



Narodowy Bank Polski

Independent Auditor's Report

on the audit of the Financial Statements

of Narodowy Bank Polski as at 31 December 2017



KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
ul. Inflancka 4A
00-189 Warszawa, Polska
Tel. +48 (22) 528 11 00
Faks +48 (22) 528 10 09
kpmg@kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

To the Monetary Policy Council of Narodowy Bank Polski

Report on the Audit of the Annual Financial Statements

We have audited the accompanying annual financial statements of Narodowy Bank Polski, with its registered office in Warsaw, ul. Świętokrzyska 11/21 ("NBP"), which comprise the balance sheet as at 31 December 2017, the profit and loss account for the year ended 31 December 2017 and the notes ("the financial statements").

Responsibilities of the Management Board of NBP for the Financial Statements

The Management Board of NBP is responsible for the preparation, on the basis of properly maintained accounting records, of the annual financial statements that give a true and fair view of the financial position of NBP and its financial result in accordance with the Act of 29 August 1997 on Narodowy Bank Polski (Journal of Laws of 2017 item 1373) (the "Act on NBP"), Resolution No. 16/2003 of the Monetary Policy Council of 16 December 2003 on the accounting principles, format of the balance sheet and the profit and loss account of Narodowy Bank Polski (NBP Official Journal item 38, with subsequent amendments), Resolution No. 12/2010 of the Monetary Policy Council of 14 December 2010 on the principles for creating and releasing the provision against the foreign exchange rate risk of the zloty at Narodowy Bank Polski (NBP Official Journal item 19) and Resolution No. 45/2013 of the Management Board of Narodowy Bank Polski of 12 December 2013 on performing tasks in the area of accounting at Narodowy Bank Polski (with subsequent amendments) (all together "the legal basis for preparation of the NBP financial statements"). The Management Board of NBP is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Act on NBP, the Management Board of NBP is required to ensure that the financial statements are in compliance with the requirements set forth in the legal basis for preparation of the NBP financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with:

- the act of 11 May 2017 on certified auditors, audit firms and public oversight (Official Journal of 2017, item 1089); and
- International Standards on Auditing as adopted by the Resolution No. 2783/52/2015 dated 10 February 2015 with subsequent amendments of the National Council of Certified Auditors as National Standards on Assurance.

Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulations mentioned above will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from error because risk of fraud may involve collusion, forgery, deliberate omission, intentional misrepresentations or override of internal controls.

The scope of audit does not include assurance on the future viability of the NBP or on the efficiency or effectiveness with which the Management Board has conducted or will conduct the affairs of the NBP.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the NBP's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NBP's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board of NBP, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements of Narodowy Bank Polski:

- give a true and fair view of the financial position of the NBP as at 31 December 2017 and of its financial result for the year ended 31 December 2017, in accordance with the legal basis for preparation of the NBP financial statements ;
- have been prepared in all material respects, on the basis of properly maintained accounting records; and
- comply, in all material respects, with regard to form and content, with binding laws applicable to NBP.

Other Information

The financial statements of Narodowy Bank Polski as at 31 December 2016 were audited by another audit firm who expressed an unmodified opinion on those financial statements dated 24 March 2017.

On behalf of audit firm
KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

.....
Katarzyna Łącka
Key Certified Auditor
Registration No. 13131

Signed on the Polish original

.....
Stacy Ligas
Member of the Management Board of KPMG
Audyt Sp. z o.o., entity which is the General
Partner of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k

21 March 2018