

**Translation of Statutory Auditor's Report
supplementing the opinion on
consolidated financial statements of**

BNP PARIBAS BANK Polska S.A.

**for the year ended
31 December 2011**

I. GENERAL SECTION

1. Identification of the Group

1.1. Name of the Group

Grupa Kapitałowa BNP Paribas Bank Polska S.A.

1.2. Information about the parent company

The parent company, BNP Paribas Bank Polska S.A. with its registered office in Warsaw, ul. Suwak 3 was established on 5 November 1990 (then under business name Krakowskie Towarzystwo Bankowe Spółka Akcyjna in Cracow) and entered in the Business Register by the District Court for the Capital City of Warsaw, Business Court, XVI Business Registration Division under entry RHB 49002.

On 17 April 2001 the Bank was entered in the National Court Register kept by the District Court for the Capital City of Warsaw, XIII Business Division under entry 0000006421.

The tax and statistics registration are as follows:

NIP	676-007-83-01	REGON	003915970
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The Company's principal business activity, according to its statute, is:

- accepting cash as sight deposits and term deposits and keeping deposit accounts,
- keeping other bank accounts,
- granting credits and loans, including consumer credits and loans,
- performing bank settlements, issuing debit cards and effecting operations with the use of such cards,
- granting and confirming bank guarantees and sureties and opening and confirming letters of credit,
- issuing securities, including convertibles and banking securities, performing commissioned operations and incurring liabilities related to the issue of securities,
- participating in trading of financial instruments, including keeping securities trading accounts,
- effecting cheque and bill of exchange transactions as well as operations with warrants,
- buying and selling debts,
- purchasing and selling foreign exchange values,
- safekeeping of objects and securities and providing access to safe deposit boxes,

- providing the following financial services: consulting and advisory services in relation to financial, fiduciary, leasing and brokerage matters,
- providing sales-related services for open pension funds and safekeeping of pension fund assets,
- providing agency services related to acquiring units, investment certificates or investment fund titles, intermediation in sale and redemption of the same, safekeeping of investment fund assets,
- providing agency services related to property insurance,
- providing agency services related to personal insurance services, including life insurance,
- providing certification services in accordance with the electronic signature regulations, excluding qualified certificates issued by the banks within transactions to which they are parties,
- providing agency services in international funds transfers and settlements in international trade,
- issue of electronic money instrument.

As at 31 December 2011, the share capital amounted to PLN 1,206,175,300 and was divided into 24,123,506 shares with a nominal value of PLN 50 each.

As at 31 December 2011 the shares in the Company were held as follows:

	<i>Number of shares</i>	<i>% in share capital</i>	<i>Number of voting rights at AGM</i>	<i>% in total number of voting rights</i>
Fortis Bank S.A./NV	18,848,593	78.13%	18,848,593	78.13%
Dominet S.A.	5,243,532	21.74%	5,243,532	21.74%
Other	31,381	0.13%	31,381	0.13%
Total	24,123,506	100%	24,123,506	100%

As at 31 December 2011 the equity of the Company amounted to PLN 1,403,922 thousand.

As at 31 December 2011 the Management Board of BNP Paribas Bank Polska S.A. was as follows:

- Frédéric Amoudru President of the Board
- Jan Bujak First Vice-president of the Board
- Jaromir Pelczarski Vice-president of the Board
- Michel Thebault Vice-president of the Board
- Wojciech Kemblowski Member of the Board
- Marta Oracz Member of the Board
- Stephane Rodes Member of the Board

In 2011 the composition of the Management Board was changed as follows:

On 18 March 2011 the Supervisory Board of the Bank accepted the resignation of Mr Jacek Obłękowski from the position of the Vice-president of the Management Board and Member of the Management Board. Mr Obłękowski performed the function of President of Dominet Bank S.A. from

May 2007 to the date of merger with Fortis Bank Polska S.A. (currently BNP Paribas Bank Polska S.A.) and from 1 April 2009 was on the Management Board as Vice-president of the Board in charge of Retail Banking.

At its meeting of 10 May 2011 the Supervisory Board of the Bank:

- accepted the resignation of Mr Philippe Van Hellemont from his function of Vice-President of the Board and Member of the Board. Mr Van Hellemont was on the Management Board of the Bank from 16 June 2009 as Chief Risk Officer in charge of risk management.
- appointed Mr Wojciech Kembłowski to the position of the Member of the Board as of 11 May 2011. Mr Kembłowski filled the position of Chief Risk Officer.

As at 31 December 2011, the Supervisory Board of BNP Paribas Bank Polska SA was composed as follows:

- Camille Fohl President
- Jarosław Bauc Vice-president
- Lars Machenil Vice-president
- Monika Bednarek Supervisory Board Member
- Jean Deullin Supervisory Board Member
- Mark Selles Supervisory Board Member
- Andrzej Wojtyna Supervisory Board Member.

In 2011 no changes in the Supervisory Board of the Bank occurred.

The average employment in the audited period was of 3,011 employees.

1.3. Subsidiaries subject to consolidation

As at 31 December the subsidiaries were: Investment Fund Companies BNP Paribas Polska S.A and Fortis Lease Polska Sp. z o. o. (since acquisition date 1 July 2011). These entities were consolidated using full consolidation method.

On 1 July 2011 the Bank and BNP Paribas Leasing Solutions S.A. with its registered office in Luxembourg concluded an agreement of sale of 100% of shares of Fortis Lease Polska Sp. z o. o. with its registered office in Warsaw. Under the agreement the Bank purchased 11,500 shares of Fortis Lease Polska Sp. z o. o. which account for 100% of share capital of Fortis Lease Polska Sp. z o. o. and entitle to the same number of votes at the Shareholders' Meeting.

1.4. Identification data of the consolidated financial statements

The audited consolidated financial statements comprise:

1. Consolidated balance sheet drawn up as at 31 December 2011 disclosing total assets and liabilities of PLN 22,479,304 thousand,
2. Consolidated profit and loss account for the period from 1 January 2011 to 31 December 2011 disclosing a net profit of PLN 39,442 thousand,

3. Consolidated statement of comprehensive income for the period from 1 January 2011 to 31 December 2011 disclosing a comprehensive income of PLN 41,914 thousand,
4. Consolidated statement of changes in equity for the financial year from 1 January 2011 to 31 December 2011 disclosing an increase of consolidated equity by PLN 69,839 thousand,
5. Consolidated cash flow statement for the financial year from 1 January 2011 to 31 December 2011 disclosing a decrease in cash balance by PLN 58,829 thousand,
6. Notes to the consolidated financial statements comprising a summary of significant accounting policies and other explanatory notes.

The parent entity and subsidiaries subject to consolidation prepared their financial statements as at 31 December 2011, i.e. the closing day.

Mazars Audyt Sp. z o.o. was appointed Statutory Auditor conducting the audit of the consolidated financial statements for the financial year ended 31 December 2011 further to the decision of Supervisory Board of 18 June 2010. The audit was carried out by Mazars Audyt Sp. z o.o., ul. Piękna 18, 00-549 Warsaw, registered as an entity entitled to examine the financial statements under entry 186, by virtue of the contract signed on 30 June 2010.

Mazars Audyt Sp. z o.o., members of its Management Board and supervisory bodies and other staff participating in the audit of financial statements of the Company comply with independence requirements in accordance with article 56, section 3 of the Act on Statutory Auditors and Their Self-government and Entities Entitled to Audit Financial Statements and Public Supervision.

1.5. Principles of preparation of financial statements of related entities

All the subsidiaries in which the parent company holds directly or indirectly through its subsidiaries more than 50% of voting rights are subject to full consolidation.

Consolidated financial statements were prepared in accordance with International Financial Reporting Standards approved by the European Union and in matters non regulated under the above Standards in accordance with the Polish Accounting Act and related implementation provisions.

The consolidated balance sheet covers financial statements of the parent entity and subsidiaries being part of the Group as at the balance sheet date.

The value of consolidated assets and liabilities results from adding up the appropriate figures of the unconsolidated financial statements and consolidated statements relating mainly to eliminations of the intercompany balances, unrealized profits and losses disclosed as items subject to consolidation and eliminations relating to shares in subsidiaries held by the parent entity along with the part of equity of each subsidiary that corresponds to the share of the parent entity.

The consolidated profit and loss account has been prepared by adding up appropriate items of the unconsolidated profit and loss accounts for the full financial year, except for the Company Fortis Lease Polska Sp. z o. o. (since acquisition date 1 July 2011) after eliminating revenues and expenses relating to transactions between consolidated entities.

II. ANALYTICAL SECTION

1. Main figures characterizing the Group

Profit and loss account (in PLN thousand)	1/01/2011- 31/12/2011	1/01/2010 - 31/12/2010	1/01/2009 - 31/12/2009
Interest income	997,862	898,044	911,091
Interest expense	(424,773)	(313,349)	(489,228)
Net interest income	573,089	584,695	421,863
Fees and commissions income	192,893	214,837	177,704
Fees and commissions expense	(41,172)	(55,772)	(28,118)
Net fee and commission result	151,721	159,065	149,586
Dividend and other investment income	20	81	-
Net trading income	55,726	74,844	(34,412)
Net gain/loss on available-for-sale financial assets	10,922	1,376	6,300
Net profit/loss on hedging transactions	12,353	-	-
Net profit/loss on hedged items	(12,353)	-	-
Other revenues	37,164	28,879	26,980
Total income, net	828,642	848,940	570,317
Personnel expenses	(266,723)	(233,838)	(226,695)
Depreciation of fixed assets and intangible fixed assets	(65,872)	(76,031)	(58,377)
Other expenses	(309,785)	(288,942)	(229,612)
Net impairment losses	(113,163)	(192,666)	(576,294)
Profit before income tax	73,099	57,463	(521,161)
Income tax expense	(33,657)	(15,889)	91,281
Net profit	39,442	41,574	(429,880)
Balance sheet (in PLN thousand)	31/12/2011	31/12/2010	31/12/2009
Cash and cash equivalents	1,113,667	1,172,870	832,724
Financial assets held for trading	175,238	194,290	664,305
Due from banks	358,822	159,013	1,573,242
Loans to customers	16,591,353	13,151,131	13,811,556
Hedging instruments	17,759	-	-
Investments – Available for Sale	3,624,921	3,248,293	2,785,842
Other investments	-	12	12
Tangible and intangible assets	179,959	181,638	230,601
Fixed assets held for sale	5,254	4,785	-
Income tax settlements	-	84,015	48,554
Deferred tax assets	246,207	215,280	227,819
Other assets	166,124	127,749	119,828
Total assets	22,479,304	18,539,076	20,294,483
Financial liabilities held for trading	126,034	97,699	171,474
Due to banks	1,042,630	745,774	2,011,154
Due to customers	8,828,685	8,195,268	9,226,316
Credits and loans received	10,014,560	7,163,459	6,560,893
Changes of hedged items to fair value	13,132	-	-
Liabilities relative to issuance of debt securities	-	30,000	30,000
Subordinated liabilities	590,016	565,236	582,984
Current tax liabilities	24,132	92	107

Other liabilities	391,369	386,046	286,140
Provisions	44,824	21,419	56,773
Equity	1,403,922	1,334,083	1,368,634
Total liabilities	22,479,304	18,539,076	20,294,483

2. Selected financial ratios

	31/12/2011	31/12/2010	31/12/2009
Balance sheet total (in PLN thousand)	22,479,304	18,539,076	20,294,483
Gross result (in PLN thousand)	73,099	57,463	(521,161)
Net result (in PLN thousand)	39,442	41,574	(429,880)
Equity (in PLN thousand)	1,403,922	1,334,083	1,368,634
Net result to equity ratio	3%	3%	-31%
Capital adequacy ratio	11,53%	13,64%	13,38%
Income generating assets to total assets	75%	72%	76%
Interest bearing liabilities to total liabilities	93%	92%	92%

As at 31 December 2011 the capital adequacy ratio amounted to 11.53% vs. 13.64% at the end of December 2010. This change was brought about by the increase of credits and hence the increase of capital requirements addressing credit risk as well as acquisition of Fortis Lease Polska Sp. z o.o. by the Bank on 1 July 2011.

On 2 January 2012 the Bank received a written request of the Polish Financial Supervision Authority to supplement and correct the Recovery Programme for BNP Paribas Bank Polska S.A. The Bank submitted the updated Recovery Programme for BNP Paribas Bank Polska S.A. on 3 February 2012. The update provides for:

- prolonging the Recovery Programme until 2014,
- financing credits in PLN in 100% using funds gathered by clients as current and fixed deposits in PLN,
- maintaining the capital adequacy ratio at the level not lower than 12.0%,
- additional payments to capital of the Bank through capital increase in 2012 by issuing new shares.

In our opinion, the results of the audit of the Group's consolidated financial statements as at 31 December 2011, the analysis of the above presented ratios as well as all the information available to us as at the date of preparing this report and the opinion, do not present any threat to the Group's ability to continue as a going concern over the 12 months from the cut off date.

III. DETAILED SECTION

1. Information about the audit course and accounting organisation

1.1. Legal provisions applied in the audit

The audit was conducted applying the following provisions:

- a) International Standards on Auditing,
- b) Accounting Act dated 29 September 1994 (Journal of Laws of 2009 No. 152, item 1223 with subsequent amendments),
- c) Act of 29 August 1997, Banking Law (Journal of Laws of 2002 No. 72, item 665 with subsequent amendments),
- d) Act on Statutory Auditors and Their Self-government and Entities Entitled to Audit Financial Statements and Public Supervision of 7 May 2009 (Journal of Laws of 2009 No. 77, item 649),
- e) Regulation of the Minister of Finance of 1 October 2010 on specific principles of accounting for banks (Journal of Laws of 2010 No. 191, item 1279),
- f) Regulation of the Minister of Finance of 16 December 2008 on the principles for establishing general banking risk provisions (Journal of Laws of 2008 No. 235, item 1589, with subsequent amendments),
- g) Code of Commercial Companies – Act of 15 September 2000 (Journal of laws no. 94, item 1037 with subsequent amendments).

1.2. Consolidation documentation

The consolidation documentation kept by the parent entity complies in all material aspects with the requirements of International Financial Reporting Standards. The documentation comprises the description and explanation of each adjustment, the calculation of amounts and its presentation in the balance sheet and profit and loss account and permits to connect the data of the consolidated financial statements with the unconsolidated financial statements being the basis of its preparation.

2. Information about selected material elements of the financial statements

The numerical data was presented in an appendix constituting an integral part of the Statutory Auditor's Report.

2.1. Balance sheet

As at 31 December 2011 the balance sheet total amounted to PLN 22,479,304 thousand. The major items in the asset structure were receivables from customers (mainly credits) in the amount of PLN 16,591,353 thousand. The most significant items of liabilities as at the balance sheet date include due to customers (mainly deposits) in the amount of PLN 8,828,685 thousand and credits and loans received in the amount of PLN 10,014,560 thousand.

2.2. Profit and loss account

The consolidated financial statements include particular items of profit and loss accounts of entities making part of the Group as at the balance sheet date for the period from 1 January 2011 to 31 December 2011 except for the Company Fortis Lease Polska Sp. z o. o. (since acquisition date 1 July 2011).

Interest income of PLN 997,862 thousand constitutes the main source of income for the Group and was correctly assigned to the audited financial year in all material respects.

The net profit of PLN 39,442 thousand generated in 2011 results mainly from the decrease of write-offs on credits and increase of interest expense.

2.3. Statement of comprehensive income

The statement of comprehensive income disclosing a comprehensive income of PLN 41,914 thousand was correctly presented in reference to the books of accounts.

2.4. Notes to the financial statements

Notes to the financial statements for the year ended 31 December 2011, including a summary of significant accounting policies and other explanatory notes, were prepared, in all material respects, in accordance with International Financial Reporting Standards approved by the European Union.

2.5. Cash-flow statement and statement of changes in equity

In accordance with International Financial Reporting Standards, the Group is under obligation to prepare a cash-flow statement and a statement of changes in equity.

The cash-flow statement and the statement of changes in equity have been presented correctly in all material respects, with reference to the balance sheet and the profit and loss account.

2.6. Management Board Report

The information contained in the Management Board Report for the audited financial year, in the part relating to data contained in the accounting books, is compliant with the data presented in the financial statements as at 31 December 2011.

The Management Board report complies, in all material aspects, with the requirements specified in Article 49, section 2 of the Accounting Act and the Regulation of the Minister of Finance of 19 February 2009 on Current and Periodical Information Provided by Securities Issuers and Criteria of Recognizing as Equivalent the Information Required under Regulations of a Non-Member State (Journal of Laws of 2009 No. 33, item 259).

IV. FINAL COMMENTS

This document is an English translation of Statutory Auditor's report originally issued in Polish. The original language version takes precedence over this translation. The original report contains 11 pages numbered consecutively. The appendix comprising financial statements of BNP PARIBAS BANK POLSKA S.A. as at 31 December 2011 constitutes an integral part of the Statutory Auditor's report.

On behalf of

Mazars Audyt Sp. z o.o. No. 186

Warsaw, ul. Piękna 18



Bogusław Laskowski

Michel Kiviattkowski

Key Statutory Auditor

Partner

No. 6115

Warsaw, 14 March 2012