to customers	39,819,298	67.9	37,653,990	70.5
Intangible assets	589,399	1.0	628,741	1.2
Property, plan and equipment	302,996	0.5	302,109	0.6
Deferred income tax assets	487,800	0.8	500,713	0.9
Current income tax receivables	27,937	0.1	80,592	0.2
Other assets	290,725	0.5	337,464	0.6
<b>TOTAL ASSETS</b>	<b>58,648,365</b>	<b>100.0</b>	<b>53,400,742</b>	<b>100.0</b>
<b>LIABILITIES AND EQUITY</b>	<b>31.12.2014</b>	<b>% of total</b>	<b>31.12.2013*</b>	<b>% of total</b>
	<b>PLN '000</b>	<b>balance sheet</b>	<b>PLN '000</b>	<b>balance sheet</b>
<b>Liabilities</b>				
Amounts due to banks and other monetary institutions	16,389,675	28.0	15,937,209	29.8
Derivative financial instruments	1,124,302	1.9	453,945	0.9
Amounts due to customers	32,878,290	56.1	30,129,775	56.4
Subordinated liabilities	320,006	0.5	104,003	0.2
Liabilities from debt securities issued	1,136,394	1.9	0	0.0
Other liabilities	380,974	0.6	437,034	0.8
Current tax liabilities	47,053	0.1	417	0.0
Provisions	220,096	0.4	219,707	0.4
<b>Total liabilities</b>	<b>52,496,791</b>	<b>89.5</b>	<b>47,282,090</b>	<b>88.5</b>
<b>Equity</b>				
Share capital	2,256,683	3.9	2,207,461	4.1
Supplementary capital	2,357,406	4.0	2,366,229	4.4
Other capital and reserves	947,287	1.6	944,550	1.8
Retained earnings	590,139	1.0	302,855	0.6
<b>Total equity</b>	<b>6,151,515</b>	<b>10.5</b>	<b>5,821,095</b>	<b>10.9</b>
<b>Non-controlling interest</b>	<b>59</b>	<b>0.0</b>	<b>297,557</b>	<b>0.6</b>
<b>Total equity</b>	<b>6,151,574</b>	<b>10.5</b>	<b>6,118,652</b>	<b>11.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>58,648,365</b>	<b>100.0</b>	<b>53,400,742</b>	<b>100.0</b>

\*restated



## 2.1.2 Consolidated statement of profit or loss

	<b>For the financial year ended 31 December 2014 PLN '000</b>	<b>For the financial year ended 31 December 2013* PLN '000</b>
Interest income	2,148,490	2,334,528
Interest expense	(924,161)	(1,122,124)
<b>Net interest income</b>	<b>1,224,329</b>	<b>1,212,404</b>
Net provisioning for impairment losses on financial assets and provisions for off-balance sheet items	(106,555)	(361,704)
<i>including recoveries from sale of Bank's receivables</i>	261,712	37,074
Fee and commission income	706,231	756,902
Fee and commission expense	(93,470)	(93,424)
<b>Net fee and commission income</b>	<b>612,761</b>	<b>663,478</b>
Net income from financial instruments measured at fair value and net foreign exchange result	58,478	139,594
General administrative expenses	(1,349,363)	(1,495,357)
Other operating income		
Other operating expenses	(61,505)	(62,053)
<b>Profit before tax</b>	<b>445,562</b>	<b>240,104</b>
Income tax expense	(108,623)	(56,628)
<b>Net profit</b>	<b>336,939</b>	<b>183,476</b>
Profit attributable to the non-controlling interest	(741)	36,064
Profit attributable to the equity holders of the Parent Entity	337,680	147,412
Weighted average number of ordinary shares (in units)	243,335	242,845
Profit attributable to the equity holders of the Parent Entity per one ordinary share (in PLN)	1,388	607
Weighted average number of diluted shares (in units)	243,335	242,845
Profit attributable to the equity holders of the Parent Entity per one diluted share (in PLN)	1,388	607

*\*restated*



### 2.1.3 Consolidated statement of comprehensive income

	<b>For the financial year ended 31 December 2014 PLN '000</b>	<b>For the financial year ended 31 December 2013* PLN '000</b>
<b>Net profit</b>	<b>336,939</b>	<b>183,476</b>
<b>Other taxable income that may be reclassified to profit or loss, including:</b>	<b>(37,264)</b>	<b>(9,631)</b>
Valuation of cash-flow hedge derivatives, gross	(52,419)	(5,670)
Income tax on cash-flow hedge derivatives	9,960	1,077
Valuation of available for sale financial assets, gross	6,415	(6,220)
Income tax on available for sale financial assets	(1,219)	1,182
<b>Total comprehensive income for the period</b>	<b>299,676</b>	<b>173,845</b>
Total comprehensive income for the period attributable to the non- controlling interest	(741)	36,064
Total comprehensive income for the period attributable to the equity holders of the Parent Entity	300,417	137,781

## 2.2 Selected financial ratios

	<b>2014</b>	<b>2013*</b>	<b>2012*</b>
Total assets (PLN '000)	58,648,365	53,400,742	54,668,235
Profit (loss) before income tax (PLN '000)	445,562	240,104	35,236
Profit (loss) for the period (PLN '000)	336,939	183,476	12,527
Shareholders' equity (PLN '000)**	5,814,576	5,637,619	5,956,385
Return on Equity**	5.79%	3.25%	0.21%
Receivables to total assets	69.01%	71.20%	72.86%
Income generating assets to total assets	92.53%	92.00%	90.94%
Interest bearing liabilities to total liabilities	88.41%	87.31%	87.88%

\* restated

\*\* excluding current-year net profit

### **3 Detailed report**

#### **3.1 Accounting principles**

The Parent Entity maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Entity.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

In view of the fact that not all entities being part of the Group apply common accounting principles consistent with the accounting principles applied by the Parent Entity, appropriate adjustments to the financial statements of those entities were made to ensure consistency with the accounting principles applied by the Parent Entity.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Entity.

#### **3.2 Basis of preparation of the consolidated financial statements**

The consolidated financial statements of the Raiffeisen Bank Polska S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation.

#### **3.3 Method of consolidation**

The method of consolidation is described in note 1 and 2.4 of the notes to the consolidated financial statements.

#### **3.4 Goodwill arising on consolidation**

The method of calculating goodwill arising on consolidation is described in note 2.4 of the notes to the consolidated financial statements.

#### **3.5 Consolidation of equity and calculation of non- controlling interest**

The share capital of the Group is equal to the share capital of the Parent Entity.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Entity's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Entity.

Only equity of subsidiaries arising after the Parent Entity obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non- controlling interests' share in the subsidiaries' equity as at the end of the reporting period.



### **3.6 Consolidation eliminations**

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Raiffeisen Bank Polska S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

### **3.7 Compliance with banking regulations**

Based on our audit, we have not identified significant incompliance by the Group with banking prudential regulatory norms, and also, we have not identified any material misstatements in determination of the solvency ratio.

### **3.8 Notes to the consolidated financial statements**

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

### **3.9 Report of the Management Board of the Parent Entity on the Group's activities**

The report of the Management Board of the Parent Entity on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
Registration No. 3546  
Chłodna 51 Street  
00-867 Warsaw

*Signed on the Polish original*

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19 March 2015