



2015

ANNUAL
REPORT



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On behalf of the Management Board of Credit Agricole Bank Polska and on our own behalf we are pleased to present the annual report for 2015. It was yet another year that brought us closer to the goal set out in our strategy: to build a strong universal proximity bank, one of the leaders of the Polish banking sector.

Our shareholder, the Crédit Agricole Group, present in 52 countries worldwide, has been successfully operating in the Polish market since 2001. Poland remains the third most important market for the Group, after France and Italy. The goal of CA in Poland is to build a strong group that is close to its customers and which offers a comprehensive range of financial products and services for all market segments, from individual customers to farmers, small and medium-sized enterprises (SMEs), and large corporations. To serve their customers better and better, the companies of the CA Group in Poland cooperate with one another ever more closely to leverage synergies – across various areas of the Group's operations. CABP bank branches selling Amundi Polska TFI investment fund units or using the bancassurance model to sell insurance products are excellent examples of such cooperation. During last year, we launched a total of seven new products together with Credit Agricole insurers, CALI and CATU. Other examples of synergies within the CA Group in Poland include offering the financial services of Europejski Fundusz Leasingowy (EFL) to CABP's SME customers and the products and services of CABP to EFL's customers. The range of products offered by EFL advisers was extended in 2015 to include foreign currency accounts and POS terminals.

Last year, Credit Agricole Bank Polska faced many macroeconomic and regulatory challenges that affected the entire banking sector, including the decision of the Swiss National Bank to lower its interest rate to -0.75 per cent, which caused turbulence in the foreign exchange market, interest rate cuts in Poland aimed to ease its monetary policy, interchange fee reductions, additional obligatory contribution to the Bank Guarantee Fund, etc.

Despite these unfavourable circumstances, we continued to generate healthy profits and our strategy proved to be effective. We closed 2015 with a net profit of PLN 91.6 million and revenues of over PLN 1.3 billion. Our capital adequacy ratio was 17.1 per cent, higher than the required minimum and one of the highest among banks operating in Poland. We achieved very good results in selling instalment thanks to, among others, the optimization of instalment loan sales processes and cooperation with our business partners. We also recorded strong growth in the number of active personal accounts, which was one of our priorities. We were also a leader in bank account switching in 2015. As many as 58 per cent (80 per cent in May) of all bank account switch requests submitted in Poland concerned switches to our bank.

Our major successes of 2015 certainly also include our Contact Centre having been ranked second in terms of customer service quality by the ARC Rynek i Opinia Research Institute and the development of other customer contact channels, including mobile banking finally launched in April 2016. So now we offer customers the possibility to access our products and services using any channel, from mobile and electronic banking and the telephone to our network of more than 450 bank branches and partner branches and nearly 350 CA Express credit agents.

We also worked hard on the development of our insurance offering. Not only did we refresh our Pakiet Życie and Z myślą o bliskich life insurance products, but we also launched four new products: Pakiet Na Wypadki accident insurance, Multipakiet Maxi, Pakiet Dom home insurance, and personal third party liability insurance (the last two early this year). Our goal is to ensure that our customers can find solutions to all their key financial needs.



Another big success of 2015 was that we were the first bank in Poland to put in place an innovative electronic signature process to be used at our partners' stores for instalment loan agreements. The new process involves replacing paper agreements with electronic ones, validated with a code that the customer receives in an SMS text message. It is a technological revolution in shopping involving instalment loans. It could be compared with making instalment loans available in online shops. It is a change for our partners selling in stores, for customers who use instalment financing in traditional stores and for us, who process the loan agreements.

While pursuing our objectives in 2015, we remembered that we did not operate in a vacuum but were part of a bigger community and also had responsibilities towards it. Therefore, we got involved in various social and environmental initiatives, both nationwide and local. As always, we supported charities and got involved in financial education campaigns, including through employee volunteering initiatives. We received numerous awards for our pro-social and pro-environment activities in 2015, including the Brązowy Dudek (Brown Hoopoe) award for recycling documents and recognition from the Responsible Business Forum for the best CSR practices in its report 'Responsible Business in Poland 2014. Good Practices.'

The year ahead is going to be both interesting and full of challenges. Nevertheless, our mission remains the same – we want to continue to build a universal proximity bank, a bank whose strength lies in its relationships with its customers and which makes it possible for the customers to use its services when and as they wish.

We would like to invite you to read the annual report of Credit Agricole Bank Polska and also to take this opportunity to thank all our customers, business partners, and staff for using our services, working with us, and working for us in 2015.



Romuald Szeliga

President of the Management Board, Credit Agricole Bank Polska S.A.



Olivier Constantin

Senior Country Officer, Crédit Agricole Group in Poland
First Vice-President, Credit Agricole Bank Polska S.A.





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Shareholding Structure and Governing Bodies

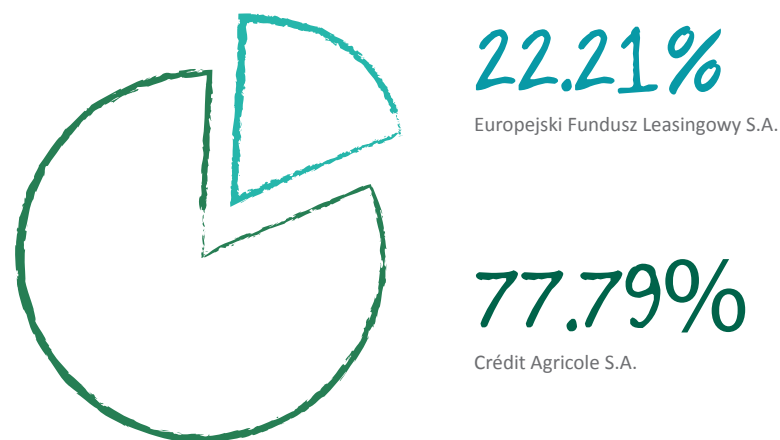
At the end of 2015, the Credit Agricole Polska S.A. Group comprised the following companies: Credit Agricole Polska S.A., Group parent company, Credit Agricole Bank Polska S.A., specializing in the provision of financial services for individual customers, farmers, the SME sector, and corporations, Credit Agricole Service Sp. z o.o., a subsidiary of Credit Agricole Bank Polska S.A., handling insurance claims concerning cash and instalment loans sanctioned by the bank, LUKAS Finanse S.A., servicing the loans extended, a subsidiary of Credit Agricole Polska S.A., and ARC Broker S.A., a subsidiary of Credit Agricole Polska S.A, providing insurance brokerage services for the companies of the Crédit Agricole Group companies.

Since 2001, the French Crédit Agricole S.A. Group has been the strategic shareholder in Credit Agricole Polska S.A. and, indirectly, also in Credit Agricole Bank Polska S.A. Consequently, the Group entered the structure of one of the world's biggest financial institutions.

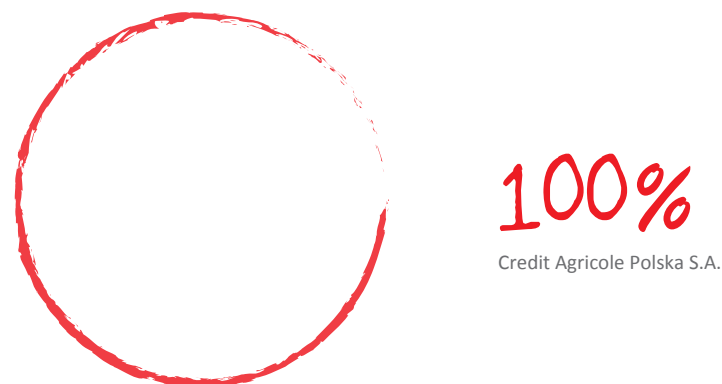
Companies from the Crédit Agricole S.A. Group active in Poland also include: Europejski Fundusz Leasingowy S.A. and its subsidiaries, Crédit Agricole Life Insurance Europe S.A. Oddział Polska, Amundi Polska Towarzystwo Funduszy Inwestycyjnych S.A. and Credit Agricole Towarzystwo Ubezpieczeń S.A.

The objective of the Crédit Agricole Group in Poland is to become one of the top universal banking institutions and provide full support for the development of other activities of the Group in the region.

Shareholding Structure of Credit Agricole Polska S.A.
(as at 31/12/2015)



Shareholding Structure of Credit Agricole Bank Polska S.A.
(as at 31/12/2015)



Governing Bodies of Credit Agricole Polska S.A. and Credit Agricole Bank Polska S.A.

(as at 29 April 2016)

Credit Agricole Polska S.A.

Supervisory Board:

| | |
|------------------|-----------------------------------|
| François Pinchon | Chairman of the Supervisory Board |
| Agata Figuet | Member of the Supervisory Board |
| Gérard Marchand | Member of the Supervisory Board |

Management Board:

| | |
|--------------------|-----------------------------------|
| Olivier Constantin | President of the Management Board |
|--------------------|-----------------------------------|

Credit Agricole Bank Polska S.A.

Supervisory Board:

| | |
|---------------------------|-----------------------------------|
| Marc Oppenheim | Chairman of the Supervisory Board |
| Raphaël Appert | Member of the Supervisory Board |
| Alfred Janc | Member of the Supervisory Board |
| Elżbieta Jarzeńska-Martin | Member of the Supervisory Board |
| François Thibault | Member of the Supervisory Board |
| Mariusz Wyżycki | Member of the Supervisory Board |

Management Board:

| | |
|-----------------------|--|
| Romuald Szeliga | President of the Management Board |
| Olivier Constantin | First Vice-President of the Management Board |
| Beata Janczur | Vice-President of the Management Board |
| Piotr Kwiatkowski | Vice-President of the Management Board |
| Jędrzej Marciniak | Vice-President of the Management Board |
| Jean-Bernard Mas | Vice-President of the Management Board |
| Richard Paret | Vice-President of the Management Board |
| Jean-Paul Pinchon | Vice-President of the Management Board |
| Joanna Tomicka-Zawora | Vice-President of the Management Board |

In 2015, there were the following changes in the composition of the Supervisory Board of Credit Agricole Polska S.A.:

- On 9 January 2015, Thierry Verdier resigned from the function of the Member of the Supervisory Board of Credit Agricole Polska S.A. effective as of 10 February 2015;
- On 10 February 2015, Extraordinary General Meeting of Shareholders adopted Resolution No. 3 appointing Ms Agata Figuet a Member of the Supervisory Board of Credit Agricole Polska S.A.

In 2015, there were the following changes in the composition of the Management Board of Credit Agricole Polska S.A.:

- On 28 January 2015, the Supervisory Board of Credit Agricole Polska S.A. adopted Resolution No. 1/2015 appointing Mr Philippe Marié for the next term of office;
- On 10 July 2015, the Supervisory Board of Credit Agricole Polska S.A. adopted Resolution No. 9/2015 appointing Mr Olivier Constantin as a Vice-President of the Management Board, effective as of 1 September 2015;
- On 31 August 2015, the resignation of Mr Philippe Marié from the function of the Member of the Management Board of Credit Agricole Polska S.A. became effective.



In 2015, there were the following changes in the composition of the Supervisory Board of Credit Agricole Bank Polska S.A.:

- On 18 March 2015, the resignation of Mr Patrick Clavelou from the function of the Member of the Supervisory Board became effective;
- On 27 March 2015, the Ordinary General Meeting of Shareholders of Credit Agricole Bank Polska S.A. by virtue of Resolution No. 24 appointed Ms Elżbieta Jarzeńska-Martin to the function of the Member of the Supervisory Board for the next term of office;
- On 20 August 2015, the Extraordinary General Meeting of Shareholders of Credit Agricole Bank Polska S.A. by Resolution No. 3 appointed Mr Mariusz Wyżycki to the function of the Member of the Supervisory Board;
- On 29 April 2016, the Ordinary General Meeting of Shareholders of Credit Agricole Bank Polska S.A. by virtue of Resolution No. 24 appointed Mr Marc Oppenheim to the function of the Chairman of the Supervisory Board for the next term of office;
- On 29 April 2016, the Ordinary General Meeting of Shareholders of Credit Agricole Bank Polska S.A. by virtue of Resolution No. 26 appointed Mr Alfred Janc to the function of the Member of the Supervisory Board for the next term of office.

In 2015, there were the following changes in the composition of the Management Board of Credit Agricole Bank Polska S.A.:

- On 20 March 2015, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 10/2015 appointing Mr Jean-Bernard Mas as a member of the Management Board;
- On 20 March 2015, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 11/2015 appointing Ms Beata Janczur for another term of office;
- On 20 March 2015, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 12/2015 appointing Mr Marc Renard for another term of office;

- On 20 March 2015, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 13/2015 appointing Mr Jean-Paul Pinchon for another term of office;
- On 10 July 2015, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 25/2015 appointing Mr Olivier Constantin as a member of the Management Board, effective as of 1 September 2015;
- On 31 August 2015, the resignation of Mr Philippe Marié as a Vice-President of the Management Board of Credit Agricole Bank Polska S.A. became effective;
- On 30 September 2015, the resignation of Mr Marc Renard from the position of the Vice-President of the Management Board of Credit Agricole Bank Polska S.A. became effective.

In 2016, there were the following changes in the composition of the Management Board of Credit Agricole Bank Polska S.A.:

- On 08 April 2016, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 17/2016 appointing Mr Richard Paret as a Vice-President of the Management Board;
- On 08 April 2016, the Supervisory Board of Credit Agricole Bank Polska S.A. adopted Resolution No. 16/2016 appointing Mr Jędrzej Marciniak for another term of office and entrusting him the function of a Vice-President of the Management Board effective as of 1 May 2016.





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A UNIVERSAL BANKING GROUP

The Crédit Agricole Group is the leading partner of the French economy and one of the largest banking groups in Europe. It is the leading retail bank in Europe as well as the first European asset manager, the first bancassurer in Europe and the third European player in project finance.

Built on its strong cooperative and mutual roots, its 140,000 employees and the 31,150 directors of its Local and Regional Banks, the Crédit Agricole Group is a responsible and responsive bank serving 52 million customers, 8.8 million mutual shareholders and 1 million individual shareholders.

Thanks to its universal customer-focused retail banking model – based on cooperation between its retail banks and their related business lines – the Crédit Agricole Group supports its customers' projects in France and around the world: day-to-day banking, home loans, consumer finance, savings, insurances, asset management, real estate, leasing and factoring, and corporate and investment banking.

Crédit Agricole also stands out for its dynamic, innovative corporate social responsibility policy, for the benefit of the economy. This policy is based on a pragmatic approach which permeates across the Group and engages each employee.

↓
52
COUNTRIES

↓
€6.0 bn
NET INCOME GROUP SHARE

↓
52
MILLION CUSTOMERS

↓
€92.9 bn
SHAREHOLDERS' EQUITY

↓
140,000
EMPLOYEES

↓
13.7%
COMMON EQUITY
TIER RATIO FULLY LOADED

GROUP'S ORGANISATION

8.8 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of **2,476 Local Banks** in the form of mutual shares and they designate their representatives each year. **31,150 directors** carry their expectations. The Local Banks own the majority of the **39 Regional Banks'** share capital.

The Regional Banks are cooperative Regional Banks that offer their customers a comprehensive range of products and services. The discussion body for the Regional Banks is the Fédération Nationale du Crédit Agricole, where the Group's main orientations are debated.

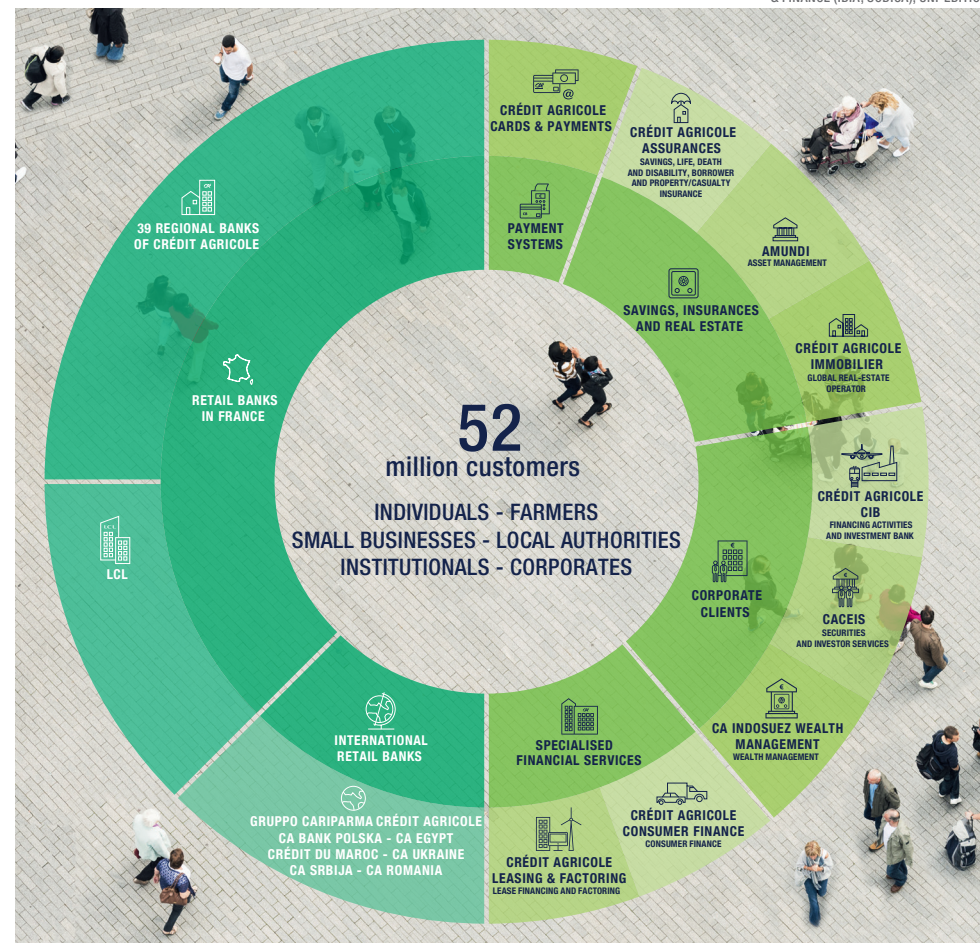
The Regional Banks together own, via **SAS Rue La Boétie**, the majority of the share capital of Crédit Agricole S.A. (56.7%). Crédit Agricole S.A. coordinates in relations with its specialist subsidiaries the various business lines' strategies in France and abroad.

THE UNIVERSAL CUSTOMER-FOCUSED BANK

RETAIL BANKS

SPECIALISED BUSINESS LINES

OTHER SPECIALISED SUBSIDIARIES:
CRÉDIT AGRICOLE CAPITAL INVESTISSEMENT
& FINANCE (IDIA, SODICA), UNI-ÉDITIONS



1ST

LEADING FINANCIAL PARTNER
OF THE FRENCH ECONOMY

1ST

BANCASSURER
IN EUROPE

1ST

EUROPEAN
ASSET MANAGER



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Economic Situation – Main Trends

According to the data provided by the Polish Main Office of Statistics (GUS), Poland's Gross Domestic Product (GDP) rose by 3.6 per cent in 2015 v. 3.3 per cent in 2014. The acceleration of the last year's economic growth rate resulted mainly from the rise in the contribution of net exports (from -1.5 per cent in 2014 to 0.3 per cent in 2015), while the fall in the domestic demand dynamics to 3.3 per cent v. 4.8 per cent in 2014 acted as a brake. It was mainly the effect of a slowdown in investments (from 10 per cent in 2014 to 5.8 per cent in 2015) and a reduction in the contribution of inventories (from 0.5 p.p. in 2014 to -0.2 p.p. in 2015). 2015 saw an acceleration in the growth of private consumption from 2.6 per cent y/y in 2014 to 3.1 per cent.

The GDP data demonstrate that in 2015 the Polish economy went through a phase of strong revival. Despite the slowdown, domestic demand still remained the main economic growth factor.

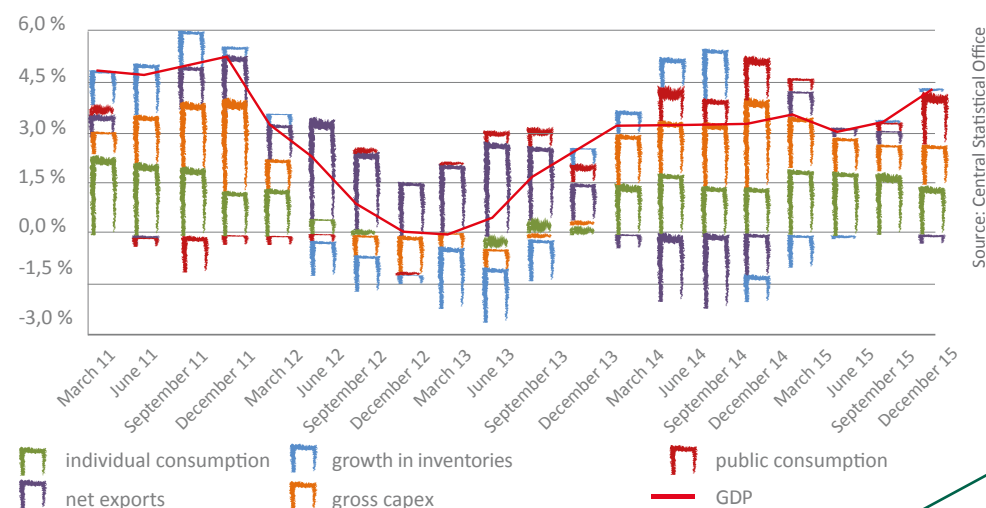
The main stimulus for the rapid total investment growth was the high degree of utilisation of production capacities in the industrial sector, however, due to the impact of the high base effects in the power generation industry in 2014, there was a slowdown in the rise of capital expenditure. Consumption in the sector of households was supported by the continuing improvement on the labour market. Additionally, the contribution of net exports went slightly up, which resulted from the fact that imports slowed down more than exports. According to the data published by the Central Statistical Office, it may be estimated that the actual GDP growth rate in the fourth quarter of last year was at the level of 4.3 per cent y/y v. 3.4 per cent in the third quarter.

In 2016, it may be expected that the economic growth will be lower, mainly due to the impact of the previous year's high base effects, which contribute to the decreasing export and import dynamics. As a result,

while the import growth rate accelerates, the contribution of the net exports for the full year becomes negative. Additionally, in 2016, the GDP growth in Poland will be diminished by a considerable fall in the dynamics of public investments (decreased use of the EU funds at the beginning of the new 2014-2020 financial perspective). The scale of the economic downturn will be mitigated by the expected launch of the 'Family 500 Plus' government programme, which is expected to have a positive impact on consumption.

The reference rate of the National Bank of Poland (NBP) at the end of 2015 was at a historically low level (1.5 per cent) and there is a risk of its continued decrease in 2016. In 2015, the Warsaw Stock Exchange (GPW) noted a fall in the stock exchange indices: WIG by 9.6 per cent and WIG20 by 19.7 per cent.

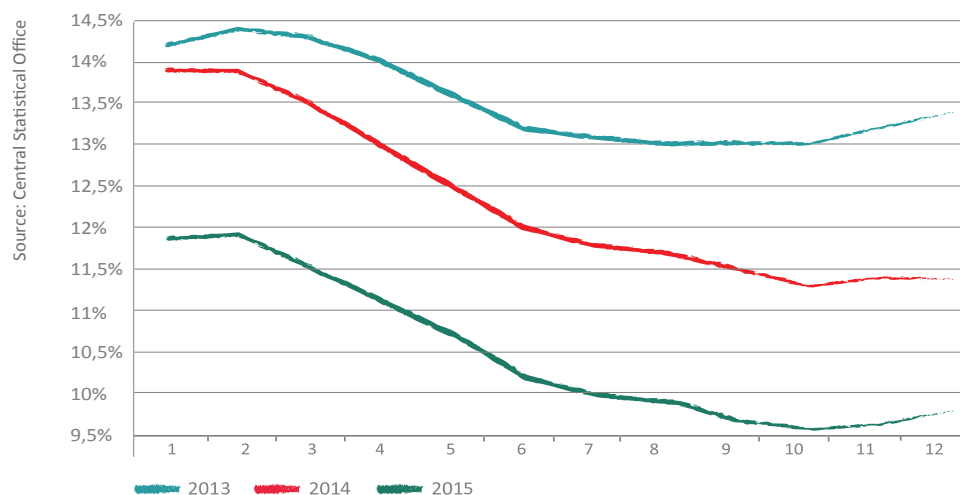
GDP dynamics (y/y, fixed prices).



Labour Market

In 2015, the registered unemployment rate in Poland was at a level lower than in the corresponding months of 2014. The highest rate was noted in January and February (11.9 per cent) and the lowest rate in October (9.6 per cent). The number of registered unemployed people ranged from 1.5 million (September-November) to 1.9 million (January-March). Almost throughout year, the non-seasonal registered unemployment rate fell more and grew less than suggested by historical seasonal fluctuations. The fall in the seasonally-adjusted employment rate was probably due to the growth in investments made by companies, as well as structural changes at the labour market resulting from the employment service offices introduced by the Ministry of Labour and Social Policy (encompassing, but not limited to, profiling of the unemployed). Unemployment rate was slowed down by the difficulties in finding qualified employees. It may be assessed that at the end of 2015, the labour market remained close to the equilibrium.

Registered unemployment rate

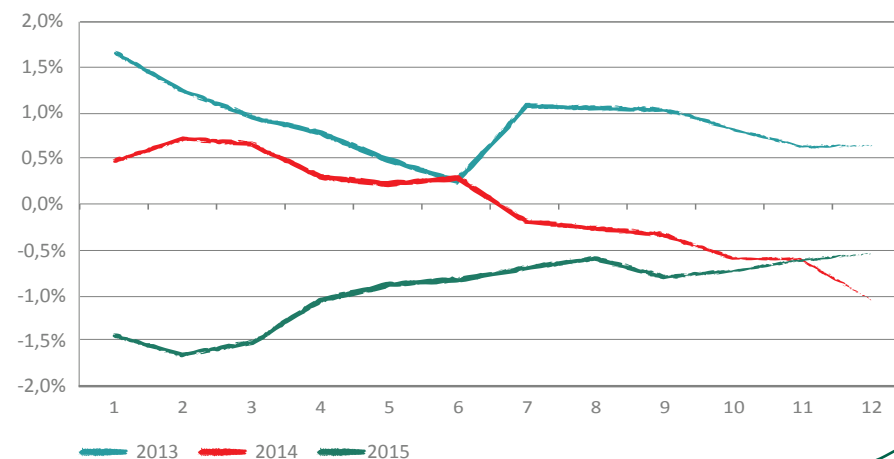


Inflation

The average annual growth in the prices of consumer goods and services went down to -0.9 per cent in 2015 (vs 0.0 per cent in 2014) and had been the lowest ever since the beginning of transformation. The greatest negative impact on the index of consumer prices of goods and services in 2015 was due to the fall in the prices of fuels (by 13.4 per cent), which lowered the index (CPI) by 0.5 percentage points. Additionally, in accordance with the worldwide food market tendencies, the lower prices in the 'Food and non-alcoholic beverages' category caused a fall in the CPI indicator by 0.2 percentage points. The high base effects from the first half of 2014 in the 'House and energy utilisation' category (rise in the waste utilisation fees) triggered a fall in the mean average inflation in 2015 by 0.2 percentage points. The fact that the government left the alcohol and tobacco excise tax rates at an unchanged level in 2015 while they grew in 2014 resulted in a fall of inflation by 0.2 percentage points in 2015. The remaining categories taken alone had an insignificant impact (below 0.1 percentage point) on the CPI index change when compared to 2015.

The prices of industrial production sold in 2015 were on average lower by 2.2 per cent when compared to 2014, whereas the highest price growth was noted in the item 'water supply; sewage and waste management' (increase by 1.2 per cent) and the highest fall in mining (by 3.9 per cent).

CPI Inflation (y/y).



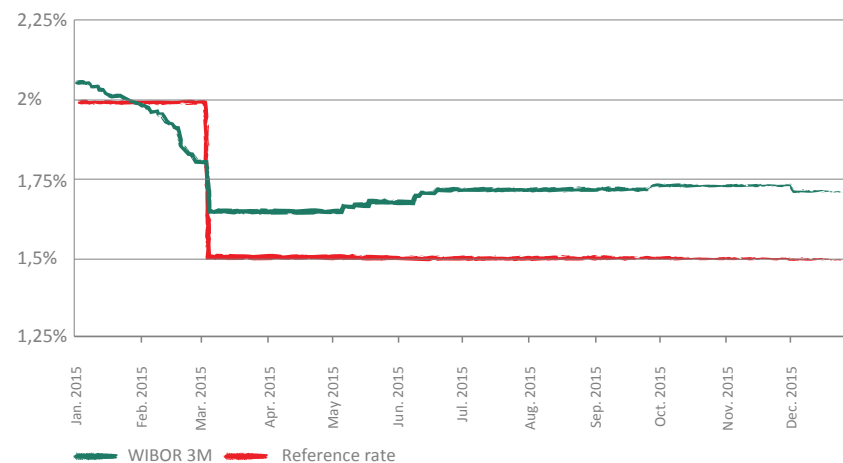
Monetary Policy and the Foreign Exchange Rate

In March, the reference rate of the National Bank of Poland was lowered by 50 base points to 1.50 per cent. The main argument justifying the monetary policy loosening indicated by the Monetary Policy Council was the extension of the deflation period and a clear growth in the risk that inflation may remain below the target in the mid period. As a consequence of the monetary policy loosening, the reference rate of the National Bank of Poland achieved the lowest level in history. At the same time, the Monetary Policy Council stressed that the March decision about the interest rate reduction meant the termination of the monetary policy easing cycle. As regards the remaining part of the year, the Monetary Policy Council confirmed its assessment that the expected maintenance of a stable economic growth in the circumstances of improvement of the economic situation in the eurozone and a good domestic labour market situation will mitigate the risk that the inflation in mid-term may remain below the target level. At the same time, the macroeconomic situation did not require - in the assessment of the Monetary Policy Council members - that the monetary policy parameters should be adjusted.

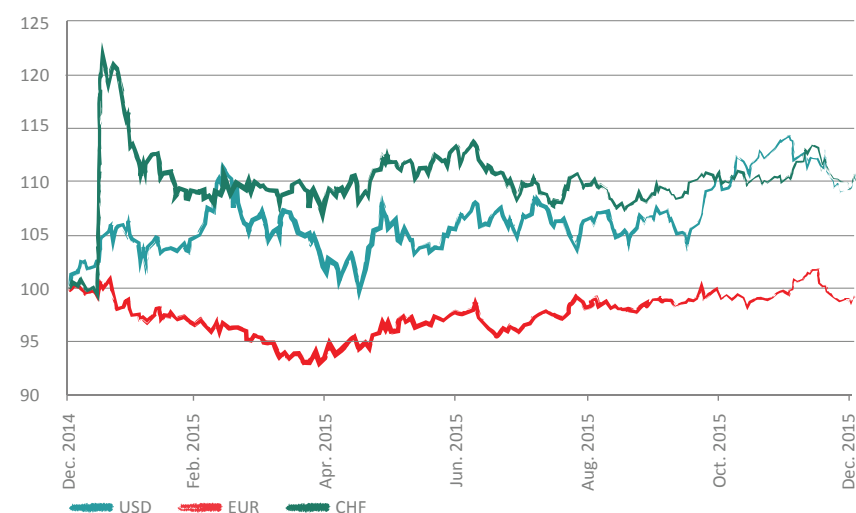
In the period from January to April 2015, the PLN to EUR exchange rate improved, which was caused by the intensification of market expectations that the monetary policy would be loosened by the European Central Bank and then this scenario took place. The victory of Andrzej Duda in presidential elections and the ensuing high probability of considerable changes on the political scene after the autumn parliamentary elections were working towards a growth in political risk, which had a negative impact on the PLN exchange rate in the subsequent months. The PLN depreciation was also influenced by: the easing of the monetary policy by the Monetary Policy Council, commencement of the monetary policy normalisation by the FED and increase in political risk in Greece. The victory of the Prawo i Sprawiedliwość (Law and Justice) party in the parliamentary elections and the ensuing uncertainty concerning the fiscal and monetary policy in the mid-term was also a source of negative impact on the value of PLN in the fourth quarter of 2015. At the same time, due to the fact that the European and US monetary policy cycles drifted apart, there was a much stronger weakening of the Polish zloty in relation to the US dollar than in relation to Euro. The dramatic rise of the Swiss franc to Polish

zloty exchange rate at the beginning of the year was a consequence of the unpegging of the franc exchange rate in relation to Euro by the Swiss National Bank.

3M WIBOR and the NBP reference rate.



Exchange rates (31/12/2014 = 100).



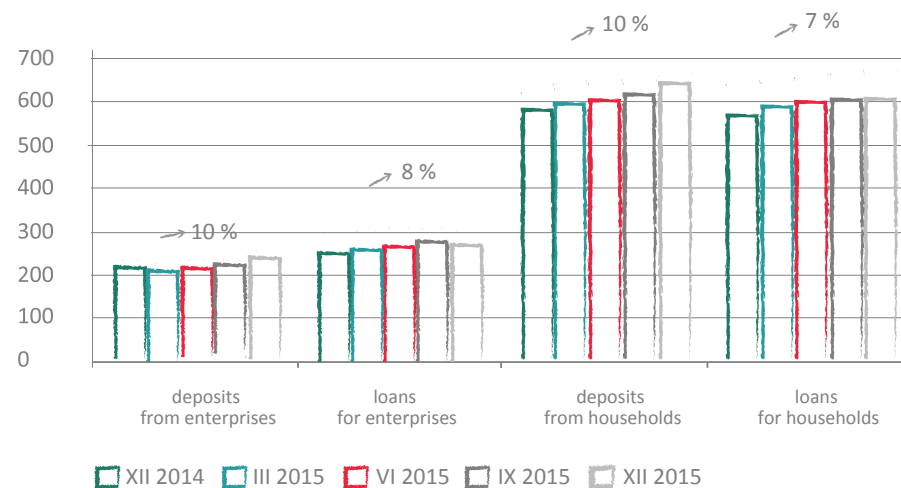
The Banking Sector

The situation of the banking sector in Poland was to a large degree positively influenced by continuation of economic recovery. The reduction of the interest rates by the Monetary Policy Council had an opposite effect. A considerable negative impact on the costs of banks was exerted by the costs incurred in the fourth quarter and related to the contributions to the deposit-guarantee scheme concerning the bankrupt SK Bank and a fee paid to the Borrowers' Support Fund. The result of the banking sector in 2015 is 17 per cent lower than in 2014.

When analysing the data for 2015, one may observe a growing lending action supported by the historically low level of interest rates.

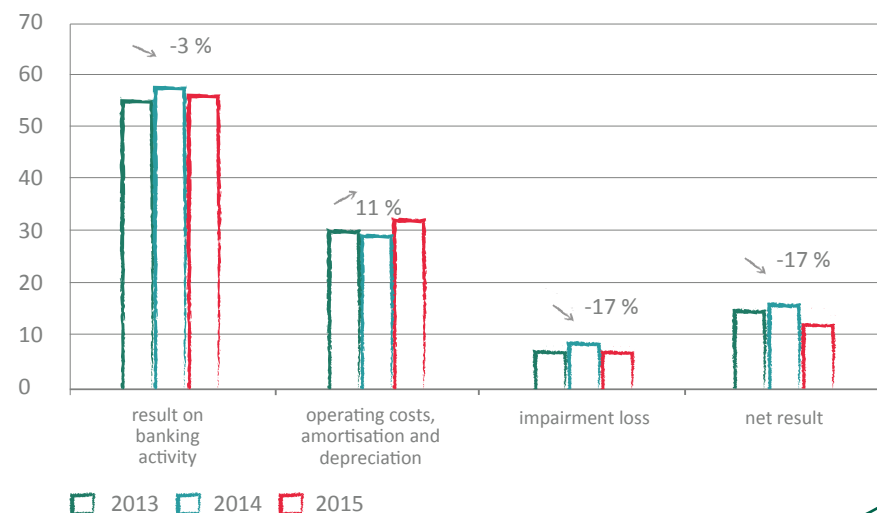
The growth in the volume of household loans was a result of the improving labour market situation, which led to a smaller risk of job loss and a higher willingness of households to incur debts. The increase in the volume of business loans was supported by the investment activities of companies and the continuation by Bank Gospodarstwa Krajowego of the programme of supporting the Small and Medium-sized Enterprise sector in the process of applying for bank guarantees (de minimis guarantees). A growth in deposits both from enterprises and households was curbed by the low level of interest rates.

Receivables and liabilities of the non-financial sector (in PLN billion).



Source: National Bank of Poland

Results of the banking sector (in PLN billion).



Source: National Bank of Poland





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Main Assumptions of the Strategy

2015 was another important year in the pursuit of the strategy of Credit Agricole Bank Polska. It is focused on the creation of a strong universal bank close to the customer and on the maintenance of a leading position on the Consumer Finance (CF) market.

Despite a strong fall in interest rates and increased burdens imposed on the banking sector (e.g. fees to the Bank Guarantee Fund), the strategic successes may include both financial and operational changes, such as: increase in the base of active customers with an active account, development of the activity in the segment of farmers, small and medium-sized enterprises as well as corporations.

Under the influence of changing market circumstances as well as the tax and legal environment, in 2015, the bank made a periodic review of its strategy. It will be pursued by ensuring organic growth. The most important tactical objectives include:

- further increase of the base of customers actively using the bank's products;
- acquisition of a visible share in the market of banking services for enterprises and farmers;
- retaining a high position on the Consumer Finance market;
- development of the insurance offering that meets the needs of the universal banking customer;
- further improvement of financial performance;
- increase in the utilisation of synergy of the Crédit Agricole Group companies.

Financial Performance

In the years to come, the bank expects an improvement of its net result. The revenue growth will definitely be fostered by the development of all business lines of the universal banking and retaining a strong position on the CF market.

What is also of high importance for the future financial performance is the clear-cut and restrictive cost policy that assumes a slight increase in current costs with, however, an appropriate simultaneous support for the implementation of strategic projects in the business area and IT. This will allow us to further reduce the cost/income ratio.

Development and Adjustment of the Banking Network

One of the elements of the bank's strategy is the consistent expansion of the availability of the its services for our customers. In order to ensure the highest quality of services provided to the customers, the bank will continue to optimise the services rendered in the network of its branches as well as to develop e-banking and mobile banking.

Growth of the Customer Activeness

The bank focuses on the acquisition of an ever higher number of customers actively using their accounts. Achievement of this goal is fostered by the marketing activities addressed to the existing customers and to potential customers as well as by sales supporting activities. In 2015, the bank made a number of changes that resulted in the improvement of the customer service quality. They were also aimed at increasing customer acquisition and their loyalty. This is supported by good results of the Customer Recommendation Index (CRI).



Development of the Banking Offer Addressed to Enterprises, Farmers and Corporations

In 2015, the bank continued the development of its offer for farmers, small and medium-sized enterprises and corporations. In the years to come, the bank expects a stable growth in the revenue from these segments of activity and a rise in their share in total revenues.

Consumer Finance

The bank is one of the leaders of the Consumer Finance market in Poland. This segment is still one of the most promising markets in Poland and, at the same time, more and more competitive. The bank plans to maintain its leading position in the near future. For years, it has cooperated with a network of over 7 thousand partners in Poland. The experience and the recognisable brand will allow us to acquire subsequent groups of customers in this sector. In 2015, the bank actively searched for new distribution channels, mainly remote ones. In subsequent years, we will develop them.

Comments on the 2015 Financial Performance

In 2015, Polish economy grew by 3.6 per cent, which was a very good result when compared to the estimated 1.9 per cent of the European Union as a whole. It contributed to the performance of the Polish banking sector, where a net profit of PLN 11.4 billion was recorded.

For Credit Agricole Bank Polska, last year closed with a net profit at a level of PLN 91.6 million.

It meant a fall by 53.1 per cent when compared to the previous year. This mainly resulted from the necessity to make a one-off additional

payment to the Bank Guarantee Fund in relation with the bankruptcy of SK Bank. At the same time, the consolidated net profit of the Credit Agricole Polska S.A. Group amounted to PLN 111.6 while at the end of 2014 it amounted to PLN 201.9 million. The growth in the administration costs of the bank by 2.3 per cent was accompanied by an increased risk cost - by 26.5 per cent – from PLN 181.1 million in 2014 to PLN 229.1 million in 2015.

Own funds, taken into account when calculating the solvency ratio, exceeded PLN 2.74 billion and fully covered the capital requirements. The ratio itself was maintained at a level higher than the required one, achieving the value of 17.1 per cent at the end of 2015. The effectiveness, measured by means of the ROE indicator, amounted to 4.6 per cent at the end of 2015, while the ROA indicator amounted to 0.5 per cent (in 2014, respectively: 10.6 per cent and 1.2 per cent).

The carrying amount of loans extended to the bank's customers was PLN 14.01 billion while it equalled PLN 13.25 billion at the end of 2014. The rise by 6 per cent was mainly a result of the increased debt balance of customers resulting from corporate loans, as well as of an increase in the value of consumer loans and loans for the SOHO/AGRO segments. The loans and credits granted to customers as at the end of 2015 amounted to 70.6 per cent of total assets.

The basic source of financing of the growth in the lending activity of Credit Agricole Bank Polska at the end of 2015 were the customers' deposits, constituting 72.6 per cent of the balance sheet total (69.3 per cent in 2014). The bank's amounts due to customers were PLN 14.4 billion, while they were PLN 12.8 billion at the end of 2014.



Results of the Crédit Agricole Group Companies in Poland

The presence of the Crédit Agricole Group in Poland comprises a much wider scope of business than banking alone. Therefore, since 2012 the bank has also been publishing the aggregated results of the Crédit Agricole Group in Poland. Considering the year 2015, it included: Credit Agricole Bank Polska, Europejski Fundusz Leasingowy, ARC Broker, Credit Agricole Service and LUKAS Finanse. The purpose of such publication of results is to enable the comparison with most banking groups operating on the Polish market, which present their results on a consolidated basis. Such groups comprise, for example, leasing companies, investment funds, pension scheme companies, brokerage houses or factoring companies.

In 2015, the above-mentioned companies of the Crédit Agricole Group in Poland generated an aggregate net profit of PLN 184.7 million, and their balance sheet total (assets) reached a level of PLN 27.8 billion. At the end of 2015, their own funds were at PLN 3.7 billion.

17,1% solvency ratio of the bank





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Significant Events Impacting the Activities of Credit Agricole Bank Polska S.A.

Year 2015 was full of macroeconomic and regulatory challenges which also had their impact on the activities of Credit Agricole Bank Polska. Despite this, the bank successfully pursued its strategy of development of a universal bank in the proximity of its customers. This proximity of the bank is understood in two different ways - most of all, the bank wants to be the first choice bank for its customers. The bank where they maintain their basic bank account to which their salaries are paid, the bank whose products they actively use as well as the bank they first go to in case they want to finance their plans and needs.

On the other hand, the proximity may be understood in the context of distance, availability or reach speed. Therefore, apart from its own branches, the bank also develops other channels through which the customer may contact the bank and has decided to expand the partner sales network. Since the beginning of 2015, the bank opened new credit agents and partner branches. The former operate under a common brand of CA Express, while the latter expanded their offering to include accounts and savings products.

At the end of 2015, the bank achieved record results in the area of products and services for farmers. This business line, which was not present at all in the bank four years ago, increased the credit balance by over 70 per cent and the savings balance by 120 per cent. Also the number of accounts for farmers went up. At the same time, the bank developed its product distribution network via partners and signed subsequent contracts. Cooperation with partners became one of the main sources of acquisition of new customers in the line of banking for farmers.

2015 was also a good year for reinforcement of synergy between the bank and Europejski Fundusz Leasingowy S.A. (hereinafter referred to as EFL) when it came to the intermediation in the sale of banking products

by EFL and intermediation in the sale of leases by bank branches. The portfolio of products offered by EFL advisers last year extended to include currency accounts and POS terminals. At the same time, the bank prepared a special offer for the customers, where an active customer may receive a bonus – up to PLN 600 per year.

When it comes to the development of the offer in 2015, small and medium-sized enterprises were offered by the bank currency accounts in EUR, USD and GBP, together with savings accounts and payment cards in foreign currencies. Corporations obtained new traditional banking products: bank accounts maintained in Turkish liras and Romanian leus, bank transfers in the said currencies, transfers in Chinese yuans, and trade financing. The offering for retail customers, in turn, was expanded in 2015 to include two new property insurance types: Pakiet na Wypadki (Accident Package) and Multipakiet Maxi (Multipackage Maxi).

Besides the development of the product offer, in 2015 the bank focused on the improvement of the processes, including but not limited to the following: implementation of the PRM (Partner Relationships Management) system, which supports partner relationship management in the area of Consumer Finance (CF).

The bank's efforts were appreciated in 2015 by the customers, media and banking industry institutions. The Responsible Business Forum (FOB) awarded in its report entitled 'Responsible Business in Poland 2014. Good Practices' 6 CSR initiatives pursued by Credit Agricole Bank Polska. In May, the bank was included in the list of Top 20 Employers of 2015 prepared by the daily *Gazeta Finansowa*. The weekly *Wprost* awarded the bank's mortgage loan in the ranking 'Wprost's Portfolio'. Additionally, the bank's Contact Centre was twice on the podium in two consecutive editions of the surveys made by ARC Rynek i Opinia Research Institute - being third in spring and second in autumn.



Crédit Agricole Brand Awareness

Year 2015 in marketing communication was about the construction of Credit Agricole Bank Polska's image as a universal bank. This also included continuation of cooperation with the famous French actress Juliette Binoche.

The advertising messages created an image of the bank as a partner that is able to adjust its offering to the customer's needs better than any other bank because:

- it knows the customer very well;
- it provides the customer with appropriate products at the right price;
- it appreciates the customer's loyalty;
- it rewards long-term relationships.

The bank carried out two TV campaigns: concerning a cash loan and personal accounts.

Additionally, there was a promotional lottery that lasted the whole year in which over 129,000 customers participated and, as a result of which, the bank doubled the salaries of over 190 customers.

Offer of Products and Services for Individual Customers

Personal Accounts

The number of personal accounts amounted to 987,000 as at the end of 2015, while the number of debit cards issued to the accounts exceeded 692,000. The number of accounts held decreased when compared to the previous year. The bank has worked on the portfolio quality for a long time now and has made its regular reviews, closing down inactive accounts. In the coming quarters, the bank will continue the process of closing inactive accounts.

The bank sold personal accounts adjusted to particular segments of customers. Particular emphasis is put on the utilisation of Ognivo, a Polish-wide system of personal account and payment transfers between banks organised under the auspices of the Polish Bank Association. The bank carried out two promotional campaigns, including one supported by a TV commercial entitled 'Are you ready for PLN 1,000?'. The actions undertaken allowed it to exceed the planned level of sales and the active account portfolio growth beyond the level assumed for 2015. Effective promotions and skilful use of the account transfer process allowed the bank to obtain a leader position in this process in Poland (depending on the month - from 60 per cent to 80 per cent of accounts transferred in Poland came to Credit Agricole Bank Polska).

Moreover, the number of overdraft facility agreements (Individual Credit Line) went up, exceeding the number of 54,000 agreements at the end of the month. The value of overdraft facilities granted in accounts for natural persons as at the end of December 2015 amounted to over PLN 281 million and was higher by 13 per cent than in the preceding year.

What is also noteworthy is the development of the segment of young customers aged 18 to 27, for whom the bank has a special product offer – the 1 Konto account (First Account). Extensive acquisition activities contributed to the rise in the number of such customers by 9 per cent compared to 2014.

In 2015, the bank carried out two promotional campaigns, including a special action at universities. The development of the First Account customer base was also supported by a dedicated social media programme – 'New Blood for First Job'. The campaign's fanpage on Facebook attracted over 33,000 fans and was very well received by its target group.



Cash Loans

The share of Credit Agricole Bank Polska in the consumer finance market (excluding credit cards and overdraft facilities) at the end of 2015 amounted to 5.5 per cent, which is a slight fall – by 0.1 percentage point – when compared to the state as at December 2014. The growth in the cash loan balance was slightly lower than in the previous year and amounted to 6 per cent, increasing the balance to the level of almost PLN 4.9 billion.

In 2015, the bank promoted the offer of cash loans as part of its product campaigns, taking particularly into consideration the channels of direct communication with the existing customer, e.g. letters and text messages.

The bank continued the development of its offering for higher income customers and implemented a number of changes to the consolidation loan, which resulted in the growth in the average gross loan by 15 per cent when compared to 2014.

Savings and Investment Products

The year 2015 brought a rise in the total balance at the accounts of natural persons (including the value of investment fund units) by almost PLN 490 million (annual dynamics of 4.7 per cent).

Consequently, at the end of 2014, it reached an average value of PLN 10,793 per individual customer, maintaining at the same time the deposit base stability - the share of funds invested in fixed term products (deposits, Regular Savings Plans, insurance with a saving element) amounted to 52 per cent. Despite the concentration by competitive banks on short-term deposits and savings accounts, Credit Agricole Bank Polska consistently

pursued its long-term strategy concerning savings products based on stable growth in the deposit base and lengthening of the time horizon of savings as well as diversification of the portfolio of customers, including also investment products. In 2015, the bank resorted to an appropriate pricing policy to encourage customers to select longer-term savings products. The offer of products in foreign currencies met with an ever growing interest. At the end of the year, the balance at foreign currency accounts amounted to PLN 124 million.

2015 also saw an enrichment of the offer of investment funds, where a new sub-fund of shares in Small and Medium-sized Enterprises was added. It is available in the Amundi Umbrella Open-ended Investment Fund managed by Amundi Polska Towarzystwo Funduszy Inwestycyjnych (Amundi). This was another step in the pursuit of the strategy aimed at building a diversified offer of products and investment strategies available to individual customers. The balance of assets in the registers of funds of Credit Agricole FIO and Amundi Parasolowy FIO, opened through the intermediation of the bank, achieved the level of PLN 1,12 billion at the end of 2015, which is a rise by 9.2 per cent compared to the previous year - despite the unfavourable trends at the Warsaw Stock Exchange.

In the third quarter of 2015, the subscription of another insurance with an investment under the name of Euro Top 30 was successfully completed. This product, while maintaining a 98 per cent of the principal amount guarantee, gives the customers a chance to earn on the rise in the value of indices of 30 eurozone companies which have the highest dividend rates.



Bancassurance

The year 2015 witnessed a huge challenge for the whole bancassurance market, mainly due to Recommendation U published by the Polish Financial Supervision Authority which came into force in April. The recommendation includes 21 guidelines concerning the ways of offering insurance to customers and the principles of cooperation between banks and insurance undertakings.

As a consequence, the bank took the following measures:

- change of the insurance offering model from a group one into an individual one in most business lines;
- reinforcement of cooperation mainly with insurance undertakings from the Crédit Agricole Group;
- introduction of new sale standards (amended processes, documents, information and materials provided to the customers);
- change in the product offer both as regards the so-called stand-alone insurance and insurance related to loans.

Additionally, the bank adopted a long-term strategy of development of the protection insurance area. It fits in with the guidelines of Recommendation U. It assumes the creation of numerous initiatives that would have the following objectives: change of the bank's insurance offering model, change in the offer of products and processes, introduction of new insurance types, permanent improvement of competences of bank advisers, and tools supporting the sales network.

The change of the insurance offering model was preceded by reinforcement of cooperation with other Crédit Agricole Group companies. This allowed the bank to prepare the offer drawing upon the experience of the Crédit Agricole Group gained on Western markets, especially in France, which is Europe's bancassurance leader.

The following insurance undertakings operate within the Crédit Agricole Group in Poland: Credit Agricole Life Insurance Europe Oddział w Polsce (CALI), Credit Agricole Towarzystwo Ubezpieczeń S.A. (CATU) - the company was registered in Poland in January 2015, but also Credit Agricole Creditor Insurer (CACI). The bank also cooperates with Towarzystwo Ubezpieczeń Warta S.A.

The development of the offer of protective insurance in the individual sale model was initiated by the introduction in January 2015 of two new property insurance products: Accident Package and Multipackage Maxi, which were prepared by the bank in collaboration with CATU. The Accident Package is an insurance product in which the protection is provided in case of bone fractures caused by accidents. The Multipackage Maxi is a set of five protection packages that ensure assistance in various everyday life situations.

Further changes in the insurance offer were implemented in April 2015.

The bank focused on the simplification of the offer and all insurance products as well as on lowering the product prices.

One of the key areas the bank focused on in 2015 was the improvement of customer support quality. All advisers underwent a professional training programme and took examinations entitling them to sell individual insurance. Consequently, they were registered by the Polish Financial Supervision Authority as Natural Persons Performing Agency Activities.

The year 2015 ended with a result of PLN 46.8 million in the gross premium written when it came to stand-alone insurance.



Consumer Finance

The loan for the purchase of goods and services (instalment loan) is a financial product addressed to individual customers who wish to finance their purchases of goods/services to be used for purposes not related to their business activity.

The credit offer takes into account the special characteristics of the sale channel and the range of products/services credited by the customer. The purpose of the product range-based approach is to adjust the bank's offer to customers' needs.

In 2015, the product range was standardised and the credit parameters concerning the maximum loan amount and the lending period were expanded.

Credit Cards

The bank closed 2015 with almost 850,000 credit cards issued, which means that it managed to maintain its leading position in Poland.

It resulted in over 12 per cent of the market share (the share in the number of credit cards issued as per the PRnews ranking made for the third quarter of 2015) and 9 per cent share in the balance of credit cards on the market (according to the data of the National Bank of Poland). The sale during the whole year amounted to approx. 166,000 cards, approx. 84,000 of which are co-branded cards sold in cooperation with partners.

Currently, the bank is implementing a process of closing inactive credit cards. This results from its intention to focus on active customers, who make regular card payments. The process of closing inactive credit cards may mean that the bank risks losing its leader position on the market in terms of the number of credit cards issued.

At the same time, the bank pursued animation activities which were aimed at encouraging the card holder to use their cards more actively. For example, the bank carried out a campaign promoting the use of the limit available ('Free Limit') and a contest 'Pay and Win', in which the customers were prompted to make payments using their cards. The bank's customers also participated in animation campaigns prepared jointly with MasterCard or Visa.

Offer for Small and Medium-Sized Enterprises (SMEs)

In 2015, the activity of Credit Agricole Bank Polska in the SME area focused on increasing the base of active customers by the launch of new products and offers. The number of customers went up to 60,000.

The bank offered the customers of this segment currency accounts in EUR, USD and GBP. Apart from the account, the offer comprises savings accounts, deposits and payment cards.

The bank also launched an investment loan to finance VAT as well as a loan for the users of POS terminals.

In 2015, the bank customers could also use the offer of overdraft facilities. In that offer, the customer does not pay a fee for loan extension and the business account maintenance fee.

The bank still offered POS terminals to its business customers. In 2015, the customers decided to purchase 3,900 devices. The total number of non-cash transactions made by the bank's customers in bank's POS terminals amounted to 7.8 million, and their value was over PLN 500 million.



In 2015, the bank developed the synergies with EFL, concerning the intermediation in the sale of banking and leasing products. EFL advisers may now additionally offer POS terminals and currency accounts. Their sale at the end of the year amounted to almost 1,800.

A special offer was prepared by the bank for EFL customers, in which an active customer may receive an 'account bonus' each month in an amount of PLN 50, i.e. up to PLN 600 over the year.

Offer of Corporate Banking Products

The strategy of the Corporate Banking Area is focused on providing services in all sectors facilitating the cooperation between all business lines of the bank (retail customer, SME, medium and large corporations). The key element in the pursuit of this strategy comprised but was not limited to the cooperation with the agribusiness market, granting access to the agricultural sector, breeders and suppliers.

Transactional Banking

The offer of transactional banking addressed to corporate customers encompasses the most important products, including the bank accounts together with electronic banking services, domestic and foreign bank transfers, direct debit, cash payments and withdrawals, term deposits, MasterCard debit cards and the float of cheques in collection. In 2015, the bank expanded its offer to include bank accounts in Turkish liras and Romanian leus as well as bank transfers in the said currencies and in Chinese yuans.

As regards the transactional banking, the bank provides the services of maintenance of trust accounts and escrow accounts, mass payment support by means of virtual accounts as well as cash pooling – both actual and virtual.

The bank supports corporate customers by providing ICT services. It makes it possible to centralise the management of funds in accounts in various countries owing to the SWIFTNet FileAct service.

Trade Financing

The bank supports and offers structured solutions based on trade financing instruments, encompassing guarantees, re-guarantees, securities, import and export guarantees as well as documentary collection. In 2015, it offered its corporate customers a range of products used for debt discounting, acquisition, disposal and financing. The new instruments are offered both independently by the bank as well as in cooperation with Eurofactor Polska S.A. (Eurofactor).

Capital Markets

The bank's offer includes all basic currency market and interest rate products as regards spot transactions and exposure hedging transactions. The products comprise: FX spot, FX forward, FX swap, FX options, IRS, CIRS and FRA. The bank also remains active on the money market, allowing the customers the investment of their liquidity surpluses in deposits but also on the debt instrument market, whereby the main emphasis is put on government bonds.

At the same time, the bank is still working on the extension of its product offering and its even better adjustment to the customers' needs. In 2015, it implemented the FX CALL platform, which was launched in early 2016. The platform allows an electronic currency exchange. There is also work underway on new types of option transactions and on related investment solutions.



The bank pays special attention to the existing and planned international and national regulations, having consideration for the safety of customers and their transactions.

In 2015, the bank undertook a number of activities in the financial market area in order to meet the requirements imposed by the EMIR Regulation (European Market Infrastructure Regulation). In particular, solutions enabling central settlement by the bank of interest rate derivative transactions were implemented.

Structural Financing

As regards structural financing, the bank takes part in the following transactions: mid-term financing in the segment of telecommunications, media and technology (TMT), NIP project financing (sector of petrol, gas, energy engineering, infrastructure), resource-based loans in the sector of petrol and gas, office financing, commercial and housing properties. The bank continues its cooperation with Crédit Agricole Corporate and Investment Bank as regards M&A transactions.

Offer of Products and Services for Farmers

2015 was another significant year for Credit Agricole Bank Polska as regards the development of the offering for farmers. After two years of cooperation with our strategic partner John Deere, one of the world's biggest agricultural machinery manufacturers, the balance of investment loans sold under the joint financial programme increased by PLN 96 million. During that time, customers made over 1,500 loan applications.

The sales results of 2015 were among the highest results in history. The balance of loans for farmers rose from PLN 156 million at the end of 2014 to PLN 271 million at the end of 2015.

The balance of savings increased by PLN 41 million. There are also 2,200 new accounts for farmers. Additionally, subsequent cooperation agreements were signed with manufacturers of fertilisers and plant protection products, pork producers, milk producers and agricultural equipment producers. Cooperation with partners became one of the most effective sources of acquisition of customers.

The 'AGRO lokaty pod dopłaty' (AGRO Deposits for Subsidies) deposit promotion noted considerable success. The bank proposed its customers an interest rate of 3.5 per cent for a dynamic twelve month deposit. It also guaranteed fixed interest rates and the fact that funds may be withdrawn without losing the interest. The promotion was addressed to farmers who obtained direct subsidies, LFA and agri-environment payments in 2015.

The bank took part in numerous fair events and exhibitions, presenting its full product range for farmers. The bank also sponsored well known industry events, such as the Milk Cooperative Forum in Augustów.

Development of Distribution Channels

Credit Agricole Bank Polska offers its products and services via all available distribution channels – a network of bank branches (own branches and partner branches) and CA Express credit agents, as well as remote channels, using land-line and mobile phones, and the Internet.



The bank also cooperated with commercial chains, whose customers may take advantage, for example, of a loan to finance their purchases of goods and services.

The bank monitors the market situation on an ongoing basis, carries out geomarketing studies as well as analyses the location of its bank branches. On this basis, it takes decisions concerning the transfer, the expansion or the closedown of a given branch. In 2015, the bank opened 2 new bank branches and closed 11 branches. Consequently, the total number of branches went down from 425 to 416.

The partner network comprises currently 46 partner branches (franchise) and 339 CA Express credit agents.

In 2015, the bank acquired new agents and partner branches as well as carried out intensive search for new partners willing to cooperate.

In 2015, the bank developed the network and its cooperation with partner branches by:

- preparing and implementing a new model of cooperation with partners and network development;
- introduction of accounts and deposits for individual customers into the offer;
- preparation and implementation of an individual insurance sale process;
- a series of competence and sale training courses for the employees of the partner network;
- standardisation of the branch design.

In 2015, the bank also continued the development of its network of credit agents. One of its elements was office rebranding carried out in mid-2015, as a result of which all the agents now operate under a common brand of CA Express.

The bank's CF products are distributed by means of business partners who act as credit intermediaries. They offer banking products in their stationary shops and stores, in the direct sale model and via the Internet.

In 2015, the CF activities focused on the following:

- offer simplification;
- launch of a new and innovative electronic way of signing loan agreements to finance the purchases of goods/services using the so-called quick signature, and
- implementation of an innovative CRM tool, which supports the bank's cooperation with partners.

Electronic Distribution Channels

CA24

CA24 is an electronic access channels for the bank's customers, which allows direct access to reliable information and professional banking service. CA24 comprises:

- Internet service;
- text message service;
- phone and e-mail services.

For selected services, support in English and French is also offered.



Internet and Text Service

Last year brought increased customers' interest in online banking services. At the end of the year, the number of accounts with access to the transaction system over the Internet amounted to 640,000. The number of active electronic banking users went up by 50,000 when compared to the end of 2014 and amounted to 350,000.

The bank's customers were also active users of online payment services. The number of such transactions rose by almost 28 per cent compared to the previous year, and the value of transactions by 32 per cent.

In 2015, the number of text messages (SMS) sent to customers by the bank as part of the account service increased considerably. As many as 29 million text messages were sent, which is an increase by 50 per cent compared to the 2014 figure.

At the end of April 2016, the bank also launched the CA24 Mobile banking service.

Contact Centre

The Contact Centre provides individual and business customers with information about the bank's products and services, sells products and ensures after-sales support.

In 2015, the Contact Centre handled 8.6 million calls, including 5.7 million outgoing calls (mainly phone marketing sales campaigns) and 2.9 million incoming calls related to transactions, as well as product and service support via phone. Over 54,000 replies to e-mail enquiries were sent.

The key achievements of the Contact Centre in 2015 include:

- 20 per cent of share in the total sales of cash loans;
- 2nd place in the market study by ARC Rynek i Opinia Research Institute concerning the quality of customer service in contacts by phone and by e-mail;
- a rise by 50 per cent in the sale of personal accounts in comparison to the previous year.

Human Resources Management

At the end of 2015, the total employment in Credit Agricole Bank Polska amounted to 5,259 FTEs, which means a drop by 2.88 per cent compared to 2014. The average age of employees was 33, and over 74 per cent of them had university-level education.

74 per cent of the employees are women. On average, the managerial staff accounted for 16 of all employees, including 67 percent of women.

The bank invariably invests in the development of its human resources. Last year, 451 branch managers and advisers participated in the 'Support at the Start' Onboarding Programme for the newly hired sales network employees. The bank also ran 2 competence development programmes for the advisers and managers. 140 sales network employees took part in 6 training sessions.

The bank also continued its training programmes addressed to specialists and managers. They included a series of 'Fair Play' workshops concerning prevention of mobbing and discriminatory activities as well as the 'CEL' (TARGET) programme which supports the development of competences related to cooperation, leadership, management efficiency as well as personal efficiency.



Since 2014, the bank has supported the employee mobility policy. It implemented measures to facilitate the development and professional mobility within the CA Group in Poland. As a result, the Group employees obtained a wider access to the internal labour market and an opportunity to take part in recruitment on special terms.

Through this form of recruitment in 2015, as part of internal mobility, as many as 16% of the bank's head office employees and 27% of the sales network changed their place of work.

Corporate Social Responsibility (CSR)

In Credit Agricole Bank Polska, corporate social responsibility (CSR) is understood in accordance with standard ISO26000 as the process of taking transparent and ethical decisions and actions that contribute to the sustainable development, health and prosperity of the society. These actions take into consideration specific expectations of various stakeholders and comply with the law as well as international codes of ethics.

The basis for the CSR activities at the bank is provided by its 4 core values: reliability, availability, professionalism and friendliness, as well as the Code of Ethics of Credit Agricole Bank Polska, the Charter of Ethics of Crédit Agricole, the FIDES programme that is common for all Credit Agricole Group companies in Poland, the Banking Code of Ethics (Principles of Good Banking Practices) of the Polish Bank Association as well as the Canon of Good Practices of the Polish Financial Supervision Authority.

In order to stress the significance of CSR activities and to set a course for them, the first quarter of 2015 saw commencement of work at the bank on the CSR policy and strategy. They were implemented in early 2016.

By pursuing activities responsible towards the society and by observing ethical standards, the bank wishes to build social confidence and reinforce its reliability. It also wants to encourage the stakeholders to live an environmentally friendly lifestyle.

For many years, the bank has been actively involved in various sponsoring and charity initiatives as well as in sector-specific events. At the same time, it promotes committed and environmentally friendly attitudes among its employees.

Society-Oriented Activities

Since the bank is part of the French Crédit Agricole Group, it willingly participates in the promotion of French culture in Poland. It sponsors the Francophonic Days organised by the Alliance Française centre. In March 2015, the bank sponsored a concert of the Senegalese duo Pako & Mamadou. Additionally, the bank traditionally co-financed the celebration of France's National Holiday on 14 July organised by the honorary consul of France in Wrocław as well as the activities of the following associations: 'Ma France à Wrocław' and 'International Friends of Wrocław'.

Following the recommendations of the National Bank of Poland and the Polish Financial Supervision Authority, the bank promotes and supports financial and economic education. In 2015, we continued our own social educational campaign entitled 'Bank with class. All you need to know about banking' addressed to early primary school children. The project is based on the conviction that teaching children respect for money, money management, money saving skills and willingness to save will facilitate their better start into adult life. So far, the campaign attracted



the interest of almost 90 employees – volunteers, who gave classes to over 3,000 pupils in approx. 60 primary schools all over Poland. In school year 2014/2015, classes for over 1,400 children were given by 35 volunteers.

The bank continued cooperation under partnership agreements with Wrocław University of Economics (signed in 2010) and Wrocław University of Environmental and Life Sciences (signed in 2013). The main objective of these activities is the reinforcement of cooperation between the business and the university circles as well as mutual benefits from the joint initiatives. In 2015, the bank additionally co-financed the reconstruction of a lecture room at the University of Economics as well as supported the organisation of a charity concert at the University of Environmental and Life Studies. Furthermore, the bank's philanthropic activities in 2015 comprised financial support given to the Association of Children's Friends, the 'Care and Attention' Foundation as well as the 'Help for the Children with Cancer' Foundation.

The bank was also involved in the life of its community and supported local initiatives. These are the objectives of the employee volunteering programme 'I Act cause I Like It', where the grant programme is one of the elements. This is an initiative, under which employees may obtain financial support for implementation of volunteering projects. A record number of 31 projects qualified for the 4th edition of the grant programme in 2015. The bank will provide co-financing to 16 of them.

The support of local non-governmental organisations by providing them with the knowledge was the objective of the action consisting in participation of volunteering employees of the bank in the Social Leader Development Academy organised by the Responsible Business Laboratory and the Municipal Volunteering Days initiated by the Municipal

Volunteering Centre in Wrocław. Owing to the training conducted by the bank employees, the local activists were able to develop soft skills, i.e. such skills that concentrate on people's behaviour, attitudes and ways of life and concern mainly self-management, motivation and interpersonal skills.

In 2015, the bank became engaged in numerous pro-social initiatives of its employees. One of them was the 'Positively Twisted Bank' action, in which the bank employees collected plastic caps. The income from the sale was transferred to the account of the Foundation 'Potrafię pomóc' ('I Can Help') working for the benefit of disabled children with developmental defects. For the tenth time, the bank employees were involved in the 'Noble Pack' action organised by the SPRING Association based in Krakow. The purpose of this initiative was to prepare and distribute parcels for the poorest Polish families. Last year, the employees and Management Board members helped 25 families.

6 of the bank's initiative were rewarded by the Responsible Business Forum in its report entitled 'Responsible Business in Poland 2014. Good Practices'.

They included: Code of Cooperation, Responsible Purchasing Policy, Training for employees concerning first aid and installation of defibrillators, Employee volunteering during the Christmas Food Collection, 'Bank with Class' and Partnership cooperation with Wrocław University of Economics.

Following the philosophy of a universal bank close to its customers, in 2015 the bank became involved in numerous sector-specific events. It was, among other things, a partner in: 13 Milk Cooperative Forum (one of the biggest milk sector events); Country Risk Conference (a meeting



dedicated, among others, to: risks in commercial transactions all over the world); Polish Food Export Forum (a conference presenting export trends, prospective markets for the food industry). The bank also supported the 'Breeder of the Year' contest as well as organisation of VAT workshops for farmers organised by the leading agribusiness sector magazine – TopAgrar.

Natural Environment-Related Activities

In 2015, the bank became involved in numerous initiatives whose overall objective was related to environmental protection. While pursuing such projects, the bank promotes ecologically friendly attitudes among its employees.

One of the bank's environmental protection-related activities consisting in a training course on ecological car driving. The bank's intention was to show that skilful and ecological driving allows one to reduce fuel consumption, emissions of greenhouse gases and the number of road accidents, which translates into considerable savings and is environmentally friendly. The objective of the training was to improve safety but also to boost the eco driving awareness. The eco-driving course was attended by 440 employees who are, at the same time, users of the bank's company cars. During the training, they learnt, among other things, the 10 golden rules of eco-driving, which include: 'Change to higher gear as soon as it is possible!', 'Do not change the gear into idle when approaching an intersection!' or 'Regularly check tyre pressure!'. They also learnt that eco-driving is also a way of car management using the technology of modern engines as well as smooth and safe driving with the right rpm. This knowledge may come in handy not only during business trips but also in everyday life.

Following the principles of sustainable development and corporate social responsibility and taking into account the environmental impact, the bank reduced the use of energy in its head office in Wrocław by 30 per cent as compared to previous years. Another example of the promotion of eco-friendly attitudes by the bank is the replacement of traditional lighting systems in part of the bank branches with LED light bulbs. In this way the electric energy consumption goes down.

Continuing the efforts undertaken in mid-2014 concerning the segregation of documents to be shredded, the bank joined the 'Ekoaktywni.com' action (Eco-Active) organised by Rhenus Data Office Polska Sp. z o.o. This project consists in the collection of points to be further used in actions supporting bird protection. At the same time, owing to its participation in the 'Ekoaktywni.com' action, the bank also supported the activities of the SYNAPSIS Foundation helping people suffering from autism.

In relation with high involvement in the action (in mid-year, the efficiency of segregation of documents to be destroyed amounted to 99 per cent), the bank received the Bronze Hoopoe Award.

The bank's activities promoting the environmentally friendly attitudes also comprised the bank's involvement in the European Mobility Week, the purpose of which is to promote alternative and environmentally friendly means of transport, i.e. using the public transport, going by bicycles and on foot.

Additionally, the bank tries to limit the number of business trips in favour of video conferences or conference calls. Their organisation is much facilitated owing to the better equipment in the bank's conference rooms. Starting from the third quarter of 2015, the bank also operates the GO! platform, which is used to register the business trips. Owing to that platform, the employees may take advantage of car pooling. This platform has already been used by almost 8,000 employees.





Letter from the Presidents

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OPINION OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL INFORMATION TO THE SHAREHOLDERS OF CREDIT AGRICOLE POLSKA S.A.

The summary financial information presented on the following pages of the Annual Report of Credit Agricole Bank Polska S.A., which comprises the statement of financial position as at 31 December 2015, the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Credit Agricole Polska S.A. Group ('the Group'), pl. Orłąt Lwowskich 1, Wrocław, for the year ended 31 December 2015, prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

We have audited the consolidated financial statements of the Group, from which the summary financial information was derived, in accordance with the chapter 7 of the Accounting Act of 29 September 1994 (uniform text, Journal of Laws of 2013, item 330 as amended) and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Audit and Assurance. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 30 March 2016. Those financial statements, and the summary financial information, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial information does not contain all the disclosures required by International Financial Reporting Standards as adopted by European Union. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Credit Agricole Polska S.A. Group.

Management's responsibility for the summary financial information

Management is responsible for the preparation of a summary financial information in the extent described above for the purpose of their presentation in the Annual Report.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial information based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, 'Engagements to Report on Summary Financial Statements'.

Opinion

In our opinion, the summary financial information derived from the audited consolidated financial statements of Credit Agricole Polska S.A. Group for the year ended 31 December 2015 in the extent described above for the purpose of their presentation in the Annual Report is consistent, in all material respects, with those financial statements.

Person signing the report and conducting the audit of the financial statements of the Group on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:



Anna Bączyk
Key Registered Auditor
No. 11810

Warsaw, 30 March 2016

Translation note:

This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

CONSOLIDATED INCOME STATEMENT

for the year ended on 31 December 2015 (in PLN thousands)

| | 2015 | 2014 |
|--|------------------|------------------|
| Interest income | 1,394,581 | 1,494,181 |
| Interest expense | (302,992) | (331,085) |
| Net interest income | 1,091,589 | 1,163,096 |
| Fee and commission income | 371,848 | 333,167 |
| Fee and commission expense | (135,194) | (121,045) |
| Net fee and commission income | 236,654 | 212,122 |
| Dividend income | 1,880 | 2,160 |
| Net result on trading activity | 6,672 | 2,843 |
| Net result on foreign exchange positions | 21,262 | 20,112 |
| Net result on derivatives used as hedging instruments and hedged items | (347) | 976 |
| Other operating income | 30,934 | 30,894 |
| Other operating expenses | (37,767) | (26,433) |
| Other net operating income and expense | (6,833) | 4,461 |
| Net impairment losses on loans and credits and provisions for off-balance sheet liabilities | (226,514) | (185,488) |
| General administrative expenses | (954,026) | (932,265) |
| Net operating income | 170,337 | 288,017 |
| Profit before tax | 170,337 | 288,017 |
| Income tax expense | (58,780) | (86,121) |
| Net profit (including non-controlling interests) | 111,557 | 201,896 |
| Net profit attributable to non-controlling interests | 0 | 0 |
| Net profit attributable to owners of the parent | 111,557 | 201,896 |
| Net profit attributable to owners of the parent from continuing operations | 111,557 | 201,896 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended on 31 December 2015 (in PLN thousands)

| | 2015 | 2014 |
|--|----------------|----------------|
| Net profit of the financial year | 111,557 | 201,896 |
| Items that will not be reclassified to the financial result | (4) | 79 |
| Revaluation of actuarial gains/losses | (5) | 97 |
| Deferred tax on actuarial gains/losses | 1 | (18) |
| Items that may be reclassified to the financial result at a later stage | 42,407 | 10,768 |
| Measurement of available-for-sale financial assets | 56,542 | 703 |
| Deferred tax on the measurement of available-for-sale financial assets | (10,743) | (133) |
| Measurement of cash flow hedging instruments | (4,187) | 12,776 |
| Deferred tax on the measurement of cash flow hedging instruments | 795 | (2,579) |
| Total other comprehensive income | 42,403 | 10,846 |
| Comprehensive income of the current period | 153,960 | 212,742 |
| Attributable to: | | |
| Owners of the parent | 153,960 | 212,742 |
| Non-controlling interests | 0 | 0 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015 (in PLN thousands)

| | 31.12.2015 | 31.12.2014 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash, due from the Central Bank | 1,228,263 | 1,036,196 |
| Due from banks | 250,379 | 679,642 |
| Financial assets at fair value through profit or loss | 0 | 289,210 |
| Valuation of derivatives | 124,057 | 264,805 |
| - including derivatives used as hedging instruments | 20,289 | 29,457 |
| Loans and advances to customers | 13,954,307 | 13,329,196 |
| Available-for-sale investment securities | 3,528,343 | 2,205,929 |
| Investments in associates | 2,000 | 2,000 |
| Intangible assets | 56,538 | 50,262 |
| Tangible fixed assets | 138,355 | 141,697 |
| Assets classified as held for sale | 612 | 0 |
| Current tax assets | 31,092 | 1,790 |
| Deferred tax asset | 294,546 | 335,170 |
| Other assets | 200,499 | 198,237 |
| TOTAL ASSETS | 19,808,991 | 18,534,134 |
| LIABILITIES | | |
| Due to banks | 1,695,412 | 1,841,342 |
| Valuation of derivatives | 99,703 | 355,360 |
| - including derivatives used as hedging instruments | 1,527 | 287 |
| Due to customers | 14,343,572 | 12,762,180 |
| Debt securities issued | 736,071 | 735,933 |
| Current tax liabilities | 1,849 | 124,276 |
| Deferred tax liabilities | 470 | 298 |
| Provisions | 20,193 | 22,829 |
| Other liabilities | 337,488 | 273,283 |
| Subordinated liabilities | 568,107 | 566,381 |
| TOTAL LIABILITIES | 17,802,865 | 16,681,882 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 582 | 582 |
| Supplementary capital | 543,861 | 543,861 |
| Revaluation reserve | 19,836 | (22,571) |
| Reserve capital | 705,300 | 705,304 |
| Retained profit | 736,547 | 625,076 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | 2,006,126 | 1,852,252 |
| TOTAL EQUITY | 2,006,126 | 1,852,252 |
| TOTAL LIABILITIES AND EQUITY | 19,808,991 | 18,534,134 |

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

for the year ended on 31 December 2015 (in PLN thousands)

| | Parent company shareholding | | | | | TOTAL EQUITY |
|---|-----------------------------|-----------------------|---------------------|-----------------|-----------------|------------------|
| | Share capital | Supplementary capital | Revaluation reserve | Reserve capital | Retained profit | |
| Equity at the beginning of the period - as at 01.01.2015 | 582 | 543,861 | (22,571) | 705,304 | 625,076 | 1,852,252 |
| Valuation of available-for-sale financial assets | 0 | 0 | 56,542 | 0 | 0 | 56,542 |
| Valuation of cash flow hedging instruments | 0 | 0 | (4,187) | 0 | 0 | (4,187) |
| Actuarial income | 0 | 0 | 0 | (5) | 0 | (5) |
| Deferred tax on items recognised in equity | 0 | 0 | (9,948) | 1 | 0 | (9,947) |
| Total other comprehensive income | 0 | 0 | 42,407 | (4) | 0 | 42,403 |
| Net result of the current year | 0 | 0 | 0 | 0 | 111,557 | 111,557 |
| Total comprehensive income for the current period | 0 | 0 | 42,407 | (4) | 111,557 | 153,960 |
| Other | 0 | 0 | 0 | 0 | (86) | (86) |
| Equity at the end of the period - as at 31.12.2015 | 582 | 543,861 | 19,836 | 705,300 | 736,547 | 2,006,126 |

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

for the year ended on 31 December 2014 (in PLN thousands)

| | Parent company shareholding | | | | | | TOTAL EQUITY |
|---|-----------------------------|-----------------------|---------------------|-----------------|-----------------|------------------------|------------------|
| | Share capital | Supplementary capital | Revaluation reserve | Reserve capital | Retained profit | Non-controlling shares | |
| Equity at the beginning of the period - as at 01.01.2014 | 573 | 535,876 | (33,210) | 705,225 | 421,565 | 9,589 | 1,639,618 |
| Valuation of available-for-sale financial assets | 0 | 0 | 703 | 0 | 0 | 0 | 703 |
| Valuation of cash flow hedging instruments | 0 | 0 | 12,776 | 0 | 0 | 0 | 12,776 |
| Actuarial income | 0 | 0 | 0 | 97 | 0 | 0 | 97 |
| Deferred tax on items recognised in equity | 0 | 0 | (2,712) | (18) | 0 | 0 | (2,730) |
| Total other comprehensive income | 0 | 0 | 10,767 | 79 | 0 | 0 | 10,846 |
| Net result of the current year | 0 | 0 | 0 | 0 | 201,896 | 0 | 201,896 |
| Total comprehensive income for the current period | 0 | 0 | 10,767 | 79 | 201,896 | 0 | 212,742 |
| Share issue | 9 | 7,985 | 0 | 0 | 1,615 | (9,609) | 0 |
| Sale of a banking enterprise | 0 | 0 | (128) | 0 | 0 | 20 | (108) |
| Equity at the end of the period - as at 31.12.2014 | 582 | 543,861 | (22,571) | 705,304 | 625,076 | 0 | 1,852,252 |

CONSOLIDATED CASH FLOW STATEMENT

for the year ended on 31 December 2015 (in PLN thousands)

| | 2015 | 2014 |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| I. Profit before tax | 170,337 | 288,017 |
| II. Total adjustments | 924,078 | (389,851) |
| 1. Depreciation and amortisation | 58,413 | 61,618 |
| 2. Dividend income | (1,880) | (2,160) |
| 3. Change in provisions | (2, 636) | 709 |
| 4. Change in financial assets at fair value through profit or loss | 289,210 | (191,492) |
| 5. Change in amounts due from banks | (28,064) | 9,021 |
| 6. Change in amounts due from customers | (625,111) | (1,531,486) |
| 7. Change in other assets | (2,263) | (63,177) |
| 8. Change in amounts due to banks | (145,930) | (465,251) |
| 9. Change in amounts due to customers | 1,581,392 | 1,679,237 |
| 10. Change in other liabilities | 65,002 | (3,599) |
| 11. Change in value of derivative financial instruments | (114,909) | 109,921 |
| 12. Paid income tax | (181,450) | (49,007) |
| 13. Other adjustments | 32,304 | 55,815 |
| III. Net cash flows from operating activities | 1,094,415 | (101,834) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | |
| I. Inflows | 107,411 | 23,855 |
| 1. Disposal of shares or participations, other securities and other financial assets | 80,000 | 16,500 |
| - including debt securities of the State Treasury and the National Bank of Poland | 80,000 | 16,500 |
| 2. Disposal of intangible and tangible fixed assets | 25,531 | 5,195 |
| 3. Dividend income | 1,880 | 2,160 |
| II. Outflows | (328,231) | (103,817) |
| 1. Acquisition of shares or participations, other securities and other financial assets | (236,753) | (30,401) |
| - including debt securities of the State Treasury and the National Bank of Poland | (236,753) | (30,401) |
| 2. Acquisition of intangible and tangible fixed assets | (91,478) | (73,416) |
| III. Net cash flows from investing activities | (220,820) | (79,962) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | |
| I. Inflows | 0 | 874,800 |
| 1. Issue of debt securities | 0 | 484,800 |
| 2. Subordinated liabilities | 0 | 390,000 |
| II. Outflows | (29,504) | (12,424) |
| 1. Payments of liabilities under financial lease | (797) | (1,518) |
| 2. Interest on subordinated debt liabilities | (28,707) | (10,906) |
| III. Net cash flows from financing activities | (29,504) | 862,376 |
| TOTAL NET CASH FLOWS | 844,091 | 680,580 |
| BALANCE SHEET CHANGE IN CASH | 844,091 | 680,580 |
| CASH AT THE BEGINNING OF THE PERIOD | 3,804,326 | 3,123,746 |
| CASH AT THE END OF THE PERIOD | 4,648,417 | 3,804,326 |

OPINION OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL INFORMATION TO THE SHAREHOLDERS OF CREDIT AGRICOLE BANK POLSKA S.A.

The summary financial information presented on the following pages of the Annual Report of Credit Agricole Bank Polska S.A., which comprises the statement of financial position as at 31 December 2015, the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Credit Agricole Bank Polska S.A., pl. Orląt Lwowskich 1, Wrocław, ('the Bank') for the year ended 31 December 2015, prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

We have audited the financial statements of the Bank, from which the summary financial information was derived, in accordance with the chapter 7 of the Accounting Act of 29 September 1994 (uniform text, Journal of Laws of 2013, item 330 as amended) and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Audit and Assurance. We expressed an unmodified audit opinion on those financial statements in our report dated 30 March 2016. Those financial statements, and the summary financial information, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial information does not contain all the disclosures required by International Financial Reporting Standards as adopted by European Union. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Credit Agricole Bank Polska S.A.

Management's responsibility for the summary financial information

Management is responsible for the preparation of a summary financial information in the extent described above for the purpose of their presentation in the Annual Report.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial information based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, 'Engagements to Report on Summary Financial Statements'.

Opinion

In our opinion, the summary financial information derived from the audited financial statements of Credit Agricole Bank Polska S.A. for the year ended 31 December 2015 in the extent described above for the purpose of their presentation in the Annual Report is consistent, in all material respects, with those financial statements.

Person signing the report and conducting the audit of the financial statements of the Bank on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:



Anna Bączyk
Key Registered Auditor
No. 11810

Warsaw, 30 March 2016

Translation note:

This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INCOME STATEMENT

for the year ended on 31 December 2015 (in PLN thousands)

| | 2015 | 2014 |
|--|------------------|------------------|
| Interest income | 1,366,736 | 1,475,323 |
| Interest expense | (305,470) | (323,874) |
| Net interest income | 1,061,266 | 1,151,449 |
| Fee and commission income | 347,959 | 326,455 |
| Fee and commission expense | (125,304) | (120,882) |
| Net fee and commission income | 222,655 | 205,573 |
| Dividend income | 14,960 | 2,958 |
| Net result on trading activities | 6,672 | 2,843 |
| Net result on foreign exchange positions | 21,248 | 20,075 |
| Net result on derivatives used as hedging instruments and hedged items | (347) | 976 |
| Other operating income | 30,821 | 31,341 |
| Other operating expense | (38,108) | (28,566) |
| Other net operating income and expense | (7,287) | 2,775 |
| Net impairment losses on loans and credits and provisions for off-balance sheet liabilities | (229,133) | (181,086) |
| General administrative expenses | (950,375) | (929,340) |
| Net operating income | 139,659 | 276,223 |
| Profit before tax | 139,659 | 276,223 |
| Income tax expense | (48,031) | (81,056) |
| Net profit | 91,628 | 195,167 |

STATEMENT OF COMPREHENSIVE INCOME

for the year ended on 31 December 2015 (in PLN thousands)

| | 2015 | 2014 |
|--|----------------|----------------|
| Net profit of the financial year | 91,628 | 195,167 |
| Items that will not be reclassified to the financial result | (4) | 73 |
| Revaluation of actuarial gains/losses | (5) | 90 |
| Deferred tax on actuarial gains/losses | 1 | (17) |
| Items that may be reclassified to the financial result at a later stage | 42,408 | 10,766 |
| Measurement of available-for-sale financial assets | 56,542 | 703 |
| Deferred tax on the measurement of available-for-sale financial assets | (10,743) | (133) |
| Measurement of cash flow hedging instruments | (4,186) | 12,588 |
| Deferred tax on the measurement of cash flow hedging instruments | 795 | (2,392) |
| Total other comprehensive income | 42,404 | 10,839 |
| Comprehensive income of the current period | 134,032 | 206,006 |

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015 (in PLN thousands)

| | 31.12.2015 | 31.12.2014 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash, due from the Central Bank | 1,228,263 | 1,036,196 |
| Due from banks | 250,379 | 679,642 |
| Financial assets at fair value through profit or loss | 0 | 289,210 |
| Valuation of derivatives | 124,057 | 264,805 |
| - including derivatives used as hedging instruments | 20,289 | 29,456 |
| Loans and advances to customers | 14,005,530 | 13,252,985 |
| Available-for-sale investment securities | 3,528,343 | 2,205,929 |
| Investments in subsidiaries | 50 | 50 |
| Investments in associates | 2,000 | 2,000 |
| Intangible assets | 62,259 | 55,971 |
| Tangible fixed assets | 143,956 | 147,625 |
| Assets classified as held for sale | 612 | 0 |
| Current tax assets | 31,092 | 0 |
| Deferred tax asset | 285,380 | 333,344 |
| Other assets | 177,517 | 196,036 |
| TOTAL ASSETS | 19,839,438 | 18,463,793 |
| LIABILITIES | | |
| Due to banks | 1,247,932 | 1,327,163 |
| Valuation of derivatives | 99,703 | 355,360 |
| - including derivatives used as hedging instruments | 1,527 | 287 |
| Due to customers | 14,403,742 | 12,801,928 |
| Debt securities issued | 736,071 | 735,933 |
| Current tax liabilities | 0 | 124,246 |
| Provisions | 15,194 | 22,820 |
| Other liabilities | 335,317 | 265,834 |
| Subordinated liabilities | 923,942 | 887,004 |
| TOTAL LIABILITIES | 17,761,901 | 16,520,288 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 649,000 | 649,000 |
| Supplementary capital | 220,435 | 220,435 |
| Revaluation reserve | 20,107 | (22,301) |
| Reserve capital | 1,096,367 | 901,204 |
| Retained profit | 91,628 | 195,167 |
| TOTAL EQUITY | 2,077,537 | 1,943,505 |
| TOTAL LIABILITIES AND EQUITY | 19,839,438 | 18,463,793 |

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

for the year ended on 31 December 2015 (in PLN thousands)

| | Share capital | Supplementary capital | Revaluation reserve | Reserve capital | Retained profit | TOTAL EQUITY |
|---|----------------|-----------------------|---------------------|------------------|-----------------|------------------|
| Equity at the beginning of the period – as at 01/01/2015 | 649,000 | 220,435 | (22,301) | 901,204 | 195,167 | 1,943,505 |
| Valuation of available-for-sale financial assets | 0 | 0 | 56,542 | 0 | 0 | 56,542 |
| Valuation of cash flow hedging instruments | 0 | 0 | (4,186) | 0 | 0 | (4,186) |
| Actuarial income | 0 | 0 | 0 | (5) | 0 | (5) |
| Deferred tax on items recognised in equity | 0 | 0 | (9,948) | 1 | 0 | (9,947) |
| Total other comprehensive income | 0 | 0 | 42,408 | (4) | 0 | 42,404 |
| Net result of the current year | 0 | 0 | 0 | 0 | 91,628 | 91,628 |
| Total comprehensive income for the current period | 0 | 0 | 42,408 | (4) | 91,628 | 134,032 |
| Appropriation from retained profit | 0 | 0 | 0 | 195,167 | (195,167) | 0 |
| Equity at the end of the period – as at 31/12/2015 | 649,000 | 220,435 | 20,107 | 1,096,367 | 91,628 | 2,077,537 |

for the year ended on 31 December 2014 (in PLN thousands)

| | Share capital | Supplementary capital | Revaluation reserve | Reserve capital | Retained profit | TOTAL EQUITY |
|---|----------------|-----------------------|---------------------|-----------------|-----------------|------------------|
| Equity at the beginning of the period – as at 01/01/2014 | 649,000 | 205,624 | (33,067) | 730,809 | 185,133 | 1,737,499 |
| Valuation of available-for-sale financial assets | 0 | 0 | 703 | 0 | 0 | 703 |
| Valuation of cash flow hedging instruments | 0 | 0 | 12,588 | 0 | 0 | 12,588 |
| Actuarial income | 0 | 0 | 0 | 90 | 0 | 90 |
| Deferred tax on items recognised in equity | 0 | 0 | (2,525) | (17) | 0 | (2,542) |
| Total other comprehensive income | 0 | 0 | 10,766 | 73 | 0 | 10,839 |
| Net result of the current year | 0 | 0 | 0 | 0 | 195,167 | 195,167 |
| Total comprehensive income for the current period | 0 | 0 | 10,766 | 73 | 195,167 | 206,006 |
| Appropriation from retained profit | 0 | 14,811 | 0 | 170,322 | (185,133) | 0 |
| Equity at the end of the period – as at 31/12/2014 | 649,000 | 220,435 | (22,301) | 901,204 | 195,167 | 1,943,505 |

CASH FLOW STATEMENT

for the year ended on 31 December 2015 (in PLN thousands)

| | 2015 | 2014 |
|---|------------------|------------------|
| NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES | | |
| I. Profit before tax | 139,659 | 276,223 |
| II. Total adjustments by: | 967,835 | (365,229) |
| 1. Depreciation and amortisation | 58,722 | 61,790 |
| 2. Dividend income | (14,960) | (2,958) |
| 3. Profit/loss from investment activity | 4,600 | 0 |
| 4. Change in provisions | (7,626) | 706 |
| 5. Change in financial assets at fair value through profit or loss | 289,210 | (191,492) |
| 6. Change in amounts due from banks | (28,066) | 9,021 |
| 7. Change in amounts due from customers | (752,545) | (1,859,811) |
| 8. Change in amounts due to banks | (79,231) | (125,734) |
| 9. Change in amounts due to customers | 1,601,814 | 1,642,773 |
| 10. Change in other liabilities | 70,280 | 18,280 |
| 11. Change in the valuation of financial derivatives | (114,909) | 109,921 |
| 12. Change in other assets | 18,519 | (66,504) |
| 13. Paid income tax | (165,352) | (45,358) |
| 14. Other adjustments | 87,379 | 84,137 |
| III. Net cash flows from operating activities | 1,107,494 | (89,006) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | |
| I. Inflows | 102,064 | 19,991 |
| 1. Disposal of shares or participations, other securities and other financial assets | 80,000 | 16,500 |
| - including debt securities of the State Treasury and the National Bank of Poland | 80,000 | 16,500 |
| 2. Disposal of intangible and tangible fixed assets | 7,104 | 533 |
| 3. Interest income | 0 | 0 |
| 4. Dividend income | 14,960 | 2,958 |
| II. Outflows | (328,230) | (103,801) |
| 1. Acquisition of shares or participations, other securities and other financial assets | (236,754) | (30,401) |
| - including debt securities of the State Treasury and the National Bank of Poland | (236,754) | (30,401) |
| 2. Acquisition of intangible and tangible fixed assets | (91,476) | (73,400) |
| III. Net cash flows from investing activities | (226,166) | (83,810) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | |
| I. Inflows | 0 | 874,800 |
| 1. Issue of debt securities | 0 | 484,800 |
| 2. Subordinated debt | 0 | 390,000 |
| II. Outflows | (37,237) | (21,404) |
| 1. Financial lease liabilities | (797) | (1,518) |
| 2. Interest on subordinated liabilities | (36,440) | (19,886) |
| III. Net cash flows from financing activities | (37,237) | 853,396 |
| TOTAL NET CASH FLOWS | 844,091 | 680,580 |
| BALANCE SHEET CHANGE IN CASH | 844,091 | 680,580 |
| CASH AT THE BEGINNING OF THE PERIOD | 3,804,326 | 3,123,746 |
| CASH AT THE END OF THE PERIOD | 4,648,417 | 3,804,326 |



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