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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

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

Audit report on the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of Getin Noble Bank S.A. Group (the 'Group', the 'Capital Group'), for which the holding company is Getin Noble Bank S.A. (the 'Bank', the 'Parent Company') located in Warsaw at Przyokopowa 33, containing: the consolidated income statement and the consolidated statement of comprehensive income for the period from 1 January 2019 to 31 December 2019, the consolidated statement of financial position as at 31 December 2019, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period from 1 January 2019 to 31 December 2019 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2019 to 31 December 2019 in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union and the adopted accounting policies,

- are in respect of the form and content in accordance with legal regulations governing the Group and the Parent Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on 31 March 2020.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing in the version adopted as the National Auditing Standards by the National Council of Statutory Auditors ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014'). Our responsibilities under those standards are further described in the *'Auditor's responsibilities for the audit of the financial statements'* section of our report.

We are independent of the Group in accordance with the Code of ethics for professional accountants, published by the International Federation of Accountants (the 'Code of ethics'), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and the Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainty related to going concern

We draw attention to note II.5.2 to the consolidated financial statements, where the Management Board of the Bank informed, that it is in the process of implementing the Getin Noble Bank S.A. Capital Group Recovery Plan, which was launched on 10 January 2020. The reasons for the Recovery Plan were negative financial result and lack of profitability of the Bank's operations, as well as not meeting the minimum required level of combined capital buffer from 1 January 2018.

Furthermore, in note II.5.2 to the consolidated financial statements, the Bank's Management Board stated that on 16 March 2020 the Bank had breached the level of the total capital ratio referred to in Article 92 of Regulation No 575/2013 of the European Parliament and of the Council (EU) of 26 June 2013 on prudential requirements for credit institutions and investment firms ('CRR Regulation') plus an additional requirement for own funds exceeding the value resulting from requirements calculated in line with the specific principles set out in CRR Regulation referred to in Article 138 par. 1 point 2a of the Regulation.

Those conditions together with other circumstances disclosed in the note II.5.2 to the consolidated financial statements indicate that material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Our opinion does not include a qualification with respect to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Impairment allowances for loans and advances to customers	
Why is it a key audit matter? Loans and advances to customers valued at amortized cost as at 31 December 2019 amounted to PLN 36 985 466 thousand and accounted for 70% of Capital Group's total assets. The abovementioned amount included the gross book value of loans and advances in the amount of PLN 41 845 571 thousand less impairment allowances in the amount of PLN 4 860 105 thousand. In accordance with IFRS 9 'Financial Instruments' ('IFRS 9') the Management Board of the Bank should determine expected credit loss. Determining the amount and the moment of recognizing provision for expected credit loss requires significant judgment and significant and complex estimates such as: • classification of financial assets to appropriate stages in accordance with IFRS 9,	*Audit approach* As part of the audit procedures, we analyzed process of expected credit loss calculation, as well as related classes of transactions: loan granting process, process of monitoring of economic and financial standing of borrowers and identification of impairment triggers. For the above processes we analyzed design and effectiveness of control mechanisms, as well as performed substantive procedures in respect of balances and disclosures. In addition, we read the accounting policies and methodologies concerning estimation of risk parameters and creation of collective impairment allowances for expected credit losses, in context of their compliance with requirements of IFRS 9, and compared them with the market practice. We carried out an analysis of the indicators of a significant increase in credit risk and classification into risk stages ('stages'), so-called 'staging'.

Key audit matter	How the matter was addressed in our audit
• interpretation of requirements of IFRS 9 and assumptions made in credit risk parameters and model and expected credit losses, • data applied for calculation of expected credit losses, • applied macro-economic scenarios, • valuation of individually assessed loans and advances, including assessment of many scenarios, • disclosures in the consolidated financial statements. Due to the significance of loans and advances to customers in relation to total assets, and a significant role of the Management Board's judgment and estimates and complexity of these judgments and estimates regarding the expected credit losses, we consider impairment allowances for loans and advances to customers the key audit matter. *Reference to disclosure in the consolidated financial statements* Information on the methodology of classification and valuation of loans and advances to customers, as well as related judgement and estimates are described in notes II.5.8, II.5.12 and II.6 to the consolidated financial statements, whereas detailed information on value of loans and advances to customers and the value of impairment allowances are described in note II.25 to the consolidated financial statements.	We assessed the models, assumptions and completeness of data used by the Capital Group for the purposes of creating impairment allowances for expected credit loses, including assumptions in respect of definition of default, probability of default and loss given default, as well as the changes in models and verification of historical models (back-testing). We analyzed collective historical impairment allowances through comparison with actual credit losses realized on homogeneous portfolios in the past. We analyzed the way the macroeconomic scenarios were taken into account in the impairment models and the related key judgments and assumptions, among others, by comparison with publicly available economic forecasts. We analyzed individually assessed exposures by the Capital Group on the selected sample. For selected exposures we assessed reasonableness of applied scenarios and related recovery amounts estimated by the Management Board, including the recoverable amount of collateral, based on available financial and market data. For selected exposures we analyzed the economic and financial situation of borrowers and fulfillment of the terms of loan agreements in order to identify potential impairment triggers. We conducted analytical procedures regarding the structure and dynamics of balance of loans and advances in order to identify and explain significant changes or to explain lack of expected changes. Regarding IT systems, in which both the credit risk parameters and the calculation of the expected credit losses were calculated in the reporting period, we analyzed the control mechanisms effectiveness. When performing the above procedures, we engaged our internal specialists in the field of credit risk modeling and specialists in the field of IT systems. In addition, we made an assessment of disclosures regarding impairment allowances for loans and advances to customers included in the consolidated financial statements in terms of their compliance with International Financial Reporting Standards.

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<table>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td colspan="2">Valuation of related parties exposures and transactions</td></tr>
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Why is it a key audit matter?

In the consolidated financial statements prepared as at 31 December 2019, the Bank presented investments in associates in the net carrying amount of PLN 117 241 thousand and loans, borrowings and receivables from related parties and settlements relating to transactions with related parties in the net carrying amount of PLN 5 653 453 thousand (including PLN 5 027 867 thousand of lease receivables).

The Bank recognizes investments applying equity method including impairment allowances. In accordance with International Accounting Standard 36 'Impairment of Assets' ('IAS 36') the Bank's Management Board, when identified the impairment triggers, is obliged to conduct the impairment test for assets. The impairment test for investments in associates is primarily performed by comparing their carrying amount with their recoverable amount. The methodology of calculating the impairment losses for loan receivables is determined in compliance with expected loss model in line with IFRS 9 'Financial Instruments' ('IFRS 9').

Impairment of investments in subsidiaries and associates, loans and receivables from related parties and related party transactions is a key matter due to the significant value of these items in the consolidated financial statements and the significant degree of the Bank's Management Board's judgement regarding the identification of impairment triggers and assumptions applied to determine the value of investments' recoverable amount and allowance for impairment of receivables.

Reference to disclosure in the consolidated financial statements

Disclosures regarding the recoverable amount of investments in associates have been included in note II.28 to the consolidated financial statements and in note II.6 to the consolidated financial statements in the area of Management Board's professional judgments and estimates. Disclosures relating to related parties exposures have been presented in note II.49 to the consolidated financial statement.

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Audit approach

As part of the audit procedures we assessed the Management Boards' judgments in the area of impairment of investments. As part of the audit procedures:

- we analyzed and discussed with the Management Board forecasts of future cash flows and financial results of associates as well as key assumptions applied in these forecasts, including timing of cash flow and discount rates applied. We also verified the arithmetical correctness of the discounted dividends model and other models used by the Capital Group to determine the recoverable amount of these investments and the compliance of applied methodology with requirements of standards,
- for debt exposures, we analyzed, among others the economic and financial standing of borrowers, fulfillment of the covenants of loan agreements and the reasonableness of recovery amounts estimated by the Management Board, including the recoverable amount of collaterals on the basis of available financial and market data. For the portfolio of purchased lease receivables, we also analyzed the selected contracts and the financing structure, together with their impact on estimates of credit risk parameters.

In addition, we have assessed the completeness of disclosures in accordance with IAS 36, IFRS 7 'Financial Instruments: Disclosures', IFRS 9 and IAS 24 'Related Party Disclosures' in the consolidated financial statements.

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<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Recoverability of the deferred tax asset</td></tr>
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Why is it a key audit matter?

Deferred tax asset of the Capital Group amounted to PLN 731 922 thousand as at 31 December 2019.

The Capital Group recognizes deferred tax asset in the amount that is expected to decrease the income tax in relation to the deductible temporary differences and tax loss in 2019 that would decrease taxable profit in the future.

The Capital Group recognizes deferred tax asset based on significant assumptions in respect to the future taxable profits that would allow its utilization. Lack of achievement of the expected tax results at certain periods in the future could make this assumption unjustified.

Recognition of deferred tax assets require the Capital Group to apply significant estimates and judgements relating to the recoverability, including the Capital Group's future taxable income and lending credence to impairment allowances of loans and advances to customers.

Due to the above, and the significance of this item, we consider this area as the key audit matter.

Reference to disclosure in the consolidated financial statements

The Capital Group's accounting policies relating to deferred tax assets have been described in the note II.5.34 to the consolidated financial statements.

Additional information on deferred tax assets have been presented in the note II.18 to the consolidated financial statements.
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Audit approach

During our audit we gained an understanding of the Capital Group's process of recognition of income tax liabilities and deferred tax assets and liabilities.

We have performed analysis of completeness and correctness of accounting for temporary differences included in the calculation of deferred tax assets and deferred tax liabilities, and correctness of calculation of the corresponding with these temporary differences deferred tax assets as at 31 December 2019.

We assessed the assumptions applied by the Capital Group in the assessment of recoverability of deferred tax assets recognized as at 31 December 2019, in particular probability of realization of forecasted taxable income taking into considerations the financial and tax results of the Capital Group and assumptions and estimates made with respect to tax deductibility of loan loss provisions. Our analysis were conducted in cooperation with tax specialists. We analyzed the consistency of assumptions made in the projected tax results and financial results in the Bank's Recovery Plan.

We have also performed an analysis of subsequent events that occurred before the date of consolidated financial statements that were reflected in the deferred tax assets recognized by the Capital Group.

We have also considered whether disclosures relating to deferred tax assets recognition and recoverability included in the consolidated financial statements are complete, adequate to the Capital Group's activities and future plans and compliant with the respective financial reporting framework requirements.
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<tr><td colspan="2">Provisions for legal claims and contingent liabilities concerning mortgage loans in foreign currency</td></tr>
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Why is it a key audit matter?

The Bank granted foreign currency mortgage loans indexed to foreign currencies, including Swiss franc ('currency mortgage loans'). The value of such loans amounted to PLN 8 904 320 thousand as at 31 December 2019.

The loan agreements, on the basis of which those loans were granted, contain clauses challenged by the customers in court on ground of their abusiveness or other allegations, together with declaring invalidity of
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Audit approach

As part of our audit procedures, we conducted the following procedures:
• we assessed whether the accounting approach adopted by the Capital Group is consistent with IFRS,
• we reviewed minutes covering meetings of the Parent Company's authorities,
• we read the Bank's correspondence with regulators and the list of legal claims received by the Capital Group,
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Key audit matter	How the matter was addressed in our audit
the loan agreements in part i.e. in the scope of the provisions related to indexation, or in whole. On 3 October 2019, the Court of Justice of the European Union ("CJEU") (ref. C-260/18) issued a ruling on a loan indexed to the Swiss franc, which affected the jurisdiction of Polish courts and confirmed the increased legal risk of this portfolio. In compliance with the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the Capital Group estimated the provision relating to both, the outstanding portfolio and loans repaid before the balance sheet date, in the amount of PLN 176 352 thousand as at 31 December 2019. The Management Board's judgement concerning assumptions for estimation of provisions for legal claims as well as for potential legal claims consists of numerous uncertainties with regard to future verdicts (both as to content of the verdict and its value) and may change over time. Due to the significant value of the underlying portfolio as a basis of the potential future claims against the Bank, as well as the complexity and uncertainty regarding the assumptions used to estimate the portfolio provision, we have considered this area as a key audit matter. *Reference to disclosure in the consolidated financial statements* Disclosures concerning the Parent Company's Management Board's judgment regarding estimates of the abovementioned provisions are included in note II.6 and II.40 to the consolidated financial statements. Information about significant ongoing legal cases have been included in note II.40 to the consolidated financial statements.	• we analyzed the methodology applied in order to estimate the provision and the key assumptions of the provision, including: • we inquired the Management Board and specialists involved in the estimation of the provision, including the Bank's lawyers, with regards to the assumptions made taking into account historical observations, as well as information and events after the balance sheet date, • we analyzed the projections regarding the expected number of court actions against the Bank in the perspective of the adopted time horizon, prepared on the basis of historical data on reported actions against the Bank, as well as the number of certificates issued by the Bank to customers required to start a lawsuit, • with respect to the portfolio of loans granted by the Bank, we obtained directly from external law firms cooperating with the Bank their statements developed on the basis of the current court case law as to the expected resolution of court cases together with an assessment of the probability of these decisions, • we analyzed the method of calculating the value of potential losses under individual scenarios assumed by the Capital Group, • we verified the correctness and completeness of the data constituting the basis of the calculations carried out, and confirmed the mathematical correctness of the calculations. We assessed the disclosures regarding provisions and contingent liabilities included in the consolidated financial statements, in terms of completeness and adequacy in context of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
Investment in TU Europa	
Why is it a key audit matter? As indicated in note II.23 to the consolidated financial statements, the Capital Group is a party to agreements on put options with respect to TU Europa shares (including those held by the Capital Group) and the method of calculating the realization price including, among others, potential clawback liability regarding cooperation between companies from the TU Europa Capital Group and companies related to the ultimate shareholder of the Capital Group.	*Audit approach* Our audit procedures included, among others: • review of the agreements between parties of the transaction provided by the Bank's Management Board, • assessment of methodology and assumptions made in the valuation of TU Europa shares and share options, including TU Europa's financial forecasts, discount rates and the selection of peer group companies,

Key audit matter	How the matter was addressed in our audit
In connection with the aforementioned agreements, as at 31 December 2019, the Capital Group classified TU Europa's shares to investments valued at fair value through profit and loss in the amount of PLN 113 043 thousand and recognized in derivative financial instruments share put option (decreased by the amount of clawback liability) in the amount of PLN 17 441 thousand. The abovementioned financial assets are measured using significant unobservable input data, with the option value decreased by the discounted estimation of the potential future liability, the amount of which depends on the results of cooperation among companies from the TU Europa Capital Group and companies related to the ultimate shareholder of the Capital Group in the period 2012-2026. Since the valuation of the financial assets requires the Capital Group to apply professional judgment, estimates in the area of expected cash flows and the implementation of business forecasts, as also the value of these financial assets is significant, this issue has been considered the key audit matter. *Reference to disclosure in the consolidated financial statements* Information regarding the valuation of these financial assets, as well as related areas of judgments and estimates are described in notes II.6, II.23, and II.45 to the consolidated financial statements.	• analysis and discussion with the Bank's Management Board about the forecast of future cash flows related to cooperation among companies from the TU Europa Capital Group and companies related to the ultimate shareholder of the Capital Group, • analysis and discussion with the Bank's Management Board about the probability of realization of contingent liabilities arising from the agreements, • comparison of the estimates and assumptions applied in the valuation model to publicly available economic and financial market data, as well as to the financial forecasts of the Capital Group and TU Europa. We have also considered whether the disclosures in the consolidated financial statements are adequate.

Responsibilities of the Parent Company's Management and members of the Supervisory Board of the Parent Company for consolidated financial statements

The Parent Company's Management is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with required applicable rules of International Accounting Standards, International Financial Reporting Standards approved by the European Union, the adopted accounting policies, other applicable laws, as well as the Parent Company's Statute, and is also responsible for such internal control as determined is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management is responsible for assessing the Group's (the holding company and significant components') ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management either intends to liquidate the Group (the holding company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Parent company's Management and the members of the Parent Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated

29 September 1994 (the 'Accounting Act'). The members of the Parent Company's Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if it can reasonably be expected that individually or in the aggregate, they could influence the economic decisions of the users taken on the basis of these consolidated financial statements.

In accordance with International Auditing Standard 320, section 5, the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor effectiveness of conducting business matters now and in the future by the Banks's Management.

Throughout the audit in accordance with NAS, we exercise professional judgment and maintain professional scepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management,

- conclude on the appropriateness of the Parent Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Group to cease to continue as a going concern,

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,

- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial

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statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

We communicate with the Parent Company's Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Parent Company's Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the Parent Company's Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the Directors' Report

The other information comprises the Directors' report on activities of Getin Noble Bank S.A. Capital Group and Getin Noble Bank S.A. in the year 2019 ('"Group Directors' report"'), the representation on the corporate governance and the representation on preparation of the statement on non-financial information, mentioned in article 55, section 2b of the Accounting Act as a separate element of the Directors' Report (jointly 'Other Information').

Responsibilities of the Parent Company's Management and members of the Supervisory Board

The Parent Company's Management is responsible for the preparation the Other Information in accordance with the law.

The Parent Company's Management and members of the Parent Company's Supervisory Board are required to ensure that the Directors' Report (with separate elements) meets the requirements of the Accounting Act.

Auditor's responsibility

Our opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact in our independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Directors' Report was prepared in accordance with relevant laws and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to inform whether the Bank has prepared the representation on non-financial information and to issue an opinion on whether the Bank has included the required information in the representation on application of corporate governance.

Opinion on the Directors' Report

Based on the work performed during our audit, in our opinion, the Group's Directors' Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the 'Decree on current and periodic information'), as well as article 111a paragraph 1-2 of the Act of August 29, 1997 Banking Law (the "Banking Law'),

- is consistent with the information contained in the consolidated financial statements.

Moreover, based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Group's Directors' Report.

Opinion on the corporate governance application representation

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information the regulations referred to in art. 61 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies ('Regulations').

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree/Regulations included in the representation on application of corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

Information on non-financial information

In accordance with the requirements of the Act on Statutory Auditors, we inform that the Bank has included in Directors' Report information on the preparation of a separate report on non-financial information, referred to in art. 55 par. 2c of the Accounting Act and that the Bank has prepared such a separate report.

We have not performed any attestation procedures in respect to the separate report on non-financial information and do not express any assurance in its respect.

Report on other legal and regulatory requirements

Banks are obliged to comply with the prudential requirements specified in the Banking Law, resolutions of the National Bank of Poland, resolutions of the Polish Financial Supervision Authority ('PFSA'), recommendations of the PFSA and Regulation of the European Parliament and the Council (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No 648/2012 and issued on the basis of a Commission Regulation (EU), as well as the Act of 5 August 2015 on macro-prudential supervision over the financial system and on crisis management in the financial system ('the Act on macro-prudential supervision') concerning:

- credit risk concentration,
- concentration of capital shares,
- qualification of loans and guarantees granted into risk groups,
- liquidity,
- obligatory reserve requirements,
- capital adequacy.

The Bank’s Management Board is responsible for compliance with prudential regulations, including in particular, the appropriate determination of capital ratios. Our responsibility was, based on the conducted audit, to provide information in the auditor’s report whether the Group complies with the above described prudential regulations, in particular whether the Group appropriately determined the capital ratios presented in note III.8 to the consolidated financial statements. It was not a purpose of the audit of the financial statements to express an opinion on the Group's compliance with the applicable prudential regulations and therefore we do not express our opinion on this matter.

As part of the audit of the consolidated financial statements we have performed the procedures with regard to capital adequacy ratios and we have not identified any discrepancies in their calculation which would have an material impact on consolidated financial statements as a whole. Therefore, we inform that the Bank’s Management Board has correctly calculated the capital requirements in compliance with the rules described above.

Whereas, as described in note II.5.2 to the consolidated financial statements, on 16 March 2020 the Bank had breached the capital requirement referred to in Article 142, section 1, point 1) of the Act of 29 August 1997 Banking Law i.e. level of the total capital ratio indicated in Article 92 of the CRR Regulation increased by an additional capital requirement for the own funds to cover the value resulting from the requirements specified in CRR Regulation referred to in Article 138, section 1, point 2a of the Act. In addition, in period from 1 January 2019 to 24 January 2019 the Bank had breached the LCR ratio and the M4 liquidity measure.

Representation on the provision of non-audit services

To the best of our knowledge and belief, we represent that services other than audits of the financial statements, which have been provided to the Group, are compliant with the laws and regulations applicable in Poland, and that we have not provided non-audit services, which are prohibited based on article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors’ Report.

Appointment of the audit firm

We were appointed for the audit of the Group's consolidated financial statements initially based on the resolution of the Supervisory Board dated 31 May 2017. The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2017, i.e. for the past 3 consecutive years.

Warsaw, 31 March 2020

Key Certified Auditor

(-)

Anna Sirocka
certified auditor
no in the register: 9626

on behalf of:
Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
no on the audit firms list: 130