

Annex No. 16

approved on the basis of the Polish Financial Supervision Authority (KNF) decision on April 7, 2016, to the Issue Prospectus of the Basic Program of Mortgage Bonds for bearer with a total nominal value of PLN 2,000,000,000

Pekao Bank Hipoteczny S.A. approved by the Polish Financial Supervision Authority on 24 August 2010.

In connection with the audit of the Issuer's financial statements for 2015 and issuing relevant opinions without reservations on the audit of these statements by Deloitte Polska Sp. z o.o. Sp.k. and its approval by the General Meeting of Shareholders on 4 April 2016, the following amendments to the Issue Prospectus are made:

Prospectus

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II Conclusion

2. Financial information

Tables with comments have been supplemented with data as of the end of 2015.

In view of the above, point 2 Financial information, is amended as follows:

The following financial data have been compiled based on the audited financial statements prepared in accordance with IFRS for the financial year ended 31 December 2009, which include comparable data for the financial year ended 31 December 2008. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2010 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2011 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2012 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

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The financial data for the financial year ended 31 December 2014 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2015 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

Table 8 Selected financial data of the Issuer (in PLN thousand)

| | 31.12.2015* | 31.12.2014* | 31.12.2013* | 31.12.2012* | 31.12.2011* |
|---|------------------|------------------|------------------|------------------|------------------|
| ASSETS | | | | | |
| Cash and funds at the Central Bank | 1 | 1 | 0 | 10 | 9 |
| Receivables from banks | 24,975 | 16,166 | 44,699 | 87,077 | 29,350 |
| Financial assets at fair value through profit or loss | 1,177 | 202 | 2,898 | 8,705 | 28 |
| Derivative hedging instruments | 4,255 | 4,438 | 0 | 0 | 0 |
| Loans and advances granted to customers | 2,063,525 | 1,747,197 | 1,628,879 | 1,664,272 | 1,806,997 |
| Other financial assets | 88,940 | 53,663 | 67,858 | 69,852 | 136,662 |
| Tangible fixed assets | 492 | 447 | 493 | 907 | 1,353 |
| Intangible assets | 30 | 49 | 5 | 167 | 361 |
| Other assets, including: | 4,501 | 5,619 | 8,033 | 10,315 | 11,912 |
| - receivables due to current income tax | 605 | 64 | 1,108 | 997 | 681 |
| - assets due to deferred income tax | 2,134 | 3,662 | 5,210 | 7,745 | 9,731 |
| Total assets | 2,187,896 | 1,827,782 | 1,752,865 | 1,841,305 | 1,986,672 |

* Source: Financial statement of the Issuer

| | 31.12.2010* | 31.03.2010** | 31.12.2009* | 31.12.2008* |
|---|------------------|------------------|------------------|------------------|
| ASSETS | | | | |
| Cash, funds at the Central Bank | 353 | 5,466 | 7,107 | 126 |
| Deposits in other banks and loans and advances granted to other banks | 29,101 | 879 | 3,849 | 6,552 |
| Financial assets at fair value through profit or loss | 455 | 2,913 | 2,973 | 2,617 |
| Derivative hedging instruments | 0 | 200 | 212 | 135 |
| Loans and advances granted to customers | 1,805,431 | 1,691,564 | 1,726,410 | 1,810,297 |
| Other financial assets | 92,493 | 81,942 | 82,183 | 75,446 |
| Assets held for sale | 1,492 | 0 | 0 | 4,795 |
| Tangible fixed assets | 179 | 1,732 | 1,517 | 606 |
| Intangible assets | 11,957 | 321 | 374 | 209 |
| Other assets | 1,128 | 12,341 | 11,366 | 14,650 |
| including deferred tax assets | 9,484 | 10,374 | 9,718 | 11,498 |
| Total assets | 1,941,461 | 1,797,358 | 1,835,991 | 1,915,433 |

* Source: Financial statement of the Issuer

** Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

Table 9 Selected financial data of the Issuer (in PLN thousand)

| | 31.12.2015* | 31.12.2014* | 31.12.2013* | 31.12.2012* | 31.12.2011* |
|--|------------------|------------------|------------------|------------------|------------------|
| CAPITAL AND LIABILITIES | | | | | |
| Liabilities due to banks | 514,336 | 382,960 | 447,799 | 625,914 | 772,803 |
| Financial liabilities at fair value through profit or loss | 362 | 1,345 | 5 | 513 | 455 |
| Derivative hedging instruments | 47,010 | 14,829 | 1,723 | 0 | 95,997 |
| Liabilities due to customers | 10,574 | 11,436 | 29,006 | 18,482 | 24,262 |
| Liabilities due to issue of own securities | 1,293,036 | 1,101,955 | 960,071 | 894,158 | 807,811 |
| Reserves** | 571 | 470 | 452 | 762 | 820 |
| Other liabilities** | 10,282 | 8,227 | 6,615 | 5,669 | 4,692 |
| Total liabilities | 1,876,171 | 1,521,222 | 1,445,671 | 1,545,498 | 1,706,840 |
| | | | | | |
| Equity | | | | | |
| Share capital | 223,000 | 223,000 | 223,000 | 223,000 | 223,000 |
| Reserve capital | 59,313 | 49,266 | 48,247 | 32,572 | 15,298 |
| Supplementary capital | 23,322 | 23,322 | 23,322 | 23,322 | 23,322 |
| Revaluation reserve | 1,045 | 925 | -107 | 1,238 | 938 |
| Profit from previous years and current year | 5,045 | 10,047 | 12,732 | 15,675 | 17,274 |
| Total capital | 311,725 | 306,560 | 307,194 | 295,807 | 279,832 |
| | | | | | |
| Total capital and liabilities | 2,187,896 | 1,827,782 | 1,752,865 | 1,841,305 | 1,986,672 |

* Source: Financial statement of the Issuer

** - In 2014 The Bank made changes in the presentation of the financial statements for 2013; for 2013 the Bank transformed the above balance sheet items by presenting the reserve for unused holiday leaves under Other liabilities (so far included under Reserve). After the adjustment (+) of PLN 471 thousand and the value of balance sheet items under Other liabilities at the end of 2013 amounted to PLN 6,615 thousand. This change resulted in a similar change (with a - sign) in the item Provisions (after adjustment, the value of this item amounted to PLN 452 thousand).

| | 31.12.2010* | 31.03.2010** | 31.12.2009* | 31.12.2008* |
|--|------------------|------------------|------------------|------------------|
| CAPITAL AND LIABILITIES | | | | |
| Liabilities due to banks | 975,534 | 543,233 | 586,482 | 674,319 |
| Financial liabilities at fair value through profit or loss | 463 | 690 | 932 | 11,879 |
| Derivative hedging instruments | 55,885 | 18,601 | 23,061 | 23,759 |
| Liabilities due to customers | 19,248 | 12,211 | 11,962 | 12,546 |
| Liabilities due to issue of own securities | 604,564 | 924,852 | 922,244 | 925,791 |
| Reserves | 713 | 592 | 592 | 326 |
| Other liabilities | 4,714 | 4,295 | 3,451 | 5,098 |
| Total liabilities | 1,661,121 | 1,504,474 | 1,548,724 | 1,653,718 |
| | | | | |
| Equity | | | | |
| Share capital | 223,000 | 223,000 | 223,000 | 223,000 |
| Reserve capital | 13,900 | 11,744 | 11,744 | 10,246 |
| Supplementary capital | 23,322 | 23,322 | 23,322 | 6,100 |
| Revaluation reserve | 2,638 | 3,082 | 2,255 | 3,649 |
| Profit from previous years | 0 | 26,946 | 0 | 0 |
| Profit from current year | 17,480 | 4,790 | 26,946 | 18,720 |
| Total capital | 280,340 | 292,884 | 287,267 | 261,715 |
| | | | | |
| Total capital and liabilities | 1,941,461 | 1,797,358 | 1,835,991 | 1,915,433 |

* Source: Financial statement of the Issuer

** Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The Bank's balance sheet total at the end of the first quarter of 2010 amounted to PLN 1,797,358 thousand and was lower than at the end of 2009 by PLN 38,633 thousand.

Loans and advances granted to customers were the main item in the assets structure. Their share totaled 94.1% of assets as of March 31, 2010 and 94.0% of assets as of December 31, 2009.

As at the end of March 2010, the total credit portfolio of the Bank stood at PLN 1,803,102 Thousand, which meant no significant changes compared to the level from the end of 2009. As at the end of the first quarter of 2010 50% of loans and advances (gross amount) granted to customers concerned corporate clients, and the remaining 50% individual clients and the public sector.

In 2009, the total loan portfolio of the Bank in comparison to 2008 decreased from PLN 1,881,908 thousand to the level of PLN 1,812,805 thousand. The change results from a decrease in the portfolio due to a decrease in exchange rates and a low level of new loan launches. The main source of refinancing of the Bank's operating activities in 2009 were liabilities due to the issue of own securities in the amount of PLN 922,244 thousand and liabilities to banks in the amount of PLN 586,482 thousand.

The liabilities of the Bank are dominated by liabilities resulting from the issue of debt securities, which as of 31 March 2010 accounted for 51.5% of the total balance sheet total against 50.2% at the end of 2009. This item consists of issues of mortgage covered bonds. Liabilities due to mortgage covered bonds increased by PLN 2,608 thousand compared to the balance at the end of 2009. Another item of liabilities were liabilities to other banks with a 30.2% share in the balance sheet total as of March 31, 2010 and a 31.9% share in the balance sheet total as of December 31, 2009.

As at the end of 2010, the Bank's balance sheet total stood at PLN 1,941,461 thousand and was lower than at the end of 2009 by PLN 105,470 thousand.

Loans and advances granted to customers were the main item in the assets structure. Their share amounted to 93% of assets as at December 31, 2010.

As at the end of 2010, the total loan portfolio of the Bank stood at PLN 1,928,282 thousand, which meant an increase in the portfolio by PLN 115,477 thousand, compared to the level from the end of 2009. As of the end of 2010 50% of loans and advances (gross amount) granted to customers concerned corporate clients, and the remaining 50% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2010 were liabilities due to the banks in the amount of PLN 975,534 thousand and liabilities due to the issue of own securities in the amount of PLN 604,564 thousand.

The liabilities of the Bank are dominated by liabilities towards other banks with a 50.2% share in the balance sheet total as at December 31, 2010 and liabilities due to the issue of debt securities, which as at 31 December 2010 accounted for 31.1% of the total balance sheet total.

As at the end of 2011, the Bank's balance sheet total stood at PLN 1,986,672 thousand and was higher than at the end of 2010 by PLN 45,211 thousand.

Loans and advances granted to customers were the main item in the assets structure. Their share amounted to 91% of assets as at December 31, 2011.

As at the end of 2011, the total loan portfolio of the Bank stood at PLN 1,908,189 thousand, which meant a decrease in the portfolio by PLN 20,093 thousand, compared to the level from the end of 2010. As of the end of 2010 49% of loans and advances (gross amount) granted to customers concerned corporate clients, and the remaining 51% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2011 were liabilities due to the issue of own securities in the amount of PLN 807,811 thousand, that increased by PLN 203,247 thousand compared to 2010 and accounted for 40.7% of the total liabilities. The second source of refinancing of the Bank's operating activities in 2011 were liabilities due to the banks that amounted as of December 31, 2011 to PLN 772,803 thousand and were lower compared to 2010 by PLN 202,731 thousand.

As at the end of 2012, the Bank's balance sheet total stood at PLN 1,841,305 thousand and was lower than at the end of 2011 by PLN 145,367 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2012, their share amounted to 90% of total assets.

As at the end of 2012, the total loan portfolio of the Bank stood at PLN 1,747,387 thousand, which meant a decrease in the portfolio by PLN 160,802 thousand, compared to the level from the end of 2011. As of the end of 2012 49% of loans and advances (gross amount) granted to customers concerned corporate clients, and 51% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2012 were liabilities due to the issue of own securities in the amount of PLN 894,158 thousand. Level of these liabilities increased by PLN 86,347 thousand compared with 2011. At the end of 2012, they constituted 48.6% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2012 were towards the banks that amounted as of December 31, 2012 to PLN 625,914 thousand and were lower compared to 2011 by PLN 146,889 thousand.

As at the end of 2013, the Bank's balance sheet total stood at PLN 1,752,865 thousand and was lower than at the end of 2012 by PLN 88,440 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2013, their share amounted to 93% of total assets.

As at the end of 2013, the total loan portfolio of the Bank stood at PLN 1,761,317 thousand, which meant an increase in the portfolio by PLN 13,930 thousand, compared to the level from the end of 2012. As of the end of 2013 49.3% of loans and advances (gross amount) granted to customers concerned corporate clients, and 50.7% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2013 were liabilities due to the issue of own securities in the amount of PLN 960,071 thousand. Level of these liabilities increased by PLN 65,913 thousand compared with the end of 2012. At the end of 2013, they constituted 54.8% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2013 were liabilities towards the banks that as of December 31, 2013 amounted to PLN 447,799 thousand and were lower compared to 2012 by PLN 178,115 thousand.

As at the end of 2014, the Bank's balance sheet total stood at PLN 1,827,782 thousand and was higher than at the end of 2013 by PLN 74,917 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2014, their share amounted to 96% of total assets.

As at the end of 2014, the total loan portfolio of the Bank stood at PLN 2,008,071 thousand, which meant an increase in the portfolio by PLN 246,755 thousand, compared to the level from the end of 2013. As of the end of 2014 49.7% of loans and advances (gross amount) granted to customers concerned corporate clients, and 50.3% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2014 were liabilities due to the issue of own securities in the amount of PLN 1,101,955 thousand. Level of these liabilities increased by PLN 141,884 thousand compared with the end of 2013. At the end of 2014, they constituted 60.3% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2014 were liabilities towards the banks that as of December 31, 2014 amounted to PLN 382,960 thousand and were lower compared to 2013 by PLN 64,839 thousand.

As at the end of 2015, the Bank's balance sheet total stood at PLN 2,187,896 thousand and was higher than at the end of 2014 by PLN 360,114 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2015, their contribution amounted to 94.3% of total assets.

As at the end of 2015, the total loan portfolio of the Bank stood at PLN 2,133,776 thousand, which meant an increase in the portfolio by PLN 125,705 thousand, compared to the level from the end of 2014. As of the end of 2015 55.6% of loans and advances (gross amount) granted to customers concerned corporate clients, and 44.4% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2015 were liabilities due to the issue of own securities in the amount of PLN 1,293,036 thousand. Level of these liabilities increased by PLN 191,081 thousand compared with the end of 2014. At the end of 2015, they constituted 59.1% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2015 were liabilities towards the banks that as of December 31, 2015 amounted to PLN 514,336 thousand and were higher compared to 2014 by PLN 131,376 thousand.

Table 10 Off-balance sheet items (in PLN thousand)

| Contingent liabilities granted and received | 31.03.2010 | 31.12.2009 | 31.12.2008 |
|---|------------------|------------------|------------------|
| Liabilities granted | 55,683 | 29,413 | 13,309 |
| - financial | 55,683 | 29,413 | 13,309 |
| Liabilities received | 610,172 | 203,948 | 122,162 |
| - financial | 238,445 | 203,471 | 122,162 |
| - guarantee | 371,727 | 477 | 0 |
| Liabilities related to the execution of purchase/sale operations | 599,273 | 597,124 | 1,202,186 |
| Other liabilities (loan repayment guarantee) | 2,911,927 | 2,959,904 | 2,846,716 |
| Total off-balance sheet items | 4,177,055 | 3,790,389 | 4,184,373 |

Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

Table 11 Selected items of the profit and loss account (in PLN thousand)

| | 2015* | 2014* | 2013* | 2012* | 2011* | 2010* |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Income on account of interest | 70,127 | 73,646 | 82,975 | 96,113 | 102,049 | 95,632 |
| Costs on account of interest | -36,424 | -42,457 | -48,793 | -61,341 | -59,179 | -51,539 |
| Net interest income | 33,703 | 31,189 | 34,182 | 34,772 | 42,870 | 44,093 |
| Revenue on account of commissions and fees** | 1,560 | 1,710 | 835 | 765 | 1,719 | 1,247 |
| Costs on account of commissions and fees | -434 | -503 | -536 | -583 | -684 | -535 |
| Net income on commissions and fees** | 1,126 | 1,207 | 299 | 182 | 1,035 | 712 |
| Net income on financial instruments held for trading | 3,331 | 4,123 | 6,509 | 5,695 | 3,251 | |
| Net income on foreign exchange *** | - | - | - | - | 0 | 3,562 |
| Net income on financial investments | 0 | 642 | 0 | -34 | 0 | |
| Net income on operations in financial instruments measured at fair value through profit and loss**** | - | - | - | - | 0 | 1,830 |
| Other operational income***** | 419 | 160 | 123 | 52 | 637 | 555 |
| General administrative expenses | -24,013 | -18,125 | -19,213 | -20,948 | -20,935 | -20,428 |
| Impairment write-offs***** | -7,249 | -6,324 | -6,039 | -247 | -5,321 | -8,599 |
| Other operational costs | -21 | -32 | -33 | -61 | -144 | -97 |
| Operating result | 7,296 | 12,840 | 15,828 | 19,411 | 21,393 | 21,628 |
| Profit before tax | 7,296 | 12,840 | 15,828 | 19,411 | 21,393 | 21,628 |
| Income tax | -2,251 | -2,793 | -3,096 | -3,736 | -4,119 | -4,148 |
| Profit for the period | 5,045 | 10,047 | 12,732 | 15,675 | 17,274 | 17,480 |

* Source: Financial statement of the Issuer

** - In 2013 the Bank made presentation changes to the financial statements for 2012; for 2012 the Bank transformed the abovementioned items in the profit and loss account by showing in revenue on account for commissions and fees for technical activities performed by the Bank when executing the insurance agreement for real estate being collateral for loans granted by the Bank. After adjustment (+) by the amount of PLN 27 thousand value of the above mentioned item of the profit and loss account at the end of 2012 was PLN 765 thousand. The change resulted in a similar change in net fee and commission income.

*** - In 2012 the Bank made presentation changes to the financial statements for 2011; for 2011 the Bank transformed the abovementioned items in the profit and loss account by showing the result from the foreign exchange item in the net income on financial instruments held for trading. After the adjustment (-) by an amount of PLN 4,165 thousand, value of the above mentioned item of the profit and loss account at the end of 2011 amounted to PLN 0.00 thousand

**** - In 2012, the Bank made presentation changes to the financial statements for 2011; for 2011 the Bank transformed the abovementioned items in the profit and loss account by showing the result of financial instruments operations measured at fair value through profit and loss in the item net income on financial instruments held for trading. After the adjustment (-) by an amount of PLN 258 thousand, value of the above mentioned item of the profit and loss account at the end of 2011 amounted to PLN 0.00 thousand.

***** - In 2013 the Bank made presentation changes to the financial statements for 2012; for 2012 the Bank transformed the abovementioned items in the profit and loss account by excluding from the item the other operational income, the fees for technical activities performed by the Bank when executing the insurance agreement for real estate being collateral for loans granted by the Bank. After the adjustment (-) by an amount of PLN 27 thousand, value of the above mentioned item of the profit and loss account at the end of 2012 amounted to PLN 52 thousand.

***** - In 2012 the Bank made presentation changes to the financial statements for 2011; for 2011 the Bank transformed the abovementioned items in the profit and loss account by excluding from the impairment write-offs the revaluation of the foreign exchange write-offs and showing them in the item net income on financial instruments held for trading. After the adjustment (+) by PLN 1,172 thousand, value of the above mentioned item of the profit and loss account at the end of 2011 amounted to PLN -5,321 thousand.

| | 01.01.2010 – 31.03.2010** | 01.01.2009 – 31.03.2009** | 2009* | 2008* |
|---|------------------------------|------------------------------|---------------|---------------|
| Income on account of interest | 23,591 | 33,418 | 111,601 | 130,312 |
| Costs of interest | -12,984 | -21,253 | -66,534 | -81,715 |
| Net interest income | 10,607 | 12,165 | 45,067 | 48,597 |
| Income on account of commissions and fees | 290 | 334 | 1,493 | 3,136 |
| Costs on account of commissions and fees | -77 | -46 | -328 | -556 |
| Net income on account of commissions and fees | 213 | 288 | 1,165 | 2,580 |
| Foreign exchange position result | 100 | 1,727 | 2,718 | 7,271 |
| Net income on operations in financial instruments measured at fair value through profit and loss | 407 | 1,080 | 2,430 | 5,881 |
| Net income on financial investments | 0 | 0 | 15 | 0 |
| Other operational income | 6 | 63 | 2,626 | 940 |
| General administrative expenses | -5,457 | -5,817 | -21,964 | -24,578 |
| Permanent impairment write-offs | 102 | -1,844 | 2,335 | -16,815 |
| Other operational costs | -50 | -269 | -894 | -576 |
| Operating result | 5,928 | 7,393 | 33,498 | 23,300 |
| Gross profit | 5,928 | 7,393 | 33,498 | 23,300 |
| Income tax | -1,138 | -1,419 | -6,552 | -4,580 |
| Net profit | 4,790 | 5,974 | 26,946 | 18,720 |

* Source: Financial statement of the Issuer

** Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The main source of the Bank's income were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in the first quarter of 2010 amounted to PLN 5,928 thousand and was lower by 1,465 thousand on operating profit generated in the first quarter of 2009. In 2009, the result on the Bank's operations amounted to PLN 33,498 thousand and increased compared to 2008 by PLN 10,198,000. thousand.

The drop in the financial result in the first quarter of 2010 was primarily due to the decrease in net interest income (a decrease of PLN 1,558 thousand compared to the first quarter of 2009). At the same time, permanent impairment write-offs dropped by PLN 1,946 thousand compared to the first quarter of 2009). Net profit in the first quarter of 2010 was lower by PLN 1,184 thousand compared to the first quarter of 2009 and reached the value of PLN 4,790 thousand. thousand.

In 2009, the financial results increased as compared with 2008. The increase in these results was primarily affected by a decrease in the impairment loss (by PLN 19,150 thousand) and a decrease in net interest income by PLN 3,530,000. thousand. Net profit as at the end of 2009 was higher by PLN 8,226 thousand compared to 2008 and reached the value of PLN 26,946 thousand.

The main source of the Bank's income in 2010 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2010 amounted to PLN 21,628 thousand and was lower by PLN 11,870 thousand from operating profit generated in 2009.

In 2010, the financial results decreased as compared with 2009. The decrease in these results was mainly due to the increase in the impairment loss (by PLN 10,934 PLN). Net profit as of the end of 2010 was lower by PLN 9,466 thousand compared to 2009 and reached the value of PLN 17,480 thousand.

The main source of the Bank's income in 2011 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2011 amounted to PLN 21,393 thousand and was lower by PLN 235 thousand from operating profit generated in 2010.

In 2011 profit for the period amounted to PLN 17,274 thousand and was lower by PLN 206 thousand from profit for the period of 2010.

The main source of the Bank's income in 2012 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2012 amounted to PLN 19,411 thousand and was lower by PLN 1,982 thousand from operating profit generated in 2011.

Net profit as of the end of 2012 was lower by PLN 1,599 thousand compared to 2011 and reached the value of PLN 15,675 thousand.

The main source of the Bank's income in 2013 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2013 amounted to PLN 15,828 thousand and was lower by PLN 3,583 thousand from operating profit generated in 2012.

Net profit as of the end of 2013 was lower by PLN 2,943 thousand compared to 2012 and reached the value of PLN 12,732 thousand.

In 2014, similarly as in previous years, the main source of the Bank's income was interest on banking operations. Similarly, the cost group is dominated by interest costs. These categories of the profit and loss account had a decisive impact on the operating result, which in 2014 amounted to PLN 12,840 thousand and was lower by PLN 2,988 thousand from operating profit generated in 2013.

Net profit as of the end of 2014 was lower by PLN 2,685 thousand compared to 2013 and reached the value of PLN 10,047 thousand.

In 2015, similarly as in previous years, the main source of the Bank's income was interest on banking operations. Similarly, the cost group is dominated by interest costs. Net interest income as of 2015 amounted to PLN 33,703 PLN and was higher than that achieved in 2014 by PLN 2,514 thousand.

The development of the operating result of the Bank in 2015 was significantly affected by the increase in general administrative costs (by the amount of PLN 5,888 thousand, of which: (1) PLN 4,483 thousand accounted for the reserve created by the Bank to cover the contribution to the Borrowers Support Fund in accordance with Article 25 of the Act of 9 October 2015 on the support of borrowers in financial difficulties who have taken out a housing loan - Journal of Laws of 2015, item 1925, (2) PLN 914 thousand was the amount of increased contributions and payments to the Bank Guarantee Fund). As a consequence, the result on operating activity in 2015 amounted to PLN 7,296 thousand and was lower by PLN 5,544 thousand from operating profit generated in 2014.

Net profit as of the end of 2015 was lower by PLN 5,002 thousand compared to 2014 and reached the value of PLN 5,045 thousand.

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Chapter III. Risk factors

1. Risk factors related to the issuer's activities

1.1. Credit risk

Table 12 was supplemented with data as of the end of 2015

Table 12 Quality of the loan portfolio

| | 31.12.2015 | | 31.12.2014 | | 31.12.2013 | | 31.12.2012 | | 31.12.2011 | |
|---|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|
| | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) |
| Non-overdue exposures*, in the case of which no impairment occurred | 1,850,588 | 88.5% | 1,565,943 | 88.1% | 1,430,090 | 86.0% | 1,453,767 | 85.2% | 1,601,665 | 86.1% |
| Expired exposures**, in the case of which no impairment occurred | 72,477 | 3.5% | 65,085 | 3.7% | 88,082 | 5.3% | 85,709 | 5.0% | 71,579 | 3.9% |
| Exposures, in the case of which impairment occurred | 167,012 | 8.0% | 145,823 | 8.2% | 144,991 | 8.7% | 166,622 | 9.8% | 186,861 | 10.0% |
| Total - loans and advances granted to customers | 2,090,077 | 100% | 1,776,851 | 100% | 1,663,163 | 100% | 1,706,098 | 100% | 1,860,105 | 100% |
| Interest | 38,622 | | 32,544 | | 27,105 | | 15,713 | | 11,804 | |
| Impairment write-offs | -65,174 | | -62,198 | | -61,389 | | -57,539 | | -64,912 | |
| Net loans and advances granted to customers | 2,063,525 | | 1,747,197 | | 1,628,879 | | 1,664,272 | | 1,806,997 | |

| | 31.12.2010 | | 31.03.2010 | | 31.12.2009 | | 31.03.2009 | | 31.12.2008 | |
|---|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|
| | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) | Commitment (PLN thousand) | share/coverage (%) |
| Non-overdue exposures*, in the case of which no impairment occurred | 1,620,843 | 87.2% | 1,521,508 | 87.50% | 1,557,368 | 87.80% | 1,742,617 | 90.00% | 1,685,733 | 90.70% |
| Expired exposures**, in the case of which no impairment occurred | 64,468 | 3.5% | 56,300 | 3.20% | 58,266 | 3.30% | 53,352 | 2.80% | 51,654 | 2.80% |
| Exposures, in the case of which impairment occurred | 172,144 | 9.3% | 160,732 | 9.30% | 158,622 | 8.90% | 140,339 | 7.20% | 121,323 | 6.50% |
| Total - loans and advances granted to customers | 1,857,455 | 100% | 1,738,540 | 100% | 1,774,256 | 100% | 1,936,308 | 100% | 1,858,710 | 100% |
| Interest | 9,415 | | 5,858 | | 5,119 | | 6,343 | | 7,593 | |
| Impairment write-offs | -61,439 | | -52,834 | | -52,965 | | -57,754 | | -56,006 | |
| Net loans and advances granted to customers | 1,805,431 | | 1,691,564 | | 1,726,410 | | 1,884,897 | | 1,810,297 | |

*without delays exceeding 30 days in loan repayment

**with delays in loan repayment exceeding 30 days

Source: data as of 31.12.2008, 31.12.2009, 31.12.2010, 31.12.2011, 31.12.2012, 31.12.2013, 31.12.2014, 31.12.2015 - Financial statements of the Issuer
data as of 31.03.2009 and 31.03.2010 - Operational and financial data from the Issuer's management reports not audited by a certified auditor.

Chapter V. Interests of natural or legal persons involved in the issue or offer**5. Certified auditor****The point is supplemented with the following content:**

Deloitte Polska Sp. z o.o. Sp.k. - audited the Issuer's financial statements for 2015, and issued relevant opinions from the audit of these reports without any reservations. Deloitte Polska Sp. z o.o. has no economic interests which would depend on the success of the Public Offering of Covered Bonds.

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Chapter VIII. Overview of the activity**1.3. Financial information****Tables with comments have been supplemented with data as of the end of 2015.****Consequently, point 1.3. Financial information, is amended as follows:**

The following financial data have been compiled based on the audited financial statements prepared in accordance with IFRS for the financial year ended 31 December 2009, which include comparable data for the financial year ended 31 December 2008. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2010 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2011 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2012 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2013 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2014 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The financial data for the financial year ended 31 December 2015 have been compiled based on the audited financial statements prepared in accordance with IFRS. These data were supplemented with selected operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

Table 15 Selected financial data of the Issuer (in PLN thousand)

| | 31.12.2015* | 31.12.2014* | 31.12.2013* | 31.12.2012* | 31.12.2011* |
|---|-------------|-------------|-------------|-------------|-------------|
| ASSETS | | | | | |
| Cash and funds at the Central Bank | 1 | 1 | 0 | 10 | 9 |
| Receivables from banks | 24,975 | 16,166 | 44,699 | 87,077 | 29,350 |
| Financial assets at fair value through profit or loss | 1,177 | 202 | 2,898 | 8,705 | 28 |
| Derivative hedging instruments | 4,255 | 4,438 | 0 | 0 | 0 |
| Loans and advances granted to customers | 2,063,525 | 1,747,197 | 1,628,879 | 1,664,272 | 1,806,997 |
| Other financial assets | 88,940 | 53,663 | 67,858 | 69,852 | 136,662 |
| Tangible fixed assets | 492 | 447 | 493 | 907 | 1,353 |
| Intangible assets | 30 | 49 | 5 | 167 | 361 |

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Other assets, including: | 4,501 | 5,619 | 8,033 | 10,315 | 11,912 |
| - receivables due to current income tax | 605 | 64 | 1,108 | 997 | 681 |
| - assets due to deferred income tax | 2,134 | 3,662 | 5,210 | 7,745 | 9,731 |
| Total assets | 2,187,896 | 1,827,782 | 1,752,865 | 1,841,305 | 1,986,672 |

* Source: Financial statement of the Issuer

| | 31.12.2010* | 31.03.2010** | 31.12.2009* | 31.12.2008* |
|---|------------------|------------------|------------------|------------------|
| ASSETS | | | | |
| Cash, funds at the Central Bank | 353 | 5,466 | 7,107 | 126 |
| Deposits in other banks and loans and advances granted to other banks | 29,101 | 879 | 3,849 | 6,552 |
| Financial assets at fair value through profit or loss | 455 | 2,913 | 2,973 | 2,617 |
| Derivative hedging instruments | 0 | 200 | 212 | 135 |
| Loans and advances granted to customers | 1,805,431 | 1,691,564 | 1,726,410 | 1,810,297 |
| Other financial assets | 92,493 | 81,942 | 82,183 | 75,446 |
| Assets held for sale | 1,492 | 0 | 0 | 4,795 |
| Tangible fixed assets | 179 | 1,732 | 1,517 | 606 |
| Intangible assets | 11,957 | 321 | 374 | 209 |
| Other assets | 1,128 | 12,341 | 11,366 | 14,650 |
| including deferred tax assets | 9,484 | 10,374 | 9,718 | 11,498 |
| Total assets | 1,941,461 | 1,797,358 | 1,835,991 | 1,915,433 |

* Source: Financial statements of the Issuer** Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

Table 16 Selected financial data of the Issuer (in PLN thousand)

| | 31.12.2015* | 31.12.2014* | 31.12.2013* | 31.12.2012* | 31.12.2011* |
|--|------------------|------------------|------------------|------------------|------------------|
| CAPITAL AND LIABILITIES | | | | | |
| Liabilities due to banks | 514,336 | 382,960 | 447,799 | 625,914 | 772,803 |
| Financial liabilities at fair value through profit or loss | 362 | 1,345 | 5 | 513 | 455 |
| Derivative hedging instruments | 47,010 | 14,829 | 1,723 | 0 | 95,997 |
| Liabilities due to customers | 10,574 | 11,436 | 29,006 | 18,482 | 24,262 |
| Liabilities due to issue of own securities | 1,293,036 | 1,101,955 | 960,071 | 894,158 | 807,811 |
| Reserves** | 571 | 470 | 452 | 762 | 820 |
| Other liabilities** | 10,282 | 8,227 | 6,615 | 5,669 | 4,692 |
| Total liabilities | 1,876,171 | 1,521,222 | 1,445,671 | 1,545,498 | 1,706,840 |
| Equity | | | | | |
| Share capital | 223,000 | 223,000 | 223,000 | 223,000 | 223,000 |
| Reserve capital | 59,313 | 49,266 | 48,247 | 32,572 | 15,298 |
| Supplementary capital | 23,322 | 23,322 | 23,322 | 23,322 | 23,322 |
| Revaluation reserve | 1,045 | 925 | -107 | 1,238 | 938 |
| Profit from previous years and current year | 5,045 | 10,047 | 12,732 | 15,675 | 17,274 |
| Total capital | 311,725 | 306,560 | 307,194 | 295,807 | 279,832 |
| Total capital and liabilities | 2,187,896 | 1,827,782 | 1,752,865 | 1,841,305 | 1,986,672 |

* Source: Financial statement of the Issuer

** - In 2014 The Bank made changes in the presentation of the financial statements for 2013; for 2013 the Bank transformed the above balance sheet items by presenting the reserve for unused holiday leaves under Other liabilities (so far included under Reserve). After the adjustment (+) by PLN 471 thousand the value of balance sheet items under Other liabilities at the end of 2013 amounted to PLN 6,615 thousand. This change resulted in a similar change (with a - sign) in the item Provisions (after adjustment, the value of this item amounted to PLN 452 thousand).

| | 31.12.2010* | 31.03.2010** | 31.12.2009* | 31.12.2008* |
|--|------------------|------------------|------------------|------------------|
| CAPITAL AND LIABILITIES | | | | |
| Liabilities due to banks | 975,534 | 543,233 | 586,482 | 674,319 |
| Financial liabilities at fair value through profit or loss | 463 | 690 | 932 | 11,879 |
| Derivative hedging instruments | 55,885 | 18,601 | 23,061 | 23,759 |
| Liabilities due to customers | 19,248 | 12,211 | 11,962 | 12,546 |
| Liabilities due to issue of own securities | 604,564 | 924,852 | 922,244 | 925,791 |
| Reserves | 713 | 592 | 592 | 326 |
| Other liabilities | 4,714 | 4,295 | 3,451 | 5,098 |
| Total liabilities | 1,661,121 | 1,504,474 | 1,548,724 | 1,653,718 |
| | | | | |
| Equity | | | | |
| Share capital | 223,000 | 223,000 | 223,000 | 223,000 |
| Reserve capital | 13,900 | 11,744 | 11,744 | 10,246 |
| Supplementary capital | 23,322 | 23,322 | 23,322 | 6,100 |
| Revaluation reserve | 2,638 | 3,082 | 2,255 | 3,649 |
| Profit from previous years | 0 | 26,946 | 0 | 0 |
| Profit from current year | 17,480 | 4,790 | 26,946 | 18,720 |
| Total capital | 280,340 | 292,884 | 287,267 | 261,715 |
| | | | | |
| Total capital and liabilities | 1,941,461 | 1,797,358 | 1,835,991 | 1,915,433 |

* Source: Financial statement of the Issuer

** Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The Bank's balance sheet total at the end of the first quarter of 2010 amounted to PLN 1,797,358 thousand and was lower than at the end of 2009 by PLN 38,633 thousand.

Loans and advances granted to customers were the main item in the assets structure. Their share totalled 94.1% of assets as of March 31, 2010 and 94.0% of assets as of December 31, 2009.

As at the end of March 2010, the total credit portfolio of the Bank stood at PLN 1,803,102 Thousand, which meant no significant changes compared to the level from the end of 2009. As at the end of the first quarter of 2010 50% of loans and advances (gross amount) granted to customers concerned corporate clients, and the remaining 50% individual clients and the public sector.

In 2009, the total loan portfolio of the Bank in comparison to 2008 decreased from PLN 1,881,908 thousand to the level of PLN 1,812,805 thousand. The change results from a decrease in the portfolio due to a decrease in exchange rates and a low level of new loan launches. The main source of refinancing of the Bank's operating activities in 2009 were liabilities due to the issue of own securities in the amount of PLN 922,244 thousand and liabilities towards the banks in the amount of PLN 586,482 thousand.

The liabilities of the Bank are dominated by liabilities resulting from the issue of debt securities, which as of 31 March 2010 accounted for 51.5% of the total balance sheet total against 50.2% at the end of 2009. This item consists of issues of mortgage covered bonds. Liabilities due to mortgage covered bonds increased by PLN 2,608 thousand compared to the balance at the end of 2009. Another item of liabilities were liabilities to other banks with a 30.2% share in the balance sheet total as of March 31, 2010 and a 31.9% share in the balance sheet total as of December 31, 2009.

As at the end of 2010, the Bank's balance sheet total stood at PLN 1,941,461 thousand and was lower than at the end of 2009 by PLN 105,470 thousand.

Loans and advances granted to customers were the main item in the assets structure. Their share amounted to 93% of assets as at December 31, 2010.

As at the end of 2010, the total loan portfolio of the Bank stood at PLN 1,928,282 thousand, which meant an increase in the portfolio by PLN 115,477 thousand, compared to the level from the end of 2009. As of the end of 2010 50% of loans and advances (gross amount) granted to customers concerned corporate clients, and the remaining 50% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2010 were liabilities due to the banks in the amount of PLN 975,534 thousand and liabilities due to the issue of own securities in the amount of PLN 604,564 thousand.

The liabilities of the Bank are dominated by liabilities towards other banks with a 50.2% share in the balance sheet total as at December 31, 2010 and liabilities due to the issue of debt securities, which as at 31 December 2010 accounted for 31.1% of the total balance sheet total.

As at the end of 2011, the Bank's balance sheet total stood at PLN 1,986,672 thousand and was higher than at the end of 2010 by PLN 45,211 thousand.

Loans and advances granted to customers were the main item in the assets structure. Their share amounted to 91% of assets as at December 31, 2011.

As at the end of 2011, the total loan portfolio of the Bank stood at PLN 1,908,189 thousand, which meant a decrease in the portfolio by PLN 20,093 thousand, compared to the level from the end of 2010. As of the end of 2010 49% of loans and advances (gross amount) granted to customers concerned corporate clients, and the remaining 51% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2011 were liabilities due to the issue of own securities in the amount of PLN 807,811 thousand, that increased by PLN 203,247 thousand compared to 2010 and accounted for 40.7% of the total liabilities. The second source of refinancing of the Bank's operating activities in 2011 were liabilities due to the banks that amounted as of December 31, 2011 to PLN 772,803 thousand and were lower compared to 2010 by PLN 202,731 thousand.

As at the end of 2012, the Bank's balance sheet total stood at PLN 1,841,305 thousand and was lower than at the end of 2011 by PLN 145,367 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2012, their share amounted to 90% of total assets.

As at the end of 2012, the total loan portfolio of the Bank stood at PLN 1,747,387 thousand, which meant a decrease in the portfolio by PLN 160,802 thousand, compared to the level from the end of 2011. As of the end of 2012 48% of loans and advances (gross amount) granted to customers concerned corporate clients, and 52% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2012 were liabilities due to the issue of own securities in the amount of PLN 894,158 thousand. Level of these liabilities increased by PLN 86,347 thousand compared with 2011. At the end of 2012, they constituted 48.6% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2012 were towards the banks that amounted as of December 31, 2012 to PLN 625,914 thousand and were lower compared to 2011 by PLN 146,889 thousand.

As at the end of 2013, the Bank's balance sheet total stood at PLN 1,752,865 thousand and was lower than at the end of 2012 by PLN 88,440 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2013, their share amounted to 93% of total assets.

As at the end of 2013, the total loan portfolio of the Bank stood at PLN 1,761,317 thousand, which meant an increase in the portfolio by PLN 13,930 thousand, compared to the level from the end of 2012. As of the end of 2013 49.3% of loans and advances (gross amount) granted to customers concerned corporate clients, and 50.7% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2013 were liabilities due to the issue of own securities in the amount of PLN 960,071 thousand. Level of these liabilities increased by PLN 65,913 thousand compared with the end of 2012. At the end of 2013, they constituted 54.8% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2013 were towards the banks that as of December 31, 2013 amounted to PLN 447,799 thousand and were lower compared to 2012 by PLN 178,115 thousand.

As at the end of 2014, the Bank's balance sheet total stood at PLN 1,827,782 thousand and was higher than at the end of 2013 by PLN 74,917 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2014, their share amounted to 96% of total assets.

As at the end of 2014, the total loan portfolio of the Bank stood at PLN 2,008,071 thousand, which meant an increase in the portfolio by PLN 246,755 thousand, compared to the level from the end of 2013. As of the end of 2014 49.7% of loans and advances (gross amount) granted to customers concerned corporate clients, and 50.3% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2014 were liabilities due to the issue of own securities in the amount of PLN 1,101,955 thousand. Level of these liabilities increased by PLN 141,884 thousand compared with the end of 2013. At the end of 2014, they constituted 60.3% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2014 were liabilities towards the banks that as of December 31, 2014 amounted to PLN 382,960 thousand and were lower compared to 2013 by PLN 64,839 thousand.

As at the end of 2015, the Bank's balance sheet total stood at PLN 2,187,896 thousand and was higher than at the end of 2014 by PLN 360,114 thousand.

Loans and advances granted to customers were the main item in the structure of the Bank's balance sheet assets. As of December 31, 2015, their contribution amounted to 94.3% of total assets.

As at the end of 2015, the total loan portfolio of the Bank stood at PLN 2,133,776 thousand, which meant an increase in the portfolio by PLN 125,705 thousand, compared to the level from the end of 2014. As of the end of 2015 55.6% of loans and advances (gross amount) granted to customers concerned corporate clients, and 44.4% individual clients and the public sector.

The main source of refinancing of the Bank's operating activities in 2015 were liabilities due to the issue of own securities in the amount of PLN 1,293,036 thousand. Level of these liabilities increased by PLN 191,081 thousand compared with the end of 2014. At the end of 2015, they constituted 59.1% of the total liabilities of the Bank's balance sheet. The second source of refinancing of the Bank's operating activities in 2015 were liabilities towards the banks that as of December 31, 2015 amounted to PLN 514,336 thousand and were lower compared to 2014 by PLN 131,376 thousand.

Table 17 Off-balance sheet items (in PLN thousand)

| Contingent liabilities granted and received | 31.03.2010 | 31.12.2009 | 31.12.2008 |
|---|------------------|------------------|------------------|
| Liabilities granted | 55,683 | 29,413 | 13,309 |
| - financial | 55,683 | 29,413 | 13,309 |
| Liabilities received | 610,172 | 203,948 | 122,162 |
| - financial | 238,445 | 203,471 | 122,162 |
| - guarantee | 371,727 | 477 | 0 |
| Liabilities related to the execution of purchase/sale operations | 599,273 | 597,124 | 1,202,186 |
| Other liabilities (loan repayment guarantee) | 2,911,927 | 2,959,904 | 2,846,716 |
| Total off-balance sheet items | 4,177,055 | 3,790,389 | 4,184,373 |

Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

Table 18 Selected items of the profit and loss account (in PLN thousand)

| | 2015* | 2014* | 2013* | 2012* | 2011* | 2010* |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Income on account of interest | 70,127 | 73,646 | 82,975 | 96,113 | 102,049 | 95,632 |
| Costs on account of interest | -36,424 | -42,457 | -48,793 | -61,341 | -59,179 | -51,539 |
| Net interest income | 33,703 | 31,189 | 34,182 | 34,772 | 42,870 | 44,093 |
| Revenue on account of commissions and fees** | 1,560 | 1,710 | 835 | 765 | 1,719 | 1,247 |
| Costs on account of commissions and fees | -434 | -503 | -536 | -583 | -684 | -535 |
| Net income on commissions and fees** | 1,126 | 1,207 | 299 | 182 | 1,035 | 712 |
| Net income on financial instruments held for trading | 3,331 | 4,123 | 6,509 | 5,695 | 3,251 | |
| Net income on foreign exchange *** | - | - | - | - | 0 | 3,562 |
| Net income on financial investments | 0 | 642 | 0 | -34 | 0 | |
| Net income on operations in financial instruments measured at fair value through profit and loss**** | - | - | - | - | 0 | 1,830 |
| Other operational income***** | 419 | 160 | 123 | 52 | 637 | 555 |
| General administrative expenses | -24,013 | -18,125 | -19,213 | -20,948 | -20,935 | -20,428 |
| Impairment write-offs***** | -7,249 | -6,324 | -6,039 | -247 | -5,321 | -8,599 |
| Other operational costs | -21 | -32 | -33 | -61 | -144 | -97 |
| Operating result | 7,296 | 12,840 | 15,828 | 19,411 | 21,393 | 21,628 |
| Profit before tax | 7,296 | 12,840 | 15,828 | 19,411 | 21,393 | 21,628 |
| Income tax | -2,251 | -2,793 | -3,096 | -3,736 | -4,119 | -4,148 |
| Profit for the period | 5,045 | 10,047 | 12,732 | 15,675 | 17,274 | 17,480 |

* Source: Financial statement of the Issuer

** - In 2013 the Bank made presentation changes to the financial statements for 2012; for 2012 the Bank transformed the abovementioned items in the profit and loss account by showing in revenue on account for commissions and fees for technical activities performed by the Bank when executing the insurance agreement for real estate being collateral for loans granted by the Bank. After adjustment (+) by the amount of PLN 27 thousand value of the above mentioned item of the profit and loss account at the end of 2012 was PLN 765 thousand. The change resulted in a similar change in net fee and commission income.

*** - In 2012 the Bank made presentation changes to the financial statements for 2011; for 2011 the Bank transformed the abovementioned items in the profit and loss account by showing the result from the foreign exchange item in the net income on financial instruments held for trading. After the adjustment (-) by an amount of PLN 4,165 thousand, value of the above mentioned item of the profit and loss account at the end of 2011 amounted to PLN 0.00 thousand

**** - In 2012, the Bank made presentation changes to the financial statements for 2011; for 2011 the Bank transformed the abovementioned items in the profit and loss account by showing the result of financial instruments operations measured at fair value through profit and loss in the item net income on financial instruments held for trading. After the adjustment (-) by an amount of PLN 258 thousand, value of the above mentioned item of the profit and loss account at the end of 2011 amounted to PLN 0.00 thousand.

***** - In 2012 the Bank made presentation changes to the financial statements for 2012; for 2012 the Bank transformed the abovementioned items in the profit and loss account by excluding from the item the other operational income, the fees for technical activities performed by the Bank when executing the insurance agreement for real estate being collateral for loans granted by the Bank. After the adjustment (-) by an amount of PLN 27 thousand, value of the above mentioned item of the profit and loss account at the end of 2012 amounted to PLN 52 thousand.

***** - In 2011 the Bank made presentation changes to the financial statements for 2011; for 2011 the Bank transformed the abovementioned items in the profit and loss account by excluding from the impairment write-offs the revaluation of the foreign exchange write-offs and showing them in the item net income on financial instruments held for trading. After the adjustment (+) by PLN 1,172 thousand, value of the above mentioned item of the profit and loss account at the end of 2011 amounted to PLN -5,321 thousand.

| | 01.01.2010 – 31.03.2010** | 01.01.2009 – 31.03.2009** | 2009* | 2008* |
|--|------------------------------|------------------------------|---------------|---------------|
| Income on account of interest | 23,591 | 33,418 | 111,601 | 130,312 |
| Costs of interest | -12,984 | -21,253 | -66,534 | -81,715 |
| Net interest income | 10,607 | 12,165 | 45,067 | 48,597 |
| Income on account of commissions and fees | 290 | 334 | 1,493 | 3,136 |
| Costs on account of commissions and fees | -77 | -46 | -328 | -556 |
| Net income on account of commissions and fees | 213 | 288 | 1,165 | 2,580 |
| Foreign exchange position result | 100 | 1,727 | 2,718 | 7,271 |
| Net income on operations in financial instruments measured at fair value through profit and loss | 407 | 1,080 | 2,430 | 5,881 |
| Net income on financial investments | 0 | 0 | 15 | 0 |
| Other operational income | 6 | 63 | 2,626 | 940 |
| General administrative expenses | -5,457 | -5,817 | -21,964 | -24,578 |
| Permanent impairment write-offs | 102 | -1,844 | 2,335 | -16,815 |
| Other operational costs | -50 | -269 | -894 | -576 |
| Operating result | 5,928 | 7,393 | 33,498 | 23,300 |
| Gross profit | 5,928 | 7,393 | 33,498 | 23,300 |
| Income tax | -1,138 | -1,419 | -6,552 | -4,580 |
| Net profit | 4,790 | 5,974 | 26,946 | 18,720 |

* Source: Financial statement of the Issuer

** Source: operating and financial data not audited by a certified auditor, derived from the Issuer's management data.

The main source of the Bank's income were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in the first quarter of 2010 amounted to PLN 5,928 thousand and was lower by 1,465 thousand on operating profit generated in the first quarter of 2009. In 2009, the result on the Bank's operations amounted to PLN 33,498 thousand and increased compared to 2008 by PLN 10,198 thousand.

The drop in the financial result in the first quarter of 2010 was primarily due to the decrease in net interest income (a decrease of PLN 1,558 thousand compared to the first quarter of 2009). At the same time, permanent impairment write-offs dropped by PLN 1,946 thousand compared to the first quarter of 2009). Net profit in the first quarter of 2010 was lower by PLN 1,184 thousand compared to the first quarter of 2009 and reached the value of PLN 4,790 thousand.

In 2009, the financial results increased as compared with 2008. The increase in these results was primarily affected by a decrease in the impairment loss (by PLN 19,150 thousand) and a decrease in net interest income by PLN 3,530,000. thousand. Net profit as at the end of 2009 was higher by PLN 8,226 thousand compared to 2008 and reached the value of PLN 26,946 thousand.

The main source of the Bank's income in 2010 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2010 amounted to PLN 21,628 thousand and was lower by PLN 11,870 thousand from operating profit generated in 2009.

In 2010, the financial results decreased as compared with 2009. The decrease in these results was mainly due to the increase in the impairment loss (by PLN 10,934,000). PLN). Net profit as of the end of 2010 was lower by PLN 9,466 thousand compared to 2009 and reached the value of PLN 17,480 thousand.

The main source of the Bank's income in 2011 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2011 amounted to PLN 21,393 thousand and was lower by PLN 235 thousand from operating profit generated in 2010.

In 2011 profit for the period amounted to PLN 17,274 thousand and was lower by PLN 206 thousand from profit for the period of 2010.

The main source of the Bank's income in 2012 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2012 amounted to PLN 19,411 thousand and was lower by PLN 1,982 thousand from operating profit generated in 2011.

Net profit as of the end of 2012 was lower by PLN 1,599 thousand compared to 2011 and reached the value of PLN 15,675 thousand.

The main source of the Bank's income in 2013 were interest on banking operations. Similarly, the cost group is dominated by interest costs. These financial parameters had a decisive impact on the operating result, which in 2013 amounted to PLN 15,828 thousand and was lower by PLN 3,583 thousand from operating profit generated in 2012.

Net profit as of the end of 2013 was lower by PLN 2,943 thousand compared to 2012 and reached the value of PLN 12,732 thousand.

In 2014, similarly as in previous years, the main source of the Bank's income was interest on banking operations. Similarly, the cost group is dominated by interest costs. These categories of the profit and loss account had a decisive impact on the operating result, which in 2014 amounted to PLN 12,840 thousand and was lower by PLN 2,988 thousand from operating profit generated in 2013.

Net profit as of the end of 2014 was lower by PLN 2,685 thousand compared to 2013 and reached the value of PLN 10,047 thousand.

In 2015, similarly as in previous years, the main source of the Bank's income was interest on banking operations. Similarly, the cost group is dominated by interest costs. Net interest income as of 2015 amounted to PLN 33,703 PLN and was higher than that achieved in 2014 by PLN 2,514 thousand.

The development of the operating result of the Bank in 2015 was significantly affected by the increase in general administrative costs (by the amount of PLN 5,888 thousand, of which: (1) PLN 4,483 thousand accounted for the reserve created by the Bank to cover the contribution to the Borrowers Support Fund in accordance with Article 25 of the Act of 9 October 2015 on the support of borrowers in financial difficulties who have taken out a housing loan - Journal of Laws of 2015, item 1925, (2) PLN 914 thousand was the amount of increased contributions and payments to the Bank Guarantee Fund). As a consequence, the result on operating activity in 2015 amounted to PLN 7,296 thousand and was lower by PLN 5,544 thousand from operating profit generated in 2014.

Net profit as of the end of 2015 was lower by PLN 5,002 thousand compared to 2014 and reached the value of PLN 5,045 thousand.

Table 19 Basic financial indicators*

| | 31.12.2015/2014 | 31.12.2014/2014 | 31.12.2013/2013 | 31.12.2012/2012 | 31.12.2011/2011 |
|--|-----------------|-----------------|------------------------|-----------------|-----------------|
| Profitability indicators | | | | | |
| Investment return ratio (net profit/loss for the reporting period/ average net assets) (1) | 1.6% | 3% | 4% | 5% | 6% |
| Return on equity (net profit/loss for the reporting period/ average net assets excluding the result of the period) | 1.7% | 3% | 4% | 6% | 7% |
| Return on assets (gross profit/loss for the financial period / average assets (1)) | 0.4% | 1% | 1% | 1% | 1% |
| Gross profitability (gross profit/loss for the financial period / total revenue) | 18.9% | 34% | 38% | 48% | 44% |
| Interest income rate on working assets (interest income/average balance of working assets) | 3.5% | 4% | 5% | 5% | 5% |
| Cost/income ratio (general administrative costs/ result on banking operations) (2) | 62% | 49% | 47% | 52% | 43% |
| Debt ratios | | | | | |
| The price of third party assets funds (interest cost for the financial period/ average balance of interest liabilities) (1) | -2.2% | -3% | -3% | -4% | -4% |
| Share of equity in liabilities (average equity/ average total liabilities) (1) | 15.4% | 17% | 17% | 15% | 14% |
| Share of loans in assets (average gross receivables from banks and clients / average total assets) (1) | 96% | 96% | 95% | 94% | 93% |
| Share of impaired loans in the total loans | 8.2% | 8% | 9% | 10% | 10% |
| Share of working assets in total assets (3) | 99% | 99% | 99% | 99% | 99% |
| Capital market ratios | | | | | |
| Profit per share | PLN 2.26 | PLN 4.51 | PLN 5.71 | PLN 7.03 | PLN 7.75 |
| Book value per share | PLN 139.79 | PLN 137.47 | PLN 137.76 z | PLN 132.65 | PLN 125.49 |
| Other indicators | | | | | |
| Own funds according to the PFSA Resolution (in PLN thousand)** | 305,708 | 295,538 | 294,767 (294,564)** | 279,949 | 261,053 |
| Total regulatory requirement including the requirement for the risk of excessive capital exposures (total regulatory capital requirement according to the PFSA Resolution) (in PLN thousand)** | 157,797 | 134,560 | 125,727 (127,000)** | 126,545 | 124,729 |
| Total capital ratio/ Solvency ratio according to the PFSA Resolution** | 15.50% | 17.57% | 18.76% (18,56%)** | 17.70% | 16.74% |

Source: Issuer

*Data according to IFRS

- (1) The average states of balance sheet items were calculated on the basis of individual items at the beginning and end of the current and previous financial period.
- (2) Result on banking operations understood as gross profit less general administrative costs, (net) loan and advances impairment write-offs and other operational costs.
- (3) Interest assets have not been eliminated in working assets.
- (4) The values of individual indicators may differ from the indicators presented in the financial statements due to the different method of calculation.
- (5) Values based on undiscounted cash flows.

** starting from 2014, the Bank's capital management process takes place in accordance with regulatory requirements, in particular with the provisions of the Regulation of the European Parliament and of the Council (EU) No. 575/2013 of 26 June 2013; the so-called CRR and relevant resolutions of the Polish Financial Supervision Authority. The Bank estimated the data (shown in the table) as of 31.12.2013, in accordance with the calculation principles in force from January 1, 2014.

| | 31.12.2010/2010 | 31.03.2010/ I-III. 2010 | 31.03.2009/ I-III. 2009 | 31.12.2009/2009 | 31.12.2008/2008 |
|--|-----------------|----------------------------|----------------------------|-----------------|-----------------|
| Profitability indicators | | | | | |
| Investment return ratio (net profit/loss for the reporting period/ average net assets) (1) | 6% | 7% | 9% | 10% | 7% |
| Return on equity (net profit/loss for the reporting period/ average net assets excluding the result of the period) | 7% | 7% | 9% | 11% | 8% |
| Return on assets (gross profit/loss for the financial period / average assets (1)) | 1% | 1% | 1% | 1% | 1% |
| Gross profitability (gross profit/loss for the financial period / total revenue) | 43% | 52% | 48% | 62% | 36% |
| Interest income rate on working assets (interest income/average balance of working assets) | 5% | 5% | 7% | 6% | 7% |
| Cost/income ratio (general administrative costs/ result on banking operations) (2) | 40% | 49% | 40% | 42% | 39% |
| Debt ratios | | | | | |
| The price of third party assets funds (interest cost for the financial period/ average balance of interest liabilities) (1) | -3% | -3% | -5% | -4% | -5% |
| Share of equity in liabilities (average equity/ average total liabilities) (1) | 15% | 16% | 14% | 15% | 14% |
| Share of loans in assets (average gross receivables from banks and clients / average total assets) (1) | 94% | 94% | 95% | 95% | 93% |
| Share of impaired loans in the total loans | 9% | 9% | 7% | 9% | 7% |
| Share of working assets in total assets (3) | 99% | 99% | 99% | 99% | 98% |
| Capital market ratios | | | | | |
| Profit per share | PLN 7.84 | PLN 2.15 | PLN 2.68 | PLN 12.08 | PLN 8.39 |
| Book value per share | PLN 125.71 | PLN 131.34 | PLN 122.73 | PLN 128.82 | PLN 117.36 |
| Other indicators | | | | | |
| Own funds according to the PFSA Resolution | 260,121 | 257,756 | 237,845 | 257,546 | 238,102 |
| Total regulatory requirement including the requirement for the risk of excessive capital exposures (total regulatory capital requirement according to the PFSA Resolution) | 124,776 | 116,715 | 132,056 | 118,225 | 126,718 |
| Solvency ratio according to the PFSA Resolution | 16.68% | 17.67% | 14.41% | 17.43% | 15.03% |

Source: Issuer

*Data according to IFRS

- (1) The average states of balance sheet items were calculated on the basis of individual items at the beginning and end of the current and previous financial period.
- (2) Result on banking operations understood as gross profit less general administrative costs, (net) loan and advances impairment write-offs and other operational costs.
- (3) Interest assets have not been eliminated in working assets.
- (4) The values of individual indicators may differ from the indicators presented in the financial statements due to the different method of calculation.
- (5) Values based on undiscounted cash flows.

The above presented indicators describe the Bank's operations.

In the first quarter of 2010, due to the decrease in net profit by PLN 1,184 thousand (by 19.8%) compared to the first quarter of 2009, the Bank recorded a drop in profitability ratios calculated as the ratio of net profit to a given financial value. Investment return ratio (net profit/ average net assets excluding the period's result), in the first quarter of 2010 calculated on the basis of 1 year amounted to 7% (compared with 9% at the end of the first quarter of 2009).

Book value per 1 share in I quarter of 2010 increased to PLN 131.34 compared to PLN 122.73 in I quarter of 2009. Profit per share dropped to PLN 2.15 from PLN 2.68 in that period.

The solvency ratio as of the end of I quarter 2010 amounted to 17.67% (compared to 14.41% at the end of March 2009). This ratio remains at a safe level. The minimum level of the solvency ratio, according to the applicable banking law, should be at the level of 8%.

As at 31 December 2010, the share of impaired loans in the gross portfolio amounted to 9% compared to 7% on 31 March 2009. The ratio of coverage of impaired loans with impairment write-offs was 29.7% as of December 31, 2010 and increased by 7% compared to the end of 2009.

At the end of the first quarter of 2010, the share of working assets reached the level of 99% and was comparable with the ratio calculated at the end of the first quarter of 2009.

In the first quarter of 2010, due to the decrease in net profit by PLN 9,466 thousand (by 35.1%) compared to 2009, the Bank recorded a drop in profitability ratios calculated as the ratio of net profit to a given financial value. Investment return ratio (net profit/ average net assets excluding the period's result), in 2010 calculated amounted to 6% (compared with 10% at the end of 2009).

Book value per 1 share in 2010 went down to PLN 125.71 compared to PLN 128.82 in 2009. Profit per share dropped to PLN 7.84 from PLN 12.08 in that period.

The solvency ratio as of the end of 2010 amounted to 16.68% (compared to 17.43% at the end of 2009). This ratio remains at a safe level. The minimum level of the solvency ratio, according to the applicable banking law, should be at the level of 8%.

As at 31 December 2010, the share of impaired loans in the gross portfolio remained at the same level as in 2009 and amounted to 9%. The ratio of coverage of impaired loans and receivables with impairment write-offs was 31.9% as of December 31, 2010 and increased by 1.6% compared to the end of 2009.

At the end of the first quarter of 2010, the share of working assets reached the level of 99% and was comparable with the ratio calculated at the end of 2009.

In 2011, the Bank maintained profitability ratios at a level comparable to the profitability ratios of 2010. The highest change occurred on the cost-income ratio, which increased by 3% compared to 2010.

Book value per 1 share in 2011 went down to PLN 125.49 compared to PLN 125.71 in 2010. Profit per share dropped to PLN 7.75 from PLN 7.84 in that period.

The solvency ratio as of the end of 2011 amounted to 16.74% (compared to 16.68% at the end of 2010). This ratio remains at a safe level. The minimum level of the solvency ratio, according to the applicable banking law, should be at the level of 8%.

As at 31 December 2011, the share of impaired loans in the gross portfolio increased by 1% compared to 2010, and amounted to 10%. The ratio of coverage of impaired loans and receivables with impairment write-offs amounted to 30.8% as of December 31, 2011 and dropped by 1.1% compared to the end of 2010.

In 2012, the Bank maintained profitability ratios at a level comparable or slightly lower to the profitability ratios of 2011. The most significant change was recorded in the case of the cost-income ratio, which increased by 9% compared to 2011.

Book value per 1 share in 2012 increased to PLN 132.65 compared to PLN 125.49 in 2011. Profit per share dropped to PLN 7.03 from PLN 7.75 in that period.

The solvency ratio as of the end of 2012 amounted to 17.70% (compared to 16.74% at the end of 2011). This ratio remains at a safe level. The minimum level of the solvency ratio, according to the applicable banking law, should be at the level of 8%.

As at 31 December 2012, the share of impaired loans in the gross portfolio amounted to 10% and did not change compared to 2011. The ratio of coverage of impaired loans and receivables with impairment write-offs was 31.3% as of December 31, 2012 and increased by 0.5% compared to the end of 2012.

At the end of 2012, the share of working assets reached the level of 99% (remained unchanged with 2011 level).

In 2013, the Bank generally maintained profitability ratios at a level comparable or slightly lower to the profitability ratios of 2012. The most significant change was recorded in the case of the cost-income ratio, which dropped by 5% compared to 2012.

Book value per 1 share in 2013 increased to PLN 137.76 compared to PLN 132.65 in 2012. Profit per share dropped to PLN 5.71 from PLN 7.03 in that period.

The solvency ratio as of the end of 2013 amounted to 18.76% (compared to 17.70% at the end of 2012). This ratio remains at a safe level. The minimum level of the solvency ratio, according to the applicable banking law, should be at the level of 8%.

As at 31 December 2013, the share of impaired loans in the gross portfolio amounted to 9%. and in comparison with 2012 it fell by 1 percentage point. The coverage ratio for impaired loans and receivables with impairment write-offs was 39.2% as of December 31, 2013 and increased by 7.9% compared to the end of 2012.

At the end of 2013, the share of working assets reached the level of 99% (reached the same level as at the end of 2012).

In 2014, the Bank generally maintained profitability ratios at a level slightly lower to the profitability ratios of 2013. The most significant change was recorded in the case of gross profitability ratio (which is the ratio of gross profit to total revenues for the financial year) which decreased by 4 percentage points compared to 2013 and in the case of the cost-income ratio (ratio of the Bank's general administrative expenses to the result on banking operations) which increased (worsened) by 2 percentage points.

Book value per 1 share in 2014 decreased slightly and amounted to PLN 137.47 compared to PLN 137.76 in 2013. Profit per share dropped to PLN 4.51 from PLN 5.71 in that period.

The solvency ratio as of the end of 2014 amounted to 17.57% (compared to 18.76% at the end of 2013 (estimated value, comparable 18.56%). This ratio remains at a safe level. The minimum level of the solvency ratio, according to the applicable banking law, should be at the level of 8%.

As at 31 December 2014, the share of impaired loans in the gross portfolio amounted to 8%, and in comparison with 2013 it fell by approximately 1 percentage point. The coverage ratio for impaired loans with impairment write-offs was 39.5% as of December 31, 2014 and increased by 0.3% compared to the end of 2013.

At the end of 2014, the share of working assets reached the level of 99% (reached the same level as at the end of 2013).

In 2015, the Bank generally maintained profitability ratios at a level lower than the profitability ratios of 2013. The most significant change was recorded in the case of gross profitability ratio (which is the ratio of gross profit to total revenues for the financial year) which decreased by 15 percentage points compared to 2014 as well as in the case of the cost-income ratio (ratio of the Bank's general administrative expenses to the result on banking operations) which increased (worsened) by 13 percentage points.

Book value per 1 share in 2015 increased slightly and amounted to PLN 139.79 compared to PLN 137.47 in 2014. Profit per share dropped to PLN 2.26 from PLN 4.51 in that period.

The total capital ratio as of the end of 2015 amounted to 15.50%, compared to 17.57% at the end of 2014. As of the end of 2015, the Bank met all regulatory requirements in the area of capital adequacy.

As at 31 December 2015, the share of impaired loans in the gross portfolio amounted to 8.2%, and in comparison with 2014 it increased by 0.2 percentage point. The coverage ratio for impaired loans and receivables with impairment write-offs was 36.1% as of December 31, 2015 and dropped by 3.4% compared to the end of 2015.

At the end of 2015, the share of working assets reached the level of 99% (reached the same level as at the end of 2014).

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Chapter XII. Certified auditors in the period covered by historical financial information

1. Names, surnames, addresses and registered offices of certified auditors

The point is supplemented with the following content:

The financial report of the Issuer included in the prospectus for 2015 was audited by Deloitte Polska Sp. z o.o. Sp.k. Al. Jana Pawła II 19; 00-854 Warsaw - an entity authorized to audit financial statements entered in the list of authorized entities kept by the National Council of Certified Auditors under registration number 73, the key certified auditor No. 9667 Dorota Snarska-Kuman.

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Chapter XIII. Financial information

The chapter is supplemented with the following content:

The Issuer's financial statements for the period from January 1, 2015 to December 31, 2015, including the independent certified auditor's opinion on this financial statements have been included in the Prospectus by reference to the Issuer's 2015 annual report published on 17 February 2016 and placed on the Issuer's website: www.pekaobh.pl and available at the Issuer's headquarters 02-675 Warsaw, ul. Wołoska 18.

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Chapter XIV. Material agreements. Court and Administrative Proceedings

The second paragraph is supplemented with the following content:

Court and arbitration proceedings

As of December 31, 2015, there were no court or state administration proceedings regarding liabilities or receivables of the Bank, the value of which would represent at least 10% of the Bank's equity.

The total value of all court, enforcement and insolvency proceedings undertaken to satisfy claims under loans granted is PLN 181,880 thousand. The Bank created impairment write-downs for the mentioned receivables in the amount of PLN 47,832 thousand.

As of 31 December 2015, the Bank is a defendant in court proceedings or before state administration bodies for a total amount of PLN 1,649 thousand. The Bank created a reserve in the amount of PLN 378 thousand for the said proceedings.

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Chapter XV. Documents available for inspection

The chapter is supplemented with the following content:

- (x) Issuer's financial statements for 2015 drawn up in accordance with IFRS, audited by a certified auditor (Deloitte Polska Sp. o.o. Sp.k.), together with an opinion and audit report

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Chapter XIX. List of references to information included in the Prospectus by reference

The chapter is supplemented with the following content:

- 7) To the Issuer's annual report for 2015 published on February 17, 2016, placed on the Issuer's website www.pekaobh.pl containing the Issuer's financial statements for the period from 1 January 2015 to December 31, 2015 together with the opinion of an independent certified auditor regarding this financial statements.

For the Issuer

Tomasz Mozer

President of the Management
Board

Krzysztof Puchalski

Member of the Management
Board