

INDEPENDENT AUDITOR'S REPORT

To the General Shareholders Meeting and Supervisory Board of Raiffeisen Bank Polska Spółka Akcyjna

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements for the year ended 31 December 2016 of the Raiffeisen Bank Polska Spółka Akcyjna Capital Group ('the Group'), with parent company Raiffeisen Bank Polska Spółka Akcyjna ('the Bank') located in Warsaw, Grzybowska 78, which comprise the consolidated income statement and the consolidated statement of comprehensive income for the period from 1 January 2016 to 31 December 2016, the consolidated statement of financial position as at 31 December 2016, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 January 2016 to 31 December 2016 and the additional information comprising a summary of significant accounting policies and other explanatory notes ('the accompanying consolidated financial statements').

Responsibilities of the Bank's Management Board and members of the Bank's Supervisory Board for the consolidated financial statements

The Bank's Management Board is responsible in accordance with the Accounting Act dated 29 September 1994 ('the Accounting Act'), regulations issued on the basis of the Accounting Act for the preparation of the consolidated financial statements and fair presentation in accordance with International Accounting Standards, International Financial Reporting Standards and related Interpretations announced in the form of European Commission regulations ('International Financial Reporting Standards as adopted by the European Union') and other applicable laws. The Bank's Management Board 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 the Bank's Management Board and members of the Bank's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to express an opinion on accompanying consolidated financial statements based on our audit.

We conducted our audit in accordance with chapter 7 of the Accounting Act and National Auditing Standards in the version of International Standards on Auditing as adopted by Resolution no 2783/52/2015 of the National Council of Statutory Auditors dated 10 February 2015 with subsequent amendments ('National Auditing Standards'). 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 the auditor's 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, the auditor considers internal control relevant to the Bank'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 Bank'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.

In accordance with National Auditing Standard 320 point 5 the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report, including those on other information or regulatory requirements, are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgement.

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

Opinion

In our opinion the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2016 and its financial performance and its cash flows for the period from 1 January 2016 to 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the European Union and accounting policies;
- are in respect of the form and content, in accordance with legal regulations governing the preparation of consolidated financial statements and the Bank's Articles of Association.

Report on Other Legal and Regulatory Requirements

Report on the Directors' Report

Our opinion on the consolidated financial statements does not include the Directors' Report of the Raiffeisen Bank Polska Spółka Akcyjna Capital Group in 2016 including Directors' Report of the Raiffeisen Bank Polska Spółka Akcyjna¹ ('Directors' Report').

The Bank's Management Board is responsible for preparation of the Directors' Report in accordance with the Accounting Act and other applicable laws. In addition the Bank's Management Board and

¹ Translated from Polish language: „Sprawozdanie z działalności Grupy Kapitałowej Raiffeisen Bank Polska S.A. w 2016 roku obejmującego sprawozdanie Zarządu z działalności Raiffeisen Bank Polska S.A.”

members of the Bank's Supervisory Board are obliged to state that the Directors' Report meet the requirements of the Accounting Act.

In connection with the audit of the consolidated financial statements, our responsibility was to read the content of the Directors' Report and consider whether the information contained in it take into account the provisions of art. 49 of the Accounting Act and art. 111a of Banking Law Act dated 29 August 1997 and whether they are consistent with the information contained in the accompanying consolidated financial statements. Our responsibility was also to report, based on our knowledge of the Group and its environment obtained during the audit of the consolidated financial statements, whether the Directors' Report does not include material misstatements.

We have concluded that the information included in the Directors' Report corresponds with the relevant regulations of art. 49 of the Accounting Act and art. 111a of Banking Law Act dated 29 August 1997 and that the information derived from the accompanying consolidated financial statements reconciles with the Directors' Report. Based on our knowledge of the Group and its environment obtained during the audit of the consolidated financial statements, we have not identified material misstatements in the Directors' Report.

Warsaw, 6 March 2017

Key Certified Auditor

Arkadiusz Krasowski
Certified Auditor
No. 10018

on behalf of
Ernst & Young Audyt Polska spółka
z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
Reg. No 130

Raiffeisen Bank Polska S.A.
CAPITAL GROUP

**LONG-FORM AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

I. GENERAL NOTES

1. Background

The holding company of the Raiffeisen Bank Polska S.A. Group (hereinafter 'the Group' or 'the Capital Group') is Raiffeisen Bank Polska S.A. ('the holding company', 'the Bank').

The holding company was incorporated on the basis of a Notarial Deed dated 31 January 1991. The Bank's registered office is located in Warsaw, Grzybowska 78.

The holding company was entered in the Register of Entrepreneurs of the National Court Register under no. KRS 0000014540 on 30 May 2011.

The holding company was issued with tax identification number (NIP) 5260205871 on 5 January 2009 and statistical number (REGON) 010000854 on 5 August 2003.

The holding company is part of the Raiffeisen Bank International AG capital group.

The principal activities of the holding company are as follows:

- other monetary intermediation;
- other financial service activities, except insurance and pension funds not elsewhere classified;
- other activities auxiliary to financial services, except insurance and pension funds;
- security and commodity contracts brokerage;
- buying and selling of own real estate;
- financial leasing;
- activities of insurance agents and brokers.

The scope of activities of the Group's subsidiaries is similar to this of the holding company.

As at 31 December 2016, the holding company's issued share capital amounted to 2,256,683 thousand zloty. The Group's equity as at that date amounted to 6,362,682 thousand zloty.

In accordance with National Court Register as at 6 March 2017, the ownership structure of the holding company's issued share capital was as follows:

| | Number of shares | Number of votes | Par value of shares (| % of issued share capital |
|-------------------------------------|---------------------|--------------------|--------------------------|------------------------------|
| Raiffeisen Bank International AG | 225,668,340 | 100% | 10.00 | 100% |
| | ----- | ----- | ----- | ----- |
| Total | 225,668,340 | 100% | 9,090,000 | 100% |
| | ===== | ===== | ===== | ===== |

There were no changes in the ownership structure of the holding company during the reporting period as well as during the period from the balance sheet date to the date of the opinion.

There were no movements in the share capital of the holding company in the reporting period.

As at 6 March 2017, the holding company's Management Board was composed of:

| | |
|---------------------------|------------------------|
| Czarnecki Piotr | - President |
| Bardan Maciej Stanisław | - First Vice President |
| Czeremcha Jan | - Vice President |
| Januszewski Łukasz Janusz | - Member |

Konieczny Piotr Pawel - Member
Broniszewski Witold - Member

During the reporting period as well as during the period from balance sheet date to the date of the report the following changes in the Bank's Management Board took place:

- on 7 November 2016, the Bank's Supervisory Board accepted the resignation of Mr. Marek Patuła from the position of Member of the Bank's Management Board responsible for risk management.
- on 7 November 2016, the Bank's Supervisory Board conditionally appointed Mr. Witold Broniszewski for the position of Member of the Management Board responsible for risk management. On 14 February 2017 the Polish Financial Supervision Authority approved the appointment of Mr. Witold Broniszewski for the position of Member of the Management Board responsible for management of risk significant for Bank's operations.
- on 22 December 2016 Mr. Ryszard Ferdynand Drużyński resigned from the position of Vice President of the Management Board, effective 31 January 2017.

2. Group Structure

As at 31 December 2016, the Raiffeisen Bank Polska S.A. Capital Group consisted of the following subsidiaries (direct or indirect):

| Entity name | Consolidation method | Type of opinion | Name of authorised entity that audited financial statements | Balance sheet date |
|---|----------------------|----------------------|---|--------------------|
| Raiffeisen Financial Services Polska Sp. z o.o. | Full consolidation | unqualified | BDO Sp. z o.o. | 31 December 2016 |
| Raiffeisen Investment Polska Sp. z o.o. | Full consolidation | unqualified | BDO Sp. z o.o. | 31 December 2016 |
| Raiffeisen Towarzystwo Funduszy Inwestycyjnych S.A. | Full consolidation | unqualified | WBS Audyt Sp. z o.o. | 31 December 2016 |
| Raiffeisen Solutions Sp. z o. o. | Full consolidation | unqualified | BDO Sp. z o.o. | 31 December 2016 |
| Leasing Poland Sp. z o.o. | Not consolidated | not subject to audit | - | 31 December 2016 |

As at 31 December 2016 shares in the associates (direct and indirect) were not recognised in the Group's consolidated financial statements.

Details on the type and impact of changes in consolidated entities as compared to the prior year may be found in Note 1 of the summary of significant accounting policies and other explanatory notes ('the accompanying consolidated financial statements') of consolidated financial statements of the Group for the year ended 31 December 2016.

3. Consolidated Financial Statements

3.1 Auditors' opinion and audit of consolidated financial statements

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, at Rondo ONZ 1, is registered on the list of entities authorised to audit financial statements under no. 130.

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. was appointed by the Bank's Supervisory Board on 11 October 2016 to audit the Group's financial statements.

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. and the key certified auditor in charge of the audit meet the conditions required to express an impartial and independent opinion on the financial statements, as defined in Art. 56.3 and 56.4 of the Act on statutory auditors and their self-governance, audit firms authorized to audit financial statements and public oversight, dated 7 May 2009.

Under the contract executed on 31 January 2017 with the holding company's Management Board, we have audited the consolidated financial statements for the year ended 31 December 2016.

Our responsibility was to express an opinion on the consolidated financial statements based on our audit. The auditing procedures applied to the consolidated financial statements were designed to enable us to express an opinion on the consolidated financial statements taken as a whole. Our procedures did not extend to supplementary information that does not have an impact on the consolidated financial statements taken as a whole.

Based on our audit, we issued an unqualified auditors' opinion dated 6 March 2017, stating the following:

“To the General Shareholders Meeting and Supervisory Board of Raiffeisen Bank Polska Spółka Akcyjna

Report on the Audit of the Consolidated Financial Statements

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Responsibilities of the Bank's Management Board and members of the Bank's Supervisory Board for the consolidated financial statements

The Bank's Management Board is responsible in accordance with the Accounting Act dated 29 September 1994 ('the Accounting Act'), regulations issued on the basis of the Accounting Act for the preparation of the consolidated financial statements and fair presentation in accordance with International Accounting Standards, International Financial Reporting Standards and related Interpretations announced in the form of European Commission regulations ('International Financial

Reporting Standards as adopted by European Union') and other applicable laws. The Bank's Management Board 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 the Bank's Management Board and members of the Bank's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to express an opinion on accompanying consolidated financial statements based on our audit.

We conducted our audit in accordance with chapter 7 of the Accounting Act and National Auditing Standards in the version of International Standards on Auditing as adopted by Resolution no 2783/52/2015 of the National Council of Statutory Auditors dated 10 February 2015 with subsequent amendments ('National Auditing Standards'). 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 the auditor's 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, the auditor considers internal control relevant to the Bank'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 Bank'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.

In accordance with National Auditing Standard 320 point 5 the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report, including those on other information or regulatory requirements, are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgement.

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

Opinion

In our opinion the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2016 and its financial performance and its cash flows for the period from 1 January 2016 to 31 December 2016 in accordance with International Financial Reporting Standards as adopted by European Union and accounting policies;
- are in respect of the form and content, in accordance with legal regulations governing the preparation of consolidated financial statements and the Bank's Articles of Association.

Report on Other Legal and Regulatory Requirements

Report on the Directors' Report

Our opinion on the consolidated financial statements does not include the Directors' Report of the Capital Group Raiffeisen Bank Polska Spółka Akcyjna in 2016 including Directors' Report of Raiffeisen Bank Polska Spółka Akcyjna¹ ('Directors' Report').

The Bank's Management Board is responsible for preparation of the Directors' Report in accordance with the Accounting Act and other applicable laws. In addition the Bank's Management Board and members of the Bank's Supervisory Board are obliged to state that the Directors' Report meet the requirements of the Accounting Act.

In connection with the audit of the consolidated financial statements, our responsibility was to read the content of the Directors' Report and consider whether the information contained in it take into account the provisions of art. 49 of the Accounting Act and art. 111a of Banking Law Act dated 29 August 1997 and whether they are consistent with the information contained in the accompanying consolidated financial statements. Our responsibility was also to report, based on our knowledge of the Group and its environment obtained during the audit of the consolidated financial statements, whether the Directors' Report does not include material misstatements.

We have concluded that the information included in the Directors' Report corresponds with the relevant regulations of art. 49 of the Accounting Act and art. 111a of Banking Law Act dated 29 August 1997 and that the information derived from the accompanying consolidated financial statements reconciles with the Directors' Report. Based on our knowledge of the Group and its environment obtained during the audit of the consolidated financial statements, we have not identified material misstatements in the Directors' Report."

We conducted the audit of the Group financial statements during the period from 7 November 2016 to 23 December 2016 and from 3 January 2017 to 6 March 2017. We were present at the holding's company head office from 7 November 2016 to 23 December 2016 and from 3 January 2017 to 6 March 2017.

3.2 Representations provided and data availability

The Bank's Management Board of the holding company confirmed its responsibility for the truth and fairness² of the consolidated financial statements and the preparation of the financial statements in accordance with the required applicable accounting policies, and the correctness of consolidation documentation. The Board stated that it provided us with all financial statements of the Group companies included in the consolidated financial statements, consolidation documentation and other required documents as well as all necessary explanations. We also obtained a written representation dated 6 March 2017, from the Bank's Management Board of the holding company confirming that:

- the information included in the consolidation documentation was complete;
- all contingent liabilities had been disclosed in the consolidated financial statements, and
- all material events from the balance sheet date to the date of the representation letter had been disclosed in the consolidated financial statements;

¹ Translated from Polish language: „Sprawozdanie z działalności Grupy Kapitałowej Raiffeisen Bank Polska S.A. w 2016 roku obejmującego sprawozdanie Zarządu z działalności Raiffeisen Bank Polska S.A.”

² Translation of the following expression in Polish: “rzetelność i jasność”

and confirmed that the information provided to us was true and fair to the best of the holding company Management Board's knowledge and belief, and included all events that could have had an effect on the consolidated financial statements.

At the same time declare that during the audit of the financial statements, there were no limitations of scope.

3.3 Consolidated financial statements of the Group for prior financial year

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by Justyna Zań, key certified auditor no. 12750, acting on behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa, located in Warsaw, Inflancka 4A, the company entered on the list of entities authorized to audit financial statements conducted by the National Council of Statutory Auditors with the number 3546. Acting on behalf of the authorised entity, the key certified auditor issued an unqualified opinion on the consolidated financial statements for the year ended 31 December 2015. The consolidated financial statements for the year ended 31 December 2015 were approved by the General Shareholders' Meeting on 11 March 2016.

The consolidated financial statements of the Group for the financial year ended 31 December 2015, together with the auditors' opinion, a copy of the resolution approving the consolidated financial statements and the Directors' Report, were filed on 25 March 2016 with the National Court Register.

4. Analytical Review

4.1 Basic data and financial ratios

Presented below are selected financial ratios indicating the economic or financial performance of the Group for the years 2014 – 2016. The ratios were calculated on the basis of financial information included in the consolidated financial statements for the years ended 31 December 2015 and 31 December 2016, including restatement of comparative financial information for the year ended 31 December 2015 as described in Note 3 of the consolidated financial statements.

The ratios for the years ended 31 December 2014 and 31 December 2015, subject to restatement of comparative data for 2015, were calculated on the basis of financial information included in the approved consolidated financial statements audited by another auditor.

| | 2016 | 2015 | 2014 ³ |
|--------------------------------|-------------------|-------------------|-------------------|
| Total assets | 53,257,973 | 61,904,943 | 58,648,365 |
| Shareholders' equity | 6,362,682 | 6,389,316 | 6,151,574 |
| Net profit | 14,755 | 186,178 | 336,939 |
| The total capital ratio | 16.70 | 13.61 | 12.87 |

³As described in the Note 3 of the audited consolidated financial statements, the Bank has restated the comparative data for the year ended 31 December 2015. The data for the year ended 31 December 2014 presented in the table above has not been restated and is not comparable with the data for the years ended 31 December 2015 and 31 December 2016.

| | 2016 | 2015 | 2014 ³ |
|---------------------------------|-------|-------|-------------------|
| Profitability ratio (%) | 8.2% | 12.9% | 25.0% |
| Gross profit | | | |
| General administrative expenses | | | |
| Cost to income ratio (%) | 72.9% | 79.7% | 71.0% |
| General administrative expenses | | | |
| Operating income ⁴ | | | |
| Return on equity (%) | 0.2% | 3.0% | 5.5% |
| Net profit | | | |
| Average equity | | | |
| Return on assets (%) | 0.0% | 0.3% | 0.6% |
| Net profit | | | |
| Average assets | | | |
| Rate of inflation: | | | |
| Yearly average | -0.6% | -0.9% | 0.0% |
| December to December | 0.8% | -0.5% | -1.0% |

4.2 Comments

The following trends may be observed based on the above financial ratios:

- the profitability ratio decreased from 25.0% in 2014 to a level of 12.9% in 2015 and then decreased to 8.2% in 2016;
- the cost to income ratio increased from 71.0% in 2014 to a level of 79.7% in 2015 and then decreased to 72.9% in 2016;
- the return on equity decreased from 5.5% in 2014 to 3.0% in 2015 and then decreased to 0.2% in 2016;
- return on assets decreased from 0.6% in 2014 to a level of 0.3% in 2015 and then decreased to 0.0% in 2016.

4.3 Going concern

Nothing came to our attention during the audit that caused us to believe that the holding company is unable to continue as a going concern for at least twelve months subsequent to 31 December 2016 as a result of an intended or compulsory withdrawal from or a substantial limitation in its current operations.

In Note 2.1 of the additional notes and explanations to the audited consolidated financial statements for the year ended 31 December 2016, the Management Board of the holding company has stated that the financial statements of the Group entities included in the consolidated financial statements were prepared on the assumption that these entities will continue as a going concern for a period of at least

⁴By operating income we understand total of net interest income, net fee and commission income, net income from financial instruments measured at fair value and net foreign exchange result, other operating income less other operating expenses.

twelve months subsequent to 31 December 2016 and that there are no circumstances that would indicate a threat to its continued activity.

II. DETAILED REPORT

1. Completeness and accuracy of consolidation documentation

During the audit no material irregularities were noted in the consolidation documentation which could have a material effect on the audited consolidated financial statements, and which were not subsequently adjusted. These would include matters related to the requirements applicable to the consolidation documentation (and in particular eliminations relating to consolidation adjustments).

2. Accounting policies for the valuation of assets and liabilities

The Group's accounting policies and rules for the presentation of data are detailed in Note 2.6 of the additional notes and explanations to the Group's consolidated financial statements for the year ended 31 December 2016.

3. Structure of assets, liabilities and equity

The structure of the Group's assets and equity and liabilities is presented in the audited consolidated financial statements for the year period ended 31 December 2016.

The data disclosed in the consolidated financial statements reconcile with the consolidation documentation.

3.1 Goodwill on consolidation and amortisation

The method of determining goodwill on consolidation, the method of determining impairment of goodwill, the impairment charged in the financial year and up to the balance sheet date were presented in Notes 2.4, 2.16 and 4.5 of the additional notes and explanations to the consolidated financial statements.

3.2 Shareholders' funds including non-controlling interest

The amount of shareholders' funds including non-controlling interest is consistent with the amount stated in the consolidation documentation and appropriate legal documentation. Non-controlling interest amounted to 0 thousand zloty as at 31 December 2016. Non-controlling interest was correctly calculated and is consistent with the consolidation documentation.

Information on shareholders' funds has been presented in Notes 2.21 and 31 of the additional notes and explanations to the consolidated financial statements.

3.3 Financial year

The financial statements of all Group companies forming the basis for the preparation of the consolidated financial statements were prepared as at 31 December 2016 and include the financial data for the period from 1 January 2016 to 31 December 2016.

4. Consolidation adjustments

4.1 Elimination of inter-company balances (receivables and liabilities) and inter-company transactions (revenues and expenses) of consolidated entities.

All eliminations of inter-company balances (receivables and liabilities) and inter-company transactions (revenues and expenses) of the consolidated companies reconcile with the consolidation documentation.

4.2 Elimination of unrealised gains/losses of the consolidated companies, included in the value of assets, as well as relating to dividends

All eliminations of unrealised gains/losses of the consolidated companies, included in the value of assets, as well as relating to dividends reconcile with the consolidation documentation.

5. Disposal of all or part of shares in a subordinated entity

The effects of the sale of all the shares of 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. and loss of control over SPVs Compass Variety Funding LTD and ROOF Poland Leasing 2014 DAC were disclosed in the Group's consolidated financial statements in accordance with the appropriate legal documents and consolidation documentation.

6. Items which have an impact on the Group's result for the year

Details of the items which have an impact on the Group's result for the year have been included in the audited consolidated financial statements for the year ended 31 December 2016.

7. The appropriateness of the departures from the consolidation methods and application of the equity accounting as defined in International Financial Reporting Standards as adopted by the European Union

During the process of preparation of the consolidated financial statements there were no departures from the consolidation methods or application of the equity accounting.

8. Issues specific for the audit of banks

We have addressed the issue of the Bank's compliance with the obligatory norms mitigating banking risks and the issue of correctness of calculation of capital adequacy ratio in our report dated 6 March 2017, supplementing the independent auditors' opinion on the financial statements of the Bank for the year ended 31 December 2016.

9. Additional Notes and Explanations

The additional notes and explanations to the consolidated financial statements for the year ended 31 December 2016 were prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the European Union.

10. Directors' Report of the Group

We have read the Directors' Report of the Capital Group Raiffeisen Bank Polska Spółka Akcyjna in 2016 including Directors' Report of Raiffeisen Bank Polska Spółka Akcyjna ('Directors' Report') and concluded that the information contained in it take into account the provisions of Art. 49 para 2 of the Accounting Act and Art. 111a of the Banking Act dated 29 August 1997 and are consistent with the information contained in the audited financial statements. We have also concluded, based on our knowledge of the Group and its environment obtained during the audit of the financial statements, that the Directors' Report does not include material misstatements.

11. Conformity with Law and Regulations

We have obtained a letter of representations from the Management Board of the holding company confirming that apart from the issue described below, no laws, regulations or provisions of the Group entities' Articles of Association were breached during the financial year.

As described in the Note 44 of the consolidated financial statements, in the period from 1 January 2016 to 30 March 2016 Bank did not comply with the minimal total capital ratio recommended by the Polish Financial Supervision Authority (incorporation of additional capital requirement to cover the risk originating from foreign currency denominated mortgage loan portfolio and new regulatory requirements in a form of a security capital buffer).

12. Materiality

In determining the amount (level) of materiality, professional judgment was applied taking into account the specific characteristics relating to the Group. This consideration included both quantitative and qualitative aspects.

13. Work of Experts

In calculations regarding the level of impairment allowances for loan receivables the holding company took into account the value of collaterals according to valuations performed by property appraisers ordered by the holding company.

Warsaw, 6 March 2017

Key Certified Auditor

(-)

Arkadiusz Krasowski
Certified Auditor
No. 10018

on behalf of
Ernst & Young Audyt Polska spółka
z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
Reg. No 130