

**GETIN NOBLE BANK S.A.
WARSZAWA, PRZYOKOPOWA 33**

**FINANCIAL STATEMENTS
FOR THE 2015 FINANCIAL YEAR**

**WITH
AUDITOR'S OPINION
AND
AUDIT REPORT**

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FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

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REPORT ON THE ACTIVITIES OF THE BANK FOR THE 2015 FINANCIAL YEAR

AUDITOR'S OPINION

To the Shareholders and Supervisory Board of Getin Noble Bank S.A.

We have audited the attached financial statements of Getin Noble Bank S.A. ("Bank") with its registered office in Warsaw, at Przyokopowa 33, including income statement and statement of comprehensive income for the financial year from 1 January 2015 to 31 December 2015, statement of financial position prepared as of 31 December 2015, statement of changes in equity, cash flow statement for the financial year from 1 January 2015 to 31 December 2015 and explanatory notes comprising a summary of significant accounting policies and other explanatory information as required by the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations. In addition, we have audited the information required under Article 111a paragraph 1 point 1 and 2 of the Banking Law Act of 29 August 1997 (Journal of Laws of 2015 item 128 as amended), hereinafter referred to as the "Banking Law", disclosed in the report on the activities of the Bank..

Preparation of financial statements and a report on the activities in line with the law is the responsibility of the Management Board of the Bank.

The Management Board of the Bank and members of its Supervisory Board are obliged to ensure that the financial statements and the report on the activities meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330, as amended), hereinafter referred to as the "Accounting Act".

Our responsibility was to audit and express an opinion on compliance of the financial statements with the accounting principles (policy) adopted by the Bank and whether the financial statements give a true and fair view of the financial and economic position as well as the financial performance of the Bank and on the correctness of the underlying accounting records and whether disclosures in the Report on the activities of the Bank resulting from Article 111a paragraph 1 point 1 and 2 of the Banking Law have been presented correctly and in accordance with the requirements of these regulations.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act,
- national auditing standards, issued by the National Council of Statutory Auditors in Poland.

We have planned and performed our audit of the financial statements in such a way as to obtain reasonable assurance to express an opinion on the financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) and material estimates applied by the Bank, verification - largely on a test basis - of the accounting evidence and records supporting the amounts and disclosures in the financial statements, as well as overall evaluation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the audited financial statements of Getin Noble Bank S.A. in all material respects:

give a true and fair view of the information material to evaluation of the economic and financial position of the Bank as of 31 December 2015 as well as its financial performance in the financial year from 1 January 2015 to 31 December 2015,

- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations and in all matters not regulated in the standards – in accordance with the provisions of the Accounting Act, secondary legislation to the Act and based on properly kept accounting records,
- comply with the provisions of law and the of the Bank, which affect the contents of the financial statements.

In addition, we believe the disclosure contained in the report of the Bank's operations resulting Article. 111a paragraph. 1 point 1 and 2 of the Banking Law have been presented properly and in compliance with the requirements of these regulations.

The Report on the activities of the Bank for the 2015 financial year is complete within the meaning of Article 49.2 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133) and consistent with underlying information disclosed in the audited financial statements.

Paweł Nowosadko
Key certified auditor
conducting the audit
No. 90119

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Dariusz Szkaradek– Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 18 March 2016

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
OF GETIN NOBLE BANK S.A.
FOR THE 2015 FINANCIAL YEAR**

I. GENERAL INFORMATION

1. Details of the audited Bank

The Company operates under the business name Getin Noble Bank S.A. ("Bank"). The Bank's registered office is located in Warsaw, at Przyokopowa 33.

Getin Noble Bank S.A. operates as a joint stock bank. The Bank is recorded in the Register of Entrepreneurs kept by the District Court, XII Business-Registry Division in Warsaw, under KRS number 0000304735.

The Bank operates based on the provisions of the Code of Commercial Companies and Banking law.

As of 31 December 2015, the Bank's share capital equaled PLN 2,650,143,319 and was divided into 2,650,143,319 shares with a face value of PLN 1.00 each.

In the analyzed period, the Bank operated mainly in receiving deposits payable on demand or on maturity and maintaining bank accounts for such deposits, as well as the granting of loans and cash loans.

Composition of the Management Board as of the date of the opinion:

- | | |
|----------------------|---|
| – Krzysztof Rosiński | – Chairman of the Management Board, |
| – Artur Klimczak | – Vice-President of the Management Board, |
| – Krzysztof Basiaga | – Member of the Management Board, |
| – Marcin Dec | – Member of the Management Board, |
| – Karol Karolkiewicz | – Member of the Management Board, |
| – Radosław Stefurak | – Member of the Management Board, |
| – Maciej Szczechura | – Member of the Management Board, |
| – Grzegorz Tracz | – Member of the Management Board. |

Changes in the composition of the Management Board during the audited period and until the date of the opinion:

- On 1 January 2015 Krzysztof Basiaga was appointed by the Supervisory Board to hold the position of the Management Board Member;
- On 10 April 2015 the Supervisory Board dismissed Krzysztof Spyra from the Management Board with effect from the date of the resolution,
- On 29 April 2015, the Supervisory Board appointed Artur Klimczak to hold the position of Vice President of the Management Board with effect from 1 July 2015.

2. Information on the financial statements for the previous financial year

The activities of the Getin Noble Bank S.A. in 2014 resulted in a net profit of PLN 322,347. The financial statements of the Bank for the 2014 financial year were audited by a certified auditor. The audit was performed by authorized entity Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. The certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting of Getin Noble Bank S.A. which approved the financial statements for the 2014 financial year was held on 12 May 2015. The General Shareholders' Meeting decided to allocate the net profit of the Bank for 2014 years to increase capital.

The financial statements for the 2014 financial year were submitted to the National Court Register (KRS) on 19 May 2015.

3. Details of the authorized entity and the key certified auditor acting on its behalf

The audit of the financial statements was performed based on the agreement of 6 July 2015 concluded between the Getin Noble Bank S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Warsaw, al. Jana Pawła II 19, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the financial statements was conducted under the supervision of Paweł Nowosadko, key certified auditor, (No. 90119) from 26 October 2015 until the opinion date.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor conducting the audit confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on statutory auditors and their self-governing body, auditing firms and on public oversight (Journal of Laws of 2009 No. 77, item 649 as amended) to express an unbiased and independent opinion on the financial statements of the Bank.

4. Availability of data and management's representations

The scope of our audit was not limited.

During the audit, all necessary documents and data as well as detailed information and explanations were provided to the authorized entity and the key certified auditor, as confirmed e.g. in the written representation of the Management Board of 18 March 2016.

II. ECONOMIC AND FINANCIAL POSITION OF THE BANK

Presented below are the main items from the profit and loss account and balance sheet as well as financial ratios describing the financial performance of the Bank and its economic and financial position compared to the prior year.

<u>Main items from the statement of financial position</u> <u>(PLN '000)</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Total assets	71,518,119	67,594,305
Cash, balances with the Central Bank	2,724,460	2,840,565
Amounts due from banks and financial institutions	2,008,466	1,410,839
Derivative financial instruments (assets)	159,074	242,013
Loans and advances to customers	50,519,167	49,174,999
Result on financial instruments measured at fair value through profit or loss and net foreign exchange gains	166,817	170,371
Available-for-sale and held-to-maturity financial assets	12,390,902	11,328,004
Investments in subsidiaries, associates and joint ventures	1,013,776	527,814
Intangible assets	264,055	219,983
Property, plant and equipment	202,371	190,619
Investment properties	478,585	378,531
Deferred tax assets	335,920	374,609
Other assets	1,235,094	731,464
Amounts due to banks and financial institutions	3,457,657	4,451,229
Derivative financial instruments (liabilities)	1,519,279	742,340
Amounts due to customers	55,804,525	53,081,485
Debt securities issued	2,829,820	3,313,904
Other liabilities	3,037,409	1,179,955
Total equity, including:	4,847,708	4,802,037
- share capital	2,650,143	2,650,143

Main items from the income statement and statement of comprehensive income (PLN '000)

Interest income	3,021,478	3,619,459
Interest expense	(1,864,719)	(2,215,240)
Net fee and commission income	266,077	355,039
Dividend income	31,728	111,234
Result on financial instruments measured at fair value through profit or loss and net foreign exchange gains	20,908	93,373
Result on loss of control over a subsidiary	131,187	
Administrative expenses	(1,128,927)	(832,456)
Net impairment losses on financial assets and off-balance sheet provisions	(416,524)	(695,569)
Net profit	1,119	322,347
Total comprehensive income for the period	45,671	293,183
	2015	2014

Ratios

- Total profitability ratio	0.0%	7.3%
- Solvency ratio	13.7%	12.9%
- Loan ratio	70.6%	72.8%
- Ratio of impaired loans	9.0%	7.0%
- Equity ratio	6.8%	7.1%

An analysis of the above figures and ratios indicated the following trends in 2015:

- a decrease in the total profitability ratio, calculated as a relation of net profit to revenues from interest, fees and commissions, dividends, result on financial instruments measured at fair value through profit and loss and foreign exchange result, result on other financial instruments,
- an increase in the solvency ratio,
- a decrease in the loan ratio, calculated as a relation of loans and advances to customers to total assets,
- an increase in the ratio of impaired loans, calculated as a relation of net value of impaired loans and advances to customers to total net value of loans and advances to customers,
- a decrease of the equity ratio, calculated as a relation of total equity to the sum of total equity and total liabilities,
- a decrease in the net result.

Application of prudence principles

During our audit we have not identified significant discrepancies indicating lack of application of prudence principles determined by Polish Law, resolutions of Management of National Bank of Poland and resolutions of Polish Financial Supervision Authority.

Capital ratio

During our audit we have not identified significant discrepancies in the area of calculation of capital ratio as at 31 December 2015 in accordance with the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investments firms.

III. DETAILED INFORMATION

1. Evaluation of the accounting system

The Bank has valid documentation describing the adopted accounting principles, complying in all material respects with Article 10 of the Accounting Act. The principles have been applied consistently and did not change compared to the principles applied in the prior year. The opening balance resulting from the approved financial statements for the prior financial year has been properly introduced into the accounting records of the audited period.

Based on tests performed during the audit procedures, we have verified the adopted accounting system and found no misstatements that would affect the financial statements. Our audit did not include, though, the entire accounting system used by the Bank.

The Bank performed a physical count of assets and liabilities within the scope necessary to confirm the existence of the presented assets and liabilities.

2. Information identifying the audited financial statements

The audited financial statements were prepared as of 31 December 2015 and include:

- statement of financial position prepared as of 31 December 2015, with total assets and liabilities plus equity of PLN 71,518,119 thousand,
- income statement for the period from 1 January 2015 to 31 December 2015, with a net profit of PLN 1,119 thousand,
- statement of comprehensive income for the period from 1 January 2015 to 31 December 2015 with a total comprehensive income of PLN 45,671 thousand,
- statement of changes in equity for the period from 1 January 2015 to 31 December 2015, disclosing an increase in equity of PLN 45,671 thousand,
- statement of cash flows for the period from 1 January 2015 to 31 December 2015, showing a cash outflow of PLN 151,714 thousand,
- additional notes, comprising a summary of significant accounting policies and other explanatory information.

3. Information about selected material items of the financial statements

The structure of assets and liabilities as well as items affecting the financial result have been presented in the financial statements.

Financial assets and liabilities

The bank classifies its financial instruments into the following categories:

- financial assets and liabilities measured at fair value through profit or loss,
- held-to-maturity investments,
- loans and receivables,
- available-for-sale financial assets,
- other financial liabilities.

Ageing and types of financial assets and liabilities have been correctly presented in the explanatory notes to the statement of financial position.

Structure of receivables from banks and financial institutions

Ageing and types of receivables from banks and financial institutions have been correctly presented in the explanatory note to the statement of financial position.

In Bank impairment allowances are recognised in accordance with the IAS/IFRS. The allowances reflect impairment, which is recognised if the Bank has objective evidence that the receivables cannot be recovered in line with the signed loan agreement. Objective evidences of impairment were defined in accordance with the International Accounting Standards (IAS 39). The impairment allowance is calculated based on the estimated recoverable amount. Impairment is analysed using both the individual (for individually significant impaired exposures) and collective approach (individually insignificant exposures with impairment, and exposures with incurred but not reported losses).

The Bank systematically on an annual basis compares the assumptions and parameters used for loss calculations with the actual situation, including loss identification period. The comparison takes into account changes of economic conditions, amendments to Bank's credit policies and loans collection process. The process provides assurance that the level of impairment allowances is adequate.

The disclosures regarding management of credit risk and exposure to credit risk were presented in explanatory notes to the financial statements.

Structure of liabilities to banks and customers

Ageing and types of liabilities have been correctly presented in the explanatory notes to individual items of the statement of financial position.

Deferred expenses and income

The respective explanatory notes to the financial statements correctly present the structure of deferred expenses and income.

Deferred expenses and income have been classified correctly in relation to the audited financial period.

The item has been recognized completely and correctly in all material respects in relation to the financial statements as a whole.

4. Completeness and correctness of drawing up the introduction to the financial statements, notes and explanations and the report on the activities of the Bank

The Bank confirmed the validity of the going concern principle in the preparation of the financial statements. The notes and explanations give a correct and complete description of measurement principles regarding assets, liabilities and equity, profit or loss and principles of preparation of the financial statements.

The explanatory notes to the financial statements give a correct and complete description of the reporting items and clearly present other information required under IFRS.

The Management Board prepared and supplemented the financial statements with a report on the activities of the Bank in the 2015 financial year. The report contains information required under the Article 111a, paragraph 1 points 1 and 2 of Banking Law, Article 49, paragraph 2 of

the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133). We have audited the report with respect to the disclosed information derived directly from the audited financial statements and the disclosed information required by Article 111a paragraph 1 point 1 and 2 of the Banking Law has been audited in terms of its correctness and compliance with these regulations.

5. FINAL NOTES

Management Board's Representations

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor received a representation letter from the Company's Management Board, in which the Board stated that the Company complied with the laws in force.

Paweł Nowosadko
Key certified auditor
conducting the audit
No. 90119

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Dariusz Szkaradek – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 18 March 2016