



Raiffeisen Bank Polska Spółka Akcyjna

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

The opinion contains 2 pages
The supplementary report contains 10 pages
Opinion of the independent auditor
and the supplementary report
on the audit of the separate financial statements
for the financial year ended
31 December 2014



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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 Spółka Akcyjna

Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of Raiffeisen Bank Polska Spółka Akcyjna, with its registered office in Warsaw, ul. Piękna 20 (“the Bank”), which comprise the separate statement of financial position as at 31 December 2014, the separate statement of profit or loss, the separate statement of comprehensive income, the separate statement of changes in equity and the separate 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 Financial Statements

Management of the Bank is responsible for the accuracy of the accounting records and the preparation and fair presentation of these 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 Bank's activities. Management of the Bank is also responsible for such internal control as management determines is necessary to enable the preparation of the 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 Bank and members of the Supervisory Board are required to ensure that the financial statements and the report on the Bank'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 financial statements and whether the financial statements are derived from properly maintained accounting records 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 financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 of the Company, as well as evaluating the overall presentation of the 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 separate financial statements of Raiffeisen Bank Polska Spółka Akcyjna have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2014 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Bank's articles of association that apply to the Bank's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Bank's Activities

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

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

Signed on the Polish original

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

Signed on the Polish original

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

19 March 2015

Raiffeisen Bank Polska Spółka Akcyjna

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

The supplementary report contains 10 pages
The supplementary report
on the audit of the separate financial statements
for the financial year ended
31 December 2014



Raiffeisen Bank Polska Spółka Akcyjna

*The supplementary report on the audit of the separate financial statements
for the financial year ended 31 December 2014*

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1. General

1.1. General information about the Bank

1.1.1. The Bank's name

Raiffeisen Bank Polska Spółka Akcyjna (hereinafter "the Bank")

1.1.2. Registered office

ul. Piękna 20
00-549 Warsaw
Poland

1.1.3. Registration in the National Court Register

Registration court:	District Court for Capital City Warsaw in Warsaw, XII 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 Bank

The Management Board is responsible for management of the Bank.

At 31 December 2014, the Management Board of the Bank 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 Bank resolved to accept Mr. Kazimierz Stańczak resignation from the position of the First Vice-President of the Management Board of the Bank, effective on that date.

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

1.2. Key Certified Auditor and Audit Firm Information

1.2.1. Key Certified Auditor information

Name and surname: Justyna Zań
Registration number: 12750

1.2.2. 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.

1.3. Prior period financial statements

The separate 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 separate financial statements were approved at the General Meeting on 4 March 2014, where it was resolved to allocate the net profit for the prior financial year of PLN 129,347,976.72 as follows:

- the amount of PLN 40,000,000.00 was allocated to general banking risk fund,
- the amount of PLN 89,347,976.72 was not allocated and remained as the retained earnings.

The separate financial statements were submitted to the Registry Court on 18 March 2014.

1.4. Audit scope and responsibilities

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

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

The separate 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 separate financial statements at the Bank during the period from 10 October 2014 to 19 March 2015.

Management of the Bank is responsible for the accuracy of the accounting records and the preparation and fair presentation of the 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 Bank’s activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Bank submitted a statement dated as at the same date as this report as to the true and fair presentation of the accompanying separate financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.

All required statements, explanations and information were provided to us by Management of the Company 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 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).



2. Financial analysis of the Bank

2.1. Summary analysis of the separate financial statements

2.1.1. Separate statement of financial position

ASSETS	31.12.2014	% of total	31.12.2013*	% of total
	PLN '000	balance sheet	PLN '000	balance sheet
Cash and balances with Central Bank	2,683,875	5.0	2,422,051	5.0
Amounts due from banks	628,385	1.2	353,941	0.7
Financial assets held for trading	361,623	0.6	8,770,806	18.0
Derivative financial instruments	900,213	1.7	532,963	1.1
Investment securities	12,514,086	23.4	1,759,711	3.6
Loans and advances to customers	34,716,952	64.9	33,208,232	68.3
Investments in subsidiaries	521,208	1.0	155,335	0.3
Intangible assets	572,218	1.1	609,949	1.3
Property, plant and equipment	156,274	0.3	199,755	0.4
Deferred income tax assets	213,859	0.4	291,969	0.6
Current income tax receivables	27,937	0.0	77,606	0.2
Other assets	224,373	0.4	263,130	0.5
TOTAL ASSETS	53,521,003	100.0	48,645,448	100.0

LIABILITIES AND EQUITY	31.12.2014	% of total	31.12.2013*	% of total
	PLN '000	balance sheet	PLN '000	balance sheet
Liabilities				
Amounts due to banks and other monetary institutions	11,242,801	21.0	11,408,415	23.5
Derivative financial instruments	1,124,388	2.1	453,945	0.9
Amounts due to customers	33,764,529	63.1	30,460,990	62.6
Subordinated liabilities	320,006	0.6	104,003	0.2
Liabilities from debt securities issued	501,960	0.9	0	0.0
Other liabilities	329,416	0.6	380,419	0.8
Provisions	201,807	0.4	201,451	0.4
Total liabilities	47,484,907	88.7	43,009,223	88.4
Equity				
Share capital	2,256,683	4.2	2,207,461	4.5
Supplementary capital	2,287,790	4.3	2,214,016	4.6
Other capital and reserves	947,287	1.8	944,550	1.9
Retained earnings	544,336	1.0	270,198	0.6
Total equity	6,036,096	11.3	5,636,225	11.6
TOTAL LIABILITIES AND EQUITY	53,521,003	100.0	48,645,448	100.0

* restated



2.1.2. Separate statement of profit or loss

	For the financial year ended 31 December 2014 PLN '000	For the financial year ended 31 December 2013* PLN '000
Interest income	1,864,715	2,058,737
Interest expense	(780,053)	(983,312)
Net interest income	1,084,662	1,075,425
Net provisioning for impairment losses on financial assets and provisions for off-balance sheet items	(82,388)	(305,375)
<i>including recoveries from sale of Bank's receivables</i>	<i>261,712</i>	<i>37,074</i>
Fee and commission income	668,854	717,333
Fee and commission expense	(93,741)	(94,095)
Net fee and commission income	575,113	623,238
Net income from financial instruments measured at fair value and net foreign exchange result	58,414	139,553
Dividend income	43,026	18,000
General administrative expenses	(1,234,693)	(1,389,424)
Other operating income	14,504	49,773
Other operating expenses	(54,150)	(45,747)
Profit before tax	404,488	165,443
Income tax expense	(90,350)	(36,095)
<i>Net profit</i>	<i>314,138</i>	<i>129,348</i>
Weighted average number of ordinary shares (in units)	243,335	242,845
Profit attributable to the Bank's equity holders per one ordinary share (in PLN)	1,291	533
Weighted average number of diluted shares (in units)	243,335	242,845
Profit attributable to the Bank's equity holders per one diluted share (in PLN)	1,291	533

* restated



2.1.3. Separate statement of comprehensive income

	For the financial year ended 31 December 2014	For the financial year ended 31 December 2013*
	PLN '000	PLN '000
Net profit	314,138	129,348
Other taxable income that may be reclassified to profit or loss, including	(37,262)	(9,631)
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	6,416	(6,220)
Income tax on available for sale financial assets	(1,219)	1,182
Total comprehensive income for the period	276,876	119,717

2.2. Selected financial ratios

	2014	2013*	2012*
Total assets (PLN '000)	53,521,003	48,645,448	50,072,707
Profit (loss) before income tax (PLN '000)	404,488	165,443	(74,391)
Profit (loss) for the period (PLN '000)	314,138	129,348	(69,131)
Shareholders' equity (PLN '000)**	5,721,958	5,506,877	5,585,639
Return on Equity**	5.60%	2.35%	(1.24%)
Receivables to total assets	66.04%	68.99%	70.97%
Income generating assets to total assets	91.78%	91.74%	90.67%
Interest bearing liabilities to total liabilities	87.73%	87.22%	87.82%

* restated

**excluding current-year net profit

3. Detailed report

3.1. Accounting system

The Bank maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act and the Decree of the Ministry of Finance dated 1 October 2010 on the specific accounting principles of banks (Official Journal from 2013, item 329).

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system which have not been corrected and that could have a material effect on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Bank performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act and the Decree of the Ministry of Finance dated 1 October 2010 on the specific accounting principles of banks (Official Journal from 2013, item 329) and reconciled and recorded the results thereof in the accounting records.

3.2. Notes to the separate financial statements

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

3.3. Compliance with banking regulations

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



3.4. Report on the Bank's activities

The report on the Bank's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
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