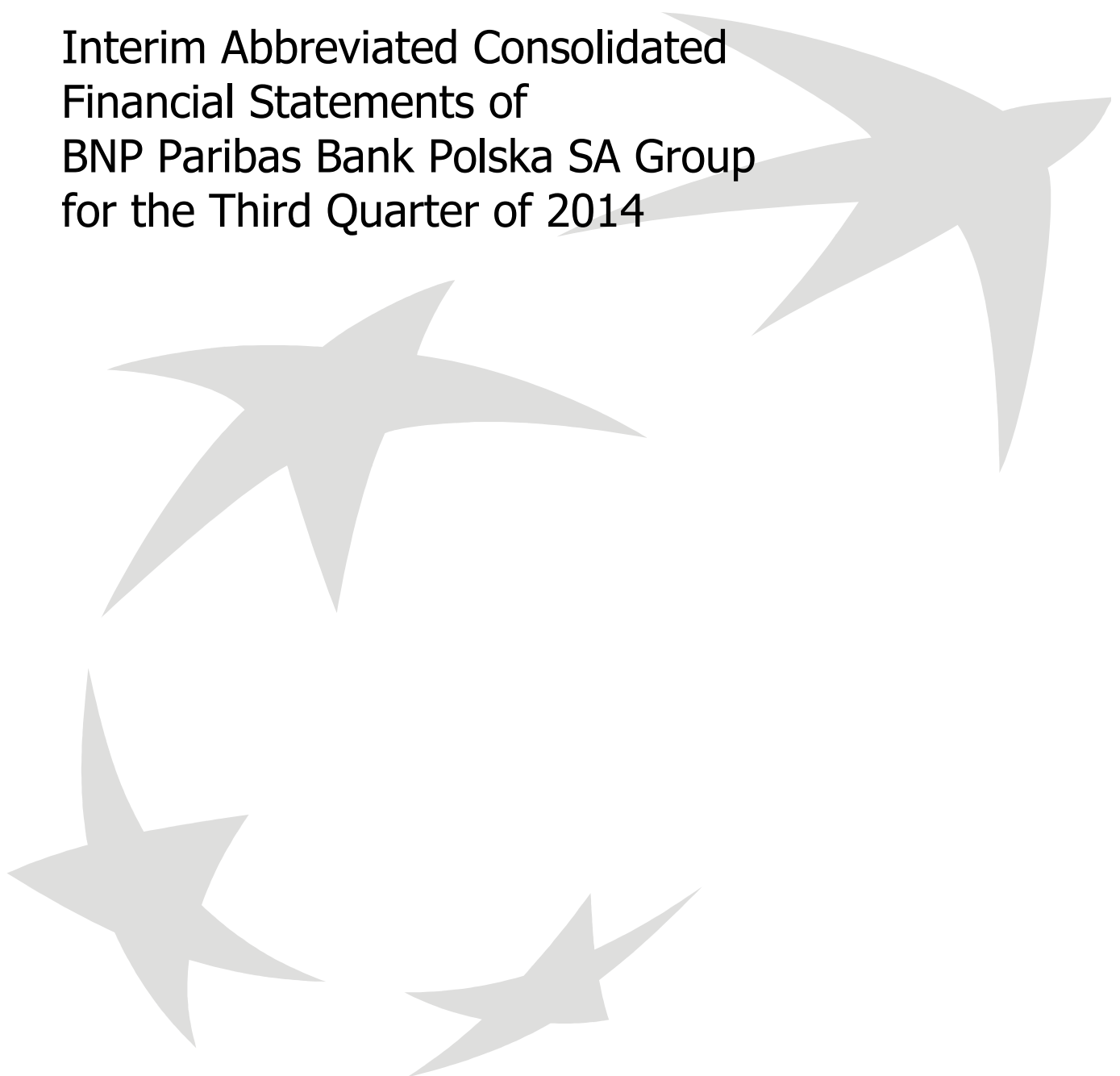




**BNP PARIBAS** | Bank zmieniającego się świata

Interim Abbreviated Consolidated  
Financial Statements of  
BNP Paribas Bank Polska SA Group  
for the Third Quarter of 2014



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## 1. Financial Highlights

CONSOLIDATED FINANCIAL HIGHLIGHTS	in PLN thousand		in EUR thousand	
	30 Sept 2014 (YTD)	30 Sept 2013 (YTD)	30 Sept 2014 (YTD)	30 Sept 2013 (YTD)
<b>Income Statement</b>				
Net interest income	420,608	405,807	100,616	96,092
Net fee and commission income	107,536	109,937	25,724	26,032
Net banking income	612,402	621,765	146,496	147,229
General expenses (including depreciation)	-428,295	-426,264	-102,455	-100,936
Cost of risk and net result on provisions	-75,785	-68,400	-18,129	-16,197
Profit/loss before taxation	107,017	103,055	25,600	24,403
Profit/loss after taxation	76,033	78,190	18,188	18,515
<b>Ratios</b>				
Weighted average number of shares	31,031,279	28,692,926		
Basic earnings/loss per share (PLN/EUR)	2.45	2.73	0.59	0.65
Diluted earnings/loss per share (PLN/EUR)	2.45	2.73	0.59	0.65
<b>Cash Flow Statement</b>				
Net cash provided by operating activities	-614,395	280,812	-146,973	66,494
Net cash provided by investing activities	-217,203	-696,658	-51,958	-164,963
Net cash provided by (used in) financing activities	792,685	-759,900	189,622	-179,938
Total gross cash flow	-38,913	-1,175,746	-9,309	-278,407
<b>Balance Sheet</b>	<b>Balance as at 30 Sept 2014</b>	<b>Balance as at 31 Dec 2013</b>	<b>Balance as at 30 Sept 2014</b>	<b>Balance as at 31 Dec 2013</b>
Total assets	22,604,452	21,117,256	5,413,592	5,091,931
Loans to customers	17,794,782	16,582,614	4,261,713	3,998,508
Liabilities due to banks	615,070	424,273	147,305	102,303
Liabilities due to customers	11,521,615	10,930,814	2,759,338	2,635,709
Loans and credit facilities received	7,427,747	7,050,920	1,778,888	1,700,164
Equity capital	2,099,716	1,804,841	502,866	435,195
<b>Ratios</b>				
Number of shares	33,719,465	28,692,926		-
Book value per share (PLN/EUR)	62.27	62.90	14.91	15.17
Diluted book value per share (PLN/EUR)	62.27	62.90	14.91	15.17

<b>Capital adequacy*</b>	<b>Balance as at 31 Dec 2013 in PLN thousand</b>	<b>Balance as at 31 Dec 2013 in EUR thousand</b>
Capital adequacy ratio	12.36%	-
Tier 1 (core) capital	1,704,294	410,951
Tier 2 (supplementary) capital	459,557	110,811
Tier 3 (short term) capital	10,228	2,466

\* Capital adequacy ratio as at the end of 2013 was calculated pursuant to Resolution no. 76/2010 of the Polish Financial Supervision Authority dated 10 March 2010 regarding the specific rules of determination of capital requirements on account of particular risk types (KNF Official Journal No. 2/2010 item 2),

<b>Capital adequacy**</b>	<b>Balance as at 30 Sept 2014 in PLN thousand</b>	<b>Balance as at 30 Sept 2014 in EUR thousand</b>
Total capital adequacy ratio	12.72%	-
Tier 1 capital adequacy ratio	10.28%	-
Total amount of exposure to risk	18,724,766	4,484,437
Common Equity Tier 1 (CET1)	1,924,119	460,812
Additional Tier 1 capital	-	-
Tier 2 capital	458,130	109,719

\*\* Capital adequacy ratio was calculated as at the end of Q3 2014, pursuant to Regulation of the European Parliament and Council (EU) No. 575/2013 regarding prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012, with the assumed deduction of 100% of the deferred tax asset from own funds and taking into account 80% of losses on the trading book in their computation.

<b>FINANCIAL HIGHLIGHTS (SEPARATE)</b>	<b>in PLN thousand</b>		<b>in EUR thousand</b>	
	<b>30 Sept 2014 (YTD)</b>	<b>30 Sept 2013 (YTD)</b>	<b>30 Sept 2014 (YTD)</b>	<b>30 Sept 2013 (YTD)</b>
<b>Income Statement</b>				
Net interest income	414,266	377,714	99,099	89,440
Net fee and commission income	99,319	102,510	23,759	24,274
Net banking income	636,471	608,352	152,254	144,053
General expenses (including depreciation)	-419,434	-410,954	-100,335	-97,310
Cost of risk and net result on provisions	-78,030	-104,837	-18,666	-24,825
Profit/loss before taxation	137,591	87,480	32,194	20,715
Profit/loss after taxation	110,078	68,403	26,332	16,197
<b>Ratios</b>				
Weighted average number of shares	31,031,279	28,692,926		
Basic earnings/loss per share (PLN/EUR)	3.55	2.38	0.85	0.56
Diluted earnings/loss per share (PLN/EUR)	3.55	2.38	0.85	0.56
<b>Cash flow statement</b>				
Net cash provided by operating activities	-574,866	109,395	-137,517	25,904
Net cash provided by investing activities	-217,224	-700,280	-51,963	-165,820
Net cash provided by (used in) financing activities	753,182	-507,752	180,173	-120,231
Total gross cash flow	-38,908	-1,098,638	-9,307	-260,147
<b>Balance Sheet</b>	<b>Balance as at 30 Sept 2014</b>	<b>Balance as at 31 Dec 2013</b>	<b>Balance as at 30 Sept 2014</b>	<b>Balance as at 31 Dec 2013</b>
Total assets	22,258,585	19,653,614	5,330,759	4,739,008
Loans to customers	17,430,863	15,074,082	4,174,557	3,634,761
Liabilities due to banks	615,070	424,273	147,305	102,303
Liabilities due to customers	11,554,424	11,008,192	2,767,195	2,654,367
Loans and credit facilities received	7,060,041	5,586,978	1,690,825	1,347,169
Equity capital	2,092,703	1,756,237	501,186	423,475
<b>Ratios</b>				
Number of shares	33,719,465	28,692,926		
Book value per share (PLN/EUR)	62.06	61.21	14.86	14.76
Diluted book value per share (PLN/EUR)	62.06	61.21	14.86	14.76

<b>Capital adequacy*</b>	<b>Balance as at 31 Dec 2013 in PLN thousand</b>	<b>Balance as at 31 Dec 2013 in EUR thousand</b>
Capital adequacy ratio	12.86%	-
Tier 1 (core) capital	1,615,598	389,564
Tier 2 (supplementary) capital	401,378	96,783
Tier 3 (short term) capital	10,228	2,466

\* Capital adequacy ratio as at the end of 2013 was calculated pursuant to Resolution no. 76/2010 of the Polish Financial Supervision Authority dated 10 March 2010 regarding the specific rules of determination of capital requirements on account of particular risk types (KNF Official Journal No. 2/2010 item 2),

<b>Capital adequacy**</b>	<b>Balance as at 30 Sept 2014 in PLN thousand</b>	<b>Balance as at 30 Sept 2014 in EUR thousand</b>
Total capital adequacy ratio	13.00%	-
Tier 1 capital adequacy ratio	10.50%	-
Total amount of exposure to risk	18,281,321	4,378,235
Common Equity Tier 1 (CET1)	1,918,990	459,583
Additional Tier 1 capital	-	-
Tier 2 capital	458,130	109,719

\*\* Capital adequacy ratio was calculated as at the end of Q3 2014, pursuant to Regulation of the European Parliament and Council (EU) No. 575/2013 regarding prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012, with the assumed deduction of 100% of the deferred tax asset from own funds and taking into account 80% of losses on the trading book in their computation.

#### **Rates adopted for conversion of the financial data into EURO**

Key items in the balance sheet, income statement and cash flow statement in the financial statements for the third quarter of 2014 and the corresponding financial figures for the third quarter of 2013 and as at the end of 2013 have been converted into EUR according to the following rules:

- particular items of assets and liabilities in the balance sheet and book value per share as at the end of the third quarter of 2014 have been converted into EUR at the mid-rate binding as at 30 September 2014 published by the National Bank of Poland, i.e. EUR 1 = PLN 4.1755; comparative financial data as at the end of 2013 have been converted into EUR at the mid-rate binding as at 31 December 2013, published by the National Bank of Poland on 31 December 2013, i.e. EUR 1 = PLN 4.1472;
- particular items in the income statement and cash flows, and earnings per share for the third quarter of 2014 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through September 2014, i.e. EUR 1 = PLN 4.1803, whereas comparative data for the end of the third quarter of 2013 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through September 2013, i.e. EUR 1 = PLN 4.2231.

## 2. Consolidated Financial Statements of BNP Paribas Bank Polska SA Group

Consolidated Income Statement (in PLN thousand)	Notes	1 July 2014- 30 Sept 2014	1 Jan 2014-30 Sept 2014	1 July 2013- 30 Sept 2013	1 Jan 2013- 30 Sept 2013
Interest income	9.1	228,610	665,645	222,689	678,065
Interest expense	9.2	-86,309	-245,037	-83,722	-272,258
<b>Net interest income</b>		<b>142,301</b>	<b>420,608</b>	<b>138,967</b>	<b>405,807</b>
Fee and commission income	9.3	45,665	132,790	46,657	133,264
Fee and commission expense	9.4	-8,901	-25,254	-8,564	-23,327
<b>Net fee and commission income</b>		<b>36,764</b>	<b>107,536</b>	<b>38,093</b>	<b>109,937</b>
Net trading income	9.5	23,879	64,995	24,982	74,943
Net profit/loss on hedging transactions		39	813	-290	-2,518
Net profit/loss on the hedged item		-39	-813	290	2,518
Net profit/loss on available-for-sale financial assets	9.6	4,345	21,195	5,622	24,292
Dividends		-	6	3	14
Other income	9.7	13,482	35,121	14,410	40,817
Other operating expenses	9.8	-12,478	-37,059	-10,601	-34,045
<b>Net banking income</b>		<b>208,293</b>	<b>612,402</b>	<b>211,476</b>	<b>621,765</b>
<b>General expenses</b>		<b>-133,392</b>	<b>-395,121</b>	<b>-131,078</b>	<b>-392,684</b>
Personnel expenses		-72,609	-216,095	-68,601	-206,192
Other general expenses	9.9	-60,783	-179,026	-62,477	-186,492
<b>Depreciation</b>		<b>-11,203</b>	<b>-33,174</b>	<b>-10,871</b>	<b>-33,580</b>
<b>Gross operating profit/loss</b>		<b>63,698</b>	<b>184,107</b>	<b>69,527</b>	<b>195,501</b>
<b>Cost of risk and net result on provisions</b>		<b>-25,731</b>	<b>-75,785</b>	<b>-36,710</b>	<b>-92,162</b>
Cost of risk	9.10	-25,893	-79,941	-16,915	-68,400
Net result on provisions	9.11	162	4,156	-19,795	-23,762
<b>Net operating profit/loss</b>		<b>37,967</b>	<b>108,322</b>	<b>32,817</b>	<b>103,339</b>
Net profit/loss from disposal of assets, shares and interest		-339	-1,305	-8	-284
<b>Profit/loss before taxation</b>		<b>37,628</b>	<b>107,017</b>	<b>32,809</b>	<b>103,055</b>
Income tax		-11,370	-30,984	-6,125	-24,865
<b>Profit/loss after taxation</b>		<b>26,258</b>	<b>76,033</b>	<b>26,684</b>	<b>78,190</b>
<b>Consolidated earnings per share</b>	9.12				
Profit/loss after taxation (in PLN thousand)			76,033		78,190
Weighted average number of ordinary shares			31,031,279		28,692,926
<b>Earnings per ordinary share (in PLN)</b>			<b>2.45</b>		<b>2.73</b>
Weighted average diluted number of ordinary shares			31,031,279		28,692,926
<b>Diluted earnings per ordinary share (in PLN)</b>			<b>2.45</b>		<b>2.73</b>

<b>Consolidated report of total income (in PLN thousand)</b>	<b>1 July 2014- 30 Sept 2014</b>	<b>1 Jan 2014- 30 Sept 2014</b>	<b>1 July 2013- 30 Sept 2013</b>	<b>1 Jan 2013- 30 Sept 2013</b>
<b>Net profit/loss for the year</b>	<b>26,258</b>	<b>76,033</b>	<b>26,684</b>	<b>78,190</b>
Profits/losses not recognised in the income statement (investments available for sale)	6,782	9,050	3,567	-42,935
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-1,289	-1,720	-677	8,158
<b>Profits/losses not recognised in the income statement (investments available for sale) - net</b>	<b>5,493</b>	<b>7,330</b>	<b>2,890</b>	<b>-34,777</b>
<b>Total consolidated income</b>	<b>31,751</b>	<b>83,363</b>	<b>29,574</b>	<b>43,413</b>

Notes published on the following pages constitute an integral part of the consolidated financial statements.



<b>Consolidated balance sheet (in PLN thousand)</b>	<b>Notes</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
<b>ASSETS</b>				
Cash and cash equivalents	10.1	1,251,305	1,290,247	805,805
Financial assets held for trading	10.2.1	106,233	70,118	70,709
Due from banks	10.3.1	104,261	79,201	85,116
Loans to customers	10.3.2	17,794,782	16,582,614	17,028,591
Hedging instruments	11	8,725	8,503	8,284
Investments available for sale	10.4	2,801,060	2,607,870	2,472,900
Property, plant and equipment		137,991	125,728	127,867
Intangible assets		46,580	37,044	36,932
Non-current assets held for sale	10.5	99	18,243	23,676
Settlements on account of income tax		-	19,841	6,152
Deferred tax assets	10.6.1	193,820	196,830	214,967
Other assets		159,596	81,017	90,685
<b>Total assets</b>		<b>22,604,452</b>	<b>21,117,256</b>	<b>20,971,684</b>
<b>LIABILITIES</b>				
Financial liabilities held for trading	10.2.2	111,365	69,790	71,738
Liabilities due to banks	10.7.1	615,070	424,273	1,405,652
Liabilities due to customers	10.7.2	11,521,615	10,930,814	9,725,413
Loans and credit facilities received	10.7.3	7,427,747	7,050,920	7,179,548
Differences from the fair value hedge against interest rate risk falling on hedged items		6,947	6,097	6,495
Subordinated liabilities		458,469	452,192	460,405
Income tax provision		21,723	128	-
Deferred tax liabilities	10.6.1	2,483	808	6
Other liabilities		284,952	316,863	275,389
Provisions	10.8.1	54,365	60,530	72,680
<b>Total liabilities</b>		<b>20,504,736</b>	<b>19,312,415</b>	<b>19,197,326</b>
<b>EQUITY CAPITAL</b>				
Share capital		1,532,887	1,304,380	1,304,380
Additional capital		180,541	172,921	172,921
Other capital		253,052	183,480	183,480
Revaluation reserve		11,081	3,751	-2,639
Retained earnings		46,122	38,026	38,026
Net profit/loss for the year		76,033	102,283	78,190
<b>Total equity capital</b>		<b>2,099,716</b>	<b>1,804,841</b>	<b>1,774,358</b>
<b>Total liabilities and equity</b>		<b>22,604,452</b>	<b>21,117,256</b>	<b>20,971,684</b>

Notes published on the following pages constitute an integral part of the consolidated financial statements.

**Consolidated Statement of Changes in Shareholders' Equity for the first three quarters of 2013**  
**(in PLN thousand)**

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
<b>Balance as at 31 Dec 2012</b>	<b>1,434,646</b>	<b>172,401</b>	<b>33,845</b>	<b>30,841</b>	<b>26,269</b>	<b>32,110</b>	<b>833</b>	<b>1,730,945</b>
Net profit/loss for the year	-	-	30,841	-30,841	-	-	-	-
Consolidation adjustment	-	-	833	-	-	-	-833	-
<b>Balance as at 1 Jan 2013</b>	<b>1,434,646</b>	<b>172,401</b>	<b>65,519</b>	<b>-</b>	<b>26,269</b>	<b>32,110</b>	<b>-</b>	<b>1,730,945</b>
Total income for three quarters of 2013	-	-	-	78,190	-	-34,777	-	43,413
Share value decrease	-130,266	-	-	-	130,266	-	-	-
Distribution of retained earnings	-	520	-27,465	-	26,945	-	-	-
Other	-	-	-28*	-	-	28	-	-
<b>Balance as at 30 Sept 2013</b>	<b>1,304,380</b>	<b>172,921</b>	<b>38,026</b>	<b>78,190</b>	<b>183,480</b>	<b>-2,639</b>	<b>-</b>	<b>1,774,358</b>

**Consolidated Statement of Changes in Shareholders' Equity in 2013**  
**(in PLN thousand)**

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
<b>Balance as at 31 Dec 2012</b>	<b>1,434,646</b>	<b>172,401</b>	<b>33,845</b>	<b>30,841</b>	<b>26,269</b>	<b>32,110</b>	<b>833</b>	<b>1,730,945</b>
Net profit/loss for the year	-	-	30,841	-30,841	-	-	-	-
Consolidation adjustment	-	-	833	-	-	-	-833	-
<b>Balance as at 1 Jan 2013</b>	<b>1,434,646</b>	<b>172,401</b>	<b>65,519</b>	<b>-</b>	<b>26,269</b>	<b>32,110</b>	<b>-</b>	<b>1,730,945</b>
Total income for 2013	-	-	-	102,283	-	-28,359	-	73,924
Share value decrease	-130,266	-	-	-	130,266	-	-	-
Distribution of retained earnings	-	520	-27,465	-	26,945	-	-	-
Other	-	-	-28*	-	-	-	-	-28
<b>Balance as at 31 Dec 2013</b>	<b>1,304,380</b>	<b>172,921</b>	<b>38,026</b>	<b>102,283</b>	<b>183,480</b>	<b>3,751</b>	<b>-</b>	<b>1,804,841</b>

\* The amount of PLN 28 thousand refers to a change in the presentation of actuarial profits/losses that results from IAS19.

**Consolidated Statement of Changes in Shareholders' Equity for the first three quarters of 2014**  
**(in PLN thousand)**

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
<b>Balance as at 31 Dec 2013</b>	<b>1,304,380</b>	<b>172,921</b>	<b>38,026</b>	<b>102,283</b>	<b>183,480</b>	<b>3,751</b>	<b>-</b>	<b>1,804,841</b>
Net profit/loss for the year	-	-	102,283	-102,283	-	-	-	-
<b>Balance as at 1 Jan 2014</b>	<b>1,304,380</b>	<b>172,921</b>	<b>140,309</b>	<b>-</b>	<b>183,480</b>	<b>3,751</b>	<b>-</b>	<b>1,804,841</b>
Total income for three quarters of 2014	-	-	-	76,033	-	7,330	-	83,363
Share issue	228,507	-	-	-	-9,773	-	-	218,734
Distribution of retained earnings	-	7,101	-86,446	-	79,345	-	-	-
Other	-	519	-7,741	-	-	-	-	-7,222
<b>Balance as at 30 Sept 2014</b>	<b>1,532,887</b>	<b>180,541</b>	<b>46,122</b>	<b>76,033</b>	<b>253,052</b>	<b>11,081</b>	<b>-</b>	<b>2,099,716</b>

<b>Consolidated Cash Flow Statement (in PLN thousand)</b>	<b>1 Jan 2014- 30 Sept 2014</b>	<b>1 Jan 2013- 30 Sept 2013</b>
<b>Cash and cash equivalents, gross Opening balance</b>	<b>1,290,864</b>	<b>1,981,688</b>
<b>OPERATING ACTIVITY</b>		
<b>Gross profit/loss</b>	<b>107,017</b>	<b>103,055</b>
<b>Adjustments for:</b>	<b>-721,412</b>	<b>177,757</b>
Depreciation	33,186	33,580
Change of reserves and provisions	-48,706	-43,782
Profits/losses on account of FX rate differences	783	20,731
Profit/loss on investing activities	5,472	5,465
Changes in operational assets and liabilities:	-720,482	169,203
- financial assets and liabilities held for trading	5,460	60,148
- due from banks, gross	-24,902	122,946
- loans to customers, gross	793,106	-804,122
- change in the balance of available-for-sale investments, gross	-8,004	-29,020
- liabilities due to banks	190,797	1,023,292
- liabilities due to customers	802,363	-376,032
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	627	591
- liabilities due on account of credit facilities and loans received	-2,343,798	82,927
- liabilities due on account of a subordinated loan	6,276	13,643
- change in the balance of assets held for sale	22,309	-
- other assets and liabilities	-164,716	74,830
Tax paid	8,335	-7,440
<b>Net operating cash flows</b>	<b>-614,395</b>	<b>280,812</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available-for-sale investments	-31,512,137	-24,225,982
Purchase of property, plant and equipment and intangible fixed assets	-41,750	-44,247
Proceeds from AFS divestment	31,336,001	23,572,103
Proceeds from sales of property, plant and equipment	1,645	2,327
Other investment expenses	-962	-859
<b>Net cash provided by investing activities</b>	<b>-217,203</b>	<b>-696,658</b>
<b>FINANCING ACTIVITY</b>		
Subordinated loans repayment	-	-267,092
Drawdown of loans and credit facilities received	2,788,068	1,715,028
Repayment of loans and credit facilities received	-2,214,117	-2,227,440
Share issue	228,507	-
Other financial gains	-	19,604
Other financial expenses	-9,773	-
<b>Net cash provided by (used in) financing activities</b>	<b>792,685</b>	<b>-759,900</b>
<b>Cash and cash equivalents, gross Ending balance</b>	<b>1,251,951</b>	<b>805,942</b>
<b>Change in gross cash and cash equivalents</b>	<b>-38,913</b>	<b>-1,175,746</b>

The consolidated Cash Flow Statement is prepared using an indirect method.

Notes published on the following pages constitute an integral part of the consolidated financial statements.

### 3. Quarterly Financial Information – Separate Financial Data of BNP Paribas Bank Polska SA

Separate income statement (in PLN thousand)	1 July 2014- 30 Sept 2014	1 Jan 2014- 30 Sept 2014	1 July 2013- 30 Sept 2013	1 Jan 2013- 30 Sept 2013
Interest income	226,032	652,297	206,908	627,222
Interest expense	-84,765	-238,031	-76,827	-249,508
<b>Net interest income</b>	<b>141,267</b>	<b>414,266</b>	<b>130,081</b>	<b>377,714</b>
Fee and commission income	42,457	124,234	43,874	125,179
Fee and commission expense	-8,824	-24,915	-8,314	-22,669
<b>Net fee and commission income</b>	<b>33,633</b>	<b>99,319</b>	<b>35,560</b>	<b>102,510</b>
Net trading income	23,879	65,105	24,597	74,178
Net profit/loss on hedging transactions	39	813	-290	-2,518
Net profit/loss on the hedged item	-39	-813	290	2,518
Net profit/loss on available-for-sale financial assets	4,345	21,195	5,530	23,872
Dividends	-	39,047	-	24,283
Other revenues	13,506	34,574	8,198	20,759
Other operating expenses	-12,455	-37,035	-4,359	-14,964
<b>Net banking income</b>	<b>204,175</b>	<b>636,471</b>	<b>199,607</b>	<b>608,352</b>
<b>General expenses</b>	<b>-131,121</b>	<b>-385,407</b>	<b>-126,038</b>	<b>-377,915</b>
Personnel expenses	-71,213	-211,821	-67,100	-201,302
Other general expenses	-59,908	-173,586	-58,938	-176,613
<b>Depreciation</b>	<b>-11,178</b>	<b>-34,027</b>	<b>-10,669</b>	<b>-33,039</b>
<b>Gross operating profit/loss</b>	<b>61,876</b>	<b>217,037</b>	<b>62,900</b>	<b>197,398</b>
<b>Cost of risk and net result on provisions</b>	<b>-25,731</b>	<b>-78,030</b>	<b>-38,125</b>	<b>-104,837</b>
Cost of risk	-25,893	-82,186	-18,330	-81,075
Net result on provisions	162	4,156	-19,795	-23,762
<b>Net operating profit/loss</b>	<b>36,145</b>	<b>139,007</b>	<b>24,775</b>	<b>92,561</b>
Net profit/loss from disposal of assets, shares and interest	-339	-1,416	77	-5,081
<b>Profit/loss before taxation</b>	<b>35,806</b>	<b>137,591</b>	<b>24,852</b>	<b>87,480</b>
Income tax	-11,233	-27,513	-5,928	-19,077
<b>Profit/loss after taxation</b>	<b>24,573</b>	<b>110,078</b>	<b>18,924</b>	<b>68,403</b>

<b>Separate report of total income (in PLN thousand)</b>	<b>1 July 2014- 30 Sept 2014</b>	<b>1 Jan 2014- 30 Sept 2014</b>	<b>1 July 2013- 30 Sept 2013</b>	<b>1 Jan 2013- 30 Sept 2013</b>
<b>Net profit/loss for the year</b>	<b>24,573</b>	<b>110,078</b>	<b>18,924</b>	<b>68,403</b>
Profits/losses not recognised in the income statement (investments available for sale)	6,695	8,810	3,672	-42,500
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-1,272	-1,674	-697	8,075
<b>Profits/losses not recognised in the income statement (investments available for sale) - net</b>	<b>5,423</b>	<b>7,136</b>	<b>2,975</b>	<b>-34,425</b>
<b>Total separate income</b>	<b>29,996</b>	<b>117,214</b>	<b>21,899</b>	<b>33,978</b>

<b>Separate Balance Sheet (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
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<b>ASSETS</b>			
Cash and cash equivalents	1,251,266	1,290,203	805,789
Financial assets held for trading	106,233	70,118	70,709
Due from banks	104,261	79,201	85,116
Loans to customers	17,430,863	15,074,082	15,596,729
Hedging instruments	8,725	8,503	8,284
Investments available for sale	2,797,304	2,604,354	2,469,319
Other investments	21,067	115,851	115,851
Property, plant and equipment	137,824	125,601	126,728
Intangible assets	46,575	37,015	36,906
Non-current assets held for sale	99	-	-
Settlements on account of income tax	-	15,201	99
Deferred tax assets	194,723	169,237	190,497
Other assets	159,645	64,248	80,860
<b>Total assets</b>	<b>22,258,585</b>	<b>19,653,614</b>	<b>19,586,887</b>

<b>LIABILITIES</b>			
Financial liabilities held for trading	111,365	69,790	71,738
Liabilities due to banks	615,070	424,273	1,405,642
Liabilities due to customers	11,554,424	11,008,192	9,744,340
Loans and credit facilities received	7,060,041	5,586,978	5,845,949
Differences from the fair value hedge against interest rate risk falling on hedged items	6,947	6,097	6,495
Subordinated liabilities	458,469	452,192	460,405
Income tax liabilities	21,723	-	-
Deferred tax liabilities	2,483	808	6
Other liabilities	281,015	291,679	250,389
Provisions	54,345	57,368	69,991
<b>Total liabilities</b>	<b>20,165,882</b>	<b>17,897,377</b>	<b>17,854,955</b>

<b>EQUITY CAPITAL</b>			
Share capital	1,532,887	1,304,380	1,304,380
Additional capital	186,284	178,730	178,730
Other capital	252,904	183,434	183,434
Revaluation reserve	10,586	3,450	-2,987
Retained earnings	-	-28	-28
Net profit/loss for the year	110,078	86,271	68,403
<b>Total equity capital</b>	<b>2,092,703</b>	<b>1,756,237</b>	<b>1,731,932</b>
<b>Total liabilities and equity</b>	<b>22,258,585</b>	<b>19,653,614</b>	<b>19,586,887</b>

**Statement of Changes in Shareholders' Equity for three quarters of 2013**  
**(in PLN thousand)**

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total Capital
<b>Balance as at 31 Dec 2012</b>	<b>1,434,646</b>	<b>176,387</b>	-	<b>29,288</b>	<b>26,223</b>	<b>31,410</b>	<b>1,697,954</b>
Net profit/loss for the year	-	-	<b>29,288</b>	<b>-29,288</b>	-	-	-
<b>Balance as at 1 Jan 2013</b>	<b>1,434,646</b>	<b>176,387</b>	<b>29,288</b>	-	<b>26,223</b>	<b>31,410</b>	<b>1,697,954</b>
Total income for three quarters of 2013	-	-	-	68,403	-	-34,425	33,978
Distribution of retained earnings	-	2,343	-29,288	-	26,945	-	-
Decrease of the share nominal value	-130,266	-	-	-	130,266	-	-
Other	-	-	-28*	-	-	28	-
<b>Balance as at 30 Sept 2013</b>	<b>1,304,380</b>	<b>178,730</b>	<b>-28</b>	<b>68,403</b>	<b>183,434</b>	<b>-2,987</b>	<b>1,731,932</b>

**Statement of Changes in Shareholders' Equity in 2013**  
**(in PLN thousand)**

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 31 Dec 2012</b>	<b>1,434,646</b>	<b>176,387</b>	-	<b>29,288</b>	<b>26,223</b>	<b>31,410</b>	<b>1,697,954</b>
Net profit/loss for the year	-	-	<b>29,288</b>	<b>-29,288</b>	-	-	-
<b>Balance as at 1 Jan 2013</b>	<b>1,434,646</b>	<b>176,387</b>	<b>29,288</b>	-	<b>26,223</b>	<b>31,410</b>	<b>1,697,954</b>
Total income in 2013	-	-	-	86,271	-	-27,960	58,311
Distribution of retained earnings	-	2,343	-29,288	-	26,945	-	-
Decrease of the share nominal value	-130,266	-	-	-	130,266	-	-
Other	-	-	-28*	-	-	-	-28
<b>Balance as at 31 Dec 2013</b>	<b>1,304,380</b>	<b>178,730</b>	<b>-28</b>	<b>86,271</b>	<b>183,434</b>	<b>3,450</b>	<b>1,756,237</b>

**Statement of Changes in Shareholders' Equity for three quarters of 2014**  
**(in PLN thousand)**

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
<b>Balance as at 31 Dec 2013</b>	<b>1,304,380</b>	<b>178,730</b>	-	<b>86,243</b>	<b>183,434</b>	<b>3,450</b>	<b>1,756,237</b>
Net profit/loss for the year	-	-	<b>86,243</b>	<b>-86,243</b>	-	-	-
<b>Balance as at 1 Jan 2014</b>	<b>1,304,380</b>	<b>178,730</b>	<b>86,243</b>	-	<b>183,434</b>	<b>3,450</b>	<b>1,756,237</b>
Total income for three quarters of 2014	-	-	-	110,078	-	7,136	117,214
Share issue	228,507	-	-	-	-9,773	-	218,734
Distribution of retained earnings	-	7,000	-86,243	-	79,243	-	-
Other	-	518	-	-	-	-	518
<b>Balance as at 30 Sept 2014</b>	<b>1,532,887</b>	<b>186,284</b>	-	<b>110,078</b>	<b>252,904</b>	<b>10,586</b>	<b>2,092,703</b>

\*The amount of PLN 28 thousand refers to a change in the presentation of actuarial profits/losses that results from IAS19.



<b>Cash flow statement (in PLN thousand)</b>	<b>1 Jan 2014- 30 Sept 2014</b>	<b>1 Jan 2013- 30 Sept 2013</b>
<b>Cash and cash equivalents, gross</b>		
<b>Opening balance</b>	<b>1,290,820</b>	<b>1,904,564</b>
<b>OPERATING ACTIVITY</b>		
<b>Gross profit/loss</b>	<b>137,591</b>	<b>87,480</b>
<b>Adjustments for:</b>	<b>-712,457</b>	<b>21,914</b>
Depreciation	34,039	33,039
Change of reserves and provisions	54,664	-21,130
Profit/loss on investing activities	5,472	5,466
Changes in operational assets and liabilities:	-812,683	6,682
- financial assets and liabilities held for trading	5,460	60,148
- due from banks, gross	-24,902	122,946
- loans to customers, gross	-1,058,812	-936,678
- change in the balance of available-for-sale investments, gross	-8,004	-28,599
- liabilities due to banks	190,797	1,023,315
- liabilities due to customers	546,272	-405,269
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	627	591
- liabilities due on account of credit facilities and loans received	-410,100	82,927
- change in the balance of assets held for sale and discontinued operations	22,309	-
- liabilities due on account of a subordinated loan	6,276	13,643
- other assets and liabilities	-82,606	73,658
Tax paid	6,051	-2,143
<b>Net operating cash flows</b>	<b>-574,866</b>	<b>109,394</b>
<b>INVESTING ACTIVITY</b>		
Purchase of available-for-sale investments	-31,512,137	-24,225,982
Purchase of property, plant and equipment and intangible fixed assets	-41,660	-43,604
Proceeds from sales of available-for-sale investments	31,336,001	23,568,052
Proceeds from sales of property, plant and equipment	1,534	2,113
Other investment expenses	-962	-859
<b>Net cash provided by investing activities</b>	<b>-217,224</b>	<b>-700,280</b>
<b>FINANCING ACTIVITY</b>		
Subordinated loans repayment	-	-267,092
Loans and credit facilities taken	2,285,415	667,031
Repayment of loans and credit facilities	-1,750,967	-927,295
Share issue	228,507	-
Other financial gains	-	19,604
Other financial expenses	-9,773	-
<b>Net cash provided by (used in) financing activities</b>	<b>753,182</b>	<b>-507,752</b>
<b>Cash and cash equivalents, gross</b>		
<b>Ending balance</b>	<b>1,251,912</b>	<b>805,926</b>
<b>Change in gross cash and cash equivalents</b>	<b>-38,908</b>	<b>-1,098,638</b>

Cash Flow Statement is prepared using an indirect method.

## 4. The Key Factors Affecting Consolidated Performance of BNP Paribas Bank Polska SA Group as at the End of the Third Quarter of 2014

### 4.1. Financial Results

Income Statement (in PLN thousand)	I Jan 2014-30 Sept 2014	1 Jan 2013- 30 Sept 2013	Change Q3 2014 -Q3 2013
Net interest income	420,608	405,807	3.6%
Net fee and commission income	107,536	109,937	-2.2%
Other income <sup>1</sup>	84,258	106,021	-20.5%
<b>Net banking income</b>	<b>612,402</b>	<b>621,765</b>	<b>-1.5%</b>
Personnel expenses	-216,095	-206,192	4.8%
Other general expenses with depreciation	-212,200	-220,072	-3.6%
Cost of risk and net result on provisions	-75,785	-92,162	-17.8%
Net profit/loss from disposal of assets, shares and interest	-1,305	-284	359.5%
<b>Profit/loss before taxation</b>	<b>107,017</b>	<b>103,055</b>	<b>3.8%</b>
<b>Profit/loss after taxation</b>	<b>76,033</b>	<b>78,190</b>	<b>-2.8%</b>

### 4.2. Financial Highlights

Total assets (in PLN thousand)	30 Sept 2014	31 Dec 2013	30 Sept 2013	Change 30 Sept 2014 - 31 Dec 2013
<b>Total assets</b>	<b>22,604,452</b>	<b>21,117,256</b>	<b>20,971,684</b>	<b>7.0%</b>
Loans to customers	17,794,782	16,582,614	17,028,591	7.3%
Liabilities due to customers	11,521,615	10,930,814	9,725,413	5.4%
Total equity	2,099,716	1,804,841	1,774,358	16.3%

### 4.3. Financial ratios (%)

	30 Sept 2014	31 Dec 2013	30 Sept 2013
Capital adequacy ratio	12.72%	12.4%	12.1%
Return on assets (ROA)*	0.5%	0.5%	0.5%
Return on equity (ROE)*	5.2%	5.8%	6.0%
Net interest margin*	2.8%	2.8%	2.8%
Net PLN loans to PLN deposits ratio	115.8%	105.1%	116.8%
Net PLN loans to PLN deposits ratio - Bank	113.2%	96.4%	108.2%

\*These ratios were calculated as follows:

Return on assets (ROA)	Profit/loss after taxation / average assets as at the end of four subsequent quarters
Return on equity (ROE)	Profit/loss after taxation / average total own funds as at the end of four subsequent quarters
Net interest margin	Net interest income / average interest-bearing assets <sup>2</sup> as at the end of four subsequent quarters

<sup>1</sup> Other income includes: net trading income, net profit/loss on transactions in available-for-sale financial assets, dividends, net profit/loss on fair value hedge accounting, other income and other operating costs

<sup>2</sup> Interest-bearing assets include: financial assets held for trading, due from banks, loans to customers, investments available for sale and hedging instruments

## 4.4. Consolidated income statement for the second and third quarters of 2014 and comparative data

<b>Consolidated Income Statement (in PLN thousand)</b>	<b>1 Apr 2014- 30 June 2014</b>	<b>1 July 2014- 30 Sept 2014</b>	<b>1 Apr 2013 - 30 June 2013</b>	<b>1 July 2013- 30 Sept 2013</b>	<b>Change Q3 2014 -Q3 2013</b>
Interest income	221,646	228,610	221,958	222,689	26,1%
Interest expense	-82,889	-86,309	-98,573	-83,722	3,1%
<b>Net interest income</b>	<b>138,757</b>	<b>142,301</b>	<b>123,385</b>	<b>138,967</b>	<b>2,4%</b>
Fee and commission income	44,420	45,665	44,485	46,657	-2,1%
Fee and commission expense	-8,021	-8,901	-7,647	-8,564	3,9%
<b>Net fee and commission income</b>	<b>36,399</b>	<b>36,764</b>	<b>36,838</b>	<b>38,093</b>	<b>-3,5%</b>
Net trading income	23,323	23,879	26,573	24,982	-4,4%
Net profit/loss on hedging transactions	269	39	-1,524	-290	113,5%
Net profit/loss on the hedged item	-269	-39	1,524	290	-113,5%
Net profit/loss on available-for-sale financial assets	11,120	4,345	4,580	5,622	-22,7%
Dividends	6	-	11	3	-100%
Other income	8,559	13,482	13,939	14,410	-6,4%
Other operating expenses	-11,644	-12,478	-12,099	-10,601	17,7%
<b>Net banking income</b>	<b>206,520</b>	<b>208,293</b>	<b>193,227</b>	<b>211,476</b>	<b>-1,5%</b>
<b>General expenses</b>	<b>-129,881</b>	<b>-133,392</b>	<b>-132,130</b>	<b>-131,078</b>	<b>1,8%</b>
Personnel expenses	-71,982	-72,609	-69,191	-68,601	5,8%
Other general expenses	-57,899	-60,783	-62,939	-62,477	-2,7%
<b>Depreciation</b>	<b>-11,616</b>	<b>-11,203</b>	<b>-11,266</b>	<b>-10,871</b>	<b>3,1%</b>
<b>Gross operating profit/loss</b>	<b>65,023</b>	<b>63,698</b>	<b>49,813</b>	<b>69,527</b>	<b>-8,4%</b>
<b>Cost of risk and net result on provisions</b>	<b>-28,864</b>	<b>-25,731</b>	<b>-20,850</b>	<b>-36,710</b>	<b>-29,9%</b>
Cost of risk	-32,558	-25,893	-20,021	-16,915	53,1%
Net result on provisions	3,694	162	-829	-19,795	100,8%
<b>Net operating profit/loss</b>	<b>36,159</b>	<b>37,967</b>	<b>28,981</b>	<b>32,817</b>	<b>15,7%</b>
Net profit/loss from disposal of assets, shares and interest	-126	-339	-118	-8	-
<b>Profit/loss before taxation</b>	<b>36,033</b>	<b>37,628</b>	<b>28,863</b>	<b>32,809</b>	<b>14,7%</b>
Income tax expense	-10,900	-11,370	-8,151	-6,125	85,6%
<b>Profit/loss after taxation</b>	<b>25,133</b>	<b>26,258</b>	<b>20,712</b>	<b>26,684</b>	<b>-1,6%</b>

## Consolidated Income Statement

The Group closed the first three quarters of 2014 with an after-tax profit totalling PLN 76.0 million, which was by PLN 2.2 million or 2.8% lower than the result of the first three quarters of 2013. Excluding the impact of a one-off income item and expenses incurred in the first three quarters of 2014 related to the intended merger of Bank Gospodarki Żywnościowej SA and BNP Paribas Bank Polska SA, amounting to PLN 2.9 million, the after-tax profit would be similar in both periods, while the net banking income would be higher by 1.6% than in the corresponding period of the previous year.

In the first three quarters of 2014 the Group did not record any considerable one-off items.

In the first three quarters of 2013, the Group recorded the following one-off items:

- PLN 19.1 million: net income on account of the settlement of a prepayment of some credit facilities from the BNP Paribas Group (primarily a subordinated loan) with the positive mark to market, which affected the net interest income in the Other Banking Activity segment.
- PLN 20.0 million - the cost of provisions for legal risk related to litigation with the Bank's customers regarding derivative instruments, which affected the net result on provisions in Q3 in the following segments: Retail Banking in the amount of PLN 6.6 million, and Corporate and Transaction Banking in the amount of PLN 13.4 million.

**The Group's net banking income** for the first three quarters of 2014 in the amount of PLN 612.4 million was by PLN 9.4 million (1.5%) lower than in the corresponding period of 2013, mainly due to one-off income item related to the settlement of a prepayment of some credit lines granted by the BNP Paribas group with the positive mark to market in the amount of PLN 19.1 million, which affected the net interest income in the first three quarters of 2013 and resulted in a lower net trading income. Excluding the one-off item, the net banking income would be by 1.6% higher as compared to the corresponding period of 2013.

Key items of this position are presented below:

### – **Net interest income**

In the structure of the Group's income, the net interest income is the main item. In the first three quarters of 2014, it stood at PLN 420.6 million and was by PLN 14.8 million or 3.6% higher than in the corresponding period of 2013 (excluding the impact of the one-off item, the net interest income would rise by 8.8%). However, the material decrease in market interest rates limited both the Group's interest income and expense.

In the first three quarters of 2014, **interest income** stood at PLN 665.6 million, which represents a fall by 1.8% (or PLN 12.4 million) compared to the first three quarters of 2013. This fall was mainly recorded in:

- **interest on loans to the Group's customers** (by 1.7% or PLN 10.0 million), which in the analysed period amounted to PLN 593.4 million. Decrease in interest on loans to customers derived chiefly from materially lower market interest rates, which resulted in particular in lower average interest rates on commercial loans, finance lease receivables and PLN mortgage loans. Furthermore, in Q3 2013 the Group earned an additional interest income of PLN 8.7 million, related to restructuring of receivables due from the Vistula Group SA. Lower interest income due to the fall in market interest rates and the additional income earned last year, was partially counterbalanced by growth in the new production of consumer credits and the margin on such credits;
- **interest on cash and cash equivalents** (by 6.4% or PLN 0.8 million);
- **interest on receivables due from banks** (by PLN 0.8 million).

In the first three quarters of 2014, **interest expense** went down by PLN 27.2 million, i.e. 10.0%, as compared to the corresponding period of 2013, and reached PLN 245.0 million. This item fell mainly due to the following:

- lower **interest expense on customer deposits** (by PLN 30.3 million or 17.2%), despite higher average volumes of such deposits, mainly as a result of cutting interest rates of savings accounts and term deposits following the market interest rate decrease;
- lower **interest expense on liabilities due to banks** (by PLN 8.0 million or 41.4%) mainly in connection with the market interest rate fall and lower balances of those liabilities.

At the same time, **interest expense related to subordinated loans** as well as **loans and credit facilities received** increased in total by PLN 12.1 million. The above growth resulted mainly from the impact on interest expense in the first three quarters of 2013 exerted by the net income received by the Bank on account of the settlement of a prepayment of some credit lines granted by the BNP PARIBAS group with the positive mark to market in the amount of PLN 19.1 million. On the other hand, the fall of market interest rates contributed to the decrease in expenses on PLN loans and credit facilities received.

The net interest margin was 2.8% both in the first three quarters of 2014 and the first three quarters of 2013. In the first three quarters of 2013, the interest margin amount was affected by a one-off income item related to the settlement of a prepayment of some credit lines granted by the BNP Paribas group (mainly the subordinated loan) with a positive mark to market; excluding the said income, the net interest margin would stand at 2.7% in the first three quarters of 2013.

#### – **Net fee and commission income**

In the first three quarters of 2014, the net fee and commission income generated by the Group was lower by 2.2% (PLN 2.4 million) than in the corresponding period of 2013.

The item went down mainly due to the following:

- lower payment card related commissions;
- drop in net fees and commissions for cash settlement services that include primarily account maintenance, cash transaction and bank transfer fees (by 3.2%);
- lower (by 8.7%) net fees and commissions related to the sale of insurance products;

The decrease was partly counterbalanced by higher fees and commission related to granting loans (by 8.4% or PLN 1.9 million).

#### – **Net trading income**

In the first three quarters 2014, the net trading income amounted to PLN 65.0 million, which in comparison to the result generated in the first three quarters of 2013 represents a decrease by PLN 9.9 million (13.3%). The net income on derivative transactions dropped by PLN 3.2 million to PLN -0.3 million in the first three quarters of 2014. The decrease resulted chiefly from a recognition of the Credit Value Adjustment (CVA) at PLN 2.3 million in the market valuation. CVA recognised in the first three quarters of 2014 concerned derivative transactions entered into with customers for which no impairment was recognised. The net FX income dropped as compared to the third quarter of 2013 by PLN 6.8 million or 9.4% mainly as a result of a lower margin realised on FX transactions made by the Bank's customers (with a parallel increase in the average volume of those transactions).

#### – **Net profit/loss on available-for-sale financial assets**

The net income on available-for-sale financial assets in the first three quarters of 2014 amounted to PLN 21.2 million in comparison to PLN 24.3 million in the first three quarters of 2013. The net income decrease was related to lower profits earned on the sale of securities.

## The Group's operating expenses

In 2013, the Group completed implementation of the cost optimisation programme called *Triathlon* that created savings at the assumed level. Apart from the Triathlon programme, the Group participates in "Simple & Efficient", the global cost-efficiency project of the BNP Paribas group, which aims at reaching additional annual savings of PLN 26 million. The combined effects of both projects and a strict cost control allow the Group to invest in the activity development while avoiding a significant expense increase. In the third quarter of 2014, the Group incurred costs at PLN 2.9 million, related to the intention to merge Bank Gospodarki Żywnościowej SA with BNP Paribas Bank Polska SA.

In the first three quarters of 2014, the Group's general expenses and depreciation were by PLN 2.0 million (0.5%) higher as compared to corresponding period of 2013.

**Personnel costs** of the Group in the first three quarters of 2014 stood at PLN 216.1 million and were higher by PLN 9.9 million or 4.8% than in the corresponding period of 2013. The above was attributable to higher provisions on severance pay related to retirement, unused vacation leaves and other employee benefits, higher costs of basic remuneration and surcharges, and also costs related to the Group's business development as well as costs related to the planned merger of Bank Gospodarki Żywnościowej SA with BNP Paribas Bank Polska SA. As at the end of the third quarter of 2014, the headcount in the Group was 2,855 FTE as compared to 2,763 FTE as at the end of the third quarter of 2013.

**Depreciation** of fixed and intangible assets amounted to PLN 33.2 million in the first three quarters of 2014 and was lower by 1.2% than in the corresponding period of 2013.

**Other general expenses** of the Group in the first three quarters of 2014 amounted to PLN 179.0 million and were by PLN 7.5 million or 4.0% lower than in the corresponding period of 2013. The decrease in other general expenses is related to lower marketing costs and savings made within cost optimisation programmes (however, the considerable portion of the savings made was recorded already in the corresponding period of 2013).

### Cost of risk

In the first three quarters of 2014, cost of risk amounted to PLN 79.9 million, which represents growth by PLN 11.5 million, i.e. 16.9%, as compared to the corresponding period of 2013. The annualised cost of risk ratio amounted to 0.6% in the first three quarters of 2014 versus 0.5% recorded in the first three quarters of 2013.

As compared to the corresponding period of 2013, the cost of risk increase was attributable to higher provisions for receivables due from corporate customers, which were higher than last year (in the first three quarters of 2013, thanks to an effective debt restructuring and recovery in this segment, a positive cost of risk was recorded), and for consumer credits of private individuals, while provisions for receivables due from small and medium enterprises were materially lower than the year before.

### Net result on provisions

In the first three quarters of 2014, net result on provisions stood at PLN 4.2 million as compared to PLN -23.8 million in the corresponding period of 2013. The result is attributable to the following:

- The income on the release of provisions for legal risk related to litigation with the Bank's customers involving financial instruments in the amount of PLN 4.3 million versus costs of provisions for legal risk related to litigation with the Bank's customers involving derivative instruments of PLN 20.0 million in the first three quarters of 2013;
- other costs of provisions for legal risk at PLN 0.1 million as compared to PLN 3.8 million in the first three quarters of 2013.

## Consolidated balance sheet

The Group's consolidated total assets as at the end of Q3 2014 amounted to PLN 22,604.5 million and were lower than the total assets as at the end of December 2013 by PLN 1,487.2 million, i.e. 7.0%. Growth of total assets pertained chiefly to loans to customers and investments available for sale.

## Loan portfolio of the Group

Net loans to customers are the primary item of the Group's asset structure. At PLN 17,794.8 million, they account for 78.7% of total assets. Their increase as compared to the end of December 2013 (by PLN 1,212.2 million or 7.3%) resulted chiefly from:

- increase in the loan portfolio of large enterprises,
- increase in the balance of factoring receivables,
- active sale of consumer credits to individual customers, and car loans for enterprises, thanks to an attractive offering and marketing actions undertaken,
- growth in lease receivables balances,
- a depreciation of the Polish zloty against the foreign currencies in which the Bank's foreign currency loan portfolio is denominated, which contributed to a 0.7% increase of the total net loan portfolio,
- improved loan portfolio quality, which resulted in lower provisions for impairment (for incurred, reported losses).

Owing to consistent risk management and efficient restructuring and recovery of non-performing receivables, the value and share of non-performing receivables in the Group's loan portfolio falls systematically.

The table below presents the structure and evolution of the loan portfolio in the analysed periods:

in PLN thousand	30 Sept 2014	Share (%)	31 Dec 2013	Share (%)	Δ 30 Sept 2014 / 31 Dec 2013
Commercial loans	8,325,865	44.2%	7,565,244	42.8%	10.1%
PLN mortgage loans	1,771,146	9.4%	1,789,026	10.1%	-1.0%
FC mortgage loans	3,810,462	20.2%	3,903,697	22.1%	-2.4%
Consumer loans and credit facilities	2,638,898	14.0%	2,442,003	13.8%	8.1%
Lease receivables	1,818,752	9.7%	1,762,775	10.0%	3.2%
Other receivables *	463,743	2.5%	208,476	1.2%	122.4%
<b>Total loans to customers, gross</b>	<b>18,828,866</b>	<b>100%</b>	<b>17,671,221</b>	<b>100%</b>	<b>6.6%</b>
Impairment provisions and IBNR	-1,034,084		-1,088,607		-5.0%
<b>Total loans to customers, net</b>	<b>17,794,782</b>		<b>16,582,614</b>		<b>7.3%</b>

\*Other receivables include: loans to State-owned entities, receivables from financial instruments (FX spots and FX swaps) recognised at the trade date, factoring and other receivables, likewise interest to be received

The highest increase in comparison to December 2013 (by PLN 760.6 million or 10.1%) was recorded in the portfolio of **commercial loans for business entities**, first of all thanks to the following:

- higher utilisation of overdraft facility limits and working capital loans by corporate customers (big enterprises),
- active sale of car loans to enterprises, which in the first nine months of 2014 amounted to PLN 183.3 million and was by 6.3% higher than in the corresponding period of 2013 when the sale volume equalled PLN 172.5 million. The sale of car loans and car lease facilities with respect to the portion of the loans and facilities granted by the Personal Finance Business Line to all customers of the Bank (both business and individual ones) amounted to PLN 352.7 million in the first three quarters of 2014 as compared to PLN 300.1 million in the first three quarters of 2013.



Still relatively low demand for investment loans from SMEs resulted in a lower balance of such loans as compared to the level recorded as at the end of December last year.

The portfolio of **consumer loans and credit facilities** for individuals as at the end of September 2014 grew by PLN 196.9 million (8.1%) in comparison to the end of December 2013. Thanks to a continued attractive offering of cash loans and their promotion campaign, the sale of such loans in the first nine months of 2014 was by 5.6% higher than the year before and reached PLN 798.7 million versus PLN 756.6 million in the first nine months of 2013.

The decrease in the **mortgage loans** balance by PLN 111.1 million (2.0%) was mainly related to the portfolio of foreign currency mortgage loans whose value was reduced by PLN 93.2 million (or 2.4%) versus the level as at the end of December 2013 (the decrease in foreign currency balances resulting from discontinuation of granting new foreign currency mortgage loans was counterbalanced by a positive impact of weakening PLN towards CHF – CHF mortgage loans in the amount of PLN 3,736.6 million as at the end of the third quarter of 2014 accounted for 98.1% of the total balance of foreign currency mortgage loans). At present, the Group does not focus on the sale of PLN mortgage loans. In consequence, the balance of such loans developed at the level similar to the level as at the end of December 2013.

**Gross finance lease receivables** increased by PLN 56.0 million, or 3.2%, as compared to the level recorded as at the end of December 2013. The growth in the Group's lease portfolio was affected mainly by a higher new lease production, in particular in terms of real estate lease.

The level of foreign currency lease receivables, which as at the end of September 2014 accounted for 43.0% of total lease receivables, was also positively affected by the FX rate rise which contributed to the 0.9% increase in the value of such receivables in the first nine months of 2014.

As at the end of the third quarter 2013, the gross balance of **factoring receivables** stood at PLN 364.5 million and was higher than as at the end of December 2013 by PLN 213.2 million, or 140.9%, as a result of development of the subsidiary's business.

Foreign currency loans accounted for 35.7% of gross loans to customers as at the end of Q3 of 2014, with the highest share of CHF loans at PLN 3,956.4 million (21.0% of the entire gross loans to customers), and EUR loans (14.3% of the entire gross loans to customers). The value of the foreign currency loan portfolio fell by PLN 154.9 million or 2.3% as compared to December 2013.

### Loan portfolio quality

A downward trend of the impaired (non-performing) loans' ratio is observed in the Group's loan portfolio as a result of:

- keeping a high quality of the new loan production thanks to the consistently pursued prudent credit policy;
- effective debt restructuring and recovery with respect to the non-performing portfolio.

As at the end of September 2014, the share of the impaired loan portfolio in the Group's total loan portfolio fell to 7.1% versus 8.4% as at the end of December 2013 and 8.4% as at the end of September 2013. For loans to customers of the Corporate and Transaction Banking the ratio was 5.9%, for SME segment customers it equalled 12.3%, 11.6% for consumer credits (which also include car loans granted to SME customers) and 3.0% for mortgage loans.

### Liabilities

Customer deposits together with loans and credit facilities received constitute the main source of financing the Group's assets.

In the third quarter of 2014, the Group continued adjusting its financing structure to the current needs.

The balance of loans and credit facilities received as at the end of September 2014 totalled PLN 7,427.7 million and accounted for 36.2% in the Group's structure of liabilities. Their value increased by PLN 376.8 million, i.e. 5.3% as compared to the balance noted as at the end of December 2013 in connection with the Group's business development and PLN depreciation against other currencies.



Furthermore, considering the conclusion of a collateralised loan facility agreement (uncommitted) up to the amount of CHF 810 million between BNP Paribas SA and the Bank in January 2014, BNP Paribas has made available to the Bank a credit line, which replaced the previous financing for the majority of the portfolio of CHF mortgage loans granted by the Bank, under the terms and conditions that ensure a better maturity match in relation to the previous financing.

The principal component of loans and credit facilities received are credit facilities granted by the BNP Paribas group; as at the end of September 2014 they constituted 89.7% of loans received by the Group. This category includes also credit facilities from the European Investment Bank and the European Bank for Reconstruction and Development earmarked for financing investment projects of small and medium-sized enterprises.

Subordinated loans taken with the BNP Paribas group whose balance as at the end of September 2014 amounted to PLN 458.5 million, remain also a stable source of financing. An increase in their value (by PLN 6.3 million as compared to December 2013) was a consequence of the FX rates rise.

The balance of liabilities due to banks as at the end of Q3 2014 stood at PLN 615.1 million, which accounted for 3.0% of the Group's total liabilities. Increase in the value of these liabilities (by PLN 190.8 million) as compared to the level at the end of December 2013 resulted primarily from growth in the value of term deposits, mainly deposits of banks from the BNP Paribas group, related to the current management of liquidity.

### **Customer deposits**

The balance of liabilities due to the Group's customers as at the end of Q3 2014 stood at PLN 11,521.6 million, so it went up by 5.4% or PLN 590.8 million as compared to the balance noted as at the end of December 2013. This increase was mainly related to:

- term deposits (growth by PLN 269.3 million, or 4.3%), primarily held by individual customers;
- core deposits on current accounts of large enterprises.

The above increase was partly counterbalanced by a decrease in balances of term deposits held by large corporate customers.

Deposits denominated in foreign currencies represent 15.7% of total customer deposits. The balances of foreign currency deposits went up versus December 2013 by PLN 283.4 million, or by 18.6%. However, the increase concerned mainly current foreign currency deposits held by business customers (subject to periodic fluctuations that depend on the settlement cycle of enterprises.)

### **The Group's capital position**

As at the end of Q3 2014, the Group's equity capital amounted to PLN 2,099.7 million which represents growth by 16.3% or PLN 294.9 million over the end of December 2013. The said growth is attributable mainly to a public share offering conducted to fulfil the commitment of the BNP Paribas group towards the Polish Financial Supervision Authority ("KNF") to increase the free float of Bank's shares to at least 15%. In May 2014, the Bank issued 5,026,539 ordinary bearer shares with the nominal value of PLN 45.46 and issue price of PLN 46.00. The share capital growth by PLN 228,5 million was registered on 27 May 2014. Increase in the equity on account of the share issue, after factoring in the issue costs, stood at PLN 218.7 million. The equity growth was also affected by the net profit earned by the Group in the first three quarters of 2014.

## 5. Information on BNP Paribas Bank Polska SA Group

### Basic data on the Issuer

BNP Paribas Bank Polska SA with its registered office in Warsaw at ul. Suwak 3, entered in the National Court Register (KRS) maintained by the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register under KRS No. 0000006421.

The Bank was assigned statistical number (REGON) 003915970 and tax identification number (NIP) 676-007-83-01.

The Bank is a company with an indefinite period of operation, and its business has no seasonal or cyclical nature.

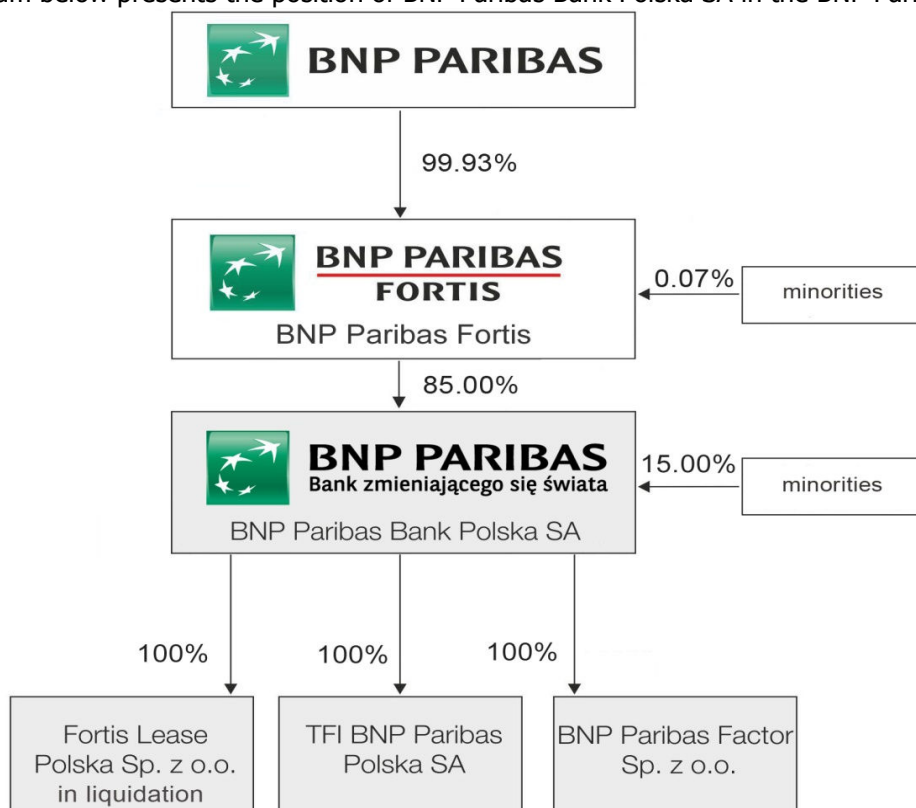
The consolidated financial statements of the BNP Paribas Bank Polska SA Group for three quarters of 2014 includes the data of the Bank and of its subsidiaries: Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA, Fortis Lease Polska Sp. z o.o. in liquidation and BNP Paribas Factor Sp. z o.o. (jointly referred to as "the Group").

### Structure of the Group

BNP Paribas Bank Polska SA Group is part of BNP Paribas SA, an international financial institution based in Paris.

As at 30 September 2014, the direct parent entity of BNP Paribas Bank Polska SA was BNP Paribas Fortis based in Brussels which held 85% of the Bank's shares, the remaining 15% were held by other shareholders.

The diagram below presents the position of BNP Paribas Bank Polska SA in the BNP Paribas group:



### As at 30 September 2014, the BNP Paribas Bank Polska SA Group included:

- BNP Paribas Bank Polska SA (hereinafter referred to as "the Bank");
- Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA (investment fund company) (hereinafter: "TFI") - the Bank's subsidiary in which it holds 100% shares;
- Fortis Lease Polska Sp. z o.o. in liquidation (hereinafter referred to as "FLP") - a wholly-owned subsidiary of the Bank;

- BNP Paribas Factor Sp. z o.o. (hereinafter referred to as "Factor") - a wholly-owned subsidiary of the Bank;

**Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA (investment fund company)** with its registered office in Warsaw, at Pl. Marszałka Józefa Piłsudskiego 1, is entered in the District Court for the capital city of Warsaw, XII Commercial Division of the National Court Register (KRS) under KRS Entry No. 0000031121. The company was assigned statistical number (REGON): 012557199, and tax identification number (NIP): 526-02-10-808.

**Fortis Lease Polska Sp. z o. o.** in liquidation with its registered office in Warsaw at ul. Suwak 3, is registered with the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register (KRS) under KRS Entry No. 0000098813. The company was assigned statistical number (REGON): 016425425, and tax identification number (NIP): 521-31-10-063.

**BNP Paribas Factor Sp. z o. o.** with its registered office in Warsaw at ul. Suwak 3, is registered with the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register (KRS) under KRS Entry No. 0000225155. The company was assigned statistical number (REGON): 052255107, and tax identification number (NIP): 966-17-67-430.

Name of the unit	Ownership relation	Consolidation method	Registered office	% of votes at the General Meeting of Shareholders	
				30 Sept 2014	31 Dec 2013
Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA	subsidiary	full consolidation	Warsaw	100%	100%
Fortis Lease Polska Sp. z o.o. in liquidation	subsidiary	full consolidation	Warsaw	100%	100%
BNP Paribas Factor Sp. z o.o.	subsidiary	full consolidation	Warsaw	100%	100%

### Field of the Group's business activity

The Group's business activity includes banking transactions both in Polish zlotys and foreign currencies for domestic and foreign private individuals and legal persons and other organizations without legal personality, likewise brokerage and leasing activities.

In addition, through its subsidiaries the Group is engaged in factoring activity and provides other financial services.

1. The scope of the Bank's business shall include:
  - 1) accepting deposits due on demand and/or in fixed date, and maintaining bank accounts for such deposits,
  - 2) maintaining other bank accounts,
  - 3) granting credits and loans, including consumer credits and loans,
  - 4) carrying out bank pecuniary settlements, including payment card settlements, likewise payment card issuance,
  - 5) issuing and confirming bank guarantees, granting sureties, likewise opening and confirming L/Cs,
  - 6) issuing securities, including convertible bonds and banking securities, likewise carrying out commissioned tasks, and assuming obligations related to the issuance of securities,
  - 7) participating in trading in financial instruments, including maintaining securities custody accounts,
  - 8) conducting operations on money and FX markets including forward and derivative instrument transactions,
  - 9) conducting check and bill-of-exchange operations and warrant transactions,

- 10) purchasing and selling cash debts,
  - 11) purchasing and selling foreign currencies,
  - 12) safekeeping valuables and securities, likewise rendering safe-deposit boxes available,
  - 13) providing the following financial services:
    - a) consulting services on financial issues,
    - b) custody services,
    - c) leasing services,
    - d) brokerage activity,
  - 14) conducting customer acquisition activity for open pension funds and safekeeping pension funds' assets,
  - 15) providing agency services related to the distribution of participation units, investment certificates or participation titles to investment funds, likewise agency services related to their sale and redemption, or safekeeping of investment funds' assets,
  - 16) providing agency services related to property insurance,
  - 17) insurance brokerage services in the scope of personal insurance, including life insurance,
  - 18) rendering certification services under the regulations governing electronic signatures, except for issuing qualified certificates used by banks with regard to actions to which they are parties,
  - 19) acting as an agent in making money transfers and FX settlements,
  - 20) issuance of electronic money instrument.
2. Within its legal capacity, the Bank may also:
- 1) contract credits and loans,
  - 2) acquire or purchase shares of other legal entities, stakes, rights derived from shares and stakes in other legal entities, and also, certificates and participation units in investment funds,
  - 3) purchase and sell real estate,
  - 4) under conditions agreed with a debtor, change the debt into the debtor's property assets,
  - 5) perform and act as an agent in performing brokerage services whose performance by the Bank does not constitute a brokerage activity or does not require the consent of the Financial Supervision Authority (KNF),
  - 6) act as an agent in providing financial services for other domestic and foreign banks, likewise financial or credit institutions,
  - 7) perform tasks being the subject of the Bank's activity for other banks, domestic and foreign, likewise financial or credit institutions,
  - 8) provide auxiliary banking services in favour of companies affiliated with the Bank or the Bank's controlling entity, with the use of IT systems and technologies, including services related to data processing, software development and operation, and IT infrastructure,
  - 9) provide consulting services for enterprises concerning capital structure, enterprise strategy or other issues related to such structure or strategy,
  - 10) provide consulting and other services concerning merger, division or takeover of enterprises,
  - 11) provide additional services related to a firm commitment underwriting or stand-by underwriting,
  - 12) perform the function of a representative bank under the Bond Act dated 29 June 1995.

## 6. Accounting Policies

### Statement on consistency with the IFRS

The interim abbreviated consolidated financial statements of the BNP Paribas Bank Polska SA Group have been prepared pursuant to the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34), approved by the EU, and other applicable regulations. This financial report does not contain all information required for the annual consolidated financial statements and therefore, it should be read together with the consolidated financial statements of BNP Paribas Bank Polska SA Group for the year ended 31 December 2013. The Consolidated Financial Statements of the BNP Paribas Bank Polska SA Group for the year ended 31 December 2013 is available on the Bank's website: [www.bnpparibas.pl](http://www.bnpparibas.pl).

Pursuant to the Ministry of Finance Ordinance dated 19 February 2009 regarding current and periodical information submitted by issuers of securities and conditions of recognising as equivalent the information required by law provisions of a country that is not a EU Member State (Journal of Laws No. 33/2009, item 259, as amended), the Bank shall publish its financial performance for the period of 9 months ended 30 September 2014, which is considered a current interim reporting period.

These financial statements of the Bank were approved for publishing by the Bank Board of Executives on 7 November 2014.

The Accounting Policies adopted to prepare the interim abbreviated financial statements of the BNP Paribas Bank Polska SA Group are consistent with the rules applied in the annual financial statements for the fiscal year ended on 31 December 2013.

The following standards, amendments to the existing standards and interpretations, published by the International Accounting Standards Board (IASB) and approved for use by the EU, became effective for the first time in 2014:

- IFRS 10 "Consolidated Financial Statements," approved in the EU on 11 December 2012 (applies to annual periods beginning on or after 1 January 2014),
- IFRS 11 "Joint Arrangements," approved in the EU on 11 December 2012 (applies to annual periods beginning on or after 1 January 2014),
- IFRS 12 "Disclosure of Interests in Other Entities," approved in the EU on 11 December 2012 (applies to annual periods beginning on or after 1 January 2014),
- IAS 27 (as amended in 2011) "Separate Financial Statements," approved in the EU on 11 December 2012 (applies to annual periods beginning on or after 1 January 2014),
- IAS 28 (as amended in 2011) "Investments in Associates and Joint Ventures," approved in the EU on 11 December 2012 (applies to annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 "Consolidated Financial Statements," IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" - Transition Guidance, approved in the European Union on 4 April 2013 (apply to annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 "Consolidated Financial Statements," IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" - Investment Entities, approved in the European Union on 20 November 2013 (apply to annual periods beginning on or after 1 January 2014),
- Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting Financial Assets and Financial Liabilities, approved in the EU on 13 December 2012 (apply to annual periods beginning on or after 1 January 2014),

- Amendments to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets, approved in the EU on 19 December 2013 (apply to annual periods beginning on or after 1 January 2014),
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Novation of Derivatives and Continuation of Hedge Accounting, approved in the EU on 19 December 2013 (apply to annual periods beginning on or after 1 January 2014),

The above standards, interpretations and amendments to standards had no material impact on the Group's accounting policy applied to date.

The financial statements do not include amendments to standards and interpretations, which:

- were issued by the International Accounting Standards Board (International Financial Reporting Interpretations Committee) but have not been approved by the European Union - as specified below;
- were issued by the International Accounting Standards Board (International Financial Reporting Interpretations Committee) and were approved by the European Union, but have become or will become effective after the balance sheet date - IFRIC 21 "Levies" (applies to annual periods beginning on or after 17 June 2014).

As at the date of publication of these statements, the following standards, amendments to standards and interpretations issued by the IASB have not been approved yet for use in the EU:

- IFRS 9 "Financial Instruments" (applies to annual periods beginning on or after 1 January 2018),
- IFRS 14 "Regulatory Deferral Accounts" (applies to annual periods beginning on or after 1 January 2016),
- IFRS 15 "Revenue from Contracts with Customers" (applies to annual periods beginning on or after 1 January 2017),
- Amendments to IFRS 11 "Joint Arrangements" - Accounting for Acquisitions of Interests in Joint Operations (applies to annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (applies to annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants (applies to annual periods beginning on or after 1 January 2016),
- Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (applies to annual periods beginning on or after 1 July 2014),
- Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements (applies to annual periods beginning on or after 1 January 2016),
- Amendments to various standards: "Annual Improvements to IFRSs (2010–2012 Cycle)" - made by introducing annual improvements to IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) chiefly to remove inconsistencies and clarify wording (applies to annual periods beginning on or after 1 July 2014),



- Amendments to various standards: "Annual Improvements to IFRSs (2011-2013 Cycle)" - made by introducing annual improvements to IFRSs (IFRS 1, IFRS 3, IFRS 13 and IAS 40) chiefly to remove inconsistencies and clarify wording (applies to annual periods beginning on or after 1 July 2014).

The Group now analyses in detail the effect of new standards on the financial statements. In the Group's opinion, the above amendments to standards and interpretations will have no material impact on the Group's financial statements except IFRS 9 "Financial Instruments." Details of amendments introduced by this standard are as follows:

- IFRS 9 "Financial Instruments" issued on 24 July 2014 is the replacement of IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9 outlines the following requirements:

- Classification and measurement - IFRS 9 introduces a new approach for the classification of financial assets driven by cash flow characteristics and business model linked to specific assets. This single, principle-based approach replaces the existing rule-based requirements pursuant to IAS 39. The new model also results in a single impairment model being applied to all financial instruments.
- Impairment - IFRS 9 introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognised and to faster account for any expected losses in the full lifetime of the instruments.
- Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting with enhanced disclosures about risk management activity. The new model represents a substantial overhaul of hedge accounting that aligns the accounting treatment with risk management activities.
- Own credit risk - IFRS 9 removes the net profit/loss variability caused by changes in credit risk of financial liabilities designated to be measured at fair value. This amendment means that gains resulting from deterioration of own credit risk of liabilities are not recognised through profit or loss.

### 6.1. Consolidation basis

Subsidiaries are enterprises that are controlled by BNP Paribas Bank Polska SA (which is the parent entity). The control exists when the Bank, either directly or indirectly, has the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The control also exists when the Bank owns one half or less of voting rights of an enterprise, and if:

- it has more than one half of the voting rights by virtue of an agreement with other investors,
- it has power to govern the financial and operating policies of the enterprise under a statute or an agreement,
- it has power to appoint or dismiss the majority of the members of the management board or equivalent governing body, where such board or body controls the enterprise.

The full consolidation method is applied to the subsidiary. The full consolidation consists in adding together specific items of financial statements of the Bank and of the subsidiaries in full amount, and making relevant adjustments and consolidation eliminations.

In the full consolidation of balance sheets, all items of assets and liabilities of both the subsidiary and parent are aggregated in their full amounts, irrespective of the parent's actual interest in the subsidiary.

In the consolidation process, the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary are eliminated.

Intragroup receivables and payables and intragroup transactions, unrealised gains and expenses resulting from transactions with the subsidiary are eliminated in the preparation of consolidated financial statements.

The Group's entities apply the uniform accounting standards.

The consolidated financial statements of the BNP Paribas Bank Polska SA Group for the period of 9 months ending 30 September 2014, includes the data of the Bank and of its subsidiaries: Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA, Fortis Lease Polska Sp. z o.o. and BNP Paribas Factor Sp. z o.o.

## 6.2. Basic assumptions

The interim abbreviated consolidated financial statements of the BNP Paribas Bank Polska SA Group were prepared assuming the continuation of the Group's business in the foreseeable future.

The Bank's Board of Executives is not aware of any circumstances indicating any risk to the business continuation by the Group in the foreseeable future.

The interim abbreviated consolidated financial statements of the BNP Paribas Bank Polska SA Group were prepared based on the historical cost principle, except for derivative financial instruments, financial assets and liabilities measured at fair value through profit or loss, available-for-sale financial assets which were measured at fair value, and held-for-sale assets measured at the amount that is the lower of their balance sheet value and fair value less cost to sell.

The consolidated financial statements were stated in Polish zlotys (PLN), and all the values were given in PLN thousands, unless indicated otherwise.

The functional currency is Polish zloty (PLN).

## 6.3. Embedded derivatives

Financial assets or liabilities may include embedded derivatives. If the host contract for such an instrument is not measured at fair value through profit or loss, and the embedded instrument's economic characteristics and risk are not closely related to those of the host contract, the embedded instrument shall be separated and presented independently, to be measured to fair value. Changes in fair value of a separated derivative instrument are recognised in the income statement. The host contracts are measured pursuant to the rules applicable to their respective category of financial assets or liabilities.

The separated embedded derivatives are reported as hedging or held-for-trading derivatives, as appropriate.

As at 31 December 2013, the Group did not separate embedded derivatives.

## 6.4. Accounting Estimates

When preparing the consolidated financial statements pursuant to the IFRS, the management is required to make subjective evaluations, estimations and accept assumptions that affect the assets and liabilities, likewise income and expenses. Estimations and assumptions are made based on available historical data and a number of other factors that are considered appropriate in given circumstances.

The results create the basis for making estimations referring to balance sheet assets and liabilities. Actual results can differ from estimated values. Estimations and assumptions are subject to ongoing reviews. Adjustments to estimations are recognised in the period in which a given estimation was changed provided that the adjustment refers to that period only, or in the period when the change was made and in the future periods if the adjustment affects both the current period and the future ones. The major areas for which the Group makes estimations are presented below.



### 6.5.1. Fair value

The fair value of financial instruments that are not traded on an active market is measured applying valuation models using the market yield curve. Some variables used in such models require an adoption of expert estimations.

### 6.5.2. Write-downs for impairment of financial assets

In the estimation of impairment losses, the Bank assesses whether there is any evidence of impairment for specific financial asset or group of financial assets. A catalogue of impairment indicators includes events determined both in terms of quantity and quality.

A provision on that account is estimated on the basis of historical loss patterns that characterise the given part of the portfolio. Statistical models and parameters they use are subject to periodical reviews and the results obtained are validated by comparison to actual losses.

### 6.5.3. Impairment losses on non-financial assets

A non-financial asset is impaired when its carrying value exceeds its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use.

The determination of the value in use is related to the Group's estimation of future cash flows, expected to arise from continuing use of an asset, and discounting those values.

### 6.5.4. Useful lives and residual values

The useful life is a time period over which an item of the property, plant and equipment and intangible assets is expected to be used by the Group.

A residual value of an item of property, plant and equipment and intangible assets is the expected amount that the Group would currently obtain from disposal of the asset, after the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

### 6.5.5. Other Accounting Estimates

The Group made provisions on account of long-term employee benefits on the basis of an actuarial valuation.

Legal risk provisions are calculated on the basis of an estimated amount of the Group's liabilities should a court case end unfavourably, or should a case be likely to end unfavourably for the Bank.

In addition to the above estimates, the Group makes also other subjective assessments during the accounting policy implementation process (e.g. as regards the classification of financial assets into a category required under IAS 39). Assessments made by the Group affect the presentation in the financial statements and financial results.

## 6.6. Comparative Data

The consolidated financial statements present consolidated data of BNP Paribas Bank Polska SA and its subsidiaries: Fortis Lease Polska Sp. z o.o., Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA and BNP Paribas Factor Sp. z o.o. for the period from 1 January 2014 through 30 September 2014 and as at 30 September 2014, likewise consolidated comparative data for the period from 1 January 2013 through 30 September 2013, and as at 30 September 2013 and 31 December 2013.

## 7. Comparability with Previously Published Reports

There have been changes made with respect to the manner of presentation of the data, published in the report for the third quarter of 2013 as at 30 September 2013 to ensure data comparability. The data are presented in PLN thousand.

Consolidated Income Statement for the period from 1 Jan 2013 to 30 Sept 2013					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Fee and commission income	145,380	-12,116	133,264	-12,116	Change in the presentation of provisions for fees and commissions
Fee and commission expense	-35,443	12,116	-23,327	12,116	
Other income	21,738	19,079	40,817	19,079	Change in the presentation of income and expenses on leasing business
Other operating expenses	-14,966	-19,079	-34,045	-19,079	Change in the presentation of income and expenses on leasing business

Consolidated balance sheet as at 30 Sept 2013					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Other assets	250,685	-160,000	90,685	-160,000	Change in the presentation of term deposits recognised in the balance sheet at the agreement date which started within two business days
Liabilities due to customers	9,847,478	-122,065	9,725,413	-160,000	
Other liabilities	313,324	-37,935	275,389	-37,935	Change in the presentation of Liabilities due to customers on account of loan over payments/repayments

Consolidated balance sheet as at 31 Dec 2013					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Liabilities due to customers	10,894,299	36,515	10,930,814	36,515	Change in the presentation of Liabilities due to customers on account of loan over payments/repayments
Other liabilities	353,378	-36,515	316,863	-36,515	

<b>Consolidated Cash Flow Statement for the period from 1 Jan 2013 to 30 Sept 2013</b>					
<b>Item</b>	<b>Before the adjustment</b>	<b>Adjustment</b>	<b>After the adjustment</b>	<b>Change description</b>	
				<b>Amount</b>	<b>Description</b>
Liabilities due to customers	-217,472	-158,560	-376,032	-158,560	Change in the presentation of Liabilities due to customers on account of loan over payments/repayments and
Other liabilities	-83,730	158,560	74,830	158,560	Change in the presentation of term deposits recognised in the balance sheet at the agreement date which started within two business days

## 8. Segment Reporting

### Information on segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

### Primary segmentation

The main business profile of the Group includes financial services rendered within the following segments:

- Retail Banking (RB);
- Corporate and Transaction Banking (CTB);
- Other Banking Activity.

Accounting principles for specific segments are the same as the ones described in the accounting principles. Income and expenses assigned to the given segment are generated by the sale and service of products for customers of the specific segment. They are recognised in the Group's income statement and are allocated to the given segment either directly or based on reasonable evidence.

The internal transfer of funds between the Bank's segments is based on transfer prices related to market rates. Transfer prices are defined according to the same rules for all organisational units of the Bank, and their diversification results only from the currency and maturity structure of assets and liabilities. Internal settlements related to the internal measurement of the funds transfer are accounted for in the profit or loss of each segment.

In the income statement costs are at first presented as direct costs in all business lines and support units (horizontal functions). The Cost allocation (internal) item contains the allocation of indirect costs to specific business lines.

### Activity segments

- Retail Banking

Within its activity, the Retail Banking segment provides financial services to individual customers, private banking services and offers its services to small and medium-sized enterprises (including Micro enterprises) of the annual turnover up to PLN 60 million (until the end of 2013 - up to PLN 40 million). The segment offers also advisory services as regards all forms of daily banking, savings, investment and financing products.

- Corporate and Transaction Banking

The activity of the Corporate and Transaction Banking segment focuses on medium and large enterprises, offering them financial solutions based on standard banking products and services as well as specialised financial products. The Corporate and Transaction Banking customers are corporate entities and institutions whose annual sales revenues exceed PLN 60 million (PLN 40 million until the end of 2013).

- Other Banking Activity

Operationally, the Other Banking Activity is run by the ALM/Treasury Line. Its aim is to ensure an appropriate level of financing to enable running the banking operations in a manner that is safe and compliant with the regulatory requirements, and ensure security of the future cash flows' structure. The ALM/Treasury line activities include a treasury department functions, assets and liabilities management and a profit centre named Corporate Centre. The ALM/Treasury Line manages the

Group's liquidity and determines internal and external reference rates. It manages interest rate, operational and structural FX risks.

### Geographical segment

The Group runs its business in Poland as the only geographical area, therefore all revenues earned, costs incurred and assets pertain to one geographical area – Poland.

### Consolidated Income Statement by Business Segments

1 Jan 2014 - 31 Dec 2014 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	401,456	194,315	69,874	<b>665,645</b>
Transfer prices expense (internal)	-195,351	-117,559	-256,553	<b>-569,463</b>
Interest expense (external)	-86,754	-69,276	-89,007	<b>-245,037</b>
Transfer prices income (internal)	125,336	98,971	345,156	<b>569,463</b>
<b>Net interest income</b>	<b>244,687</b>	<b>106,451</b>	<b>69,470</b>	<b>420,608</b>
Fee and commission income (external)	79,652	52,998	140	<b>132,790</b>
Fee and commission expense (external)	-22,944	-2,097	-213	<b>-25,254</b>
<b>Net fee and commission income</b>	<b>56,708</b>	<b>50,901</b>	<b>-73</b>	<b>107,536</b>
Net trading income	19,989	47,371	-2,365	<b>64,995</b>
Net profit/loss on hedging transactions	-	-	813	<b>813</b>
Net profit/loss on the hedged item	-	-	-813	<b>-813</b>
Net profit/loss on available-for-sale financial assets	-	-2	21,197	<b>21,195</b>
Dividends	6	-	-	<b>6</b>
Other income	16,727	18,394	-	<b>35,121</b>
Other operating expenses	-19,731	-17,328	-	<b>-37,059</b>
<b>Net banking income</b>	<b>318,386</b>	<b>205,787</b>	<b>88,229</b>	<b>612,402</b>
<b>General expenses</b>	<b>-213,263</b>	<b>-35,197</b>	<b>-146,661</b>	<b>-395,121</b>
Personnel expenses	-106,095	-29,472	-80,528	<b>-216,095</b>
Other general expenses	-107,168	-5,725	-66,133	<b>-179,026</b>
<b>Depreciation</b>	<b>-18,811</b>	<b>-10,610</b>	<b>-3,753</b>	<b>-33,174</b>
Cost allocation (internal)	-106,604	-32,404	139,008	-
<b>Gross operating profit/loss</b>	<b>-20,292</b>	<b>127,576</b>	<b>76,823</b>	<b>184,107</b>
<b>Cost of risk and net result on provisions</b>	<b>-70,929</b>	<b>-4,828</b>	<b>-28</b>	<b>-75,785</b>
Cost of risk	-74,785	-5,128	-28	<b>-79,941</b>
Net result on provisions	3,856	300	-	<b>4,156</b>
<b>Net operating profit/loss</b>	<b>-91,221</b>	<b>122,748</b>	<b>76,795</b>	<b>108,322</b>
Net profit/loss from disposal of assets, shares and interest	-1,285	-20	-	<b>-1,305</b>
<b>Profit/loss before taxation</b>	<b>-92,506</b>	<b>122,728</b>	<b>76,795</b>	<b>107,017</b>
Income tax	-	-	-	<b>-30,984</b>
<b>Profit/loss after taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,033</b>

1 Jan 2013 - 30 Sept 2013 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	406,447	192,779	78,839	<b>678,065</b>
Transfer prices expense (internal)	-216,478	-103,429	-286,756	<b>-606,663</b>
Interest expense (external)	-122,850	-81,930	-67,478	<b>-272,258</b>
Transfer prices income (internal)	147,862	101,386	357,415	<b>606,663</b>
<b>Net interest income</b>	<b>214,981</b>	<b>108,806</b>	<b>82,020</b>	<b>405,807</b>
Fee and commission income (external)	84,188	48,969	107	<b>133,264</b>
Fee and commission expense (external)	-21,036	-2,115	-176	<b>-23,327</b>
<b>Net fee and commission income</b>	<b>63,152</b>	<b>46,854</b>	<b>-69</b>	<b>109,937</b>
Net trading income	22,081	48,967	3,895	<b>74,943</b>
Net profit/loss on hedging transactions	-	-	-2,518	<b>-2,518</b>
Net profit/loss on the hedged item	-	-	2,518	<b>2,518</b>
Net profit/loss on available-for-sale financial assets	420	3,619	20,253	<b>24,292</b>
Dividends	14	-	-	<b>14</b>
Other income	11,779	29,038	-	<b>40,817</b>
Other operating expenses	-10,997	-23,048	-	<b>-34,045</b>
<b>Net banking income</b>	<b>301,430</b>	<b>214,236</b>	<b>106,099</b>	<b>621,765</b>
<b>General expenses</b>	<b>-214,144</b>	<b>-42,840</b>	<b>-135,700</b>	<b>-392,684</b>
Personnel expenses	-107,886	-26,394	-71,912	<b>-206,192</b>
Other general expenses	-106,258	-16,446	-63,788	<b>-186,492</b>
<b>Depreciation</b>	<b>-17,595</b>	<b>-2,521</b>	<b>-13,464</b>	<b>-33,580</b>
Cost allocation (internal)	-112,592	-27,046	139,638	-
<b>Gross operating profit/loss</b>	<b>-42,901</b>	<b>141,829</b>	<b>96,573</b>	<b>195,501</b>
<b>Cost of risk and net result on provisions</b>	<b>-121,420</b>	<b>28,295</b>	<b>963</b>	<b>-92,162</b>
Cost of risk	-110,965	41,601	964	<b>-68,400</b>
Net result on provisions	-10,455	-13,306	-1	<b>-23,762</b>
<b>Net operating profit/loss</b>	<b>-164,321</b>	<b>170,124</b>	<b>97,536</b>	<b>103,339</b>
Net profit/loss from disposal of assets, shares and interest	-641	357	-	<b>-284</b>
<b>Profit/loss before taxation</b>	<b>-164,962</b>	<b>170,481</b>	<b>97,536</b>	<b>103,055</b>
Income tax	-	-	-	<b>-24,865</b>
<b>Profit/loss after taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,190</b>

Consolidated total assets (in PLN thousand)	Balance as at:	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
<b>Assets*</b>	30 Sept 2014	11,093,390	6,683,340	4,827,722	<b>22,604,452</b>
	31 Dec 2013	10,292,411	4,781,671	6,043,174	<b>21,117,256</b>
	30 Sept 2013	10,465,636	5,131,094	5,374,954	<b>20,971,684</b>
<b>Loans to customers, gross</b>	30 Sept 2014	11,829,451	6,999,415	-	<b>18,828,866</b>
	31 Dec 2013	11,551,489	6,119,732	-	<b>17,671,221</b>
	30 Sept 2013	11,742,251	6,423,661	-	<b>18,165,912</b>
<b>Loans to customers, net</b>	30 Sept 2014	11,098,453	6,696,329	-	<b>17,794,782</b>
	31 Dec 2013	10,840,152	5,742,462	-	<b>16,582,614</b>
	30 Sept 2013	10,981,494	6,047,097	-	<b>17,028,591</b>

<b>Liabilities</b>	30 Sept 2014	6,474,678	5,425,613	10,704,161	<b>22,604,452</b>
	31 Dec 2013	5,995,144	5,013,048	10,109,064	<b>21,117,256</b>
	30 Sept 2013	5,635,434	4,108,907	11,227,343	<b>20,971,684</b>
<b>Liabilities due to customers</b>	30 Sept 2014	6,370,636	5,150,979	-	<b>11,521,615</b>
	31 Dec 2013	5,984,110	4,946,704	-	<b>10,930,814</b>
	30 Sept 2013	5,624,845	4,100,568	-	<b>9,725,413</b>

*\* For segments: Retail Banking and Corporate & Transaction Banking, net loans to customers constitute the main component of the assets.*

## 9. Additional Notes to Consolidated Income Statement

### Note 9.1

<b>Interest income (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Cash and cash equivalents	4,104	11,095	2,439	11,854
Due from banks	330	1,063	504	1,896
Loans to customers	202,910	593,419	199,852	603,444
Investments available for sale	20,610	58,099	19,254	58,554
Securities held for trading	-	-	-	331
Derivative hedging instruments	656	1,969	640	1,986
<b>Total interest income</b>	<b>228,610</b>	<b>665,645</b>	<b>222,689</b>	<b>678,065</b>

### Note 9.2

<b>Interest expense (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Due to banks	-1,980	-11,456	-6,148	-19,544
Liabilities due to customers	-53,894	-146,034	-48,669	-176,374
Loans and credit facilities received	-26,792	-76,601	-25,224	-84,106
Subordinated loans	-3,545	-10,602	-3,558	8,980*
Derivative hedging instruments	-56	-201	-55	-155
Others	-42	-143	-68	-1,059
<b>Total interest expense</b>	<b>-86,309</b>	<b>-245,037</b>	<b>-83,722</b>	<b>-272,258</b>

*\*in this item, the settlement of a prepaid portion of subordinated loans was recognised, with a positive mark to market*

### Note 9.3

<b>Fee and commission income (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Securities trading	229	349	173	722
Cash settlements services	14,030	42,287	14,719	43,667
Guarantees and contingent liabilities	4,797	14,067	5,567	15,074
Commissions related to granting credit facilities (amortised using the straight-line method)	6,213	16,144	4,114	11,642
Loan origination fees and commissions (one-off items)	3,028	8,061	5,137	10,688
Income on account of agency in customer acquisition	916	2,319	837	2,637
Card related income	5,447	17,829	6,495	17,781
Insurance product sales revenues	4,743	14,003	5,524	15,685
Income on asset management	923	2,763	1,776	2,371
Others	5,339	14,968	2,315	12,997
<b>Total fee and commission income</b>	<b>45,665</b>	<b>132,790</b>	<b>46,657</b>	<b>133,264</b>



## Note 9.4

<b>Fee and commission expense (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Securities trading	-20	-69	-33	-76
Card related expenses	-4,836	-12,442	-3,892	-10,497
Cash transactions expenses	-93	-263	-80	-245
Settlements	-180	-554	-203	-588
Fee and commission expenses related to the franchise branch network	-2,116	-7,192	-2,639	-7,095
Expenses related to the sale of insurance products:	-552	-1,660	-831	-2,159
Other fee and commission expenses	-1,104	-3,074	-886	-2,667
<b>Total fee and commission expenses</b>	<b>-8,901</b>	<b>-25,254</b>	<b>-8,564</b>	<b>-23,327</b>

## Note 9.5

<b>Net trading income (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Securities	-	-	1	-13
Derivative instruments, including:	801	-320	27	2,844
- fair value adjustment on account of credit risk of derivative instruments	535	-156	286	1,236
Embedded derivatives: share options	34	-	-	-
Currency exchange transactions, including:	23,044	65,315	24,954	72,112
- Credit value adjustment	-69	-382	-	-
<b>Total net trading income</b>	<b>23,879</b>	<b>64,995</b>	<b>24,982</b>	<b>74,943</b>

## Note 9.6

<b>Net result on available-for-sale financial assets (in PLN thousand)</b>	<b>1 Jul 2014 - 30 Sept 2014</b>	<b>1 Jan 2014 - 30 Sept 2014</b>	<b>1 Jul 2013 - 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Securities	4,345	21,195	5,530	23,872
Shares and holdings	-	-	160	160
Participation units	-	-	-68	260
<b>Total net profit/loss on transactions in available-for-sale financial instruments</b>	<b>4,345</b>	<b>21,195</b>	<b>5,622</b>	<b>24,292</b>

## Note 9.7

<b>Other revenues (in PLN thousand)</b>	<b>1 Jul 2014 - 30 Sept 2014</b>	<b>1 Jan 2014 - 30 Sept 2014</b>	<b>1 Jul 2013 - 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Income on account of covering mandatory annual fee for BGF	2,639	7,112	1,882	4,133
Rental and lease income	2,661	6,341	2,026	6,177
Compensation, penalties and fines	51	285	917	1,333
Reimbursement of costs related to agents' activities	23	84	21	54
Income on investing activities	570	2,582	774	2,341
Income on leasing activity	5,347	14,020	8,038	21,302
Other	2,191	4,697	752	5,477
<b>Total other income</b>	<b>13,482</b>	<b>35,121</b>	<b>14,410</b>	<b>40,817</b>

**Note 9.8**

<b>Other operating expenses (in PLN thousand)</b>	<b>1 Jul 2014 - 30 Sept 2014</b>	<b>1 Jan 2014 - 30 Sept 2014</b>	<b>1 Jul 2013 - 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Compensation, penalties and fines	-291	-1,097	326	-690
BGF - annual fee costs	-3,940	-11,821	-3,843	-11,529
BGF - prudential fee costs	-1,458	-5,792	-	-
Leasing activity expenses	-5,253	-13,726	-6,509	-19,079
Other expenses	-1,536	-4,623	-575	-2,747
<b>Total other operating expenses</b>	<b>-12,478</b>	<b>-37,059</b>	<b>-10,601</b>	<b>-34,045</b>

**Note 9.9**

<b>Other general expenses (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
- rents	-16,179	-49,776	-16,968	-51,227
- information technologies and systems	-12,065	-31,999	-10,248	-29,244
- marketing and advertising	-7,375	-22,343	-8,490	-25,322
- expenditure related to RE use	-2,452	-7,581	-2,628	-8,171
- postal and telecommunication services	-2,586	-8,202	-3,860	-11,346
- advisory services and consulting	-1,100	-3,369	-1,090	-3,062
- business travels	-4,113	-12,385	-3,245	-10,253
- training	-754	-3,373	-1,210	-3,863
- municipal services	-3,165	-10,320	-3,959	-12,240
- stationery	-668	-2,060	-1,375	-3,531
- KNF costs	-532	-1,596	-	-1,978
- costs of receivables recovery	-1,473	-4,472	-2,003	-5,856
- costs related to ATMs and cash service	-1,075	-3,118	-912	-3,770
- outsourcing cost in the lease business	-2,129	-7,507	2,783	-
- other*	-5,117	-10,925	-9,272	-16,629
<b>Total other general expenses</b>	<b>-60,783</b>	<b>179,026</b>	<b>-62,477</b>	<b>-186,492</b>

\*"other"- the item includes a provision for debt recovery costs, provision for other administration costs and investment expenditures.

**Note 9.10**

<b>Cost of risk (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Net cash and cash equivalents, including:	291	-28	132	963
-provisions for Incurred But Not Reported losses (IBNR)	291	-28	132	963
Liabilities due from banks, net, including:	-	49	16	16
- provisions for Incurred But Not Reported losses (IBNR)	-	49	16	16
Loans to customers, net, including:	-25,270	-75,468	-17,613	-51,427
- provisions for credit receivables	-23,508	-81,657	-15,883	-61,098
- provisions for Incurred But Not Reported losses (IBNR)	-3,381	-5,664	-2,158	-8,367
- income on account of receivables recovered and written-down to provisions	1,619	11 853	428	18 038
Off-balance sheet liabilities, net, including:	-815	-3,528	2,463	-14,476
- provisions for off-balance sheet commitments	-734	-1,508	2,947	-13,702

- provisions for Incurred But Not Reported losses (IBNR)	-81	-2,020	-484	-774
Other assets, net	559	-308	-5,181	-6,744
Other provisions, net	-658	-658	3,268	3,268
<b>Total cost of risk</b>	<b>-25,893</b>	<b>-79,941</b>	<b>-16,915</b>	<b>-68,400</b>

**Note 9.11**

<b>Net result on provisions (in PLN thousand)</b>	<b>1 Jul 2014– 30 Sept 2014</b>	<b>1 Jan 2014 – 30 Sept 2014</b>	<b>1 Jul 2013– 30 Sept 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Provisions for legal risk related to financial instruments	-	4,300	-20,003	-20,003
Provisions for legal risk - other	162	-144	208	-3,759
<b>Total net result on provisions</b>	<b>162</b>	<b>4,156</b>	<b>-19,795</b>	<b>-23,762</b>

**Note 9.12**

<b>Consolidated Earnings Per Share</b>	<b>1 Jan 2014 - 30 Sept 2014</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
Number of shares as at 30 September	33,719,465	28,692,926
Weighted average number of ordinary shares	31,031,279	28,692,926
Profit/loss after taxation (in PLN thousand)	76,033	78,190
Earnings/loss per ordinary share ratio in PLN	2.45	2.73
Weighted average diluted number of potential ordinary shares	31,031,279	28,692,926
Diluted consolidated EPS ratio (PLN per share)	2.45	2.73

The basic earnings per share are computed as a quotient of the profit attributable to the Bank's shareholders and a weighted average number of ordinary shares during the period.

The diluted earnings per share are computed as a quotient of the profit attributable to the Bank's shareholders and a weighted average number of ordinary shares adjusted to take into consideration the impact of all potential ordinary shares that cause the EPS dilution.

As at the reporting date, there occurred no factors resulting in the dilution of potential ordinary shares.

## 10. Additional Notes to Consolidated Balance Sheet

### Note 10.1

<b>Cash and cash equivalents (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Cash at hand	160,651	182,201	159,009
Due from the Central Bank	375,393	377,416	518,750
Short-term liabilities due from banks, including:	715,875	731,199	128,147
- Nostro accounts	481,484	374,133	51,855
- short-term deposits from banks	234,391	357,066	76,292
Interest	32	48	36
<b>Cash and cash equivalents, gross</b>	<b>1,251,951</b>	<b>1,290,864</b>	<b>805,942</b>
<b>Impairment provisions:</b>	<b>-646</b>	<b>-617</b>	<b>-137</b>
- for Incurred But Not Reported losses (IBNR)	-646	-617	-137
<b>Total cash and cash equivalents, net</b>	<b>1,251,305</b>	<b>1,290,247</b>	<b>805,805</b>

### Note 10.2.1

<b>Financial assets held for trading (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
<b>Derivative financial instruments, including:</b>	<b>106,233</b>	<b>70,118</b>	<b>70,709</b>
- foreign currency contracts, including:	45,159	17,685	14,232
- credit value adjustment	-673	-417	-480
- interest rate contracts	61,074	52,433	56,477
<b>Total financial assets held for trading</b>	<b>106,233</b>	<b>70,118</b>	<b>70,709</b>

<b>Financial assets held for trading (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
<b>Foreign currency contracts:</b>	<b>45,159</b>	<b>17,685</b>	<b>14,232</b>
- Forward (including the forward leg of a swap contract)	18,897	15,328	10,107
- Options	24,941	1,208	2,846
- CIRS	1,321	1,149	1,279
<b>Interest Rate contracts:</b>	<b>61,074</b>	<b>52,433</b>	<b>56,477</b>
- FRA	-	13	-
- IRS	57,861	46,333	50,008
- OIS	24	86	139
- Options	3,189	6,001	6,330
<b>Total derivative financial instruments held for trading</b>	<b>106,233</b>	<b>70,118</b>	<b>70,709</b>

Either as at 30 September 2014 or in the periods compared, the Bank's balance sheet included no buy-sell-back repo securities held for trading.

## Note 10.2.2

Financial liabilities held for trading (in PLN thousand)	30 Sept 2014	31 Dec 2013	30 Sept 2013
<b>Derivative financial instruments, including:</b>	<b>111,365</b>	<b>69,790</b>	<b>71,738</b>
- foreign currency contracts	44,862	18,669	16,610
- interest rate contracts	66,503	51,121	55,128
<b>Total financial liabilities held for trading</b>	<b>111,365</b>	<b>69,790</b>	<b>71,738</b>

Liabilities held for trading (in PLN thousand)	30 Sept 2014	31 Dec 2013	30 Sept 2013
<b>Foreign currency contracts:</b>	<b>44,862</b>	<b>18,669</b>	<b>16,610</b>
- Forward (including the forward leg of a swap contract)	19,281	16,697	12,925
- Options	25,232	1,626	3,326
- CIRS	349	346	359
<b>Interest Rate contracts:</b>	<b>66,503</b>	<b>51,121</b>	<b>55,128</b>
- FRA	239	-	-
- IRS	62,747	45,120	48,031
- OIS	320	-	769
- Options	3,197	6,001	6,328
<b>Total derivative financial instruments held for trading</b>	<b>111,365</b>	<b>69,790</b>	<b>71,738</b>

As at the end of the third quarter of 2014, specific instruments were included into the following measurement levels:

- level 1: treasury bonds;
- level 2: interest rate options in EUR, FX options, interest rate and FX base swaps, FRA contracts, FX Forward transactions maturing within one year, FX swaps, OIS, interest rate swaps maturing within 10 years (the fair value is determined using measurement techniques [models] based on verifiable market data available);
- level 3: interest rate options in PLN, FX options maturing within a period longer than one year, FX Forward transactions maturing within a period longer than one year (the fair value is determined using measurement techniques [models] not based on verifiable market data available);

The table below shows a hierarchy of measurement methods of held-for-trading financial instruments measured to fair value, as at 30 September 2014 and comparative data.

Hierarchy of measurement methods as at 30 Sept 2013 (in PLN thousand)	Level 1	Level 2	Level 3	Total
<b>Derivative Financial Instruments</b>				
- positive valuation	-	89,384	16,849	<b>106,233</b>
foreign currency contracts	-	28,606	16,553	<b>45,159</b>
interest rate contracts	-	60,778	296	<b>61,074</b>
- negative valuation	-	91,766	19,599	<b>111,365</b>
foreign currency contracts	-	28,309	16,553	<b>44,862</b>
interest rate contracts	-	63,457	3,046	<b>66,503</b>

<b>Hierarchy of measurement methods as at 31 Dec 2013 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Derivative Financial Instruments</b>				
- positive valuation	-	68,487	1,631	<b>70,118</b>
foreign currency contracts	-	16,145	1,540	<b>17,685</b>
interest rate contracts	-	52,342	91	<b>52,433</b>
- negative valuation	-	68,159	1,631	<b>69,790</b>
foreign currency contracts	-	17,129	1,540	<b>18,669</b>
interest rate contracts	-	51,030	91	<b>51,121</b>

<b>Hierarchy of measurement methods as at 30 Sept 2013 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Derivative Financial Instruments</b>				
- positive valuation	-	69 801	908	<b>70 709</b>
foreign currency contracts	-	13 460	772	<b>14 232</b>
interest rate contracts	-	56 341	136	<b>56 477</b>
- negative valuation	-	70 921	817	<b>71 738</b>
foreign currency contracts	-	15 838	772	<b>16 610</b>
interest rate contracts	-	55 083	45	<b>55 128</b>

**Note 10.3.1**

<b>Liabilities due from banks (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Loans	37,063	62,054	47,042
Receivables on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	62,693	3,407	20,247
Other receivables	4,494	13,667	17,746
Interest	39	150	139
<b>Total due from banks, gross</b>	<b>104,289</b>	<b>79,278</b>	<b>85,174</b>
<b>Impairment provisions:</b>	<b>-28</b>	<b>-77</b>	<b>-58</b>
- for Incurred But Not Reported losses (IBNR)	-28	-77	-58
<b>Total due from banks, net</b>	<b>104,261</b>	<b>79,201</b>	<b>85,116</b>

**Note 10.3.2**

<b>Loans to customers (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Loans to budgetary entities	20,032	37	37
Mortgage loans	5,581,608	5,692,723	5,828,506
Consumer loans and credit facilities	2,638,898	2,442,003	2,465,960
Commercial loans	8,325,865	7,565,244	7,974,125
Receivables on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	23,935	-	2,324
Finance lease receivables	1,818,752	1,762,775	1,679,732
Other receivables	366,839	158,077	165,981
Interest	52,937	50,362	49,247
<b>Total loans to customers, gross</b>	<b>18,828,866</b>	<b>17,671,221</b>	<b>18,165,912</b>
<b>Impairment provisions:</b>	<b>-1,034,084</b>	<b>-1,088,607</b>	<b>-1,137,321</b>

- for incurred, reported losses	-913,531	-974,610	-1,026,100
- for Incurred But Not Reported losses (IBNR)	-120,553	-113,997	-111,221
<b>Total loans to customers, net</b>	<b>17,794,782</b>	<b>16,582,614</b>	<b>17,028,591</b>

**Note 10.3.3**

Changes to impairment provisions (in PLN thousand)	Due from banks	Loans to customers	
	Provisions for Incurred But Not Reported losses (IBNR)	Impairment provision	Provisions for Incurred But Not Reported losses (IBNR)
<b>Balance as at 1 Jan 2013</b>	<b>-74</b>	<b>-1,099,281</b>	<b>-102,853</b>
Increases	-3	-386,392	-24,815
Decreases	19	329,180	16,447
Write-downs to provisions	-	197,249	-
FX rate differences	-	-66,856	-
<b>Balance as at 30 Sept 2013</b>	<b>-58</b>	<b>-1,026,100</b>	<b>-111,221</b>
<b>Balance as at 1 Jan 2013</b>	<b>-74</b>	<b>-1,099,281</b>	<b>-102,853</b>
Increases	-28	-536,216	-39,103
Decreases	25	453,728	27,959
Write-downs to provisions	-	208,012	-
FX rate differences	-	-853	-
<b>Balance as at 31 Dec 2013</b>	<b>-77</b>	<b>-974,610</b>	<b>-113,997</b>
<b>Balance as at 1 Jan 2014</b>	<b>-77</b>	<b>-974,610</b>	<b>-113,997</b>
Increases	-	-284,784	-73,069
Decreases	49	201,378	66,513
Write-downs to provisions	-	146,325	-
FX rate differences	-	-1,840	-
<b>Balance as at 30 Sept 2014</b>	<b>-28</b>	<b>-913,531</b>	<b>-120,553</b>

**Note 10.4**

Investments available for sale (in PLN thousand)	30 Sept 2014	31 Dec 2013	30 Sept 2013
Treasury bonds	2,065,946	1,814,477	1,780,463
Bonds issued by banks	59,970	61,414	61,787
Bonds issued by non-financial entities	59,400	-	-
NBP cash bills	575,412	699,847	599,678
Shares and holdings	17,167	5,148	6,850
Other	3,731	3,491	3,457
Interest	19,811	23,493	21,713
<b>Total investments available for sale, gross</b>	<b>2,801,437</b>	<b>2,607,870</b>	<b>2,473,948</b>
<b>Provisions for investments available for sale</b>	<b>-377</b>	<b>-</b>	<b>-1,048</b>
- for bonds issued by non-financial entities	-	-	-
- for shares	-377	-	-1,048
<b>Total investments available for sale, net</b>	<b>2,801,060</b>	<b>2,607,870</b>	<b>2,472,900</b>

As at the end of the third quarter of 2014, specific instruments were included into the following measurement levels:

- level 1: treasury bonds, shares quoted on the WSE  
(the fair value is determined directly by reference to active market quotations published);
- level 2: bonds issued by Bank Gospodarstwa Krajowego (BGK), cash bills (the fair value is determined using measurement techniques [models] based on verifiable market data available);
- level 3: corporate bonds except the ones issued by BGK, shares not quoted on the WSE  
(the fair value is determined using measurement techniques [models] not based on verifiable market data available, i.e. in cases other than the ones described in items 1 and 2).

The table below shows a hierarchy of measurement methods of available-for-sale investments measured at fair value as at 30 September 2014, and comparative data.

<b>Hierarchy of measurement methods as at 30 Sept 2014 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Treasury bonds	2,065,946	-	-	<b>2,065,946</b>
Bonds issued by banks	-	59,970	-	<b>59,970</b>
NBP cash bills	-	575,412	-	<b>575,412</b>
Bonds issued by non-financial entities	-	-	59,400	<b>59,400</b>
Shares	4,199	-	12,591	<b>16,790</b>
Participation units	3,731	-	-	<b>3,731</b>

<b>Hierarchy of measurement methods as at 31 Dec 2013 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Treasury bonds	1,814,477	-	-	<b>1,814,477</b>
Bonds issued by banks	-	61,414	-	<b>61,414</b>
NBP cash bills	-	699,847	-	<b>699,847</b>
Shares	5,148	-	-	<b>5,148</b>
Participation units	3,491	-	-	<b>3,491</b>

<b>Hierarchy of measurement methods as at 30 Sept 2013 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Treasury bonds	1,780,463	-	-	<b>1,780,463</b>
NBP cash bills	-	599,678	-	<b>599,678</b>
Bonds issued by banks	-	61,787	-	<b>61,787</b>
Shares	5,802	-	-	<b>5,802</b>
Participation units	3,457	-	-	<b>3,457</b>

## Non-current assets held for sale

The table below presents a specification of non-current assets held for sale as at 30 September 2014 as well as comparative data:

### Note 10.5

<b>in PLN thousand</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Land (including perpetual usufruct of land)	-	3,984	5,259
Buildings and premises	-	13,577	17,715
Means of transport	99	682	702
<b>Total non-current assets held for sale</b>	<b>99</b>	<b>18,243</b>	<b>23,676</b>



## Deferred Tax Assets and Liabilities

The table below presents deferred tax assets and liabilities as at 30 September 2014 and comparative data.

### Note 10.6.1

in PLN thousand	30 Sept 2014	31 Dec 2013	30 Sept 2013
Deferred tax assets	231,453	245,230	265,134
Deferred tax liabilities	37,633	48,400	50,167
<b>Total deferred tax assets, net - recognised in assets</b>	<b>193,820</b>	<b>196,830</b>	<b>214,967</b>
Deferred tax liabilities - recognised in correspondence with revaluation reserve	2,437	762	-
Deferred tax liabilities related to actuarial profits and losses	46	46	6
<b>Total deferred tax liabilities - recognised in liabilities</b>	<b>2,483</b>	<b>808</b>	<b>6</b>
<b>Net deferred tax</b>	<b>191,337</b>	<b>196,022</b>	<b>214,961</b>

Deferred tax is computed on all temporary differences using the balance sheet liability method at nominal tax rates which will be binding at the date of reversal of such differences.

Deferred tax assets (in PLN thousand)	Opening balance 1 Jan 2014	Opening balance (including merger with Fortis Lease Polska) as at 15 Feb 2014	Increases / decreases recognised in income statement	Increases/ decreases recognised in capital	Closing balance 30 Sept 2014
Interest accrued to be paid	5,255	132	1,525	-305	6,607
Negative fair value - hedged and hedging items	1,158	-	161	-	1,319
Provisions for credit exposure impairment	149,652	-	-1,066	-	148,586
Fair value adjustment on account of credit risk of matured derivative instruments	21,367	-	-4,995	-	16,372
Reserves for employee benefits	4,862	-	-1,216	-	3,646
Expenses calculated for payment, which are not tax-deductible expenses	3,957	172	260	4	4,393
Provisions for impairment - other assets	25,011	-	-253	-23,351	1,407
Provisions that are not tax-deductible expenses	4,925	-	-1,248	-	3,677
Measurement of financial instruments held for trading	3,061	-	3,987	-	7,048
Measurement of available-for-sale investments	72	-	-	-72	-
Commissions and fees settled in time	8,174	-	1,798	-4,690	5,282
Difference between balance sheet depreciation and tax depreciation	-	-	1	-	1
Difference between the market price and shares acquisition price	404	-	-	-	404
Provisions for impairment - fixed assets, intangible assets	288	-	-52	-	236
Tax value of the company	6,823	-	-2,274	-	4,549
Civil law transaction tax on account of acquisition of shares in a subsidiary	194	-	-	-180	14
Provisions for impairment - bonds, shares	-	72	-	-	72

Compensation notes paid	-	2,576	-371	-	2,205
Write-offs for leasing receivables impairment	-	14,905	-527	-	14,378
Write-downs for impairment of assets held for sale related to lease activity	-	3,029	-1,593	-	1,436
Surplus of basic value of leased fixed assets over book value of receivables	-	9,593	6,788	-9,552	6,829
Up-front fees for leasing agreements	-	580	-37	-	543
Income settled in time related to leasing activity	-	2,150	-77	-	2,073
Others	10,027	-	69	-9,720	376
<b>Total deferred tax assets</b>	<b>245,230</b>	<b>33,209</b>	<b>880</b>	<b>-47,866</b>	<b>231,453</b>

**Deferred tax liabilities  
(in PLN thousand)**

Interest accrued to be received	28,820	-	-621	-630	27,569
Difference between balance sheet depreciation and tax depreciation	5,573	-	-799	-	4,774
Measurement of held-for-trading securities	917	-	-540	-	377
Measurement of available-for-sale investments	837	-	-	1,719	2,556
Commissions and fees settled in time	3,055	-	-907	-2,148	-
Income to be received	554	-	-164	-	390
Development work costs	876	-	220	-	1,096
Negative fair value - hedged and hedging items	1,615	-	42	-	1,657
Costs settled in time related to leasing activity	-	1,520	-800	-171	549
Surplus of positive unrealised FX differences over negative unrealised FX differences related to leasing activity	-	6,852	-	-6,852	-
Actuarial profits or losses on account of retirement severance pay, disability benefits and post-death benefits	46	-	-	-	46
Others	6,915	-	1,092	-6,905	1,102
<b>Total deferred tax liabilities</b>	<b>49,208</b>	<b>8,372</b>	<b>-2,477</b>	<b>-14,987</b>	<b>40,116</b>
<b>Net deferred tax</b>	<b>196,022</b>	<b>24,837</b>	<b>3,357</b>	<b>-32,879</b>	<b>191,337</b>

<b>Deferred tax assets (in PLN thousand)</b>	<b>Opening balance 1 Jan 2013</b>	<b>Increases / decreases recognised in income statement</b>	<b>Increases/ decreases recognised in capital</b>	<b>Closing balance 31 Dec 2013</b>
Interest accrued to be paid	10,885	-5,630	-	5,255
Negative fair value - hedged items and hedging instruments	1,672	-514	-	1,158
Provisions for credit exposure impairment	173,939	-24,287	-	149,652
Fair value adjustment on account of credit risk of matured derivative instruments	26,873	-5,506	-	21,367
Reserves for employee benefits	3,532	1,330	-	4,862
Expenses calculated for payment, which are not tax-deductible expenses	3,594	363	-	3,957
Provisions for impairment - other assets	26,887	-1,876	-	25,011
Provisions which are not tax-deductible expenses	2,989	1,930	6	4,925
Measurement of financial instruments held for trading	6,900	-3,839	-	3,061
Measurement of available-for-sale investments	72	-	-	72
Commissions and fees settled in time	6,942	1,232	-	8,174
Difference between balance sheet depreciation and tax depreciation	3,155	-2,751	-	404
Difference between the market price and shares acquisition price	347	-59	-	288
Provisions for impairment - fixed assets, intangible assets	9,855	-3,032	-	6,823
Tax value of the company	194	-	-	194
Civil law transaction tax on account of acquisition of shares in a subsidiary	2,151	-2,151	-	-
Provisions for impairment - bonds, shares	2,153	7,874	-	10,027
<b>Total deferred tax assets</b>	<b>282,140</b>	<b>-36,916</b>	<b>6</b>	<b>245,230</b>
<b>Deferred tax liabilities (in PLN thousand)</b>				
Interest accrued to be received	29,597	-777	-	28,820
Difference between balance sheet depreciation and tax depreciation	5,825	-252	-	5,573
Measurement of financial instruments held for trading	3,125	-2,208	-	917
Measurement of available-for-sale investments	7,537	-	-6,700	837
Commissions and fees settled in time	5,272	-2,217	-	3,055
Income to be received	390	164	-	554
Development work costs	726	150	-	876
Negative fair value - hedged and hedging items	2,124	-509	-	1,615
Actuarial profits or losses on account of retirement severance pay, disability benefits and post-death benefits	-	-	46	46
Others	1,587	5,328	-	6,915
<b>Total deferred tax liabilities</b>	<b>56,183</b>	<b>-321</b>	<b>-6,654</b>	<b>49,208</b>
<b>Net deferred tax</b>	<b>225,957</b>	<b>-36,595</b>	<b>6,660</b>	<b>196,022</b>

<b>Deferred tax assets (in PLN thousand)</b>	<b>Opening balance 1 Jan 2013</b>	<b>Increases / decreases recognised in income statement</b>	<b>Increases/ decreases recognised in capital</b>	<b>Closing balance 30 Sept 2013</b>
Interest accrued to be paid	10,885	-4,964	-	5,921
Negative fair value - hedged items and hedging instruments	1,672	-438	-	1,234
Provisions for credit exposure impairment	173,939	-11,425	-	162,514
Fair value adjustment on account of credit risk of matured derivative instruments	26,873	-205	-	26,668
Reserves for employee benefits	3,532	-262	-	3,270
Expenses calculated for payment, which are not tax-deductible expenses	3,594	1,300	-	4,894
Provisions for impairment - other assets	26,887	-3,468	-	23,419
Provisions which are not tax-deductible expenses	2,989	3,870	6	6,865
Measurement of financial instruments held for trading	6,900	-3,320	-	3,580
Measurement of available-for-sale investments	72	-	707	779
Commissions and fees settled in time	6,942	1,920	-	8,862
Difference between the market price and shares acquisition price	3,155	-2,362	-	793
Provisions for impairment - fixed assets, intangible assets	347	-31	-	316
Tax value of the company	9,855	-2,274	-	7,581
Civil law transaction tax on account of acquisition of shares in a subsidiary	194	-	-	194
Provisions for impairment - bonds, shares	2,151	-1,952	-	199
Others	2,153	5,342	-	7,495
Tax loss	-	550	-	550
<b>Total deferred tax assets</b>	<b>282,140</b>	<b>-17,719</b>	<b>713</b>	<b>265,134</b>
<b>Deferred tax liabilities (in PLN thousand)</b>				
Interest accrued to be received	29,597	724	-	30,321
Difference between balance sheet depreciation and tax depreciation	5,825	29	-	5,854
Measurement of financial instruments held for trading	3,125	-2,109	-	1,016
Measurement of available-for-sale investments	7,537	-81	-7,368	88
Commissions and fees settled in time	5,272	-2,197	-	3,075
Income to be received	390	-	-	390
Development work costs	726	163	-	889
Negative fair value - hedged and hedging items	2,124	-550	-	1,574
Actuarial profits and losses on account of retirement severance pay, disability benefits and post-death benefits	-	-	6	6
Others	1,587	5,373	-	6,960
<b>Total deferred tax liabilities</b>	<b>56,183</b>	<b>1,352</b>	<b>-7,362</b>	<b>50,173</b>
<b>Net deferred tax</b>	<b>225,957</b>	<b>-19,071</b>	<b>8,075</b>	<b>214,961</b>

## Liabilities

### Note 10.7.1

<b>Due to banks (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Current deposits	52,369	92,569	148,179
Term deposits	500,000	160,000	1,048,110
Cash collateral	-	166,864	187,501
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	62,584	3,402	20,252
Interest	117	1,438	1,610
<b>Total due to banks</b>	<b>615,070</b>	<b>424,273</b>	<b>1,405,652</b>

### Note 10.7.2

<b>Liabilities due to customers (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Current deposits	4,736,417	4,473,505	4,276,568
Term deposits	6,508,769	6,239,465	5,257,128
Cash collateral	188,620	152,052	128,439
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	24,013	-	2,319
Others	44,849	51,682	42,068
Interest	18,947	14,110	18,891
<b>Total due to customers</b>	<b>11,521,615</b>	<b>10,930,814</b>	<b>9,725,413</b>

### Note 10.7.3

<b>Loans and credit facilities received (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Loans and credit facilities received from banks	7,415,348	7,042,355	7,170,916
Interest	12,399	8,565	8,632
<b>Total loans and credit facilities received</b>	<b>7,427,747</b>	<b>7,050,920</b>	<b>7,179,548</b>

### Note 10.7.4

<b>Other liabilities (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Accrued interest and expenses	23,428	20,589	24,775
Expenses to be paid	23,118	20,244	25,057
Taxes to be paid	55,865	11,899	20,623
Employee benefits	20,975	27,394	19,444
Liabilities due to counterparties	4,625	35,000	23,684
Settlement on account of credit debt	-	617	-
Interbank settlements	111,787	118,552	97,586
Settlements on account of trust agreements	11,551	55,333	44,524
Others	33,603	27,235	19,696
<b>Total</b>	<b>284,952</b>	<b>316,863</b>	<b>275,389</b>

## Provisions

### Note 10.8.1

<b>Provisions by titles (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
Provisions for off-balance sheet commitments	22,779	21,238	21,592
Provision for Incurred But Not Reported losses - off-balance sheet commitments (IBNR)	12,418	10,398	9,399
Legal risk provisions	9,823	19,482	32,248
Reserves for liabilities	20	3,162	2,689
Reserves for employee benefits (including the restructuring provision)	6,738	4,831	4,932
Provisions for office sub-lease	2,587	1,419	1,820
<b>Total provisions</b>	<b>54,365</b>	<b>60,530</b>	<b>72,680</b>

The notes below present changes in the balance of provisions:

### Note 10.8.2

<b>Change in provisions for off-balance sheet commitments (in PLN thousand)</b>	<b>1 Jan 2014 - 30 Sept 2014</b>	<b>1 Jan 2013 - 31 Dec 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
<b>Opening balance</b>	<b>31,636</b>	<b>16,534</b>	<b>16,534</b>
Increases	10,529	26,963	24,715
- for off-balance sheet commitments	4,797	21,271	21,549
- for IBNR losses – off-balance sheet commitments	5,732	5,692	3,166
Decreases	-6,968	-11,861	-10,238
- for off-balance sheet commitments	-3,256	-7,943	-7,847
- for IBNR losses – off-balance sheet commitments	-3,712	-3,918	-2,391
FX rate differences	-	-	-20
<b>Ending balance</b>	<b>35,197</b>	<b>31,636</b>	<b>30,991</b>

### Note 10.8.3

<b>Changes in other provisions (in PLN thousand)</b>	<b>1 Jan 2014 - 30 Sept 2014</b>	<b>1 Jan 2013 – 31 Dec 2013</b>	<b>1 Jan 2013 - 30 Sept 2013</b>
<b>Opening balance</b>	<b>28,894</b>	<b>23,133</b>	<b>23,133</b>
Increases	7,040	57,441	42,454
- for legal risk	2,550	43,360	40,201
- for office sub-lease	1,835	917	864
- for future commitments	-	10,434	-
- for employee benefits	2,655	2,730	1,389
Decreases	-16,766	-51,680	-23,898
- for legal risk	-12,209	-33,470	-17,546
- for office sub-lease	-667	-1,287	-832
- for future commitments	-20	-11,249	-1,288
- for employee benefits	-3,870	-5,674	-4,232
<b>Ending balance</b>	<b>19,168</b>	<b>28,894</b>	<b>41,689</b>

## 11. Hedge Accounting

As at 30 September 2014 and in the periods compared, the Group applies the fair value hedge. The risk hedged is the interest rate risk, and in particular, changes in the fair value of assets and liabilities bearing a fixed interest rate due to changes in a specific reference rate.

Hedging instruments

Hedging instruments are plain vanilla interest rate swaps (IRS) in EUR under which the Group receives a fixed interest rate and pays a variable interest rate based on EURIBOR 3M.

Hedged item

Fixed rate current accounts in EUR are the hedged items.

The tables below present the breakdown of hedging derivative instruments at nominal value as at 30 September 2014 and in periods compared, broken down by residual maturity:

### Note 11

Hedging derivative instruments (in PLN thousand)	30 Sept 2014							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
<b>Interest Rate Contracts</b>	8,725	-	-	-	16,702	66,808	12,527	96,037
- Swaps (IRS)	8,725	-	-	-	16,702	66,808	12,527	96,037
<b>Total hedging derivative instruments</b>	8,725	-	-	-	16,702	66,808	12,527	96,037

Hedging derivative instruments (in PLN thousand)	31 Dec 2013							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
<b>Interest Rate Contracts</b>	8,503	-	-	-	-	66,356	29,030	95,386
- Swaps (IRS)	8,503	-	-	-	-	66,356	29,030	95,386
<b>Total hedging derivative instruments</b>	8,503	-	-	-	-	66,356	29,030	95,386

Hedging derivative instruments (in PLN thousand)	30 Sept 2013							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
<b>Interest Rate Contracts</b>	8,284	-	-	-	-	67,461	29,514	96,975
- Swaps (IRS)	8,284	-	-	-	-	67,461	29,514	96,975
<b>Total hedging derivative instruments</b>	8,284	-	-	-	-	67,461	29,514	96,975

The table below presents a change of the fair value of a hedging instrument as at 30 September 2014 and comparative data.

<b>Hierarchy of measurement methods of hedging derivative instruments as at 30 Sept 2014 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Positive valuation	-	8,725	-	8,725

<b>Hierarchy of measurement methods of hedging derivative instruments as at 31 Dec 2013 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Positive valuation	-	8,503	-	8,503

<b>Hierarchy of measurement methods of hedging derivative instruments as at 30 Sept 2013 (in PLN thousand)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Positive valuation	-	8,284	-	8,284



## 12. Leasing

Until 14 February 2014, the Group conducted lease activity through its subsidiary, Fortis Lease Polska Sp. z o.o., by concluding, as a lessor, finance lease transactions primarily concerning means of transport, machines, technical equipment and real estate.

On 15 February 2014, the lease activity was included into the Bank's organizational structures.

### Note 12.1

<b>Finance lease receivables (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
(Gross) finance lease receivables	2,047,075	1,998,848	1,900,319
Unrealised financial income	-228,323	-236,073	-220,587
<b>Current value of minimum lease charges</b>	<b>1,818,752</b>	<b>1,762,775</b>	<b>1,679,732</b>
provisions for impairment	-103,859	-115,370	-117,026
<b>Total finance lease receivables</b>	<b>1,714,893</b>	<b>1,647,405</b>	<b>1,562,706</b>

### Note 12.2

<b>Finance lease receivables by maturity (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
up to 1 year	504,311	528,057	480,395
from 1 up to 5 years	993,414	914,183	863,634
above 5 years	549,350	556,608	556,290
<b>(Gross) finance lease receivables</b>	<b>2,047,075</b>	<b>1,998,848</b>	<b>1,900,319</b>

### Note 12.3

<b>Current value of minimum lease charges (in PLN thousand)</b>	<b>30 Sept 2014</b>	<b>31 Dec 2013</b>	<b>30 Sept 2013</b>
up to 1 year	442,665	463,125	425,408
from 1 up to 5 years	869,102	791,720	733,663
above 5 years	506,985	507,930	520,661
<b>Current value of minimum lease charges, gross</b>	<b>1,818,752</b>	<b>1,762,775</b>	<b>1,679,732</b>

### 13. Fair value

The Bank calculates the fair value by discounting all contract-related transaction flows using interest rates curves characteristic for each group of transactions. Prepayments are not included in the fair value calculation. In the case of products with no repayment schedule, it is assumed that the fair value is equal to the transaction balance sheet value.

An interest rate curve used to calculate the fair value of the Bank's liabilities (e.g. customer deposits, interbank deposits) and receivables (e.g. loans to customers, interbank placements) consists of:

- interest rate curve free of credit risk
- cost of acquisition of financing sources above an interest rate curve free of credit risk
- market margin reflecting credit risk in the case of receivables.

In order to structure the yield curve for determining fair value of loans, loans are divided into sub-portfolios depending on product type and currency. For each separated sub-portfolio, a margin is set that takes into account the credit risk. The margin is established on the basis of margins applied to loans of a given type that were granted within the past three months, and if no such loans were granted in this period, then a six-month period is analysed. In the event no new transactions have been concluded for the past six months, the margin for the entire portfolio of the relevant loan type is taken as the basis. In particular, with respect to mortgage loans denominated in foreign currencies, due to the lack of new transactions, the margin for the entire portfolio of the given mortgage loan type shall be the basis for setting a margin that reflects credit risk.

Fair value table (in PLN thousand)	30 Sept 2014		31 Dec 2013		30 Sept 2013	
	Balance sheet value	Fair value	Balance sheet value	Fair value	Balance sheet value	Fair value
Cash and cash equivalents	1,251,305	1,251,722	1,290,247	1,290,254	805,805	805,805
Liabilities due from banks	104,261	104,057	79,201	79,137	85,116	84,986
Loans to customers	17,794,782	17,558,041	16,582,614	16,059,992	17,028,591	16,361,770
Liabilities due to banks	615,070	615,151	424,273	433,332	1,405,652	1,415,417
Liabilities due to customers	11,521,615	11,554,150	10,930,814	10,914,058	9,725,413	9,748,476
Loans and credit facilities received	7,427,747	7,553,039	7,050,920	7,119,413	7,179,548	7,227,507
Subordinated liabilities	458,469	546,588	452,192	506,396	460,405	501,008

## 14. Other Material Information

### 14.1. Description of factors and events, especially atypical ones, having a material effect on the financial results generated.

In the third quarter of 2014, no factors or atypical events occurred that might have any material effect on the financial results generated.

### 14.2. Factors that in the issuer's opinion will affect the results generated at least in the subsequent quarter

Factors that may affect the Group's future performance include the following:

- signs of the economic upturn in Q4 after an apparent economic slowdown between July and September. Better prospects result chiefly from a stable improvement of the job market, which is expected to support private consumption and economic growth, contributing in effect to a better quality of the household loan portfolio,
- decrease of the NBP interest rates and the room for their further reduction will result in lower costs of financing of individual customers and enterprises, which should translate into growth of demand for loans. On the other hand, low interest rates may discourage households from saving in bank deposits and thus have an adverse impact on profitability of non-interest bearing deposits. Potential further lombard credit rate cuts may entail a decrease of the Group's interest income due to a lower maximum limit of loan interest rates,
- Stabilisation of the NBP interest rates at the low level and the room for their further reduction could result in lower costs of financing of individual customers and enterprises, which should translate into growth of demand for loans. On the other hand, low interest rates can discourage households from investing their savings in bank deposits and has negative impact on profitability of non-interest bearing deposits,
- Most banks in Poland keep increasing their focus on consumer loans in view of shorter repayment terms, improved margins, and stabilization of the NPL ratio thanks to improved methods of assessing credit risk and sale of the non-performing loans portfolio. This increased competition might hinder the Group capacity to reach its targeted level of the Group's consumer loan sales, however on the other hand overall strong growth of loan demand will support the achievement of the Group goals,
- As overall financing activity is expected to grow in line with economic revival, liquidity requirements of banks are expected to grow as well, which might lead to the increased competition for collection of deposits and decreasing margins,
- As the amendment to the Payment Services Act (passed by the Sejm, the lower chamber of the Polish Parliament, on 30 August 2013) became effective on 1 January 2014, on 1 June 2014 interchange fees went down. Pursuant to the amendment, the fee was reduced to 0.5% of the turnover for all types of cards, down from the average level of 1.1% for individual cards and 1.8% for business cards. The above changes will contribute to the card profitability reduction, as the interchange fee is one of the basic card-related income items, however this will have a very limited impact on the Group as card fees represent a small part of the Group's revenues.

### 14.3. Information regarding the issue, redemption and reimbursement of non-equity and equity securities

In the third quarter of 2014, there were no issue, redemption or reimbursement of equity securities.

### 14.4. Information on changes to contingent liabilities

The tables below present changes to contingent liabilities granted and received.

Contingent liabilities granted (in PLN thousand)	30 Sept 2014	31 Dec 2013	Change (%)
Financial liabilities granted	5,366,489	5,249,986	2.2%
Guarantee liabilities granted	2,561,205	2,008,975	27.5%
<b>Total contingent liabilities granted</b>	<b>7,927,694</b>	<b>7,258,961</b>	<b>9.2%</b>

Contingent liabilities received (in PLN thousand)	30 Sept 2014	31 Dec 2013	Change (%)
Financial liabilities received	2,293,646	2,125,000	7.9%
Guarantee liabilities received	837,063	514,690	62.6%
<b>Total contingent liabilities received</b>	<b>3,130,709</b>	<b>2,639,690</b>	<b>18.6%</b>

#### 14.5. Information on shareholders holding, directly or indirectly through their subsidiaries, at least 5% of the total number of votes at the issuer's general meeting

As at 30 September 2014 and as at the publication date of the report for the third quarter of 2014, i.e. 7 November 2014, the shareholders' structure specifying the shareholders with at least 5% of the total number of votes at the General Meeting of Shareholders was as follows:

Shareholder	Number of shares held	% of the share capital	Number of votes at the GM	Share (%) in the total number votes at the GM
<b>BNP PARIBAS SA (indirectly through*):</b>	28,661,545	85.00%	28,661,545	85.00%
<b>BNP Paribas Fortis SA/NV directly</b>	28,661,545	85.00%	28,661,545	85.00%
<b>Others</b>	5,057,920	15.00%	5,057,920	15.00%
<b>Total:</b>	<b>33,719,465</b>	<b>100.00%</b>	<b>33,719,465</b>	<b>100.00%</b>

\* BNP PARIBAS SA is the parent entity (99.93% shares) of BNP Paribas Fortis Bank SA/NV based in Brussels.

#### 14.6. Changes in the number of the issuer's shares, or share options, owned by the members of the management or supervisory bodies

As at 30 September 2014, and as at the publication date of the report for the first quarter of 2014, i.e. 7 November 2014, none of the Members of the Board of Executives or Members of the Supervisory Board held any shares issued by BNP Paribas Bank Polska SA or any other related financial instruments, which means that no change occurred from the publication date of the report for 2013, i.e. 11 March 2014.

#### 14.7. Pending proceedings before court, relevant arbitration body or public administration body

In the ordinary course of its business, the Group is involved in various legal proceedings concerning its operating activities. These proceedings mostly include civil, commercial and consumer protection cases. In no case the value in dispute exceeds 10% of the Bank's equity capital.

To the best knowledge of the Bank, as at 30 September 2014, the total value of lawsuits pending before the courts, involving the Group's entities, either as a plaintiff or defendant, was PLN 190.7 million. As at 30 September 2014, the total value of lawsuits, in which entities of the Group appeared as a plaintiff, amounted to PLN 53.7 million (excluding interest), while the total value of lawsuits, in which the entities of the Group appeared as a defendant, was PLN 137 million (excluding interest).

As at 30 September 2014, in the aforementioned lawsuits the total value of disputes currently pending before the courts, which involve the Bank as a plaintiff or defendant was PLN 176.3 million (excluding interest). As at 30 September 2014, the total value of lawsuits in which the Bank appears as a plaintiff

was PLN 45.1 million (excluding interest), while the total value of lawsuits in which the Bank appears as a defendant was PLN 131.2 million (excluding interest).

As at 30 September 2014, the Bank's provision for legal risk was PLN 9.8 million. In the opinion of the Bank's Board of Executives, the provisions created for the legal risk as at 30 September 2014 were adequate to the risk level.

The largest category of claims are the ones related to currency derivative transactions (including claims concerning currency options) concluded by the Group's customers in 2008 and 2009. Due to the decline of the PLN exchange rate at that time, most of the Group's customers involved in currency derivative instruments and currency options recorded significant losses.

As at 30 September 2014 the nominal value of claims related to transactions in derivative instruments, including currency options, that were filed to a court, totalled PLN 48.9 million (excluding interest), the total of which constitutes the value in dispute of nine cases brought before courts against the Bank. As at 30 September 2014, the highest nominal value claim against the Bank amounted to approx. PLN 24 million. The lawsuit in this case was served on the Bank on 5 June 2014. On 5 August 2014, the Bank submitted a statement of response to the statement of claim, submitting at the same time a counterclaim against the customer for PLN 4.3 million regarding the amounts of the transactions still not settled by the customer. In the Bank's opinion there are very strong arguments to effectively resist the claim. The case is now in the course of the proceedings at first instance. The court referred the case to the mediation proceedings.

As at the end of June 2014, the total amount of provisions created by the Bank for legal risk in court proceedings related to derivative instruments (concerning transactions entered into with customers in the years 2007-2008) was approx. PLN 3.5 million. The amount of reserves for legal risk has not changed in comparison to June 2014.

In 2013 the proceedings before the Anti-monopoly Court relating to the fine imposed in 2006 by the President of the Office of Competition and Consumer Protection (UOKiK) in connection with anticompetitive practices consisting in joint determination of interchange fee rates on transactions performed using Visa and MasterCard systems in Poland were closed. The Bank is one of 20 Polish banks involved in these proceedings. The fine imposed on the Bank in 2006 by the President of the Office of Competition and Consumer Protection was PLN 2.9 million. Following an appeal filed by the banks in 2008, the Anti-monopoly Court reversed the decision of the President of the Office of Competition and Consumer Protection. In 2010, following an appeal of the President of the Office of Competition and Consumer Protection, the Appellate Court reversed the judgement of the Anti-monopoly Court and remanded the case to the Anti-monopoly Court for a new trial. In case the proceedings result in an unfavourable outcome, the Bank established a provision of PLN 2.9 million. On 21 November 2013, the Anti-monopoly Court (the first instance), upon retrial, substantially decreased the amounts of pecuniary fines imposed on the banks, and in the case of the Bank the amount of the pecuniary fine was determined at the level of PLN 59,748. The banks' appeal against the decision of the President of the Office of Competition and Consumer Protection with respect to the remaining scope was dismissed by the Court. In December 2013 the provision for legal risk was reduced to the amount of the pecuniary fine imposed on the Bank by the court verdict. The decision in the aforementioned case is not final and enforceable.

## 14.8. Information on Related Party Transactions

Information on transactions of the Group with its parent company and entities affiliated by management is presented below. These transactions concern bank operations made as part of a regular business activity. Terms of such transactions correspond to market conditions.

### Note 14.8.1

30 Sept 2014 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
<b>Assets</b>				
Cash and cash equivalents	386,377	146,144	181,977	714,498
Financial assets held for trading	3,182	33,391	-	36,573
Due from banks and Loans to customers	-	59,506	966	60,472
Hedging instruments	8,725	-	-	8,725
Other assets	3,617	99	280	3,996
<b>Total assets</b>	<b>401,901</b>	<b>239,140</b>	<b>183,223</b>	<b>824,264</b>

<b>Liabilities</b>				
Financial liabilities held for trading	1,262	24,515	-	25,777
Due to banks and customers	6,114	78,371	551,417	635,902
Loans and credit facilities received	367,706	5,206,839	1,085,247	6,659,792
Subordinated liabilities	-	458,469	-	458,469
Other liabilities	83	-	4,545	4,628
<b>Total liabilities</b>	<b>375,165</b>	<b>5,768,194</b>	<b>1,641,209</b>	<b>7,784,568</b>

31 Dec 2013 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
<b>Assets</b>				
Cash and cash equivalents	304,182	6,657	350,158	660,997
Financial assets held for trading	9,832	14,134	-	23,966
Due from banks and Loans to customers	-	3,542	10,622	14,164
Hedging instruments	8,503	-	-	8,503
Other assets	10,591	31	113	10,735
<b>Total assets</b>	<b>333,108</b>	<b>24,364</b>	<b>360,893</b>	<b>718,365</b>

<b>Liabilities</b>				
Financial liabilities held for trading	44,210	5,624	-	49,834
Due to banks and customers	41,357	38,286	131,244	210,887
Loans and credit facilities received	-	5,058,068	-	5,058,068
Subordinated liabilities	-	452,192	-	452,192
Other liabilities	637	6,089	7,378	14,104
<b>Total liabilities</b>	<b>86,204</b>	<b>5,560,259</b>	<b>138,622</b>	<b>5,785,085</b>

<b>30 Sept 2013 (in PLN thousand)</b>	<b>Direct parent entity (BNP Paribas Fortis)</b>	<b>Ultimate parent entity (BNP Paribas)</b>	<b>Other entities of the BNP Paribas group</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	124,778	-	1,199	125,977
Financial assets held for trading	18,206	10,216	-	28,422
Due from banks and Loans to customers	-	20,642	2,000	22,642
Hedging instruments	8,284	-	-	8,284
Other assets	12,572	463	141	13,176
<b>Total assets</b>	<b>163,840</b>	<b>31,321</b>	<b>3,340</b>	<b>198,501</b>
<b>Liabilities</b>				
Financial liabilities held for trading	48,335	7,612	-	55,947
Due to banks and customers	126,196	30,356	986,332	1,142,884
Loans and credit facilities received	-	5,314,976	-	5,314,976
Subordinated liabilities	-	460,405	-	460,405
Other liabilities	646	13,238	4,460	18,344
<b>Total liabilities</b>	<b>175,177</b>	<b>5,826,587</b>	<b>990,792</b>	<b>6,992,556</b>

**Note 14.8.2**

<b>Income Statement 1 Jan 2014 - 30 Sept 2014 (in PLN thousand)</b>	<b>Direct parent entity (BNP Paribas Fortis)</b>	<b>Ultimate parent entity (BNP Paribas)</b>	<b>Other entities of the BNP Paribas group</b>	<b>Total</b>
Interest income	2,424	34	2,228	4,686
Interest expense	-4,819	-54,372	-24,852	-84,043
Fee and commission income	122	7	1,140	1,269
Fee and commission expense	-455	-13	-218	-686
Net trading income	-9,435	-202	1	-9,636
Net profit/loss on hedging transactions	-1,328	-	-	-1,328
Other revenues	-	-	6	6
Other operating expenses	-	-	-40	-40
Other general expenses	-	426	-3,172	-2,746
Cost of risk	-	-175	-	-175

<b>Income Statement 1 Jan 2013 - 30 Sept 2013 (in PLN thousand)</b>	<b>Direct parent entity (BNP Paribas Fortis)</b>	<b>Ultimate parent entity (BNP Paribas)</b>	<b>Other entities of the BNP Paribas group</b>	<b>Total</b>
Interest income	2,426	244	3,297	5,967
Interest expense	18,870	-62,080	-14,333	-57,543
Fee and commission income	87	6	1,053	1,146
Fee and commission expense	-520	-25	-241	-786
Net trading income	7,788	18,643	-	26,431
Net profit/loss on hedging transactions	-2,408	-	-	-2,408
Other revenues	-	-	87	87
Other general expenses	-	510	-2,286	-1,776
Cost of risk	-	-	-1	-1

## Note 14.8.3

Contingent liabilities and operations in derivative instruments 30 Sept 2014 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
<b>Contingent liabilities granted</b>	<b>20,080</b>	<b>9,251</b>	<b>242,088</b>	<b>271,419</b>
- financial	-	-	34,274	34,274
- guarantees	20,080	9,251	207,814	237,145
<b>Contingent liabilities received</b>	<b>33,811</b>	<b>96,332</b>	<b>582,600</b>	<b>712,743</b>
- guarantees	33,811	96,332	582,600	712,743
<b>Transactions in derivative instruments*</b>	<b>3,366,946</b>	<b>11,528,249</b>	-	<b>14,895,195</b>

Contingent liabilities and operations in derivative instruments 31 Dec 2013 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
<b>Contingent liabilities granted</b>	<b>17,391</b>	<b>49,295</b>	<b>176,507</b>	<b>243,193</b>
- financial	-	-	22,450	22,450
- guarantees	17,391	49,295	154,057	220,743
<b>Contingent liabilities received</b>	<b>43,709</b>	<b>109,558</b>	<b>303,161</b>	<b>456,428</b>
- guarantees	43,709	109,558	303,161	456,428
<b>Transactions in derivative instruments*</b>	<b>1,515,276</b>	<b>3,494,806</b>	-	<b>5,010,082</b>

Contingent liabilities and operations in derivative instruments 30 Sept 2013 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
<b>Contingent liabilities granted</b>	<b>16,887</b>	<b>39,104</b>	<b>231,111</b>	<b>287,102</b>
- financial	-	-	30,179	30,179
- guarantees	16,887	39,104	200,932	256,923
<b>Contingent liabilities received</b>	<b>42,265</b>	<b>83,803</b>	<b>312,621</b>	<b>438,689</b>
- guarantees	42,265	83,803	312,621	438,689
<b>Transactions in derivative instruments*</b>	<b>1,816,225</b>	<b>4,758,025</b>	-	<b>6,574,250</b>

\* including buy and sell transactions in derivative instruments

**14.9. Other information essential for the assessment of the situation with respect to human resources, property, finances, net profit/loss and changes thereto, likewise the information which is vital for the evaluation of the Group's ability to fulfil its obligations.**

**As at 30 September 2014, the Bank Supervisory Board's composition was as follows:**

Name and surname	Function in the Bank's Supervisory Board
1. Jean-Paul Sabet	Chairman
2. Jarosław Bauc	Vice Chairman, independent
3. Filip Dierckx	Vice Chairman
4. Monika Bednarek	Supervisory Board's member, independent
5. Jean-Marc Buresi	Supervisory Board's member
6. Yvan De Cock	Supervisory Board's member
7. Andrzej Wojtyna	Supervisory Board's member, independent



On 26 June 2014, Mr Francois Benaroya resigned from his membership in the Bank's Supervisory Board, effective from 30 June 2014. The resignation resulted from the fact Mr Francois Benaroya was employed at the Bank.

**As at 30 September 2014, the composition of the Bank's Board of Executives was as follows:**

	<b>Name and surname</b>	<b>Position in the Bank's Board of Executives</b>	<b>Area</b>
1.	Frédéric Amoudru	President of the Board of Executives	Chief Executive Officer
2.	Jan Bujak	Senior Vice President of the Board of Executives	Chief Financial Officer, Finance and Legal
3.	Jaromir Pelczarski	Vice President of the Board of Executives	Technology, Operations & Process Services
4.	Michel Thebault	Vice President of the Board of Executives	Personal Finance Business Line
5.	Wojciech Kembłowski	Member of the Board of Executives	Risk
6.	Marta Oracz	Member of the Board of Executives	Human Resources
7.	Adam Parfiniewicz	Member of the Board of Executives	Retail Banking Business Line (RB BL)
8.	Stephane Rodes	Member of the Board of Executives	Corporate and Transaction Banking

In 2014, no changes as regards the composition of the Board of Executives took place.

**14.10. Information about granting by the issuer or its subsidiary any suretyships for loans or credit facilities or issuance of guarantees – in total to one entity or its subsidiary, if the total value of the existing suretyships or guarantees constitutes the equivalent of at least 10% of the group's equity.**

In the reporting period, there were no such suretyships or guarantees.

**14.11. Changes in an economic situation and operating conditions for conducting business that materially affect the fair value of financial assets and liabilities of the entity, irrespective of whether such assets and liabilities are recognised at the fair value or at amortised cost**

In the reporting period, there were no changes in the economic situation or conditions for conducting business which would materially affect the fair value of financial assets and liabilities of the entity.

**14.12. Failure to repay a credit facility or default on provisions of the credit facility agreement with respect to which no remedial measures were undertaken by the end of the reporting period**

In the reporting period, there was no default on the credit facility agreement.

**14.13. Changes in the classification of financial instruments due to a change of a purpose or utilisation of such assets**

In three quarters of 2014, there were no changes in the manner of classification of financial instruments due to a change of the purpose or utilisation of such assets.

#### **14.14. Impairment losses on financial assets, tangible fixed assets, intangible assets or other assets, and reversal of such provisions**

As at 30 September 2014 and 30 September 2013, apart from provisions presented in the notes to the balance sheet, the Group did not make any other material provisions.

#### **14.15. Information about material purchase and sale transactions of tangible fixed assets and a material commitment on account of a purchase of tangible fixed assets**

In three quarters 2014, the Group did not make any material sale or purchase of tangible fixed assets. There were no material commitments, either, on account of any purchase of tangible fixed assets.

#### **14.16. Dividends paid (or declared), in total and per one share, broken by ordinary and preference shares**

On 7 April 2014, the Annual General Meeting decided not to pay any dividend for 2013.

#### **14.17. Corrections of prior period errors**

In three quarters of 2014, no corrections were made of prior period errors.

#### **14.18. Other information**

##### **Liquidation of Fortis Lease Polska Sp. z o.o.**

On 1 July 2014, liquidation of the Bank's subsidiary, Fortis Lease Polska Sp. z o.o. was opened. The subsidiary's leasing operations were transferred to the Bank in February 2014.

#### **14.19. Post-Balance Sheet Events**

##### **Planned merger of BNP Paribas Bank Polska SA and BGŻ S.A.**

In connection with the planned acquisition by the BNP Paribas Group of the majority stake in Bank Gospodarki Żywnościowej SA ("BGŻ") - on 3 September 2014, the Management Boards of BGŻ and BNP Paribas Bank Polska SA announced the decision to initiate the procedure, which is to lead to the merger of the two banks pursuant to Art. 492 § 1, section 1 of the Commercial Companies Code (merger by acquisition).

The intention to merge the two banks was first conditioned by obtaining required approvals from the relevant regulatory authorities for the acquisition by the BNP Paribas Group of the controlling stake in BGŻ.

In July 2014, the European Commission expressed its consent for the acquisition by BNP Paribas Group of the controlling stake in BGŻ, and on 2 September 2014, the Polish Financial Supervision Authority raised no objection as to the intention of completing the transaction, allowing for specific commitments made by the BNP Paribas Group related to prudent and sustainable management of the bank. The acquisition by the BNP Paribas Group of a 74.39% stake in BGŻ from Rabobank was finalized in September 2014.

On 10 October 2014, the Management Boards of BGŻ and BNP Paribas Bank Polska SA agreed and announced the Merger Plan of both banks pursuant to Art. 498 and 499 of the Act of 15 September 2000 - the Commercial Companies Code (CCC) (*consolidated text: Journal of Laws of 2013, item 1030, as amended*).

The Merger will be effected pursuant to Article 492 §1, item 1 of the CCC by way of transferring all property (all assets and liabilities) of BNP Paribas Bank Polska SA (*the Target Bank*) to BGŻ (*the Bidding Bank*), with a concurrent share capital increase in BGŻ from the amount of PLN 56,138,764 to the amount of PLN 84,238,318 by way of the issuance of 28,099,554 shares of BGŻ with the nominal value of PLN 1.00 (the "Merger Shares"), to be delivered by BGŻ to the existing shareholders of BNPP Polska.

Under the *Merger Plan* the following share exchange ratio was decided upon: in exchange for 6 shares of BNP Paribas Bank Polska SA, the shareholders of BNPP Paribas Bank Polska will receive 5 Merger Shares.

The Merger will be effected only after obtaining all required regulatory approvals and permits related to the Merger. It is anticipated that the merger of the Bank and BGŻ will bring benefits to both banks, their customers, as well as shareholders (including minority shareholders), and will allow achieving the following objectives: capital position strengthening, liquidity improvement, sales network expansion, competitive position in the market, capturing synergies in the form of reduced operating costs, likewise strengthening and simplifying the management system.

As a result of the Merger, BGŻ will assume all rights and obligations of BNP Paribas Bank Polska SA, and BNP Paribas Bank Polska SA will be wound-up without liquidation proceedings.

All property of BNP Paribas Bank Polska SA (all assets and liabilities) will be transferred to BGŻ on the day of the Merger registration in the register of entrepreneurs of the National Court Register maintained by the competent registration court having jurisdiction over the venue of the BGŻ's registered office. The BGŻ's share capital increase through the issuance of the Merger Shares will be registered on the same day.

The merged Bank will operate under the name Bank BGŻ BNP Paribas Spółka Akcyjna.

### Results of the Asset Quality Review and Stress test of BNP Paribas Bank Polska S.A.

On 26 October 2014 the Board of Executives of BNP Paribas Bank Polska SA ("the Bank") hereby announces its results of the Asset Quality Review and Stress test exercises, carried out among 15 Polish banks by the Polish Financial Supervision Authority ("KNF") with the assumptions set out by the European Banking Authority ("EBA") in consultation with the European Central Bank ("ECB") for the purpose of EBA Comprehensive Assessment process. All the results of Assets Quality Review and Stress test are available on KNF website.

The Asset Quality Review exercise carried out by KNF was aimed at measuring adequacy of assets classification, collateral valuation and related provisions. In this exercise the part of the asset portfolio had been selected and examined in order to calculate provisions according to the AQR methodology. The AQR provisions for the sample portfolio were calculated by the KNF and then extrapolated to the total portfolio. It allowed KNF to indicate a final AQR provisions amount with reference to the whole asset portfolio of the Bank. The total capital ratio of the Bank as at the end of 2013 stood at 12.75%, whilst Common Equity Tier 1 ("CET1") ratio equaled 10.09%. Following the Asset Quality Review for the Bank, the adjusted CET1 ratio was estimated at 9.23% being well above regulatory minimum.

In parallel, KNF has performed the Stress test simulation. Both baseline scenario and adverse scenario (assuming an unfavourable development of the macroeconomic situation) run within the Stress test were based on the data as at the end of 2013 and covered the period from 2014 to 2016. The stress test assumed stability of banks' balance sheets over the 2014-2016 period. According to Stress test methodology the exceptional loss incurred by the Bank in 2009 linked to derivate transactions amounting to PLN 320 million has a severe impact on the Stress test results decreasing notionally the capital amount by approximately PLN 190 million. However, since 2010 the Bank's activity in derivative transactions is considerably limited being conducted within more conservative model and the total current exposure of all customers is substantially lower. The Stress test result shows that throughout the entire 2014–2016 period analysed, the Bank would hold sufficient capital.

Having examined results of stress test and Asset Quality Review separately, it is clear that the Bank does not suffer from any capital shortfall. However, having analyzed the combined impact of the Asset Quality Review and the Stress test on the Bank's balance sheet, it has been observed that the

adjusted CET1 ratio of the Bank in the last year examined, i.e. 2016, would decrease to 4.71% and therefore it would fall below the minimum level of 5.5% recommended by the regulators. However, in May 2014, the Bank has already raised new capital in the amount of PLN 228.5 million, which according to KNF more than sufficiently covers this theoretical capital shortfall. In fact, taking into account the capital increase, the adjusted CET1 ratio would increase from 4.71% to 6.04% as calculated by KNF, thus above the minimum threshold of 5.5%.

The Bank's Board of Executives considers, as confirmed by the results of KNF AQR and Stress test exercise, that the present capital position of the Bank, strengthened by the capital increase realized in May 2014, is sound and safe.

### **Request to include the H1 2014 net profit into the Common Equity Tier 1 capital**

On 6 November 2014, the Bank's Board of Executives decided to file a request to the Polish Financial Supervision Authority (KNF) for permission to include the after-tax profit earned in the period from 1 January 2014 to 30 June 2014 into the Common Equity Tier 1 capital, to calculate capital ratios.

**Signatures of the Members of the Board of Executives (on the Polish original):**

7 November 2014	Frédéric Amoudru President of the Board of Executives	..... signature
7 November 2014	Jan Bujak Senior Vice-President of the Board of Executives Chief Financial Officer	..... signature
7 November 2014	Jaromir Pelczarski Vice President of the Board of Executives	..... signature
7 November 2014	Michel Thebault Vice President of the Board of Executives	..... signature
7 November 2014	Wojciech Kemblowski Member of the Board of Executives	..... signature
7 November 2014	Marta Oracz Member of the Board of Executives	..... signature
7 November 2014	Adam Parfiniewicz Member of the Board of Executives	..... signature
7 November 2014	Stephane Rodes Member of the Board of Executives	..... signature