



Raiffeisen Bank Polska Spółka Akcyjna
Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2015

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 2015

OPINION OF THE INDEPENDENT AUDITOR



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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 2015, 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 and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance. 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 2015 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 and the Banking Act dated 29 August 1997 (Official Journal from 2014, item 128 with amendments) ("the Banking Act"), we report that the accompanying report on the Raiffeisen Bank Polska Spółka Akcyjna activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by Art. 111a of the Banking 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
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

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

9 March 2016

Signed on the Polish original

.....
Stacy Ligas
Member of the Management Board of
KPMG Audyt Sp. z o.o., entity which is the
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp.k

REPORT OF THE INDEPENDENT AUDITOR



TRANSLATION

Raiffeisen Bank Polska Spółka Akcyjna

Supplementary report
on the audit of the separate
financial statements
Financial Year ended
31 December 2015

The supplementary report contains 10 pages
The supplementary report
on the audit of the separate financial statements
for the financial year ended
31 December 2015



Raiffeisen Bank Polska Spółka Akcyjna
*The supplementary report on the audit of the separate financial statements
for the financial year ended 31 December 2015*

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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 2015, 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.

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. Inflancka 4A, 00-189 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 2014 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 24 March 2015 where it was resolved to distribute the net profit for the prior financial year of PLN 314 138 059,68 as follows:

- the amount of PLN 20,000,000 was allocated to general banking risk fund,
- the amount of PLN 294,138,059.68 was not allocated and remained as the retained earnings.

The separate financial statements were submitted to the Registry Court on 3 April 2015.

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 2015, 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 our 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”) and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance.

We audited the separate financial statements at the Bank during the period from 14 September 2015 to 9 March 2016.

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 2015, item 1011 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	31.12.2015	% of total	31.12.2014	% of total
	PLN '000	balance sheet	PLN '000	balance sheet
Cash and balances with Central Bank	2,703,510	4.8	2,683,875	5.0
Amounts due from banks	1,204,249	2.1	628,385	1.2
Financial assets held for trading	12,570,410	22.4	361,623	0.7
Derivative financial instruments	562,385	1.0	900,213	1.7
Investment securities	3,827,055	6.8	12,514,086	23.4
Loans and advances to customers	33,689,146	60.0	34,716,952	64.9
Investments in subsidiaries	527,582	0.9	521,208	1.0
Property, plant and equipment	535,346	1.0	572,218	1.1
Tangible fixed assets	124,997	0.2	156,274	0.3
Deferred income tax assets	156,167	0.3	213,859	0.4
Current income tax receivables	2,173	-	27,937	-
Other assets	265,683	0.5	224,373	0.5
TOTAL ASSETS	56,168,703	100.0	53,521,003	100.0

LIABILITIES AND EQUITY	31.12.2015	% of total	31.12.2014	% of total
	PLN '000	balance sheet	PLN '000	balance sheet
Liabilities				
Amounts due to banks and other monetary institutions	7,935,995	14.1	11,242,801	21.0
Derivative financial instruments	1,478,611	2.6	1,124,388	2.1
Amounts due to customers	38,754,180	69.0	33,764,529	63.1
Subordinated liabilities	724,789	1.3	320,006	0.6
Liabilities from debt securities issued	501,825	0.9	501,960	0.9
Other liabilities	376,372	0.7	329,416	0.6
Provisions	149,170	0.3	201,807	0.4
Total liabilities	49,920,942	88.9	47,484,907	88.7
Equity				
Share capital	2,256,683	4.0	2,256,683	4.2
Supplementary capital	2,287,790	4.1	2,287,790	4.3
Other capital and reserves	1,018,877	1.8	947,287	1.8
Retained earnings	684,411	1.2	544,336	1.0
Total equity	6,247,761	11.1	6,036,096	11.3
TOTAL LIABILITIES AND EQUITY	56,168,703	100.0	53,521,003	100.0



2.1.2. Separate statement of profit or loss

	For the financial year ended 31 December 2015 PLN '000	For the financial year ended 31 December 2014 PLN '000
Interest income	1,634,379	1,864,715
Interest expense	(699,488)	(780,053)
Net interest income	934,891	1,084,662
Net provisioning for impairment losses on financial assets and provisions for off-balance sheet items <i>including Proceed from sale of Bank's receivables and other</i>	(157,428) 35,060	(82,388) 261,712
Fee and commission income	668,250	668,854
Fee and commission expense	(94,420)	(93,741)
Net fee and commission income	573,830	575,113
Net income from financial instruments measured at fair value and net foreign exchange result	39,625	58,414
Dividend income	40,986	43,026
General administrative expenses	(1,236,937)	(1,234,693)
Other operating income	33,622	14,504
Other operating expenses	(21,555)	(54,150)
Profit before tax	207,034	404,488
Income tax expense	(46,959)	(90,350)
Net profit	160,075	314,138
Weighted average number of ordinary shares (in units)	248,260	243,335
Profit attributable to the Bank's equity holders per one ordinary share (in PLN)	645	1,291
Weighted average number of diluted shares (in units)	248,260	243,335
Profit attributable to the Bank's equity holders per one diluted share (in PLN)	645	1,291

2.1.3. Separate statement of comprehensive income

	For the financial year ended 31 December 2015 PLN '000	For the financial year ended 31 December 2014 PLN '000
Net profit	160,075	314,138
Other taxable income that may be reclassified to profit or loss, including	51,590	(37,262)
Valuation of cash-flow hedge derivatives, gross	10,585	(52,419)
Income tax on cash-flow hedge derivatives	(2,011)	9,960
Valuation of available for sale financial assets, gross	53,106	6,416
Income tax on available for sale financial assets	(10,090)	(1,219)
Total comprehensive income for the year	211,665	276,876



2.2. Selected financial ratios

	2015	2014	2013
Total assets (PLN '000)	56,168,703	53,521,003	48,645,448
Profit before tax (PLN '000)	207,034	404,488	165,443
Net profit for the period (PLN '000)	160,075	314,138	129,348
Shareholders' equity (PLN '000)*	6,087,686	5,721,958	5,506,877
Return on Equity**	2.71%	5.60%	2.35%
Return on Assets***	0.29%	0.61%	0.26%
Cost to Income ratio****	77.24%	71.72%	74.69%
Total capital ratio	14.95%	13.93%	12.55%
Loan to Deposit ratio*****	86.93%	102.82%	109.02%
Loan Portfolio Coverage ratio*****	4.98%	4.97%	7.48%

* excluding current-year net profit

** net profit for the period / average shareholders' equity excluding current-year net profit

*** net profit for the period / average total assets

**** general administrative expenses / net interest income, net fee and commission income, net income from financial instruments, dividend income, other operating income & expenses

***** loans and advances to customers / liabilities due to customers

***** impairment allowance on loans and advances to customers / gross loans and advances to customers

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

As described in the note 40 of the separate financial statements of the Bank, concerning events after the reporting date. Starting from 1 January 2016 the Bank is required to maintain a total capital ratio at 15.33%, the Bank, by the approval date of these financial statements did not maintain the required total capital ratio.

The Bank has undertaken actions in order to increase the total capital ratio of the Bank in 2016.

Based on our audit, we have not identified any other significant incompliance by the Bank with banking prudential regulatory norms. Moreover we obtained written representation of the Bank's Management, that the Bank has complied with other banking regulations in the period from 1 January 2015 till the date of our opinion.



3.4. Report on the Bank's activities

The report on the Raiffeisen Bank Polska Spółka Akcyjna activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by Art. 111a of the Banking Act dated 29 August 1997 (Official Journal from 2014, item 128 with amendments) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

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

9 March 2016

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Stacy Ligas
Member of the Management Board of
KPMG Audyt Sp. z o.o., entity which is the
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp.k