The assessment of Getin Noble Bank S.A. situation including the assessment of the internal control system and the risk management system essential for the Company made by the Supervisory Board of Getin Noble Bank S.A.

The Supervisory Board of Getin Noble Bank S.A. implementing provisions of the "Good Practices of Companies Listed on Warsaw Stock Exchange" (Chapter III, section 1, subsection 1), hereby presents a brief assessment of the situation of Getin Noble Bank S.A. (the "Bank", the "Company") including the assessment of the internal control system and the risk management system essential for the Company.

I. Assessment of the Company's operations

Getin Noble Bank S.A. is one of the biggest commercial banks in Poland with Polish capital. The strategic goal of the management of the Company is its further development as a fully universal bank diversified both in respect to its balance sheet and its income source. The Company has a wide range of products within credits, savings and investments, as well as wide range of additional services available by different means of contact, among others at traditional outlets and through the Internet. The Bank's offer is directed to individual clients, small and medium enterprises, budgetary units and bigger corporations.

The outlets of Getin Noble Bank S.A. operate within the network of separate outlets of Noble Bank specializing in private banking and Getin Bank specializing in retail banking. Clients who use e-banking GetinOnline.pl have their internet outlet.

The retail banking of Getin Noble Bank S.A. is run under the brand of Getin Bank. Its offer is mainly addressed to clients who expect proven products, simplified procedures and effective service. Getin Bank specializes in cash credits and mortgage loans sales on competitive terms. Getin Bank is also a leader with respect to the sales of car purchase loans. Getin Bank offers a wide range of investment and deposit products. It is also an active participant of the financial services market directed to small and medium businesses.

Noble Bank represents private banking sector and is dedicated to more wealthy clients. Apart from financing products, it also offers advisory services and real estate agency services, tax and legal related support, art banking, brokerage services and concierge services.

Getin Noble Bank S.A. own offer is completed by products of the entities associated with the Company, such as Noble Funds TFI S.A., Noble Securities S.A., Noble Concierge sp. z o.o. or Getin Leasing S.A. Within the cooperation with the abovementioned companies, Getin Noble Bank S.A. provides its clients with brokerage, concierge services, participation units, mutual funds certificates, leasing services, as well as factoring. The Company also offers wide range of insurance products.

The main factors which had influence on the financial results obtained by the Bank in 2011 were as follows: (i) credit assets development, (ii) slight decrease in the cost of gaining client deposits in the simultaneous significant increase in their number, (iii) effective management of the Company's costs, (iv) the Company's shares sale transactions as well as dividend income, (v) increase in impairment loss for credit and other receivables, mortgage loans in particular, (vi) depreciation of Polish zloty against Swiss franc. Moreover a great variability on the currency market and significant Swiss franc appreciation against other currencies (including Polish zloty) contributed to higher cost of keeping the Company's liquidity, higher cost of impairment loss for credit and higher capital requirement for credit risk. Currently, the Company does not have any credit products in CHF in its offer, however, a significant part of its credit portfolio create currency credits granted in previous years, although its level is systematically decreasing (at the end of 2011 to the level of 41%). In 2011 the Company's share on the market of deposit-credit services increased significantly (the increase of the Company's share on the retail clients deposit market amounted to to 8,2% and on the retail clients credit market to 8,1%).

In 2011 the Company sold shares of Open Finance S.A. held by the Company as a result of the introduction of the shares of Open Finance S.A. to public trading at the Warsaw Stock Exchange S.A. ("WSE") and therefore lost its dominant position to Open Finance S.A. In the second half of 2011 the Company issued subordinated bonds A-E series with the total value of PLN 400 million, which were considered as the Company's own funds on the basis of the consent of the Polish Financial Supervision Authority. In July 2011 the Company adopted the Management Option Program on the basis of which the Company shall issue up to 6.000.000 warrants and up to 6.000.000 shares. Each warrant shall give the right to one share at the price of PLN 1.00. The warrants shall be issued in 2012, 2013 and 2014.

In the third quarter of 2011 the Company concluded agreements with the Management Option Program Participants to acquire 4.713.004 warrants. On 14 December 2011 a significant agreement was concluded, i.e. strategic partnership agreement between the Company and Towarzystwo Ubezpieczeń Europa S.A., Towarzystwo Ubezpieczeń na Życie Europa S.A. and Open Life Towarzystwo Ubezpieczeń Życie S.A. Earlier the Company signed an agreement on the sale of shares of Open Life Towarzystwo Ubezpieczeń Życie S.A. in favour of Towarzystwo Ubezpieczeń Europa S.A., which was performed in January 2012.

In 2011 the Company took steps to change the ownership structure of the capital group to which the Bank belongs, resulting from the spin –off of Getin Holding S.A. On 2 January 2012 893.786.767 of the Company's shares were transferred to Get Bank S.A., which constitutes 93,71% of the Company's share capital and entitles to voting at the Company's General Meeting. Therefore, Get Bank S.A. became a directly dominant company of the Bank. In June 2012 the merger of the Company with Get Bank S.A. is planned, as a result of which the Company's solvency ratio shall improve.

In the described period of time, the Company was realizing its strategy of development and operations in spite of sometimes difficult and changeable situation on the financial market, being among others a result of significant Swiss franc appreciation against other currencies (including Polish zloty), economic and political changes in the situation of the European countries. Therefore, the Supervisory Board decides to positive assess the implementation of the business strategy of the Company, completed targets and financial results. The Supervisory Board, after consideration of the Management Board's report on the activities of Getin Noble Bank S.A. in 2011 hereby states that it includes all the necessary information on the Company's operations in 2011 and gives it a positive assessment.

II. Financial results for the financial year 2011

Getin Noble Bank S.A. gained in 2011 the increase in its balance sheet total by 25% to the level of PLN 53,3 billion and generated unit net profit in the amount of PLN 556,953,155.16.

III. The assessment of the financial statement for the financial year 2011

The Supervisory Board assessed the financial statements of Getin Noble Bank S.A. for the financial year 2011. According to the legal provisions the financial statement was audited by an independent statutory auditor Ernst & Young Audit sp. z o.o., which gave it a positive assessment with no remarks. After consideration of the opinion of the independent auditor and the report supplementing the opinion, the Supervisory Board did not report any remarks or restrictions to the financial statements. Taking into consideration the recommendations of the Polish Financial Supervision Authority regarding leaving the dividend at the banks in order to strengthen their capital base, the Supervisory Board approved the way of allocation of the net profit for the year 2011 in the amount of PLN 556,953,155.16 proposed by the Management Board in full for the reserve capital increase

IV. The assessment of the internal control system

The internal control system is a part of the managing system of the Company and is aimed at providing reliable and correct information to the financial statement. The Company has an internal control system adjusted to its organizational structure, which covers the organizational units of the Company's heads offices, the Bank's outlets and subsidiaries. The internal control system consists in: control mechanism, audit of compliance with binding law and internal provisions of the Company as well as internal audit.

The goal of the internal control system is to support the management of the Company, including decisive process, and to contribute to the effectiveness and profitability of the Company's operations and to ensure its conformity with binding law and internal regulations. Within the internal control system, the Company identifies risks connected with each operation, transaction, product or process, which result from the Bank's organizational structure. An essential task of the internal control system is to protect the assets, to review credit exposure, to prevent mistakes and to detect them while processing data, to ensure the reliability of financial evidence, to improve the effectiveness of work and to stimulate to observe the determined strategy and policy of the Company.

V. The assessment of the risk management system essential for the Company

The management of risk essential for the Company is provided in Getin Noble Bank S.A. by internal procedures and market regulations, on which the Company operates and it also includes restrictions required by appropriate supervisory institutions, in particular by the Polish Financial Supervision Authority. The Supervisory Board exercises the ownership supervision over the policy of the financial risk management, and the Management Board is responsible for the risk management on the strategy level. The goal of the assets and liabilities management policy is to optimize balance sheet and off-balance sheet structure in order to gain the expected relation of revenue to borne risk. To ensure effective risk management in the Company, the Management Board appointed committees responsible for particular risk areas: Credit Committee, Assets and Liabilities Management Committee and Operational Risk Committee. Those committees are responsible for management of the subordinated risk areas on the operational level and for monitoring of the risk level as well as setting current policy within adopted strategies including internal limits and supervisory regulations.

The Company due to its operations is exposed to the following basic risks:

<u>Credit risk</u>

Credit risk is a potential loss of an entity connected with non-performance of the obligations assumed by the clients or a part thereof in terms specified in the credit agreement. The Company has and applies its internal regulations which allow to estimate credit risk level connected with granting credit to a particular customer or providing other services with credit risk as well as level of their acceptance (in particular parameters "risk appetite" for the Company's retail portfolio adopted by the Bank's Management Board and approved by the Bank's Supervisory Board). In order to ensure the objectivity of the credit risk assessment the sale process (wining clients) has been separated from the credit risk estimation and acceptance process in sales areas structures. Each area has its own acceptance centre which is responsible for estimation and acceptance of particular credit applications. The course of making credit decisions is accepted by the Bank's Management Board. The Company applies wide range of securities allowed by the law adapted to the product profile and area of operation. The risk monitoring system included individual risk monitoring and comprehensive monitoring of credit portfolio. Monitoring and the assessment of credit portfolio quality is made in systemic approach covering portfolio monitoring by sales areas and by the Credit Risk Area. Due to the fact that the Company has liabilities in foreign currency, the Company also systematically analyzes the influence of the exchange rate fluctuations on the quality of credit exposure portfolio, and in case of mortgage credit portfolio the Company also analyzes the influence of the exchange rate fluctuations on the level of exposure security. Within collection operations the comprehensive case service is provided, based on every method of contact with the client. The Company has a wide range of collection processes adapted to particular cases.

<u>Liquidity risk</u>

The goal of the liquidity management is to minimize the risk of loss of short-, middle- and long-term liquidity of the Company by ensuring the ability to meet its current and future obligations. In 2011 the Company met its current obligations on time. Middle and long-term liquidity management is the responsibility of the Management Board, the Treasury Department is responsible for the current and short-term liquidity. The Assets and Liabilities Management Committee performs a consultancy and advisory role. The Bank uses the following methods to assess the liquidity risk: supervisory liquidity norms, liquidity gap method, analysis of endurance on intensive funds outflow from the Company. Liquidity analysis are based on internal Company models in respect to the character of its operations. Within stable financing sources prevail retail clients deposits and corporate customers deposits complete general base of stable financing sources. The Company issued in 2011 long term securities in the amount of PLN 400 million, which created additional source of financing of credit operations. The Company carries out forecasts of the liquidity level for the next periods and assesses probability of worsening the liquidity situation (scenario analysis).

<u>Market risk (including Currency risk and Interest rate risk)</u>

Market risk is defined as uncertainty whether interest rates, exchange rates or prices of securities or other financial instruments held by the Company will have the value other than expected, which may lead to unexpected profits or losses. The main goal of the currency risk management is to create the structure of assets and liabilities in currency, as well as off-balance sheet items within binding cautious norms. Operational management of the currency risk is the responsibility of the Treasury Department, and the supervision over cautious norms and internal limitations is exercised by the Assets and Liabilities Management

Committee. The calculation of exposure to currency risk and the calculation of the capital requirement necessary to cover the risk is made every day and is reported within the management information. The analysis of the Company's exposure to currency risk is also made by Value at Risk technique (VaR) and extreme conditions tests. In order to minimize the currency risk exposure the Company observed in 2011 limits as regards the share of the currency position in the equity and VaR (1 day; 99,9%) – the currency risk was kept within the accepted limits.

The goal of the interest rate management is to limit the risk connected with decrease of expected interest revenue due to changes of market interests. In interest rate risk management the Company uses the following techniques: Value at Risk method (VaR), sensitivity analysis of the financial result to interest rates changes (EaR method), basis risk analysis, yield curve risk analysis, customer option risk analysis and extreme conditions tests. In order to limit the interest rate risk exposure the Company observed in 2011 limits as regards share of VaR in the equity and VaR (1 day; 99,9%) and the share of EaR in the planned interest rate result for a given year– the interest rate risk was kept within the accepted limits.

<u>Solvency risk</u>

The level of the Company's equity is adapted to its operations. The measure of the capital adequacy is solvency ratio, which expresses the ratio of the equity to the total of assets and off-balance items weighted by risk. The solvency ratio assigns to assets and off-balance items the weight percent according to among others credit risk degree, market risk, currency risk or interest rate risk. In 2011 the Company attempted to increase the capital adequacy ratio. The increase of the solvency ratio was possible due to the increase in the Company's equity by PLN 0,9 billion, PLN 0,4 billion of which by including the subordinated bonds issue to supplementary funds and by including the Company's unit profit for the first six months of 2011 audited by the statutory auditor to the Company's equity. Within the capital requirement due to the credit risk the leading position is assigned to mortgage loans. The internal capital of the Company calculated on the basis of the internal capital assessment procedure is on the level similar to Pillar 1 requirements. Within Pillar 2 the Bank applies its own methods to assess the internal capital.

<u>Operating risk</u>

The operating risk is managed by the "Strategy of operating risk management" adopted by the Management Board and approved by the Supervisory Board, which includes prudential regulations resulting from the Banking Law as well as appropriate resolutions and recommendations of the banking supervision and including description of principles already applied by the Company or in stage of development and planned in the future. The operating risk management covers all processes and systems connected with banking operations, which provide the clients with financial services within the Company's business activity. The operating risk is managed at the Company on three levels: 1st level – units and persons engaged in the operating risk management within their day-to-day activity; 2nd level – persons holding managerial positions, exercising functional control; 3rd level – Security and Operating Risk Department as well as Operating Risk Committee. There is a reporting system and operating risk measurement system at the Company supported by an appropriate IT system. Operating risk reporting system covers reports for internal purposes – management purposes and external purposes – supervisory purposes. Dependent on the size or profile of the operating risk, appropriate correction and preventive actions are taken, adequate to the diagnosed risk and enabling to choose and implement means which effectively modify that risk. The effectiveness of the securities applied in the Company and the methods of operating risk limitation is monitored by the current watching, collecting and analyzing operating events and by observing the operating risk profile as well as controlling quality and quantity changes of the operating risk.

In the opinion of the Supervisory Board, the internal control system and the risk management system which function in the Company as regards the process of drawing up financial statements are enough and ensure the completeness of those statements and its compliance with binding law. Moreover, the Management Board of the Company takes steps to ensure the continuity of monitoring the effectiveness of internal control mechanisms and identifies operating areas, transactions and other activities designated to continuous observance.

Warsaw, 29 February2012

Chairman of the Supervisory Board	Vice Chairman of the Supervisory Board
………………. *Leszek Czarnecki*	………………… *Radosław Boniecki*

Member of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board
……………. *Remigiusz Baliński*	………………… *Dariusz Niedośpiał*	…………………… *Michał Kowalczewski*