

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. as an universal bank directs its offer to individual clients, small and medium enterprises, budgetary units, health service entities and large corporations. The Bank focuses on further implementation of Getin UP strategy, which aim is to offer to its clients simple and practical services as well as entering new higher level of service quality. The changes carried out at the Bank are the essence of the best technological solutions and at the same time distinguish themselves on the market by their simplicity and functionality. The Bank strives at the same time to create values for shareholders by building strong and stable client relations based on the highest standards service quality, products construction and their distribution allowing to use the present position of the Bank in order to increase the number of active and loyal clients.

The Bank has a wide range of products adapted to the clients’ needs and preferences as regards financing, saving and investing, as well as a wide ranges of additional services. The products are offered by large variety of distribution channels, starting from traditional bank outlets, up to the latest technological solutions used within e-banking and new generation outlets – Getin Point. Such wide dimension of distribution channels and forms allows clients to contact the Bank in the most convenient way. 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 and leasing products.

In 2014 the Bank started a new era in the Polish banking business, opening the first self-service outlet – Getin Point. Thanks to the latest technologically advanced and modern solutions, the clients gained access to wide variety of banking products and services, previously available only at traditional banking outlets. Up to the end of 2014 the Bank opened seven Getin Points.



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Noble Bank brand represents private banking sector and is dedicated to more wealthy clients. Noble Bank products are offered through nationwide network dedicated solely to private banking services. Strong point of Noble Bank is a complex advisory services as regards personal finance of the clients - targeted lines of products, asset management, legal and tax advisory, art banking, brokerage and concierge services are addressed to a chosen group of clients. Noble Securities S.A. offers a wide range of products connected with capital market and have access to e.g. corporate bonds issue. In cooperation with Noble Funds TFI S.A. the Bank offers its clients wealth management services. Clients can also use concierge service created by Noble Concierge Sp. z o.o. Within Wealth Guard services clients have access to the services of the biggest Polish law firm – Domański Zakrzewski Palinka sp.k. The solutions worked out by the company cover among others corporate governance area, succession, tax planning, privacy protection. 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 which aim both to broaden cooperation with present clients and invite new potential private banking clients. Pioneer strategy of Noble Bank marked in 2014 by broadening real estate segment and announcing partnership with Sotheby's International Realty, No. 1 on luxury real estate market.

The retail banking of Getin Noble Bank S.A. is run under the brand of *Getin Bank* and specializes in sale of retail loans, mortgage and car loans and offers wide range of investment products and deposit products. Getin Bank has a complex range of products directed to individual clients, small and medium enterprises, budgetary units, health service entities and large corporations which allows to build solid relations with clients and meeting client needs. The Bank remains the leader on car loan market.

The new strategy Getin UP is implemented by improvement of effectiveness, reducing finance costs, increasing income repeatability. The Bank strives to be the Bank of first choice. The Bank implements new revolutionary products and services based on the latest technologies. Among those solutions is Profit Package "My Bank" which aim is to show that strong relation with the Bank has only advantages - the Bank offers many competitive financial benefits paid monthly in exchange for activity on personal account. Mastercard Display card with interactive display is awarded by card experts. Visa SimplyOne card joins two independent card: debit card connected to personal account and card allowing to use credit limit payable in convenient instalments. In October 2014 The Bank together with MasterCard and Norwegian company Zwipe participated in project creating debit card with embedded fingerprint reader.

In 2014 the Bank consequently laid stress on interest income optimization and improvement of balance sheet result. The Bank puts great attention to the development of the offer directed to local government units.

The activities connected with finance costs decreasing and product mix changing resulted in interest income improvement. The main external factor that influenced the change in income and interest cost in 2014 were changes in interest rates influencing directly the level of interest and financial assets. The Bank realizes the strategy to shorten the maturity date of assets by concentrating on sale of short term products and faster amortizing products. In 2014 the Bank the sale of loans was focused on retail loans, car and corporate loans as well as on financing local government units, housing cooperatives and housing communities. Due to the change of sale structure the share of currency loans systematically decreases. In 2014 the Bank consequently implemented solutions in order to broaden the base of active current and saving accounts. The forms of promotion used by the Bank were directed to strengthen stable client base who have permanent relation with the Bank. In 2014 the Bank consequently realized the policy aiming at disposal of non-performing assets by selling lost value credit portfolio. The sale transactions covered portfolio of retail, credit and mortgage credits.

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 won the main award in the category of “finance services” for MasterCard Display card in the contest “Future is Now” during the international creation festival and commercial Cristal Festival taking place in France.
- Getin Bank was awarded in the category of “Best commercial spot” in the 5th edition of the biggest consumer plebiscite “Złoty Bankier” (“Golden Banker”).
- In ranking “Jakość na Bank” published by Puls Biznesu, Getin Bank was placed among three best banks in Poland.
- From the beginning of 2014 the Bank was at the top of the ranking of best car loans prepared monthly by TotalMoney.pl.
- Money.pl awarded Getin Bank for its mobile application as one of the best in 2014 (third place in ranking). Moreover the mobile application was recognized as one of the best mobile solutions in the world and was a finalist of the international contest Effective Mobile Marketing Awards in the category “Most effective campaign or solution in the finance sector”.
- Visa SimplyOne – double card was awarded as the “Most Innovative Polish Card of 2014”.
- In personal accounts ranking prepared by Bankier.pl and Wirtualna Polska Getin Noble Bank won first place for Getin UP account and second place for Perfect Account Getin Online.
- Getin Point – self-service outlet of Getin Bank was awarded as “Innovation of the month” in the international contest Distribution and Marketing Innovation Awards.

- Getin Bank for the second time in a row was the leader in the nationwide Ranking of Banks prepared by Polish Development Companies Union.
- Getin Noble Bank and Getin Leasing were awarded Effie Awards 2014 for the most effective marketing communication. The jury of the contest awarded The Bank silver and brown prize in the “banking” category for rebranding campaign Getin UP and campaign run for Getin Leasing and silver prize in the category of “technology and innovation” for awarded MasterCard Display.

The Bank actively develops Corporate Social Responsibility standards (CSR). The Bank adopted the internal Code of Ethics that according to the new business strategy Getin UP serves to improve the relation banking and apply good business practices and to reach high place in terms of ethical standards, integrity, responsibility and confidence. Within CSR the Bank takes up numerous activities in order to engage its employees in social campaigns. One of such initiatives are annual Fair Play Run and establishing official Getin Noble Bank Run Representation consisting of employees, participating in the biggest run events in Poland.

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 College by promotion of their ideas and business environment involvement in the development of the project. In 2014 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 2014

In 2014 the unit net profit of Getin Noble Bank S.A. was generated in the amount of PLN 322,3 mm, i.e. higher by PLN 11,6 mm than the profit gained in 2013. The scale of the Bank's operations measured balance sheet total increased by 7% in relation to the end of December 2013 to the level of PLN 67,6 billion.

III. The assessment of the financial statement for the financial year 2014

The Supervisory Board assessed the financial statements of Getin Noble Bank S.A. for the financial year 2014 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 2014 in the amount of PLN 322,347,194.83 (in words: three hundred and twenty-two million three hundred forty-seven thousand one hundred and ninety-four zloty and eighty-three) to the reserve fund increase. According to the “Dividend

Policy of Getin Noble Bank S.A. for the years 2014-2016” adopted by the Supervisory Board of the Bank on 22 October 2014 the Bank decided not to pay dividend of the profit realized in 2014.

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 and it is adjusted to its organizational structure. 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, reliability of financial reporting, 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 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. The internal control system secures the assets, audits credit exposures, prevents errors and detection of errors in data processing, ensures reliability of financial evidence, improves effectiveness of actions and stimulates observing the strategy and policy of the Bank.

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

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. It is implemented according to the internal procedures regarding identification, measurement, monitoring and controlling of the risk. The methods used to identify and measure the risk are expressed in particular rate of credit portfolio risk measurement and are adapted to the profile, scale and complexity of the risk. In order to assure the objectivity of the credit risk assessment, the sale process and the process of credit risk assessment and acceptance have been separated. Credit applications are assessed and accepted by the Credit Decision Area.

The procedure of credit decision making is accepted by the Management Board of the Bank. Credit competence is given to the Bank's employees individually, based on the skills, experience and position held in the company. There is a Credit Committee that makes decisions authorized to make decisions on the level higher than acceptance centers. The highest level of authorization is reserved for the Management Board of the Bank. The changes to the procedure of credit decision making are accepted by the Management Board. The Bank uses internal regulations that allow to assess the level of credit risk acceptance connected with granting credit to an individual client (or other services where credit risk is involved).

In 2014 after the CRR Regulation came into force, the Bank defined CRR restructuring in order to measure the capital requirement. CRR restructuring is credit obligation restructuring carried out by the Bank that reduces the financial obligations by redemption of part of principal, interest, charges or deferment of payment. The Bank negotiates credit agreements with its debtors that are in difficult financial situation and cannot meet the credit agreement requirements. In 2014 the Bank participated in the European stress tests organized by the European Central Bank as well as in AQR tests coordinated by the Polish Financial Supervision Authority. The joint results show that the Bank successfully endured the most important and the most rigorous stress test, i.e. adverse scenario of the stress test. Historical slight capital shortage indicated in the baseline scenario (0,1%) has been already supplemented with surplus in 2014 (+0,9%). It must be stressed out that the actions taken by the Management Board allows to state that analogical tests currently the Bank would pass successfully in any test scenario.

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 2014 the Company met its current obligations on time. The strategy of liquidity risk management is set in the Strategy of the Bank, i.e. in a document approved by the Supervisory Board. 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. The gap rate, the level of liquidity, chosen rate of the balance structure, the level of internal liquidity limits as well as sensitivity of measure of liquidity to exchange rate volatility are monitored on a daily basis.

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 2014 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 market risk management strategy is recognized in the Strategy of the Bank accepted by the Supervisory Board of the Bank and defines the market risk appetite. 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. The Management Board is responsible for the market risk management on the strategic level.

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 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. The supervision over cautious norms and internal limitations is exercised by the Assets and Liabilities Management Committee.

The assessment of the Bank's currency risk exposure as well as capital requirement necessary to cover the risk is made daily and reported to the Management Board and the Bank's management within management information. The capital requirement as regards currency risk is calculated as the product of 8% and absolute total currency position.

Interest rate management 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. The effectiveness of the risk management is assessed on the basis of limits that limit the credit risk exposure. The Management Board of the Company receives and monitors on a monthly basis reports regarding interest rate risk and weekly reports as regards current reporting on trading risk.

In order to limit the interest rate risk the Bank applied in 2014 limits within VaR (1 day; 99,9%) in its entity and share of EaR in the planned interest outcome for a given year – interest rate risk was kept within limits.

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 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. In all divisions of the Bank and on all levels of the Bank's organizational structure, as well as entities associated with the Company or cooperating ones there are units, persons and functions responsible for operating risk management. There are three levels of operational risk management. The leading role is performed by the Management Board of the Bank as well as Supervisory Board of the Bank. Operating Risk 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. The Bank uses the following means to secure the operational risk: drawing up and implementing business continuity planning (including emergency plans), protecting against results of errors or operational events; outsourcing. The effectiveness of the security and methods of limiting the operational risk management used are monitored by continuous collection and

analyzing of operational events and observing the operational risk profile, as well as quality and controlling quantity and quality operational risk changes.

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: (i) 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; (ii) counteract risk of financial loss and legal sanctions which can be a consequence of violation of law provisions and adopted codes of conduct; (iii) 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. The Bank takes into account also entities that belong to Getin Noble Bank S.A. Capital Group.

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.

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, 10 April 2015

*Chairman
of the Supervisory Board*

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Leszek Czarnecki

*Deputy Chairman
of the Supervisory Board*

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Remigiusz Baliński

*Member
of the Supervisory Board*

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Rafał Juszcak

*Member
of the Supervisory Board*

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Krzysztof Bielecki

*Member
of the Supervisory Board*

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Jacek Lisik