Getin Noble Bank S.A.
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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. in order to implement provisions of the "Best 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. ("Bank", "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 an universal bank with a wide range of products within credits, savings and investments, as well as wide range of additional services. The Bank's offer is directed to individual clients, small and medium enterprises, budgetary units and bigger corporations. On 5 March 2013 the Management Board of the Bank announced a new business strategy for 2013-2015, which aim was to use current business potential and to adapt business strategy to new market challenges. The aim of the project GETIN UP is to make the Bank's operations more effective by building strong and stable relations with the clients based on the highest quality of service as well as attractive and client-made products. In connection with the implementation of the Bank's new strategy, the year 2013 was the year of Getin UP and aimed to make Getin Bank "My Bank" for millions of Poles.

Noble Bank brand represents private banking sector and is dedicated to more wealthy clients. Apart from standard financing products, it also offers advisory services and real estate agency services, tax and legal related support, art banking, brokerage services and concierge services. Targeted lines of products, asset management and brokerage services are addressed to a chosen group of clients. In 2013 the Bank launched Wealth Guard service which aims to comprehensively secure the clients assets. Noble Bank strives to create more profound Bank-client relation, therefore it organizes two types of prestigious meetings: Private Banking After Hours and Noble Market Review.

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 granted on competitive terms. Getin Bank is also a leader with respect to the sales of car purchase loans. The offer of Getin Bank is very clear and is available through different communication channels: through traditional banking outlets as well as through the Internet. As of 2014 Getin Noble Bank has been implementing new self-service outlets Getin Point. Thanks to the new advanced technology, modern solutions, the Bank offers access to a wide range of products and services yet performed

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only in banking outlets. In order to stress changes in Getin Bank, it was decided to change the Bank's word mark, which strengthened the Bank's position as a fully universal institution and the innovation leader.

The Bank continues its operations on the financial services market directed to small and medium businesses, public sector entities and SME sector. Credit products offered by the Bank are constantly adapted to the domestic economic activity. 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, insurance products, leasing services, as well as factoring.

During the time of Getin UP strategy implementation, the Bank significantly changed. The activities supporting the strategy are performed consequently and with great determination, including bank account offer based on technological innovations, simple and clear products and services, modern outlets, high quality service, friendly and helpful Contact Center. There are six key areas where the activities completed or started in 2013 and connected with Getin UP strategy brought benefits:

1) Getin Noble Bank – leading and fully retail banking in Poland.
2) First significant results of Getin UP strategy – a breakthrough in the quality of products and services of Getin Noble Bank.
3) Technological leap noticed by the market, which strongly and effectively supports business development.
4) Fluent balance sheet structure and equity safety, which enables to fully use the market opportunities.
5) Market domination within cost efficiency as unique competitive advantage of the Bank.
6) Consequent improvement of financing cost and risk cost normalization as main factors of ROE increase.

In 2013 the Bank introduced new Getin UP account together with modern internet banking as well as mobile banking – Getin Mobile awarded in prestigious contests. Although introduction of a new Getin UP account was a priority, the Bank also emphasizes the fact that it is a fully universal bank, where clients can find all financial products.

According to the Bank's strategy, the Bank strives to improve its effectiveness, decrease the financing costs and to increase the repeatability of income. One of the strategic goals of the Bank was to increase the base of active banking accounts as a basic product ensuring long-term and solid relations with clients and securing cheaper and more stable financing. As a result of the Bank's operations, the Bank recorded an income increase from savings accounts. In 2013 there was a decrease in the financing cost, therefore the interest cost was reduced to 4,5%, i.e. by 150 points in relation to 2012. Moreover, in 2013 the Bank took up actions to diminish the risk costs and to improve the credits portfolio quality. A significant reduction of write-off level concerned

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mostly mortgage credits portfolio. The provisions cover ratio amounting to 64,5% is one of the highest in the banking sector. Due to a very strict provisions cover ratio policy, the Bank recorded in 2013 the biggest decrease of the risk cost in relation to 2012 among all Polish banks. The Bank consequently builds its market share within monetary financial institutions sector as regards both credit and deposit products. The share of Getin Noble Bank as regards retail credit portfolio amounts 8%.

The Bank takes the opportunities to acquire financial institutions to strengthen its position in strategic market sectors. In 2013 the Bank was very active on merger and acquisitions market. The most important success of the Bank was to complete the acquisition of an organized part of DnB NORD bank, which is directed to both individual and institutional clients. The Bank also acquired a part of DZ Bank Polska, which specializes in private banking services and Dexia Kommunalkredit Bank Polska (currently BPI Bank Polskich Inwestycji S.A.).

The Bank implements its strategy to become universal and customer friendly Polish financial institution. The effects of this strategy was approved by independent experts, including the following:

- Getin Bank took 11th place in the Newsweek rank "Friendly Bank" and recorded the highest promotion on the market.
- MasterCard Display – interactive debit card with display available only in Getin Noble Bank won the prestigious title of Global Innovation in the category of Lions Innovation during the Cannes Lions International Festival of Creativity, the card was awarded in the category of "New or Innovative" during the International Advertising Festival Golden Drum taking place in Portoroz and was a finalist of the nationwide contest "Good Pattern" for the best products and services designed on the Polish market.
- Savings account Getin UP was awarded in the program "Quality International 2013".
- In the 10th edition of "Most valuable Polish brands" ranking of Rzeczpospolita daily Getin Bank for the second time in a row won 3rd place among the banks assessed according to their value.
- Getin Bank was won the main award in the international contest Banking Technology Awards in the category "Best usage of mobile technologies in financial services".
- Noble Bank won the maximum 5 stars in the prestigious Forbes ranking of private banking services.

The Bank actively develops Corporate Social Responsibility standards and adopted the internal Code of Ethics. According to the new business strategy, the Code of Ethics serves to improve the relation banking and apply good business practices and to reach high place in terms of ethic standards, integrity, responsibility and confidence.

The Bank together with Oxford Noble Foundation, is actively engaged in the development of Program on Modern Poland created by Leszek Czarnecki and the Bank together with the representatives of St. Antony's

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College by promotion of their ideas and business environment involvement in the development of the project. In 2013 the Oxford Noble Foundation started a fundraising project and invited Noble Bank clients as well as other business environments to financially support the project.

II. Financial results for the financial year 2013

Getin Noble Bank S.A. gained in 2013 the increase in its balance sheet total by 7% in relation to 2012 to the level of PLN 63,3 billion, which gave the Bank 6th place among biggest banks on the Polish market. The unit net profit was generated in the amount of PLN 310,755,470.41.

III. The assessment of the financial statement for the financial year 2013

The Supervisory Board assessed the financial statements of Getin Noble Bank S.A. for the financial year 2013 in accordance with binding laws. The financial statement was audited by an independent statutory auditor Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k with its registered office in Warsaw, that gave positive qualified opinion. After consideration of the opinion of the statutory auditor and the report supplementing the opinion, the Supervisory Board did not report any remarks or restrictions to the financial statements.

The Supervisory Board approved the way of allocation of the net profit for the year 2013 in the amount of PLN 310,755,470.41 for covering the undivided net loss of Getin Noble Bank S.A. from previous years resulting from operational loss of the Bank incurred in connection with the correction of the financial result from previous years made in the financial statements for 2013 as a result of retrospective application of changes to the accounting principles in the calculation of insurance sale remuneration and adapting it to the recommendation of the Polish Financial Supervision Authority. The total level of the correction of the financial results resulting from changes to the accounting principles amounted PLN -362,825,092.83. At the same time the Supervisory Board positively assesses the motion of the Management Board to give consent to cover the remaining undivided net loss of Getin Noble Bank S.A. from previous years resulting from the above changes to the accounting principles in the amount of PLN -52,069,622.42 from the reserve fund.

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 statements. At the same time the internal control system supports managing the Company, including decisive process, and contributes to the effectiveness and profitability of the Company's operations, ensures the conformity with binding laws and internal regulations by ensuring the compliance of the Bank's operations with procedures and affecting and reacting to irregularities on a current basis, as well as monitoring the effectiveness of the implemented controlling mechanism. The Company has an internal control system adjusted to its organizational structure, which covers

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the organizational units of the Company's heads offices, the Bank's outlets and subsidiaries. The internal control system consists of the following: control mechanism, audit of compliance with binding law and internal provisions of the Company as well as internal audit.

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. The functioning of the internal control system as well as risk management system as regards the process of financial statements preparation are based on a built-in control mechanism and on continuous verification of the conformity with accounting books and other documentation as well as binding laws within the accounting and financial statements preparation principles.

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

The management of the risk essential for the Company is governed in Getin Noble Bank S.A. by internal procedures and market regulations as well as 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:

CREDIT RISK

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 risk management of the Company aims to secure the safety of the Bank's credit activities keeping at the same time rational approach towards risk. The Company operations as regards credit activities are based on the following principles: (i) the Company wins and keeps in its portfolio credit engagement which secures the safety of the Company's deposits and equity by drawing stable income; (ii) the Company while taking credit decisions examines risk resulting from a particular transaction in view of the client's and the sector's general risk as well as other circumstances which may influence the payment of debt; (iii) credit and other exposures are granted provided the client meets the

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requirements determined in the internal regulations of the Company. The process of credit risk management in the Company is a continuous process, which aim is to:

- stabilize the risk of new sale action in the product areas where the risk level was satisfactory,
- limit the risk of new sale action in the product areas where the Company decides to limit the risk level,
- improve the quality of the existing credit portfolio.

The Company approved the following documents: Credit Strategy and Credit Policy as well as Strategy and policy of credit exposure risk management determining the principles, directions, guidelines and recommendations regarding credit activity. Since 2010 the Company has successively and consequently introduced solutions which aim at credit risk mitigation.

LIQUIDITY RISK

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 2013 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 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: (i) supervisory liquidity norms, (ii) liquidity gap method, (iii) 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. Clients' deposits are basic source of credit activity financing; the ratio of net credits to the Bank's obligation does not exceed 100%. Within stable financing sources prevail retail clients deposits and corporate customers deposits complete general base of stable financing sources. In 2013 the Company continued issue of long term securities, which created additional source of financing of credit operations. Additionally, the Company gained financing from interbank market.

MARKET RISK (INCLUDING CURRENCY RISK AND INTEREST RATE RISK)

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 assets and liabilities management policy is to optimize the balance sheet structure as well as off-balance sheet items to keep the assumed ratio of income to the risk incurred.

Currency risk

The currency risk can be described as negative results of the influence of currency exchange rate changes on financial results. The main goal of the currency risk management is to create the structure of assets and

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liabilities in currency, as well as off-balance sheet items within binding cautious norms determined by the Banking Law Act and internal limits.

Operational management of the currency risk is the responsibility of the Treasury Department which monitors the level of the credit currency exposure resulting from the Company's operations on an ongoing basis and enters into interbank transactions which limit the Company's exposure to currency risk which are of cash nature as well as derivatives within granted limits. In order to secure credit currency risk the Company applies cash flow hedge accounting within which the Company hedges the cash flow variability as regards mortgage credit portfolio indexed to CHF and EUR by separating an unambiguously determined portfolio of hedging CIRS transactions float-to-fixed CHF/PLN and EUR/PLN and hedges the cash flow variability of PLN deposits by separating from real CIRS transactions an unambiguously determined portfolio of hedging IRS transactions fixed-to-float. The supervision over cautious norms and internal limitations is exercised by the Assets and Liabilities Management Committee.

Interest rate management risk

The interest rate management risk is defined as a risk of decrease of expected interest revenue due to changes of market interests as well as risk of changes in value of interest rate-sensitive balance sheet and off-balance sheet items. The goal of the interest rate management is to limit the risk connected with the above changes. The Management Board of the Company receives and monitors on a monthly basis reports regarding interest rate risk. The interest rate management risk is to minimize the risk of negative influence of changes in the market interest rate on the Company's situation, by: (i) determining and complying with limits which limit the acceptable interest rate risk; (ii) preparing periodic analyses in order to examine interest rate risk level and sensitivity of profit and loss account to interest rate changes.

OPERATING RISK

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 Act 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 activities of the Company as well as entities associated with the Company or cooperating ones. The leading role in the operating risk management is performed by the bodies of the Company – the Management Board and the Supervisory Board. Operating Risk

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Committee performs advisory functions in the operating risk management and supports the activities of the Management Board of the Company.

The main master function in the operating risk management perform employees of an independent operating risk management unit separated within the Security and Operating Risk Department. There is a reporting system and operating risk measurement system at the Company supported by an appropriate IT system of operating risk management. 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.

NON-COMPLIANCE RISK

Non-compliance risk is defined as a risk of negative effects caused by failure to comply in the Bank's activity with law provisions (acts, regulations, resolutions) as well as internal regulations or standards, rules and codes adopted by the Company.

The strategic goal of non-compliance risk management is:

- to create the Company's image as an entity acting according to law provisions and standards adopted by the Company, and in ethical, fair and reliable manner;
- to counteract risk of financial loss and legal sanctions which can be a consequence of violation of law provisions and adopted codes of conduct;
- to create and maintain positive relations with other market participants including shareholders, clients, business partners and market regulators.

The non-compliance risk management process comprises risk identification, assessment of risk profile, risk monitoring and its limitation as well as reporting.

In the process of non-compliance risk identification, the Company analyses on a current basis binding laws, prudential regulations, internal provisions and adopted codes of conduct as well as gathers information on cases of non-compliance and its reasons. While assessing the risk, the Company determines their character and potential scale of financial loss and legal sanctions. Monitoring of non-compliance risk aims to identify neuralgic areas of the Company's activities as regards negative consequences of non-compliance and to take remedial measures. The process of non-compliance risk limitation comprises the following aspects: preventive, i.e. limitation of risk by implementation of solutions and elements which ensure compliance as well as mitigating, i.e. risk management after identifying non-compliance case in order to mitigate negative consequences of risk occurrence. The recipients of the reports on identification results as well as non-compliance risk assessment in the Company are the following bodies of the Company: Operating Risk Committee, the Management Board and the Supervisory Board.

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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 laws. 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, 27 March 2014

Chairman	*Deputy Chairman*
of the Supervisory Board	*of the Supervisory Board*
……………….	…………………
Leszek Czarnecki	*Rafał Juszczak*

Member	*Member*	*Member*
of the Supervisory Board	*of the Supervisory Board*	*of the Supervisory Board*
……………….	…………………	……………………
Remigiusz Baliński	*Michał Kowalczewski*	*Jacek Lisik*