

Independent Auditor's Report

To the Shareholder, Supervisory Board, and Board of Directors of Slovenská sporiteľňa, a.s.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Slovenská sporiteľňa, a.s. and its subsidiaries (together the "Group") as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union („IFRS“).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The consolidated financial statements of Slovenská sporiteľňa, a.s. and its subsidiaries comprise the following:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants issued by the International Federation of Accountants ("Code of Ethics") and other requirements of legislation that are relevant to our audit of the consolidated financial statements in the Slovak Republic. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group are in accordance with the applicable law and regulations in the Slovak Republic and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No. 537/2014.

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The firm's ID No. (IČO): 35 739 347.

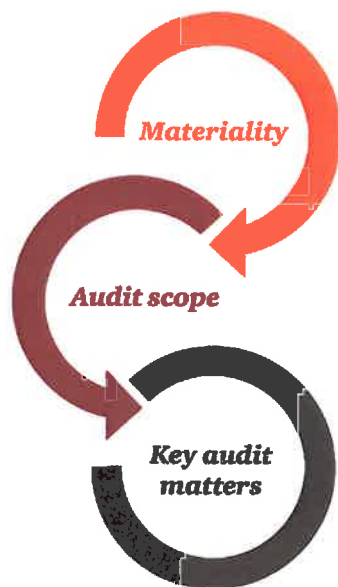
Tax Identification No. of PricewaterhouseCoopers Slovensko, s.r.o. (DIČ): 2020270021.

VAT Reg. No. of PricewaterhouseCoopers Slovensko, s.r.o. (IČ DPH): SK2020270021.

Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava I, pod Vložkou č.: 16611/B, Oddiel: Sro.

The firm is registered in the Commercial Register of Bratislava I District Court, Ref. No.: 16611/B, Section: Sro.

Our audit approach



Overview

Overall group materiality is EUR 12.877 million and was estimated based on a combination of two benchmarks, total profit before tax (5%) and total equity (1%) of Slovenská sporiteľňa, a.s. on a standalone entity basis, each carrying a 50% weight.

We focused our audit work on Slovenská sporiteľňa, a.s. which is the most material consolidated entity.

Slovenská sporiteľňa, a.s. as a standalone entity represents approximately 99.8% of the Group's total assets at 31 December 2017 and 98.9% of the Group's profit for the year then ended.

The audit of the loan loss provisions estimate required our significant attention given the nature of the estimate and its significance to the consolidated financial statements.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the financial services industry in which the Group operates.

2017 was the first year we were appointed as auditors of Slovenská sporiteľňa, a.s. We commenced our preparation for the audit take-over already in May 2016 in order to ensure that we fulfil all the independence requirements imposed upon us as incoming auditors of the Group.

Since our appointment on 27 March 2017, we used the opportunity to meet with key members of the management of Slovenská sporiteľňa, a.s. in order to obtain understanding of current business matters and to gather information that would enable us to plan our audit. We also held hand-over meeting with the prior year auditors and reviewed their working papers in order to understand on which controls they relied and what evidence they used to support their opinion. We used our information technology specialists to map the information and control systems of Slovenská sporiteľňa, a.s. These activities facilitated planning and performing the audit.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	EUR 12.877 million
How we determined it	We based the materiality on a combination of two benchmarks, profit before tax and equity of Slovenská sporiteľňa, a.s. on a standalone entity basis, each carrying 50% weight.
Rationale for the materiality benchmark applied	The performance of the Group is most commonly evaluated by financial statements users based on the Group's profitability. However, the Group's capital is also an important indicator for many users of the financial statements and shareholder return is commonly expressed relative to the amount of the Group's capital, that is, as a return on equity. The quantitative thresholds of approximately 5% applied to profit before tax and 1% applied to equity, respectively, are within a range set out in our internal firm's guidance.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
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Loan loss provisions estimate

IFRS requires management to make judgments about the future and various items in the consolidated financial statements are also subject to estimation uncertainty. The estimates required for loan loss provisions are significant estimates, as explained in more detail in Note B in the consolidated financial statements.

The identification of loans that are deteriorating, the assessment of objective evidence of impairment, the value of collateral and the determination of the recoverable amount of loans are all inherently uncertain.

The Group recognizes portfolio provisions for loans, which are not individually significant, and a provision for impairment losses incurred but not yet reported or identified with a specific loan. This requires an accurate identification of balances that are not individually significant and grouping of loans with similar credit risk characteristics.

We focused on this area during the audit due to the significance of the amounts involved for the consolidated financial statements and also because of the nature of the judgements and assumptions that management are required to make.

Our audit approach was the following:

We verified that the Group's methodology for estimating loan loss provisions was appropriate and was being applied consistently.

We assessed and tested the design, implementation, and operating effectiveness of the controls related to the timely identification of impaired loans, and performed an independent validation of the models used by management for calculation of loan loss provisions.

We examined a sample of individually significant loan exposures, in order to test loan loss provisions calculated on an individual basis. We considered management's assumptions, including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default.

We assessed the underlying models, reasonableness of assumptions, and completeness and accuracy of the underlying data, which were used by the Group to estimate portfolio loan loss provisions for loans that share similar credit risk characteristics.

Our audit did not lead to any material adjustments to the loan loss provisions at 31 December 2017.

Reporting on other information in the annual report

Management is responsible for the annual report prepared in accordance with the Slovak Act on Accounting No. 431/2002 as amended (the "Accounting Act"), the Slovak Act on Stock Exchanges No. 429/2002 as amended (the "Act on Stock Exchanges") and the Slovak Act on Securities and Investment Services No. 566/2001 as amended (the "Act on Securities and Investment Services"). The annual report comprises (a) the consolidated financial statements and (b) other information.

Our opinion on the consolidated financial statements does not cover the other information in the annual report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the annual report, we considered whether it includes the disclosures required by the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the annual report for the year ended 31 December 2017 is consistent with the consolidated financial statements; and
- the annual report has been prepared in accordance with the Accounting Act.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the annual report. We have nothing to report in this respect.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 consolidated financial statements.

As part of our audit, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Our appointment as independent auditor

We were first appointed as auditors of Slovenská sporiteľňa, a.s. by the General Assembly on 27 March 2017. This represents a total period of uninterrupted audit service of one year.

PricewaterhouseCoopers Slovensko
PricewaterhouseCoopers Slovensko, s.r.o.
SKAU licence No. 161



Mgr. Martin Gallovič
UDVA licence No. 1180

Bratislava, 13 February 2018, except for the section "Reporting on other information in the annual report" of this report, for which the date of our report is 26 March 2018.