



BNP PARIBAS | Bank zmieniającego się świata

Interim Abbreviated Consolidated Financial Statements of BNP Paribas Bank Polska SA Group for the Third Quarter 2013

Table of Contents

1. Financial Highlights	3
2. Consolidated Financial Statements of BNP Paribas Bank Polska SA Group	6
3. Quarterly Financial Information – Separate Financial Data of BNP Paribas Bank Polska SA	12
4. The Key Factors Affecting Consolidated Performance of BNP Paribas Bank Polska SA Group as at the End of the Third Quarter of 2013	16
5. Information on BNP Paribas Bank Polska SA Group	25
6. Accounting Policies	27
7. Comparability with Previously Published Reports	28
8. Segment Reporting	30
9. Additional Notes to Consolidated Income Statement	32
10. Additional Notes to Consolidated Balance Sheet	35
11. Hedge Accounting	43
12. Lease facility	44
13. Capital adequacy and financial liquidity	45
14. Other Material Information	46

1. Financial Highlights

CONSOLIDATED FINANCIAL HIGHLIGHTS	in PLN thousand		in EUR thousand	
	30 Sept 2013 (YTD)	30 Sept 2012 (YTD)	30 Sept 2013 (YTD)	30 Sept 2012 (YTD)
Income Statement				
Net interest income	405,807	401,704	96,092	95,762
Net fee and commission income	109,937	107,327	26,032	25,586
Net banking income	621,765	608,113	147,230	144,968
General expenses (including depreciation)	-426,264	-458,763	-100,936	-109,365
Cost of risk and net result on provisions	-92,162	-111,606	-21,823	-26,606
Profit/loss before taxation	103,055	36,834	24,403	8,781
Profit/loss after taxation	78,190	19,061	18,515	4,544
Ratios				
Weighted average number of shares	28,692,926	25,774,501	-	-
Basic earnings/loss per share (PLN/EUR)	2.73	0.74	0.65	0.18
Diluted earnings/loss per share (PLN/EUR)	2.73	0.74	0.65	0.18
Cash Flow Statement				
Net cash provided by operating activities	280,812	-245,501	66,494	-58,525
Net cash provided by investing activities	-696,658	2,269,814	-164,964	541,102
Net cash provided by (used in) financing activities	-759,900	-2,100,744	-179,939	-500,797
Total gross cash flow	-1,175,746	-76,431	-278,408	-18,220
Balance Sheet	Balance as at 30 Sept 2013	Balance as at 31 Dec 2012	Balance as at 30 Sept 2013	Balance as at 31 Dec 2012
Total assets	21,131,684	20,830,812	5,011,902	5,095,351
Loans to customers	17,028,591	16,159,656	4,038,752	3,952,756
Due to banks	1,405,652	382,360	333,385	93,528
Due to customers	9,847,478	10,064,950	2,335,573	2,461,951
Loans and credit facilities received	7,179,548	7,589,756	1,702,808	1,856,503
Equity capital	1,774,358	1,730,945	420,833	423,400
Ratios				
Number of shares	28,692,926	28,692,926		
Book value per share (PLN/EUR)	61.84	60.33	14.67	14.76
Diluted book value per share (PLN/EUR)	61.84	60.33	14.67	14.76
Capital adequacy				
Capital adequacy ratio	12.12%	13.80%	-	-
Tier 1 (core) capital	1,700,280	1,638,085	403,264	400,686
Tier 2 (supplementary) capital	464,958	725,388	110,276	177,435
Tier 3 (short term) capital	10,986	11,102	2,606	2,716

FINANCIAL HIGHLIGHTS (SEPARATE)	in PLN thousand		in EUR thousand	
	30 Sept 2013 (YTD)	30 Sept 2012 (YTD)	30 Sept 2013 (YTD)	30 Sept 2012 (YTD)
Income Statement				
Net interest income	377,714	370,087	89,440	88,225
Net fee and commission income	102,510	102,228	24,274	24,370
Net banking income	608,352	593,662	144,053	141,523
General expenses (including depreciation)	-410,954	-445,282	-97,311	-106,151
Cost of risk and net result on provisions	-104,837	-109,902	-24,825	-26,200
Profit/loss before taxation	87,480	37,568	20,715	8,956
Profit/loss after taxation	68,403	25,133	16,197	5,991
Ratios				
Weighted average number of shares	28,692,926	25,774,501	-	-
Basic earnings/loss per share (PLN/EUR)	2.38	0.98	0.56	0.23
Diluted earnings/loss per share (PLN/EUR)	2.38	0.98	0.56	0.23
Cash Flow Statement				
Net cash provided by operating activities	109,395	-507,202	25,904	-120,912
Net cash provided by investing activities	-700,280	2,265,081	-165,821	539,974
Net cash provided by (used in) financing activities	-507,752	-1,839,526	-120,232	-438,525
Total gross cash flow	-1,098,637	-81,647	-260,149	-19,463
Balance Sheet				
	Balance as at 30 Sept 2013	Balance as at 31 Dec 2012	Balance as at 30 Sept 2013	Balance as at 31 Dec 2012
Total assets	19,746,887	19,245,705	4,683,463	4,707,623
Loans to customers	15,596,729	14,611,806	3,699,151	3,574,142
Due to banks	1,405,642	382,327	333,383	93,520
Due to customers	9,866,405	10,113,114	2,340,062	2,473,733
Loans and credit facilities received	5,845,949	6,023,287	1,386,512	1,473,335
Equity capital	1,731,932	1,697,954	410,771	415,330
Ratios				
Number of shares	28,692,926	28,692,926		
Book value per share (PLN/EUR)	60.36	59.18	14.32	14.48
Diluted book value per share (PLN/EUR)	60.36	59.18	14.32	14.48
Capital adequacy				
Capital adequacy ratio	12.53%	14.46%	-	-
Tier 1 (core) capital	1,611,581	1,547,208	382,226	378,457
Tier 2 (supplementary) capital	406,741	664,490	96,469	162,539
Tier 3 (short term) capital	10,986	11,102	2,606	2,716

Key items in the balance sheet, income statement and cash flow statement in the financial statements for the third quarter of 2013 and the corresponding financial figures for the third quarter of 2012 and as at the end of 2012 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 2013 have been converted into EUR at the mid-rate binding as at 30 September 2013 published by the National Bank of Poland, i.e. EUR 1 = PLN 4.2163; comparative financial data as at the end of 2012 have been converted into EUR at the mid-rate binding as at 31 December 2012, published by the National Bank of Poland on 31 December 2012, i.e. EUR 1 = PLN 4.0882;
- particular items in the income statement and cash flows, and earnings per share for 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, whereas comparative data for the end of the third quarter of 2012 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 2012, i.e. EUR 1 = PLN 4.1948.

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

Comparative data of the Group for the period from 1 January 2012 through 30 September 2012 include relevant items of BNP Paribas Factor Sp. z o.o. from the company acquisition date, i.e. 2 April 2012.

Consolidated Income Statement (in PLN thousand)	Notes	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Interest income	9.1	222,689	678,065	247,744	765,778
Interest expense	9.2	-83,722	-272,258	-122,855	-364,074
Net interest income		138,967	405,807	124,889	401,704
Fee and commission income	9.3	50,414	145,380	47,152	135,498
Fee and commission expense	9.4	-12,321	-35,443	-9,392	-28,171
Net fee and commission income		38,093	109,937	37,760	107,327
Net trading income	9.5	24,982	74,943	29,089	82,911
Net profit/loss on hedging transactions		-290	-2,518	1,065	-3,683
Net profit/loss on the hedged item		290	2,518	-1,065	3,683
Net profit/loss on available-for-sale financial assets		5,622	24,292	4,622	16,270
Dividends		3	14	18	18
Other income		7,701	21,738	6,473	16,308
Other operating expenses		-4,092	-14,966	-7,322	-16,425
Net banking income		211,276	621,765	195,529	608,113
General expenses		-130,963	-392,684	-128,322	-414,216
Personnel expenses		-68,601	-206,192	-66,910	-224,242
Other general expenses		-62,362	-186,492	-61,412	-189,974
Depreciation		-10,871	-33,580	-14,787	-44,547
Gross operating profit/loss		69,442	195,501	52,420	149,350
Cost of risk	9.6	-16,915	-68,400	-39,833	-112,002
Net result on provisions	9.7	-19,795	-23,762	3,123	396
Cost of risk and net result on provisions		-36,710	-92,162	-36,710	-111,606
Net operating profit/loss		32,732	103,339	15,710	37,744
Net profit/loss from disposal of assets, shares and interest		77	-284	-272	-910
Profit/loss before taxation		32,809	103,055	15,438	36,834
Income tax expense		-6,125	-24,865	-9,131	-17,773
Profit/loss after taxation		26,684	78,190	6,307	19,061
Consolidated Earnings Per Share					
	9.8				
Profit/loss after taxation (in PLN thousand)			78,190		19,061
Weighted average number of ordinary shares			28,692,926		25,774,501
Earnings per ordinary share (in PLN)			2.73		0.74
Weighted average diluted number of ordinary shares					
			28,692,926		25,774,501
Diluted earnings per ordinary share (in PLN)			2.73		0.74

Consolidated report of total income (in PLN thousand)	1 July 2013 – 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Net profit/loss for the year	26,684	78,190	6,307	19,061
Profits/losses not recognised in the income statement (investments available for sale)	3,568	-42,935	6,701	20,438
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-678	8,158	-1,273	-3,883
Profits/losses not recognised in the income statement (investments available for sale) - net	2,890	-34,777	5,428	16,555
Total consolidated income	29,574	43,413	11,735	35,616

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

Consolidated balance sheet (in PLN thousand)	Notes	30 Sept 2013	31 Dec 2012	30 Sept 2012
ASSETS				
Cash and cash equivalents	10.1	805,805	1,980,588	1,040,358
Financial assets held for trading	10.2.1	70,709	145,838	179,507
Due from banks	10.3.1	85,116	208,045	434,490
Loans to customers	10.3.2	17,028,591	16,159,656	16,297,247
Hedging instruments	11	8,284	11,179	10,132
Investments available for sale	10.4	2,472,900	1,825,430	1,344,332
Property, plant and equipment		127,867	123,598	132,273
Intangible assets		36,932	29,909	28,337
Non-current assets held for sale	10.5	23,676	32,100	25,876
Settlements on account of income tax		6,152	4,423	-
Deferred tax assets	10.6.1	214,260	233,373	251,605
Deferred tax assets recognised in the revaluation reserve		707	-	-
Other assets		250,685	76,673	119,217
Total assets		21,131,684	20,830,812	19,863,374
LIABILITIES				
Financial liabilities held for trading	10.2.2	71,738	86,718	107,630
Due to banks	10.7.1	1,405,652	382,360	999,499
Due to customers	10.7.2	9,847,478	10,064,950	8,818,800
Loans and credit facilities received	10.7.3	7,179,548	7,589,756	7,524,402
Differences from the fair value hedge against interest rate risk falling on hedged items		6,495	8,800	8,459
Subordinated liabilities		460,405	694,251	411,418
Income tax provision		-	-	12,505
Deferred tax liabilities	10.6.1	6	7,416	2,739
Other liabilities		313,324	225,949	211,989
Provisions	10.8.1	72,680	39,667	66,707
Total liabilities		19,357,326	19,099,867	18,164,148
EQUITY CAPITAL				
Share capital		1,304,380	1,434,646	1,434,646
Additional capital		172,921	172,401	172,401
Other capital		183,480	26,269	26,269
Revaluation reserve		-2,639	32,110	12,171
Consolidation adjustment		-	833	833
Retained earnings		38,026	33,845	33,845
Net profit/loss for the year		78,190	30,841	19,061
Total equity capital		1,774,358	1,730,945	1,699,226
Total liabilities and equity		21,131,684	20,830,812	19,863,374

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

**Consolidated Statement of Changes in Shareholders' Equity for three quarters of 2012
(in PLN thousand)**

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
Balance as at 1 Jan 2012	1,206,175	127,099	15,161	40,147	-	6,919	-4,384	12,805	1,403,922
Consolidation adjustment	-	-	-	12,805	-	-	-	-11,972	833
Total income for three quarters of 2012	-	-	-	-	19,061	-	16,555	-	35,616
Share issue	228,471	31,529	-	-	-	-	-	-	260,000
Transfer of a positive difference into the additional capital	-	15,161	-15,161*	-	-	-	-	-	-
Distribution of retained earnings	-	-243	-	-19,107	-	19,350	-	-	-
Other	-	-1,145	-	-	-	-	-	-	-1,145
Balance as at 30 Sept 2012	1,434,646	172,401	-	33,845	19,061	26,269	12,171	833	1,699,226

**Consolidated Statement of Changes in Shareholders' Equity in 2012
(in PLN thousand)**

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
Balance as at 1 Jan 2012	1,206,175	127,099	15,161	40,147	-	6,919	-4,384	12,805	1,403,922
Consolidation adjustment	-	-	-	12,805	-	-	-	-11,972	833
Total income in 2012	-	-	-	-	30,841	-	36,494	-	67,335
Share issue	228,471	31,529	-	-	-	-	-	-	260,000
Transfer of a positive difference into the additional capital	-	15,161	-15,161*	-	-	-	-	-	-
Distribution of retained earnings	-	-243	-	-19,107	-	19,350	-	-	-
Other	-	-1,145	-	-	-	-	-	-	-1,145
Balance as at 31 Dec 2012	1,434,646	172,401	-	33,845	30,841	26,269	32,110	833	1,730,945

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

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
Balance as at 31 Dec 2012	1,434,646	172,401	-	33,845	30,841	26,269	32,110	833	1,730,945
Net profit/loss for the year	-	-	-	30,841	-30,841	-	-	-	-
Consolidation adjustment	-	-	-	833	-	-	-	-833	-
Balance as at 1 Jan 2013	1,434,646	172,401	-	65,519	-	26,269	32,110	-	1,730,945
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	-	-
Balance as at 30 Sept 2013	1,304,380	172,921	-	38,026	78,190	183,480	-2,639	-	1,774,358

* In 2012, the Annual General Meeting decided to transfer a positive difference, in the amount of PLN 15,161 thousand, arising from the tax settlement of the acquisition by BNP Paribas Bank Polska SA of an organised part of BNP Paribas SA Branch in Poland into the additional capital. The tax on the purchase of an organised part of the enterprise was settled in March 2011, when the respective asset on that account was also recognised.

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

Consolidated Cash Flow Statement (in PLN thousand)	1 Jan 2013 - 30 Sept 2013	1 Jan 2012 - 30 Sept 2012
Cash and cash equivalents, gross Opening balance	1,981,688	1,117,534
OPERATING ACTIVITY		
Gross profit/loss	103,055	36,834
Adjustments for:	177,757	-282,335
Depreciation	33,580	44,657
Change of reserves and provisions	-43,782	-73,973
Profits/losses on account of FX rate differences	20 731	-735
Profit/loss on investing activities	5,465	7,270
Changes in operating assets and liabilities:	169,203	-227,519
- financial assets and liabilities held for trading	60,148	-22,150
- due from banks, gross	122,946	-75,260
- loans to customers, gross	-804,122	550,235
- change in the balance of available-for-sale investments, gross	-29,020	30,556
- due to banks	1,023,292	-54,746
- due to customers	-217,472	-41,217
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	591	2,954
- liabilities due on account of credit facilities and loans received	82,927	-408,295
- liabilities due on account of a subordinated loan	13,643	-33,505
- other assets and liabilities	-83,730	-176,091
Tax paid	-7,440	-32,035
Net operating cash flows	280,812	-245,501
INVESTING ACTIVITY		
Acquisition of shares and investments in subsidiaries	-	-7,653
Cash held by the acquired unit	-	8,591
Purchase of available-for-sale investments	-24,225,982	-20,305,788
Purchase of property, plant and equipment and intangible fixed assets	-44,247	-32,351
Proceeds from AFS divestment	23,572,103	22,606,418
Proceeds from sales of property, plant and equipment	2,327	1,030
Other investment expenses	-859	-433
Net cash provided by investing activities	-696,658	2,269,814
FINANCING ACTIVITIES		
Subordinated loans repayment	-267,092	-147,705
Drawdown of loans and credit facilities received	1,715,028	3,015,362
Repayment of loans and credit facilities received	-2,227,440	-5,227,259
Share issue	-	260,000
Other financial gains	19,604	-
Other financial expenses	-	-1,142
Net cash provided by (used in) financing activities	-759,900	-2,100,744
Cash and cash equivalents, gross Ending balance	805,942	1,041,103
Change in gross cash and cash equivalents	-1,175,746	-76,431

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

Income Statement (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Interest income	206,908	627,222	224,448	695,186
Interest expense	-76,827	-249,508	-110,184	-325,099
Net interest income	130,081	377,714	114,264	370,087
Fee and commission income	47,631	137,295	45,031	129,697
Fee and commission expense	-12,071	-34,785	-9,273	-27,469
Net fee and commission income	35,560	102,510	35,758	102,228
Net trading income	24,597	74,178	28,580	81,658
Net profit/loss on hedging transactions	-290	-2,518	1,065	-3,683
Net profit/loss on the hedged item	290	2,518	-1,065	3,683
Net profit/loss on available-for-sale financial assets	5,530	23,872	4,608	16,705
Dividends	-	24,283	-	22,153
Other income	8,198	20,759	6,723	17,230
Other operating expenses	-4,359	-14,964	-7,398	-16,399
Net banking income	199,607	608,352	182,535	593,662
General expenses	-126,038	-377,915	-124,331	-401,341
Personnel expenses	-67,100	-201,302	-65,526	-219,134
Other general expenses	-58,938	-176,613	-58,805	-182,207
Depreciation	-10,669	-33,039	-14,593	-43,941
Gross operating profit/loss	62,900	197,398	43,611	148,380
Cost of risk	-18,330	-81,075	-37,107	-110,298
Net result on provisions	-19,795	-23,762	3,123	396
Cost of risk and net result on provisions	-38,125	-104,837	33,984	-109,902
Net operating profit/loss	24,775	92,561	9,627	38,478
Net profit/loss from disposal of assets, shares and interest	77	-5,081	-272	-910
Profit/loss before taxation	24,852	87,480	9,355	37,568
Income tax expense	-5,928	-19,077	-7,998	-12,435
Profit/loss after taxation	18,924	68,403	1,357	25,133

Separate report of total income (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Net profit/loss for the year	18,924	68,403	1,357	25,133
Profits/losses not recognised in the income statement (investments available for sale)	3,673	-42,500	6,601	20,101
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-698	8,075	-1,254	-3,819
Profits/losses not recognised in the income statement (investments available for sale) - net	2,975	-34,425	5,347	16,282
Total separate income	21,899	33,978	6,704	41,415

Balance Sheet (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
ASSETS			
Cash and cash equivalents	805,789	1,903,463	975,036
Financial assets held for trading	70,709	145,838	179,507
Due from banks	85,116	208,045	434,490
Loans to customers	15,596,729	14,611,806	14,699,452
Hedging instruments	8,284	11,179	10,132
Investments available for sale	2,469,319	1,817,783	1,336,523
Other investments	115,851	120,648	120,648
Property, plant and equipment	126,728	122,520	131,093
Intangible assets	36,906	29,725	28,152
Non-current assets held for sale	-	4,785	4,785
Settlements on account of income tax	99	1,927	-
Deferred tax assets	189,790	204,890	221,506
Deferred tax assets recognised in the revaluation reserve	707	-	-
Other assets	240,860	63,096	102,154
Total assets	19,746,887	19,245,705	18,243,478
LIABILITIES			
Financial liabilities held for trading	71,738	86,718	107,630
Due to banks	1,405,642	382,327	999,482
Due to customers	9,866,405	10,113,114	8,935,063
Loans and credit facilities received	5,845,949	6,023,287	5,839,536
Differences from the fair value hedge against interest rate risk falling on hedged items	6,495	8,800	8,459
Subordinated liabilities	460,405	694,251	411,418
Income tax provision	-	-	11,644
Deferred tax liabilities	6	7,368	2,732
Other liabilities	288,324	196,196	189,224
Provisions	69,991	35,690	64,254
Total liabilities	18,014,955	17,547,751	16,569,442
EQUITY CAPITAL			
Share capital	1,304,380	1,434,646	1,434,646
Additional capital	178,730	176,387	176,387
Other capital	183,434	26,223	26,223
Revaluation reserve	-2,987	31,410	11,647
Retained earnings	-28	-	-
Net profit/loss for the year	68,403	29,288	25,133
Total equity capital	1,731,932	1,697,954	1,674,036
Total liabilities and equity	19,746,887	19,245,705	18,243,478

Statement of Changes in Shareholders' Equity for three quarters of 2012
(in PLN thousand)

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
Balance as at 1 Jan 2012	1,206,175	129,157	15,161	21,033	-	6,873	-4,635	1,373,764
Total income for the three quarters of 2012	-	-	-	-	25,133	-	16,282	41,415
Share issue	228,471	31,529	-	-	-	-	-	260,000
Transfer of a positive difference into the additional capital	-	15,161	-15,161*	-	-	-	-	-
Distribution of retained earnings	-	1,683	-	-21,033	-	19,350	-	-
Other	-	-1,143	-	-	-	-	-	-1,143
Balance as at 30 Sept 2012	1,434,646	176,387	-	-	25,133	26,223	11,647	1,674,036

Statement of Changes in Shareholders' Equity in 2012
(in PLN thousand)

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
Balance as at 1 Jan 2012	1,206,175	129,157	15,161	21,033	-	6,873	-4,635	1,373,764
Total income in 2012	-	-	-	-	29,288	-	36,045	65,333
Share issue	228,471	31,529	-	-	-	-	-	260,000
Transfer of a positive difference into the additional capital	-	15,161	-15,161*	-	-	-	-	-
Distribution of retained earnings	-	1,683	-	-21,033	-	19,350	-	-
Other	-	-1,143	-	-	-	-	-	-1,143
Balance as at 31 Dec 2012	1,434,646	176,387	-	-	29,288	26,223	31,410	1,697,954

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
Balance as at 1 Jan 2013	1,434,646	176,387	29,288	-	26,223	31,410	1,697,954
Total income for the 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	-
Balance as at 30 Sept 2013	1,304,380	178,730	-28	68,403	183,434	-2,987	1,731,932

* In 2012, the Annual General Meeting decided to transfer a positive difference, in the amount of PLN 15,161 thousand, arising from the tax settlement of the acquisition by BNP Paribas Bank Polska SA of an organised part of BNP Paribas SA Branch in Poland into the additional capital. The tax on the purchase of an organised part of the enterprise was settled in March 2011, when the respective asset on that account was also recognised.

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

Cash Flow Statement (in PLN thousand)	1 Jan 2013 - 30 Sept 2013	1 Jan 2012 - 30 Sept 2012
Cash and cash equivalents, gross Opening balance	1,904,564	1,057,428
OPERATING ACTIVITY		
Gross profit/loss	87,480	37,568
Adjustments for:	21,915	-544,770
Depreciation	33,039	44,051
Change of reserves and provisions	-21,130	-74,143
Profit/loss on investing activities	5,466	6,893
Changes in operating assets and liabilities:	6,683	-504,415
- financial assets and liabilities held for trading	60,148	-22,150
- due from banks, gross	122,946	-75,288
- loans to customers, gross	-936,678	277,720
- change in the balance of available-for-sale investments, gross	-28,599	30,577
- due to banks	1,023,315	-28,841
- due to customers	-246,709	-92,990
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	591	2,954
- liabilities due on account of credit facilities and loans received	82,927	-424,422
- liabilities due on account of a subordinated loan	13,643	-33,505
- other assets and liabilities	-84,901	-138,470
Tax paid	-2,143	-17,156
Net operating cash flows	109,395	-507,202
INVESTING ACTIVITY		
Acquisition of shares and investments in subsidiaries	-	-7,653
Purchase of available-for-sale investments	-24,225,982	-20,299,788
Purchase of property, plant and equipment and intangible fixed assets	-43,604	-32,308
Proceeds from AFS divestment	23,568,052	22,604,397
Proceeds from sales of property, plant and equipment	2,113	866
Other investment expenses	-859	-433
Net cash provided by investing activities	-700,280	2,265,081
FINANCING ACTIVITIES		
Subordinated loans repayment	-267,092	-147,705
Loans and credit facilities taken	667,031	3,015,362
Repayment of loans and credit facilities	-927,295	-4,966,041
Share issue	-	260,000
Other financial gains	19,604	-
Other financial expenses	-	-1,142
Net cash provided by (used in) financing activities	-507,752	-1,839,526
Cash and cash equivalents, gross Ending balance	805,926	975,781
Change in gross cash and cash equivalents	-1,098,637	-81,647

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 2013

4.1. Financial Results

Income Statement (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013- 30 Sept 2013	July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012	Change Q 1-3 of 2013 Q 1-3 of 2012
Net interest income	138,967	405,807	124,889	401,704	1.0%
Net fee and commission income	38,093	109,937	37,760	107,327	2.4%
Other revenues ¹	34,216	106,021	32,880	99,082	7.0%
Net banking income	211,276	621,765	195,529	608,113	2.2%
Personnel expenses	-68,601	-206,192	-66,910	-224,242	-8.0%
Other general expenses	-62,362	-186,492	-61,412	-189,974	-1.8%
Cost of risk and net result on provisions	-36,710	-92,162	-36,710	-111,606	-17.4%
Profit/loss before taxation	32,809	103,055	15,438	36,834	179.8%
Profit/loss after taxation	26,684	78,190	6,307	19,061	310.2%

4.2. Financial Highlights

Total assets (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012	Change 30 Sept 2013 - 31 Dec 2012
Total assets	21,131,684	20,830,812	19,863,374	1.4%
Loans to customers	17,028,591	16,159,656	16,297,247	5.4%
Liabilities due to customers	9,847,478	10,064,950	8,818,800	-2.2%
Total equity	1,774,358	1,730,945	1,699,226	2.5%

4.3. Financial ratios (%)

	30 Sept 2013	31 Dec 2012	30 Sept 2012
Capital adequacy ratio	12.12%	13.80%	11.78%
Return on Assets (ROA)*	0.5	0.1	0.1
Return on Equity (ROE)*	6.0	1.9	1.6
Net interest margin*	2.8	2.9	2.7
Net PLN loans to PLN deposits ratio	116.8	107.8	119.1
Net PLN loans to PLN deposits ratio - Bank	108.2	99.0	107.9

*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 ² as at the end of four subsequent quarters

¹ Other revenues include: 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

² 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 Q2 and Q3 2013 and comparative data

Consolidated Income Statement (in PLN thousand)	1 Apr 2013 - 30 June 2013	1 July 2013 - 30 Sept 2013	1 Apr 2012 - 30 June 2012	1 July 2012 - 30 Sept 2012
Interest income	221,958	222,689	257,545	247,744
Interest expense	-98,573	-83,722	-123,223	-122,855
Net interest income	123,385	138,967	134,322	124,889
Fee and commission income	48,166	50,414	45,334	47,152
Fee and commission expense	-11,328	-12,321	-9,691	-9,392
Net fee and commission income	36,838	38,093	35,643	37,760
Net trading income	26,573	24,982	22,296	29,089
Net profit/loss on hedging transactions	-1,524	-290	-1,457	1,065
Net profit/loss on the hedged item	1,524	290	1,457	-1,065
Net profit/loss on available-for-sale financial assets	4,580	5,622	10,295	4,622
Dividends	11	3	-	18
Other income	8,064	7,701	5,374	6,473
Other operating expenses	-6,024	-4,092	-4,352	-7,322
Net banking income	193,427	211,276	203,578	195,529
General expenses	-132,245	-130,963	-150,409	-128,322
Personnel expenses	-69,191	-68,601	-84,630	-66,910
Other general expenses	-63,054	-62,362	-65,779	-61,412
Depreciation	-11,266	-10,871	-15,017	-14,787
Gross operating profit/loss	49,916	69,442	38,152	52,420
Cost of risk	-20,021	-16,915	-29,796	-39,833
Net result on provisions	-829	-19,795	-2,304	3,123
Cost of risk and net result on provisions	-20,850	-36,710	-32,100	-36,710
Net operating profit/loss	29,066	32,732	6,052	15,710
Net profit/loss from disposal of assets, shares and interest	-203	77	-617	-272
Profit/loss before taxation	28,863	32,809	5,435	15,438
Income tax expense	-8,151	-6,125	-2,581	-9,131
Profit/loss after taxation	20,712	26,684	2,854	6,307

BNP Paribas Bank Polska SA Group has consolidated the results of BNP Paribas Factor Sp. z o.o. (BNP Paribas Factor) from the company acquisition date, i.e. from 2 April 2012. Therefore, the Q1 2012 results of the company are not recognised in the Group's consolidated results for the first three quarters of 2012. Acquisition of that company and consolidation of its results have an impact on the amount of indices calculated and comparisons made.

Consolidated Income Statement

The Group closed the first three quarters of 2013 with with after-tax profit totalling PLN 78.2 million, which was by PLN 59.1 million or 310.2% higher than the result of the first three quarters of 2012. Despite a deteriorating economic situation and a material decrease in interest rates, which adversely affects the interest margin, net banking income in the first three quarters of 2013 grew up by PLN 13.7 million (2.2%). Furthermore, efficient debt restructuring and collection activities and an improved quality of the credit portfolio contributed to the cost of risk reduction by 38.9%, while the consistent implementation of the operating activity optimisation program resulted in the Group's cost decrease by 7.1%.

In the first three quarters of 2013, the Group recorded the following non-recurring or extraordinary 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 market valuation, 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.

In the first three quarters of 2012, the Group recorded the following non-recurring or extraordinary items:

- PLN 10.1 million: net income on account of the settlement of a prepayment of some credit facilities from the BNP Paribas group with the positive mark to market, which affected the net interest income in the Other Banking Activity segment (PLN 5.1 million in the first quarter and PLN 5.0 million in the second quarter);
- PLN 7.9 million: profit generated on account of closing some hedging transactions connected with hedge accounting, which had an impact on the net trading income in the first quarter in the Other Banking Activity segment;
- PLN 40.7 million: additional one-off provisions related to change in accounting estimates, chiefly regarding the consumer credit portfolio of the former Dominet Bank, which impacted the cost of risk in the first quarter in the Retail Banking segment;
- PLN 13 million: employment restructuring provision, which increased personnel expenses in the second quarter in the following segments: Retail Banking by PLN 10.8 million, Corporate and Transaction Banking by PLN 1.6 million and Other Banking Activity by PLN 0.6 million.

The Group's net banking income of PLN 621.8 million at the end of Q3 2013 was by PLN 13.7 million, or 2.2%, higher as compared to the corresponding period of 2012. 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. At the end of Q3 2013, it stood at PLN 405.8 million and was by PLN 4.1 million or 1.0% higher than in the corresponding period of 2012; however, the material decrease in market interest rates impacted both the Group's interest income and expense.

In the first three quarters of 2013, **interest income** stood at PLN 678.1 million, which represents a fall by 11.5% (or PLN 87.7 million) compared to the first three quarters of 2012. This fall was mainly recorded in:

- **interest on loans to the Group's customers** (by 7.1% or PLN 46.1 million), which in the analysed period amounted to PLN 603.4 million. Decrease in interest on loans to customers derived chiefly from materially lower market interest rates, which affected in particular average interest rates on commercial loans and finance lease receivables, and also lower average balances of lease receivables (in the case of commercial loans, this effect was partially offset by an additional interest income related to restructuring the receivables due from the Vistula Group SA of PLN 8.7 million).
- **interest on securities** available for sale (by 32.1% or PLN 27.7 million) in connection with the lowering of market interest rates;
- **interest on receivables due from banks** (by PLN 12.1 million) in connection with a decrease in the volume of funds invested in the interbank market.

In the first three quarters of 2013, **interest expense** went down by PLN 91.8 million, i.e. 25.2%, as compared to the corresponding period of 2012, and reached PLN 272.3 million. This item fell mainly due to the following:

- lower **interest expense related to subordinated loans and loans and credit facilities received** (in total, by PLN 36.1 million, i.e. 32.5%), which was attributable to:
 - lower average balances of subordinated loans and credit facilities received by the Group,
 - drop in the market interest rates,
 - net income of PLN 19.1 million received by the Bank in connection with the settlement of prepaid tranches of credit facilities from the BNP Paribas Group with the positive market valuation (versus PLN 10.1 million received on that account in the corresponding period of 2012).

Furthermore, the interest margin on loans from the BNP Paribas group increased when some old loans were repaid and new loans were contracted under current market terms. Impact of the sole interest margin growth on the interest expense related to subordinated loans and loans and credit facilities from the group to the Bank as compared to the first three quarters of 2012 amounted to approx. PLN 16 million.

- lower **interest expense on customer deposits** (by PLN 51.8 million or 22.7%), despite growth of average volumes of such deposits, as a consequence of the market interest rate fall;
 - lower **interest expense on liabilities due to banks** (by PLN 2.1 million or 9.7%) in connection with the market interest rate fall;
 - net interest margin for the period of three quarters of 2013 was 2.8% as compared to 2.7% for the period of three quarters of 2012. In the periods compared, the interest margin amount was affected by one-off income items 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 both periods.
- **Net fee and commission income**

In the first three quarters of 2013, the net fee and commission income generated by the Group was higher by 2.4% (PLN 2.6 million) than in the corresponding period of 2012.

The improved net fee and commission income was attributable mainly to:

- higher loan origination fees (by 12.3%),
- increase in fees and commissions for cash settlement services that include primarily account maintenance, cash transaction and bank transfer fees (by 2.6%),
- the recognition of net fee and commission income of BNP Paribas Factor sp. z o.o. in the amount of PLN 3.7 million in consolidation for the current year, as compared to PLN 2.0 million for the period from 2 April to 30 September 2012.

Furthermore, products per individual customer ratio, computed according to the Bank's own methodology as the number of products per one customer, is growing and for the existing base of active customers acquired after 1 January 2010 it amounts to 3.65 as compared to 2.55 for customers acquired before that date.

On the other hand, the net fee and commission income on account of the sale of insurance products was lower by PLN 2.0 million, in particular on account of the sale of insurance for car and cash loans, due to a changing structure of the consumer loan portfolio (the average level of insurance premiums on loans granted by the end of 2009 was higher in comparison to the premiums on loans granted after that period. It should be emphasised that in the net fee and commission income, the Bank does not recognise in advance, as one-off items, the total income on account of insurance premiums for bancassurance products related directly to banking products. Such income is settled in time [premiums collected in advance] or accrued periodically [monthly premiums] in the Bank's net fee and commission income. Only the income related to insurance intermediation of insurance products not related directly with banking products is recognised as one-off item in the net fee and commission income) and the lower net fee and commission income related to cards (due to higher fees and commissions paid to card issuers this year), which was partially offset by net income from the release

of provisions previously created with a view to these commissions, which are presented in the other fee and commission income and other fee and commission expense items.

– **Net trading income**

In the first three quarters 2013, the net trading income amounted to PLN 74.9 million, which in comparison to the result generated in the first three quarters of 2012 represents a decrease by PLN 8.0 million (9.6%). Net income on derivative transactions dropped by PLN 5.1 million to PLN 2.8 million in the first three quarters of 2013 and resulted mainly from the lower by PLN 6.4 million positive impact of the fair value adjustments on account of credit risk of derivative instruments due to the reversal of fair value adjustments of currency options held by the Group's customers. The net FX income was lower by PLN 2.7 million, or 3.6%, as compared to the three quarters of 2012.

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

Growth of the net result on available-for-sale financial assets by PLN 8.0 million as compared to the corresponding period of 2012 was related to higher profits generated on the sale of securities (including PLN 3.6 million gains from sales of Vistula Group S.A. shares obtained as part of debt restructuring).

The Group's operating expenses

The Group has been consistently pursuing a comprehensive structural programme of cost optimisation, started in the second quarter of 2012, under which a number of measures were undertaken to lower the cost base, increase operating efficiency and create a financial capacity to invest in the modernization of the Group and support its development. Optimisation initiatives and activities identified within the programme will bring roughly PLN 86.6 million savings a year till the end of 2013.

Thanks to the effectively pursued optimisation programme, the Group's general expenses and depreciation in the first three quarters of 2013 were by PLN 32.5 million (7.1%) lower than in the corresponding period of 2012.

Personnel costs of the Group stood at PLN 206.2 million after the first three quarters of 2013 and were lower by PLN 18.1 million or 8.0% than in the corresponding period of 2012. Remuneration expenses in the current year were lower, which was related to the effect of the one-off provision in the amount of PLN 13 million created for the employment restructuring programme that charged the costs of the first three quarters of 2012. Without the impact of the aforesaid provision, personnel expenses dropped by PLN 5.1 million (2.4%) predominantly due to a lower average FTE level in the Bank (by approx. 7% as compared to the corresponding period of 2012) and in its subsidiary TFI BNP Paribas Polska. Furthermore, BNP Paribas Factor's personnel expenses of PLN 2.2 million were recognised in the consolidation for the first three quarters of 2013, as compared to PLN 1.1 million for the period from 2 April to 30 September 2012. As at the end of September 2013, the headcount in the Group was 2,763 FTE as compared to 2,854 FTE as at the end of September 2012.

Depreciation of fixed and intangible assets amounted to PLN 33.6 million in the first three quarters of 2013 and was lower by 24.6% than in the corresponding period of 2012 as a result of investment savings.

Other general expenses of the Group in the first three quarters of 2013 amounted to PLN 186.5 million and were by PLN 3.5 million lower than in the corresponding period of 2012. The decrease in other expenses was due to savings made within the cost optimization programme, mainly as regards costs of rents, technology and IT systems and also telecommunications. At the same time, as a result of the acquisition of BNP Paribas Factor, other expenses of that company were recognised in the amount of PLN 3.0 million in consolidation for the first three quarters of 2013, as compared to PLN 1.3 million in the period from 2 April to 30 September 2012.

Cost of risk

Continuation of a prudent risk management policy remains the priority issue for the Group. In the first three quarters of 2013, the cost of risk amounted to PLN 68.4 million, which is a decrease by PLN 43.6 million (38.9%) as compared to the corresponding period of the previous year.

Cost of risk ratio (computed as the quotient of the cost of risk and the average balance of gross loans to customers as at the end of the four subsequent quarters) amounted to 0.5% in the first three quarters of 2013 versus 0.8% in the corresponding period of last year.

The cost of risk fell due to the following:

- effective restructuring and debt recovery measures concerning the impaired portfolio, including execution of the agreement on the sale of receivables due to the Group from Vistula Group SA.;
- maintaining a high quality of newly granted consumer loans;
- a considerably smaller-scale creation of additional provisions for the portfolio of consumer loans granted till mid-2009. In the first three quarters of 2012, the level of these loans was seriously affected by non-recurrent provisions of PLN 40.7 million that resulted from applying more conservative estimates of recoverable non-performing loans;
- sale of a portion of the non-performing loan portfolio.

The cost of risk was lower despite the economic downturn at the beginning of 2013, which particularly affected the construction sector and the segment of small and medium enterprises, which required the Bank to create additional provisions for loans to such customers.

Net result on provisions

In the first three quarters of 2013, net result on provisions stood at PLN -23.8 million as compared to PLN 0.4 million in the corresponding period of 2012. The result is attributable to the following:

- cost of provisions for legal risk related to litigation with bank customers on account of derivative instruments in the amount of PLN 20.0 million (the provision amount increased in consequence of the Bank's receiving of two new lawsuits related to options, with considerable amounts in dispute, and also restructuring actions taken by the Bank);
- other cost of the legal risk provision of PLN 3.8 million.

Consolidated balance sheet

As at the end of Q3 2013, the Group's consolidated total assets amounted to PLN 21,132 million and were higher by PLN 301 million or 1.4% than as at the end of the previous year. The Group's assets value grew up primarily as a result of a higher balance of loans to customers, in particular loans to corporate customers and consumer loans. Moreover, growth was recorded in the value of the available-for-sale investment portfolio, mainly in the value of NBP bills purchased by the Bank in Q2 2013 as a result of a higher excess liquidity. By investing in the development of the lending activity and the securities portfolio, the Group also reduced the balance of short-term receivables due from other banks.

Loan portfolio of the Group

Net loans to customers are the primary item of the Group's asset structure. At PLN 17,029 million, they account for 81% of total assets. Their slight increase as compared to December 2012 (by PLN 869 million or 5.4%) resulted chiefly from:

- increase in the loan portfolio of large enterprises,
- an active sale of consumer loans to individual customers, especially cash loans, thanks to an attractive offering supported by strong marketing activity,
- 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 nearly 1.0% increase of the total net loan portfolio,
- a drop in the level of impairment provisions as a result of efficient debt restructuring and recovery activities.

Owing to its consistent risk management, the Group has been systematically improving the credit portfolio quality, which manifests also in the falling share of non-performing receivables.

in PLN million	30 Sept 2013	Share (%)	31 Dec 2012	Share (%)	Δ 30 Sept 2013/ 31 Dec 2012
Commercial loans	7,974	44%	7,324	42%	8.9%
Mortgage loans	5,829	32%	5,804	34%	0.4%
Consumer loans and credit facilities	2,466	14%	2,331	13%	5.8%
Lease receivables	1,680	9%	1,715	10%	-2.1%
Other receivables *	217	1%	188	1%	15.4%
Total loans to customers, gross	18,166	100%	17,362	100%	4.6%
Provisions for impairment and IBNR	-1,137		-1,202		-5.4%
Total loans to customers, net	17,029		16,160		5.4%

*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 2012 (by PLN 650 million or 8.9%) was recorded in the portfolio of **business commercial loans** (loans to business entities), first of all thanks to the following:

- disbursement of loans to finance several large projects of corporate customers,
- higher utilisation of overdraft limits,
- growth in the balances of car loans for enterprises,
- appreciation of PLN against foreign currencies that resulted in growth of the commercial loan portfolio value by 0.9%.

However, due to the economic slowdown, demand for investment loans is limited among small and medium enterprises; as at the end of September, the balance of such loans remained slightly below the level as at the end of December 2012.

Furthermore, the balance of loans to enterprises in this year has been considerably impacted by efficient debt restructuring and recovery of non-performing receivables, including the sale of substantial loan receivables with impairment loss due to the Group from Vistula Group S.A.

As a result of these activities, the balance of loans to enterprises, and in particular their share in the portfolio of large enterprises, has considerably fallen.

The balance of **loans to individuals** grew by 2.0% (PLN 160 million) as compared to the end of December 2012, and reached PLN 8,294 million, as a result of the following:

- increase in the value of **consumer loans and credit facilities** by PLN 135 million, or 5.8%.

Thanks to an attractive offering of cash loans, which remains to be one of the best on the market, and their promotion campaigns, the sale of cash loans in the first three quarters of 2013 was by 27% higher than the year before and reached PLN 757 million as compared to PLN 594 billion in the first three quarters of 2012. Furthermore, in the first three quarters of 2013, the sale of car loans to individual customers and small and medium enterprises stood at PLN 294 million versus PLN 283 million in the corresponding period of 2012. The higher sale of consumer loans compensated for the decrease in their balance noted after the sale of a portion of the uncollectible receivables portfolio in May 2013.

- growth in the value of the **mortgage loans** portfolio (by PLN 24 million, or 0.4%);

Despite a lower demand for housing loans this year, related to closing the "Family Own Home" government program, the portfolio of **PLN mortgage loans** grew by 7.9% (PLN 130 million) as compared to December 2012 thanks to a continued attractive offering of those products. Their share in the total portfolio of mortgage loans has been successively growing (up to 31% as at the end of September 2013), which is also due to the fact that the Bank discontinued granting new mortgage loans in foreign currencies. Furthermore, the value of **foreign currency mortgage loans** went down (by 2.6%) as compared to the level recorded at the end of 2012; the decrease of foreign currency balances offset a positive impact of the zloty depreciation against CHF - as at the end of the third quarter 2013, mortgage loans denominated in CHF at PLN 3,964 million accounted for 98.0% of

the entire balance of foreign currency mortgage loans.

Gross finance lease receivables decreased by PLN 35 million or 2.1% as compared to the level recorded as at the end of December 2012. The following had an impact on the Group's lease portfolio decline:

- material reduction of the non-performing loan balance, owing to efficient debt restructuring and recovery activities with respect to the portfolio of impaired loans,
- limited scale of investment projects of enterprises and in consequence, lower growth of the new loan production.

On the other hand, the level of foreign currency lease receivables, which as at the end of September 2013 accounted for 44% of total lease receivables, were positively affected by the FX rate rise which contributed to the 2.7% increase in the value of such receivables.

As at the end of Q3 2013, the gross balance of **factoring receivables** stood at PLN 161 million and was higher than as at the end of December 2012 by PLN 36 million, or 28.2%, as a result of development of the subsidiary's business.

Foreign currency loans accounted for 40.0% of gross loans to customers as at the end of Q3 of 2013, with the highest share of CHF loans at PLN 4,209 million (23.2% of the entire gross loans to customers), and EUR loans (16.2% of the entire gross loans to customers).

Loan portfolio quality

A continued 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;
- efficient debt restructuring and recovery of the non-performing portfolio, including the sale of a considerable impaired loan receivable due to the Bank from Vistula Group S.A. (in the gross balance-sheet value of PLN 89 million as at 12 August 2013);
- sale of a portion of the uncollectible receivables portfolio in May 2013 (in the aggregate gross balance-sheet value of PLN 100 million as at 30 April 2013.)

As at the end of September 2013, the share of the impaired loan portfolio in the Group's total loan portfolio went down to 8.4% versus 11.2% noted as at the end of December 2012 and 11.5% as at the end of September 2012, and amounted to 8.3% for the Corporate and Transaction Banking customers, 13.4% for the SME segment customers, 15.3% for consumer loans (which include also car loans granted to customers of SMEs) and 2.6% for mortgage loans.

Liabilities

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

In the first three quarters of 2013, the Group continued adjusting its financing structure to current needs.

The balance of loans and credit facilities received as at the end of September 2013 totalled PLN 7,180 million and accounted for 37% in the Group's structure of liabilities. As compared to the end of December 2012, loans and credit facilities received were lower by PLN 410 million or 5.4%, mainly as a result of:

- repayment by the Bank of certain credit lines from the BNP Paribas group in January and July 2013 (the Bank repaid credit lines in the aggregate amount of CHF 275 million and also drew down new tranches of the BNP Paribas group's financing in the total amount of CHF 160 million and EUR 30 million with a longer maturity), in connection with a decreasing balance of the CHF loan portfolio;
- repayment of a portion of some credit facilities by Fortis Lease Polska, a subsidiary.

This item mainly includes credit facilities granted by the BNP Paribas group, which at the end of September 2013 represented 91% of credit facilities received by the Bank, likewise the credit facilities from the European Investment Bank and European Bank for Reconstruction and Development earmarked for financing investment projects of small and medium enterprises.

Subordinated loans taken with the BNP Paribas group whose balance as at the end of September 2013 amounted to PLN 460 million, remain also a stable source of financing. Their value fell by PLN 234 million as compared to December 2012, in effect of changes made by the Bank at the end of 2012 and in early 2013 to the currency and maturity structure of the loans taken. In December 2012, the Bank took two subordinated loans of CHF 60 million and EUR 60 million with a longer maturity, which replaced the loan of EUR 100 million that was repaid. However, its second tranche of EUR 60 million was repaid early in January 2013. Owing to the measures undertaken, the Bank's capital adequacy resistance to the exchange rate volatility has improved and the debt maturity has been extended.

The Group has been financing its activity also using liabilities due to banks, the balance of which at the end of the third quarter of 2013 stood at the level of PLN 1,406 million, which accounted for 7.3% of total liabilities of the Group. Increase in the value of these liabilities (by PLN 1,023 million) as compared to the level at the end of December 2012 resulted primarily from growth in the value of deposits made by 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 2013 stood at PLN 9,847 million, so it decreased by 2.2% or PLN 217 million as compared to the balance noted as at the end of December 2012.

The above decrease was related to a change in the Bank's deposit base structure resulting from an active management of the deposit base and also interest rate changes for new deposits of the Bank in effect of adjustment to the market interest rate reduction. The highest decrease, i.e. by PLN 851 million or 14.4%, concerned PLN term deposits, primarily deposits of large enterprises and individual customers.

The fall mentioned above was partially offset by an increase in current deposits in PLN (up by PLN 833 million, or 34.3%), of which the greatest growth was noted for balances of savings accounts of individuals.

Deposits denominated in foreign currencies represent 14% of total customer deposits. The balances of foreign currency deposits went down as compared to December 2012 by PLN 165 million, or by 10.7%; however, the fall concerned mainly current foreign currency deposits held by large enterprises (subject to periodic fluctuations that depend on the settlement cycle of enterprises).

The Group's capital position

As at the end of Q3 2013, the Group's equity capital amounted to PLN 1,774 million which represents growth by 2.5% or PLN 43 million over the end of December 2012. This growth results mainly from net profit generated by the Group in the first three quarters of 2013. The above effect, however, was partially offset for by a decrease in revaluation reserve (by PLN 35 million) that regarded investments available for sale.

In the course of preparation to the public share issue in May 2013, the Bank's share capital was decreased by PLN 130 million down to PLN 1,304 million, by reducing the nominal value of each share from PLN 50.00 to PLN 45.46. At the same time, the other capital was increased by the same amount.

As at 30 September 2013 the Group's capital adequacy ratio was 12.12% in comparison to 13.80% as at the end of December 2012. The decrease of the capital adequacy ratio in comparison to December 2012 resulted from the planned repayment of a subordinated loan of EUR 60 million in January 2013 (excluding the loan, the Group's capital adequacy ratio as at the end of last year would have amounted to 12.38%), as well as from the increase in the capital requirement for credit risk caused by the growth of balances of loans to customers.

The Group's capital situation in the first three quarters of 2013 remained stable what allowed the Group to safely continue its business activity and carry out plans.

5. Information on BNP Paribas Bank Polska SA Group

Basic data on the Issuer

BNP Paribas Bank Polska Spółka Akcyjna ("the Bank") with its registered office in Warsaw, at ul. Suwak 3, is 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 No. KRS 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.

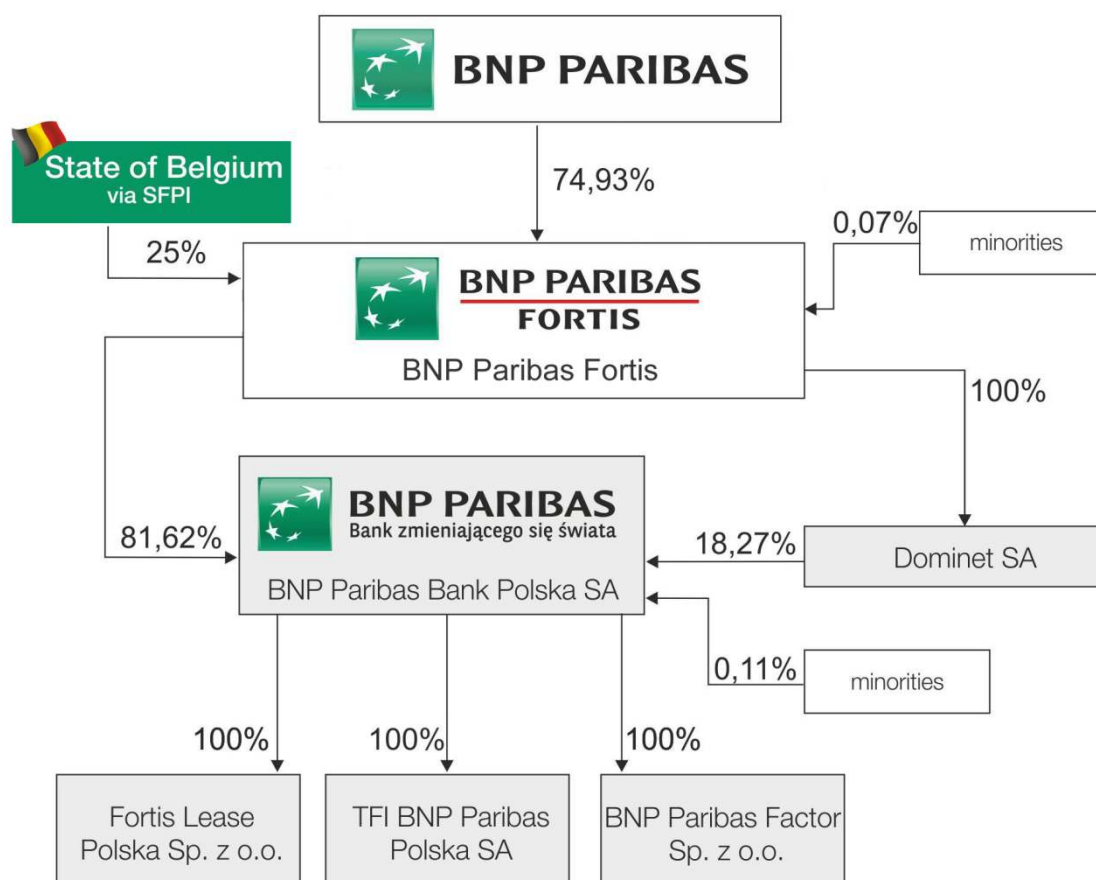
The consolidated financial statements of BNP Paribas Bank Polska SA Group for the third quarter of 2013 contains the data of the Bank and its subsidiaries: Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A., Fortis Lease Polska Sp. z o.o. and BNP Paribas Factor Sp. z o.o. (jointly referred to 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 2013, the direct parent entity of BNP Paribas Bank Polska SA was BNP Paribas Fortis based in Brussels which held 99.89% of the Bank's shares, of which 81.62% directly, while 18.27% through Dominet SA. The remaining 0.11% shares are 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 2013, the BNP Paribas Bank Polska SA Group included:

- BNP Paribas Bank Polska SA (hereinafter: "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. (hereinafter: "FLP") - the Bank's subsidiary in which it holds 100% shares;
- BNP Paribas Factor Sp. z o.o. (hereinafter: "Factor") - the Bank's subsidiary in which it holds 100% shares.

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. with its registered office in Warsaw, ul. Suwak 3, is entered in 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. Cybernetyki 19B, is registered with the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register (KRS) under No. KSR 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	
				30 Sept 2013	31 Dec 2012
Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA	subsidiary	full consolidation	Warsaw	100%	100%
Fortis Lease Polska Sp. z o.o.	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 activities.

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

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 2012. The Consolidated Financial Statements of the BNP Paribas Bank Polska SA Group for the year ended 31 December 2012 is available on the Bank's website: 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 nine (9) months ended 30 September 2013, which is considered a current interim reporting period.

This financial report was approved for publishing by the Bank's Board of Executives on 7 November 2013.

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 2012.

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) however have not been approved by the European Union;
- were issued by the International Accounting Standards Board (International Financial Reporting Interpretations Committee) and were approved by the European Union, however they became, or will become, effective after the balance sheet date.

The Group now analyses in detail the effect of new standards on the financial statements. In the opinion of the Group, the aforesaid amendments to standards and interpretations will have no material effect on the Group's financial statements except for IFRS 9 *Financial Instruments*, effective for annual periods beginning on or after 1 January 2015; as at the date of preparing these financial statements, the amendments have not been approved by the European Commission.

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 S.A. and BNP Paribas Factor Sp. z o.o. for the period from 1 July 2013 through 30 September 2013, from 1 January 2013 through 30 September 2013, and as at 30 September 2013, likewise consolidated comparative data for the period from 1 July 2012 through 30 September 2012, from 1 January 2012 through 30 September 2012, and as at 30 September 2012 and 31 December 2012, including the financial result of BNP Paribas Factor Sp. z o.o. since the date of shares acquisition in this subsidiary, i.e. from 2 April 2012.

7. Comparability with Previously Published Reports

In order to ensure data comparability, there have been changes made with respect to the manner of presentation of the data, published in the report for the third quarter of 2012 as at 30 September 2012 and the data published in the annual report for 2012 as at 31 December 2012. The data are presented in PLN thousand.

Consolidated balance sheet as at 31 December 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Loans to customers	16,159,687	-31	16,159,656	-31	Change in the presentation of interest
Other assets	76,642	31	76,673	31	
Due to banks	382,358	2	382,360	2	Change in the presentation of interest
Loans and credit facilities received	7,589,758	-2	7,589,756	-2	
Other Liabilities	226,475	-526	225,949	-526	Change in the presentation of reserves for employee benefits
Provisions	39,141	526	39,667	526	

Consolidated balance sheet as at 30 September 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Loans to customers	16,297,277	-30	16,297,247	-30	Transfer of receivables related to settlements with contractors to Other assets
Other assets	119,187	30	119,217	30	
Due to banks	999,555	-56	999,499	-56	Change in the presentation of interest
Due to customers	8,818,744	56	8,818,800	56	
Income tax liabilities	15,237	-2,732	12,505	-2,732	Change in the presentation of deferred tax provision
Deferred tax liabilities	7	2,732	2,739	2,732	

Consolidated Income Statement for the period from 1 Jan 2012 to 30 Sept 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Net profit/loss from disposal of assets, shares and interest	-800	-110	-910	-110	Change in the presentation of provisions for impairment of other fixed assets
Depreciation	-44,657	110	-44,547	110	
Cost of risk	-114,391	2,389	-112,002	2,468	Change in the presentation of debt recovery costs
				-79	
Other expenses	-187,197	-2,777	-189,974	-2,468	Change in the presentation of debt recovery costs
				87	Change in the presentation of costs of outside companies (outplacement) related to restructuring
Net result on provisions	-	396	396	-396	Separation of a new item, "Net result on provisions," where provisions for legal risk are recognised, from "Other expenses"
				396	Separation of a new item, "Net result on provisions," where provisions for legal risk are recognised, from "Other expenses"
Personnel expenses	-224,155	-87	-224,242	-87	Change in the presentation of costs of outside companies (outplacement) related to restructuring
Other operating expenses	-16,504	79	-16,425	79	Change in the presentation of cost of risk in a subsidiary

Consolidated Cash Flow Statement for the period from 1 Jan 2012 to 30 Sept 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Cash and cash equivalents (gross), opening balance	1,117,787	-253	1,117,534	-253	Change in the presentation of interest
Operating activity					
Change of reserves and provisions	-71,506	-2,467	-73,973	- 2,467	Change in the presentation of provisions for employee benefits
Due from banks, gross	-75,513	253	-75,260	253	Change in the presentation of interest
Loans to customers, gross	550,202	33	550,235	33	Change in the presentation of receivables related to settlements with counterparties
Due to banks	-54,690	-56	-54,746	-56	Change in the presentation of interest
Due to customers	-41,273	56	-41,217	56	
Other assets and liabilities	-178,526	2,435	-176,091	2,435	Change in the presentation of receivables related to settlements with counterparties and provisions for employee benefits

8. Segment Reporting

Consolidated Income Statement by Business Segments in Q3 2013 YTD

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	678,065
Transfer prices expense (internal)	-216,478	-103,429	-286,756	-606,663
Interest expense (external)	-122,850	-81,930	-67,478	-272,258
Transfer prices income (internal)	147,862	101,386	357,415	606,663
Net interest income	214,981	108,806	82,020	405,807
Fee and commission income (external)	96,170	49,103	107	145,380
Fee and commission expense (external)	-33,018	-2,249	-176	-35,443
Net fee and commission income	63,152	46,854	-69	109,937
Net trading income	22,081	48,967	3,895	74,943
Net profit/loss on hedging transactions	-	-	-2,518	-2,518
Net profit/loss on the hedged item	-	-	2,518	2,518
Net result on available-for-sale financial assets	420	3,619	20,253	24,292
Dividends	14	-	-	14
Other revenues	11,779	9,959	-	21,738
Other operating expenses	-10,997	-3,969	-	-14,966
Net banking income	301,430	214,236	106,099	621,765
General expenses	-214,144	-42,840	-135,700	-392,684
Personnel expenses	-107,886	-26,394	-71,912	-206,192
Other general expenses	-106,258	-16,446	-63,788	-186,492
Depreciation	-17,595	-2,521	-13,464	-33,580
Cost allocation (internal)	-112,592	-27,046	139,638	-
Gross operating profit/loss	-42,901	141,829	96,573	195,501
Cost of risk	-110,965	41,601	964	-68,400
Net result on provisions	-10,455	-13,306	-1	-23,762
Cost of risk and net result on provisions	-121,420	28,295	963	-92,162
Net operating profit/loss	-164,321	170,124	97,536	103,339
Net profit/loss from disposal of assets, shares and interest	-641	357	-	-284
Profit/loss before taxation	-164,962	170,481	97,536	103,055
Income tax	35,850	-39,445	-21,270	-24,865
Profit/loss after taxation	-129,112	131,036	76,266	78,190

1 Jan 2012 - 30 Sept 2012 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	432,770	221,915	111,093	765,778
Transfer prices expense (internal)	-262,381	-126,157	-359,474	-748,012
Interest expense (external)	-155,472	-121,747	-86,855	-364,074
Transfer prices income (internal)	183,378	132,774	431,860	748,012
Net interest income	198,295	106,785	96,624	401,704
Fee and commission income (external)	88,634	46,359	505	135,498
Fee and commission expense (external)	-26,193	-1,466	-512	-28,171
Net fee and commission income	62,441	44,893	-7	107,327
Net trading income	19,876	54,220	8,815	82,911
Net profit/loss on hedging transactions	-	-	3,683	3,683
Net profit/loss on the hedged item	-	-	-3,683	-3,683
Net result on available-for-sale financial assets	21	-538	16,787	16,270
Dividends	18	-	-	18
Other income	10,278	6,023	7	16,308
Other operating expenses	-9,404	-7,021	-	-16,425
Net banking income	281,525	204,362	122,226	608,113
General expenses	-224,285	-39,670	-150,261	-414,216
Personnel expenses	-112,554	-23,806	-87,882	-224,242
Other general expenses	-111,731	-15,864	-62,379	-189,974
Depreciation	-23,794	-2,353	-18,400	-44,547
Cost allocation (internal)	-124,998	-27,883	152,881	-
Gross operating profit/loss	-91,552	134,456	106,446	149,350
Cost of risk	-105,512	-6,856	366	-112,002
Net result on provisions	-424	816	4	396
Cost of risk and net result on provisions	-105,936	-6,040	370	-111,606
Net operating profit/loss	-197,488	128,416	106,816	37,744
Net profit/loss from disposal of assets, shares and interest	-596	-314	-	-910
Profit/loss before taxation	-198,084	128,102	106,816	36,834
Income tax	63,963	-46,421	-35,315	-17,773
Profit/loss after taxation	-134,121	81,681	71,501	19,061

Consolidated total assets (in PLN thousand)	Balance as at:	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Assets	30/09/2013	10,968,480	5,742,141	4,421,063	21,131,684
	31/12/2012	11,487,431	5,697,754	3,645,627	20,830,812
	30/09/2012	10,876,975	5,348,392	3,638,007	19,863,374
Loans to Customers, gross	30 Sept 2013	11,780,226	6,385,686	-	18,165,912
	31 Dec 2012	11,582,390	5,779,400	-	17,361,790
	30 Sept 2012	11,625,033	5,919,117	-	17,544,150
Liabilities	30/09/2013	6,119,688	5,138,497	9,873,499	21,131,684
	31/12/2012	5,696,919	5,711,720	9,422,173	20,830,812
	30/09/2012	5,573,758	5,185,153	9,104,463	19,863,374
Liabilities due to customers	30 Sept 2013	5,589,825	4,257,653	-	9,847,478
	31 Dec 2012	5,351,260	4,713,690	-	10,064,950
	30 Sept 2012	5,080,260	3,738,540	-	8,818,800

9. Additional Notes to Consolidated Income Statement

Below there is selected information on consolidated revenues and expenses of the Group in the third quarter of 2013 and comparative data for the third quarter of 2012.

Financial results of BNP Paribas Factor Sp. z o.o. are included in the financial result of the Group from the date of its acquisition, i.e. from 2 April 2012.

Note 9.1

Interest income (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2011 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Cash and cash equivalents	2,874	13,577	5,060	15,382
Due from banks	69	173	1,578	12,249
Loans to customers	199,852	603,444	216,976	649,507
Investments available for sale	19,254	58,554	23,373	86,292
Securities held for trading	-	331	150	402
Hedging derivative instruments	640	1,986	607	1,946
Total interest income	222,689	678,065	247,744	765,778

Note 9.2

Interest expense (in PLN thousand)	1 July 2013 - 30 July 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Due to banks	-6,148	-19,416	-6,058	-21,509
Due to customers	-48,669	-176,374	-76,361	-228,180
Loans and credit facilities received	-25,224	-84,106	-38,341	-98,650
Subordinated loans	-3,558	8,980*	-1,377	-12,573
Hedging derivative instruments	-55	-155	-141	-686
Others	-68	-1,187	-577	-2,476
Total interest expense	-83,722	-272,258	-122,855	-364,074

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

Note 9.3

Fee and commission income (in PLN thousand)	1 July 2013- 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012- 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Custody services and securities trading	201	816	865	1,277
Cash settlements services	16,147	48,339	16,212	47,137
Guarantees and contingent liabilities	5,769	15,700	5,531	16,291
Loan origination fees and commissions (recognised on a straight-line basis)	4,114	11,641	3,769	11,243
Loan origination fees and commissions (one-off items)	5,137	10,688	4,690	8,640
Income on account of agency in customer acquisition	482	1,520	358	893
Card related income	6,432	17,519	6,158	16,704
Insurance product sales revenues	5,126	14,256	5,322	15,921
Income on asset management	1,776	2,371	701	1,996
Others	5,230	22,530	3,546	15,396
Total fee and commission income	50,414	145,380	47,152	135,498

Note 9.4

Fee and commission expense (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Custody services and securities trading	-33	-76	-17	-61
Card related expenses	-3,706	-11,800	-2,740	-8,629
Cash transactions expenses	-80	-245	-84	-244
Settlements	-203	-588	-369	-1,074
Fee and commission expenses related to the franchise branch network	-2,628	-7,026	-2,308	-6,458
Expenses related to the sale of insurance products:	-831	-2,159	-612	-1,830
Others	-4,840	-13,549	-3,262	-9,875
Total fee and commission expenses	-12,321	-35,443	-9,392	-28,171

Note 9.5

Net trading income (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Securities	1	-13	-58	216
Derivative instruments, including:	27	2,844	1,179	7,908
- fair value adjustment on account for credit risk of derivative instruments	286	1,236	1,119	7,684
Foreign exchange transactions	24,954	72,112	27,968	74,787
Total net trading income	24,982	74,943	29,089	82,911

Note 9.6

Cost of risk (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Net cash and cash equivalents, including:	132	963	-229	366
- provisions for Incurred But Not Reported losses (IBNR)	132	963	-229	366
Due from banks, net, including:	16	16	-	-9
- provisions for Incurred But Not Reported losses (IBNR)	16	16	-	-9
Loans to customers, net, including:	-17,686	-51,473	-32,328	-95,361
- provisions for credit receivables	-15,956	-61,144	-40,724	-128,078
- provisions for Incurred But Not Reported losses (IBNR)	-2,158	-8,367	1,748	5,549
- income on account of receivables written-down to provisions	443	3,706	846	2,105
- income on account of receivables recovered	-15	14,332	5,802	25,063
Off-balance sheet liabilities, net, including:	2,463	-14,476	-6,397	-14,149
- provisions for off-balance sheet commitments	2,947	-13,702	-5,820	-12,925
- provisions for Incurred But Not Reported losses (IBNR)	-484	-774	-577	-1,224
Other assets, net	-5,728	-7,318	-879	-2,849
Other provisions, net	3,888	3,888	-	-
Total cost of risk	-16,915	-68,400	-39,833	-112,002

Note 9.7

Net result on provisions (in PLN thousand)	1 July 2013 - 30 Sept 2013	1 Jan 2013 - 30 Sept 2013	1 July 2012 - 30 Sept 2012	1 Jan 2012 - 30 Sept 2012
Provisions for future commitments - legal risk (option cases excluded)	208	-3,759	3,123	396
Provisions for option cases - Legal risk	-20,003	-20,003	-	-
Total net result on provisions	-19,795	-23,762	3,123	396

Note 9.8

Consolidated Earnings Per Share	1 Jan 2013 - 30 Sept 2013	1 Jan 2012 - 30 Sept 2012
Number of shares as at 30 September	28,692,926	28,692,926
Weighted average number of ordinary shares	28,692,926	25,774,501
Profit/loss after taxation (in PLN thousand)	78,190	19,061
Earnings/loss per ordinary share ratio in PLN	2.73	0.74
Weighted average diluted number of potential ordinary shares	28,692,926	25,774,501
Diluted consolidated EPS ratio (PLN per share)	2.73	0.74

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

Cash and Cash Equivalents (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Cash on hand	159,009	220,445	180,352
Due from the Central Bank	518,750	497,969	123,458
Short-term due from banks, including:	128,147	1,262,785	735,958
- Nostro accounts	51,855	978,854	483,901
- short-term deposits from banks	76,292	283,931	252,057
Interest	36	489	1,335
Cash and cash equivalents, gross	805,942	1,981,688	1,041,103
Impairment provisions:	-137	-1,100	-745
- for Incurred But Not Reported losses (IBNR)	-137	-1,100	-745
Total cash and cash equivalents, net	805,805	1,980,588	1,040,358

Note 10.2.1

Financial assets held for trading (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Held-for-trading securities, including:	-	51,399	60,156
- treasury bonds	-	50,270	59,580
Interest	-	1,129	576
Derivative financial instruments, including:	70,709	94,439	119,531
- foreign currency contracts, including:	14,232	25,057	49,924
- fair value adjustment for credit risk	-480	-635	-2,606
- interest rate contracts	56,477	69,382	69,427
Total financial assets held for trading	70,709	145,838	179,507

Either as at 30 September 2013 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 2013	31 Dec 2012	30 Sept 2012
Derivative financial instruments, including:	71,738	86,718	107,630
- foreign currency contracts	16,610	23,851	43,241
- interest rate contracts	55,128	62,867	64,389
Total financial liabilities held for trading	71,738	86,718	107,630

Note 10.3.1

Due from banks (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Loans	47,042	60,049	75,047
Deposits	-	102,205	177,845
Receivables from financial instruments recognition (FX spot and FX swap transactions) on the transaction date	20,247	38,689	176,593
Other receivables	17,746	6,601	4,567
Interest	139	575	531
Total due from banks, gross	85,174	208,119	434,583
Impairment provisions:	-58	-74	-93
- for Incurred But Not Reported losses (IBNR)	-58	-74	-93
Total due from banks, net	85,116	208,045	434,490

Note 10.3.2

Loans to customers (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Loans to State-owned entities	37	44	47
Mortgage loans	5,828,506	5,804,242	5,732,652
Consumer loans and credit facilities	2,465,960	2,330,502	2,386,584
Commercial loans	7,974,125	7,323,821	7,499,044
Receivables from financial instruments recognition (FX spot and FX swap transactions) on the transaction date	2,324	930	1,461
Finance lease receivables	1,679,732	1,714,963	1,735,993
Other receivables	165,981	130,232	130,239
Interest	49,247	57,056	58,130
Total loans to customers, gross	18,165,912	17,361,790	17,544,150
Impairment provisions:	-1,137,321	-1,202,134	-1,246,903
- for incurred, reported losses	-1,026,100	-1,099,281	-1,156,859
- for Incurred But Not Reported losses (IBNR)	-111,221	-102,853	-90,044
Total loans to customers, net	17,028,591	16,159,656	16,297,247

Note 10.3.3

Changes to impairment provisions (in PLN thousand)	Due from banks Provisions for Incurred But Not Reported losses (IBNR)	Impairment provision	Loans to customers Provisions for Incurred But Not Reported losses (IBNR)
Balance as at 1 Jan 2012	-84	-1,245,058	-95,427
Consolidation adjustment	-	-140	-87
Increases	-21	-304,280	-5,572
Decreases	12	177,673	11,042
Write-downs to provisions	-	197,381	-
FX rate differences	-	17,565	-
Balance as at 30 Sept 2012	-93	-1,156,859	-90,044
Balance as at 1 Jan 2012	-84	-1,245,058	-95,427
Consolidation adjustment	-	-140	-87
Increases	-21	-516,609	-27,030
Decreases	31	328,008	19,691
Write-downs to provisions	-	298,420	-
FX rate differences	-	36,098	-
Balance as at 31 Dec 2012	-74	-1,099,281	-102,853
Balance as at 1 Jan 2013	-74	-1,099,281	-102,853
Increases	-3	-386,392	-24,815
Decreases	19	329,180	16,447
Write-downs to provisions	-	197,249	-
FX rate differences	-	-66,856	-
Balance as at 30 Sept 2013	-58	-1,026,100	-111,221

Note 10.4

Investments available for sale (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Treasury bonds	1,780,463	1,766,570	1,303,652
Bonds issued by banks	61,787	-	-
Bonds issued by non-financial entities	-	10,223	12,436
NBP cash bills	599,678	-	-
Shares and holdings	6,850	17,764	22,707
Other	3,457	7,350	7,528
Interest	21,713	34,840	13,196
Total investments available for sale, gross	2,473,948	1,836,747	1,359,519
Write-downs for investments available for sale	-1,048	-11,317	-15,187
- for bonds issued by non-financial entities	-	-3,888	-3,888
- for shares	-1,048	-7,429	-11,299
Total investments available for sale, net	2,472,900	1,825,430	1,344,332

Non-current Assets Held for Sale

The table below presents a specification of non-current assets held for sale as at 30 September 2013 as well as comparative data:

in PLN thousand	30 Sept 2013	31 Dec 2012	30 Sept 2012
Land (including perpetual usufruct of land)	5,259	5,686	4,231
Buildings and premises	17,715	23,768	20,265
Means of transport	702	1,611	243
Construction machines	-	24	-
Others	-	1,011	1,137
Total non-current assets held for sale	23,676	32,100	25,876

As at 30 September 2013, the Group identified fixed assets which met the relevant IFRS5 requirements.

The aforesaid assets were taken over from lessees through debt recovery actions and earmarked for sale pursuant to the debt recovery procedure applied in the subsidiary.

Deferred Tax Assets and Liabilities

The table below presents deferred tax assets and liabilities as at 30 September 2013 and comparative data.

Note 10.6.1

in PLN thousand	30 Sept 2013	31 Dec 2012	30 Sept 2012
Deferred tax assets	265,134	282,140	296,321
Deferred tax liabilities	50,167	48,767	44,716
Total deferred tax assets, net - recognised in assets	214,967	233,373	251,605
Deferred tax liabilities - recognised in correspondence with revaluation reserve	-	7,537	2,860
Deferred tax liabilities related to actuarial profits and losses	6	-	-
Other deferred tax liabilities, net	-	-121	-121
Total deferred tax liabilities - recognised in liabilities	6	7,416	2,739
Net deferred tax	214,961	225,957	248,866

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 2013	Increases / decreases recognised in income statement	Increases/ decreases recognised in capital	Closing balance 30 Sept 2013
Interest accrued to be paid	10,885	-4,964	-	5,921
Negative fair value - hedged and hedging items	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
Employee benefits that are not tax-deductible expenses	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 that 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
Total deferred tax assets	282,140	-17,719	713	265,134

Deferred tax liabilities				
(in PLN thousand)				
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 held-for-trading securities	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 or losses on account of retirement severance pay, disability benefits and post-death benefits.	-	-	6	6
Others	1,587	5,373	-	6,960
Total deferred tax liabilities	56,183	1,352	-7,362	50,173
Net deferred tax	225,957	-19,071	8,075	214,961

Deferred tax assets	Opening balance	Increases /	Increases/	Closing
(in PLN thousand)	1 Jan 2012	decreases	decreases	balance 31
		recognised in	recognised in	Dec 2012
		income	capital	
		statement		
Interest accrued to be paid	10,497	388	-	10,885
Negative fair value - hedged items and hedging instruments	2,495	-823	-	1,672
Provisions for credit exposure impairment	176,918	-2,979	-	173,939
Fair value adjustment on account of credit risk of matured derivative instruments	29,577	-2,704	-	26,873
Employee benefits that are not tax-deductible expenses	3,654	-122	-	3,532
Expenses calculated for payment, which are not tax-deductible expenses	3,089	505	-	3,594
Provisions for impairment - other assets	29,045	-2,158	-	26,887
Provisions which are not tax-deductible expenses	1,321	1,668	-	2,989
Measurement of financial instruments held for trading	14,937	-8,037	-	6,900
Measurement of available-for-sale investments	1,295	72	-1,295	72
Commissions and fees settled in time	4,875	2,067	-	6,942
Difference between balance sheet depreciation and tax depreciation	24	-24	-	-
Difference between the market price and shares acquisition price	4,588	-1,433	-	3,155
Provisions for impairment - fixed assets, intangible assets	233	114	-	347
Tax value of the company	12,887	-3,032	-	9,855
Civil law transaction tax on account of acquisition of shares in a subsidiary	180	14	-	194
Provisions for impairment - bonds, shares	2,886	-735	-	2,151
Others	978	1,175	-	2,153
Total deferred tax assets	299,479	-16,044	-1,295	282,140

Deferred tax liabilities				
(in PLN thousand)				
Interest accrued to be received	29,380	217	-	29,597
Difference between balance sheet depreciation and tax depreciation	5,325	500	-	5,825
Measurement of financial instruments held for trading	6,178	-3,053	-	3,125
Measurement of available-for-sale investments	271	-	7,266	7,537
Commissions and fees settled in time	5,883	-611	-	5,272
Income to be received	390	-	-	390
Development work costs	321	405	-	726
Negative fair value - hedged and hedging items	3,374	-1,250	-	2,124
Others	2,151	-564	-	1,587
Total deferred tax liabilities	53,273	-4,356	7,266	56,183
Net deferred tax	246,206	-11,688	-8,561	225,957

Deferred tax assets	Opening balance	Increases /	Increases/	Closing
(in PLN thousand)	1 Jan 2012	decreases	decreases	balance
		recognised in	recognised	30 Sept 2012
		income	in capital	
		statement		
Interest accrued to be paid	10,497	1,431	-	11,928
Negative fair value - hedged items and hedging instruments	2,495	-888	-	1,607
Provisions for credit exposure impairment	176,918	3,789	-	180,707
Fair value adjustment on account of credit risk of matured derivative instruments	29,577	-2,539	-	27,038
Employee benefits that are not tax-deductible expenses	3,654	-1,236	-	2,418
Expenses calculated for payment, which are not tax-deductible expenses	3,089	616	-	3,705
Provisions for impairment - other assets	29,045	-1,580	-	27,465
Provisions which are not tax-deductible expenses	1,321	1,634	-	2,955
Measurement of financial instruments held for trading	14,937	-5,227	-	9,710
Measurement of available-for-sale investments	1,295	-	-1,295	-
Commissions and fees settled in time	4,875	586	-	5,461
Difference between balance sheet depreciation and tax depreciation	24	-24	-	-
Difference between the market price and shares acquisition price	4,588	-	-	4,588
Provisions for impairment - fixed assets, intangible assets	233	-49	-	184
Tax value of the company	12,887	-2,274	-	10,613
Civil law transaction tax on account of acquisition of shares in a subsidiary	180	14	-	194
Provisions for impairment - bonds, shares	2,886	-	-	2,886
Others	978	3,884	-	4,862
Total deferred tax assets	299,479	-1,863	-1,295	296,321

Deferred tax liabilities				
(in PLN thousand)				
Interest accrued to be received	29,380	-3,230	-	26,150
Difference between balance sheet depreciation and tax depreciation	5,325	-33	-	5,292
Measurement of financial instruments held for trading	6,178	-3,549	-	2,629
Measurement of available-for-sale investments	271	-	2,569	2,840
Commissions and fees settled in time	5,883	-35	-	5,848
Income to be received	390	-	-	390
Development work costs	321	304	-	625
Negative fair value - hedged and hedging items	3,374	-1,449	-	1,925
Others	2,151	-395	-	1,756
Total deferred tax liabilities	53,273	-8,387	2,569	47,455
Net deferred tax	246,206	6,524	-3,864	248,866

Liabilities

Note 10.7.1

Due to banks	30 Sept 2013	31 Dec 2012	30 Sept 2012
(in PLN thousand)			
Current deposits	148,179	58,940	41,594
Term deposits	1,048,110	-	328,269
Cash collateral	187,501	283,352	354,766
Sale of securities with the repurchase option	-	-	96,387
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) on the transaction date	20,252	38,754	176,820
Others	-	-	17
Interest	1,610	1,314	1,646
Total due to banks	1,405,652	382,360	999,499

Note 10.7.2

Due to customers	30 Sept 2013	31 Dec 2012	30 Sept 2012
(in PLN thousand)			
Current deposits	4,276,568	3,579,775	3,112,011
Term deposits	5,417,128	6,288,320	5,496,354
Cash collateral	128,439	141,920	154,155
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) on the transaction date	2,319	945	1,466
Others	4,133	11,823	7,548
Interest	18,891	42,167	47,266
Total due to customers	9,847,478	10,064,950	8,818,800

Note 10.7.3

Loans and credit facilities received	30 Sept 2013	31 Dec 2012	30 Sept 2012
(in PLN thousand)			
Loans and credit facilities received from banks	7,170,916	7,577,240	7,511,022
Interest	8,632	12,516	13,380
Total loans and credit facilities received	7,179,548	7,589,756	7,524,402

Provisions

Note 10.8.1

Provisions by titles (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Provisions for off-balance sheet commitments	21,592	7,910	40,848
IBNR provision – off-balance sheet commitments	9,399	8,624	7,404
Legal risk provisions	32,248	9,592	4,870
Reserves for liabilities	2,689	3,977	2,453
Provisions for employee benefits (including the restructuring provision)	4,932	7,775	9,472
Provisions for office sub-lease	1,820	1,789	1,660
Total provisions	72,680	39,667	66,707

Provisions for legal risk include amounts concerning legal proceedings involving the Bank (of which, in particular, lawsuits regarding claims on account of foreign currency derivative instruments - for details, please see Note 14.7)

The notes below present changes in the balance of provisions:

Note 10.8.2

Change in provisions for off-balance sheet commitments (in PLN thousand)	1 Jan 2013 - 30 Sept 2013	1 Jan 2012 – 31 Dec 2012	1 Jan 2012 - 30 Sept 2012
Opening balance	16,534	34,466	34,466
Increases	24,715	13,830	43,524
- for off-balance sheet commitments	21,549	7,562	40,080
- for IBNR losses – off-balance sheet commitments	3,166	6,268	3,444
Decreases	-10,238	-31,291	-29,375
- for off-balance sheet commitments	-7,847	-27,467	-27,155
- for IBNR losses – off-balance sheet commitments	-2,391	-3,824	-2,220
FX rate differences	-20	-471	-363
Ending balance	30,991	16,534	48,252

Note 10.8.3

Changes in other provisions (in PLN thousand)	1 Jan 2013 - 30 Sept 2013	1 Jan 2012– 31 Dec 2012	1 Jan 2012 - 30 Sept 2012
Opening balance	23,133	12,826	12,826
Increases	42,454	29,552	17,812
- for legal risk	40,201	8,898	3,814
- for office sub-lease	864	1,128	756
- for future commitments	-	5,552	-
- for employee benefits	1,389	13,974	13,242
Decreases	-23,898	-19,245	-12,183
- for legal risk	-17,546	-4,573	-4,211
- for office sub-lease	-832	-1,457	-1,214
- for future commitments	-1,288	-4,548	-520
- for employee benefits	-4,232	-8,667	-6,238
FX rate differences	-	-	-
Ending balance	41,689	23,133	18,455

11. Hedge Accounting

As at 30 September 2013 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 30/09/2013 and in periods compared, broken down by residual maturity:

Note 11

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	
Interest Rate Contracts	8,284	-	-	-	-	67,461	29,514	96,975
- Swaps (IRS)	8,284	-	-	-	-	67,461	29,514	96,975
Total hedging derivative instruments	8,284	-	-	-	-	67,461	29,514	96,975

Hedging derivative instruments (in PLN thousand)	31 Dec 2012							
	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	
Interest Rate Contracts	11,179	-	-	-	-	49,058	44,970	94,028
- Swaps (IRS)	11,179	-	-	-	-	49,058	44,970	94,028
Total hedging derivative instruments	11,179	-	-	-	-	49,058	44,970	94,028

Hedging derivative instruments (in PLN thousand)	30 Sept 2012							
	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	
Interest Rate Contracts	10,132	-	-	-	-	49,366	45,251	94,617
- Swaps (IRS)	10,132	-	-	-	-	49,366	45,251	94,617
Total hedging derivative instruments	10,132	-	-	-	-	49,366	45,251	94,617

12. Lease facility

The Group runs 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, technical equipment and real estate.

Note 12.1

Finance lease receivables (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
(Gross) finance lease receivables	1,682,573	1,718,790	1,740,061
Unrealised financial income	-2,841	-3,827	-4,068
Current value of minimum lease charges	1,679,732	1,714,963	1,753,993

Note 12.2

Finance lease receivables by maturity (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
up to 1 year	428,249	477,042	407,689
from 1 up to 5 years	733,663	690,525	739,454
above 5 years	520,661	551,223	592,918
(Gross) finance lease receivables	1,682,573	1,718,790	1,740,061
provisions for impairment	-117,026	-133,594	-140,339
Total finance lease receivables	1,565,547	1,585,196	1,599,722

Note 12.3

Current value of minimum lease charges (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
up to 1 year	425,408	473,215	403,621
from 1 up to 5 years	733,663	690,525	739,454
above 5 years	520,661	551,223	592,918
Current value of minimum lease charges, gross	1,679,732	1,714,963	1,735,993
provisions for impairment	-117,026	-133,594	-140,339
Total current value of minimum lease charges, net	1,562,706	1,581,369	1,595,654

13. Capital adequacy and financial liquidity

Pursuant to the Banking Law and its relevant administrative law provisions, the Group maintains own funds at the level adequate to risk arising from its business activity. The Group's policy regarding keeping own funds at the appropriate level refers to capital adequacy, capital requirements and the structure of own funds.

The Group's rules of capital management did not change as compared to the ones presented in the financial statements of the Group for the year ended 31 December 2012.

Capital adequacy (in PLN thousand)	30 Sept 2013	31 Dec 2012	30 Sept 2012
Total own funds plus short-term capital, including:	2 176 224	2,374,575	2,076,668
- Tier 1 (core) capital	1,700,280	1,638,085	1,638,115
- Tier 2 (supplementary) capital	464,958	725,388	426,999
Total capital requirement	1 436 165	1,376,283	1,410,412
Capital adequacy ratio	12.12	13.80	11.78

In the third quarter of 2013 the capital position was maintained on a very safe level. Capital adequacy ratio at the end of September 2013 stood at 12.12%.

As compared to the corresponding period of the previous year, the Group's own funds with short-term capital increased by 4.8% up to PLN 2,176 million. Changes in own funds were primarily attributable to the repayment of a subordinated loan of EUR 100 million (repayment of EUR 40 million in December 2012 and EUR 60 million in January 2013) and taking new subordinated loans of CHF 60 million and EUR 60 million (in December 2012). Thanks to the measures undertaken, maturity of the debt held was extended and the capital adequacy ratio resilience to exchange rate fluctuations was enhanced. Additionally, the profit for the first half of 2013 was included in the own funds.

In the same period, risk-weighted off-balance sheet assets and liabilities rose by 1.8% up to PLN 17,952 million. The higher requirement resulted from higher credit balances.

The Group's own funds were maintained on the level higher than the internal capital requirement, necessary to cover all identified material risk types occurring in the Group's business activity.

In the period analysed, the Bank's liquidity situation remained on a safe level. All the supervisory measures were kept.

At the end of the third quarter of 2013, short-term liquidity ratio of M2 equalled 1.17. The excess of total liquidity reserves over unstable external funds (M1) amounted to PLN 427 million.

At the end of the third quarter of 2013, long-term liquidity ratio of M4 equalled 1.08. As at 30 September 2013, the Bank recorded available cash surplus of over PLN 1,279 million, as compared to the minimum M4 value required by the regulator.

Both the liquidity and capital situation of the Group remains stable. The Group's sources of financing allow to continue its business activity and carry out plans in a safe manner.

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 2013, 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

- In 2012, lending activity on the Polish market has slowed down and this trend persists in 2013, particularly in the area of consumer loans.
- Fierce competition for customers' deposits, specifically in retail banking, prevailing in 2012 in connection with actions aimed at increasing liquidity undertaken by competitors of the Group. Since the beginning of 2013, we observe however a significant weakening of competition in this regard, due to lower demand for loans.
- Market interest rates have been significantly reduced, both in terms of short-term and long-term rates, and this affects the net interest margin in several ways:
 - average interest margin in current accounts of individual and corporate customers went down;
 - average interest margin for loans with a fixed interest rate (which are financed with floating rate deposits) increased;
 - lowering of market interest rates generally had a neutral impact on the interest margin of loans and floating rate deposits, and
 - market value of fixed-rate bonds increased.
- The level of investments of individual and corporate customers declined as a result of macro-economic slowdown, while the risk profile of many economic entities has deteriorated. Both of these factors intensified the competition for funding sought by economic entities with a good risk profile. As a result, we observe a downward trend in margins for loans denominated in PLN for such lower-risk transactions. It is expected that this trend will continue until a significant recovery in the investment cycle generates a higher demand for loans.
- Competitors of the Group focus their activities 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.
- Noticeable acceleration of the digitization process in the Polish banking sector, combined with an increasingly growing number of the Group's competitors, who modernize their internet banking platforms or launch mobile or internet banking.
- On 4 October 2013, the Act on amending the Bank Guarantee Fund Act became effective. According to the amended provisions of the Act on the Bank Guarantee Fund, the amount of the prudential fee is equal to the product of a rate not exceeding 0.2% and a calculation base defined as 12.5 times the sum of capital requirements for various risk types and capital requirements on account of exceeding limits and violating other norms set forth in the Banking Law. The obligation to pay a prudential fee arises for the first time already for 2013, within 60 days of publication by the Bank Guarantee Fund Council of a resolution on the fee amount. Such obligation to pay the prudential fee already for 2013, may affect the annual result of the Bank (although currently it is not possible to reliably estimate this impact).

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

In the third quarter of 2013, 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 2013	31 Dec 2012	Change (%)
Financial liabilities granted	5,351,796	4,930,129	8.6%
Guarantee liabilities granted	2,100,934	1,921,582	9.3%
Total contingent liabilities granted	7,452,730	6,851,711	8.8%

Contingent liabilities received (in PLN thousand)	30 Sept 2013	31 Dec 2012	Change (%)
Financial liabilities received	2,018,750	1,462,000	38.1%
Guarantee liabilities received	473,594	490,046	-3.4%
Total contingent liabilities received	2,492,344	1,952,046	27.7%

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

As at 30 September 2013 and as at the publication date of the report for the third quarter of 2013, i.e. 7 November 2013, 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 name	Number of shares	% of the share capital	Share capital (in PLN)	Number of votes at the general meeting	Share (%) in the total number of votes at the GM
BNP Paribas	28,661,545	99.89%	1,302,953,835.70	28,661,545	99.89%
BNP Paribas Fortis SA/NV	23,418,013	81.62%	1,064,582,870.98	23,418,013	81.62%
Dominet SA (in liquidation)	5,243,532	18.27%	238,370,964.72	5,243,532	18.27%
Minority shareholders	31,381	0.11%	1,426,580.26	31,381	0.11%
Total:	28,692,926	100.00%	1,304,380,415.96	28,692,926	100.00%

BNP Paribas SA based in Paris is the parent entity (74.93% shares) of BNP Paribas Fortis SA/NV based in Brussels.
BNP Paribas Fortis SA/NV based in Brussels is the parent entity (100% shares) of Dominet SA.

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 2013, and as at the publication date of the report for the third quarter of 2013, i.e. 7 November 2013, 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 the first half of 2013, i.e. 29 August 2013.

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.

As at 30 September 2013, the total value of lawsuits pending before the courts, involving the Group, either as a plaintiff or defendant (excluding any summonses to a conciliatory settlement attempt), was PLN 217.8 million (interest excluded). As at 30 September 2013, the total value of lawsuits, in which

entities of the Group appeared as a plaintiff, amounted to PLN 75.7 million (excluding interest), while the total value of lawsuits, in which the entities of the Group appeared as a defendant, was PLN 142.1 million (excluding interest).

As at 30 September 2013, in the aforementioned lawsuits the total value of disputes currently pending before the courts, which involve the Bank as a plaintiff or defendant (excluding summonses to a conciliatory settlement attempt) is PLN 203.2 million (excluding interest). As at 30 September 2013, the total value of lawsuits in which the Bank appears as a plaintiff was PLN 67.0 million (excluding interest), while the total value of lawsuits in which the Bank appears as a defendant was PLN 136.2 million (excluding interest).

As at 30 September 2013, the Bank's provisions for legal risk amounted to PLN 32.2 million, of which provisions amounting to PLN 30.1 million have been created by the Bank in connection with the risks associated with pending legal proceedings.

The largest category of claims are claims related to currency derivative transactions (including claims related to currency options) concluded by the Group's customers in 2008 and 2009. Due to the decline of the PLN rate at that time, most of the Group's customers involved in currency derivative instruments and currency options recorded a significant loss. As a consequence, the Bank required that such a loss is covered by the customers in accordance with the terms and conditions of the relevant agreements concluded with the customers.

As at 30 September 2013 the nominal value of claims related to transactions in derivative instruments, including currency options, that were filed to a court or reported to the Bank, totalled PLN 127.1 million (net of interest), including: (i) eleven cases brought before the courts against the Bank, with a total nominal value of approximately PLN 111.7 million (excluding interest) and (ii) three other cases in which the Bank received summonses to conciliatory settlement attempts before the court (the total nominal value of such settlements is approximately PLN 15.4 million, excluding interest) that potentially may lead to legal proceedings. In two of the pending cases, appeals in cassation were filed to the Supreme Court (one by the Bank's former customer and the other by the Bank). The appeal in cassation filed by the Bank was admitted by the Supreme Court. The appellate court's decision, which was unfavourable for the Bank was revoked, as a result of which the case was remanded back to the lower court.

The highest amount of a claim against the Bank in the aforesaid cases is PLN 54.4 million, interest excluded; according to the plaintiff's calculations the interest is approx. PLN 44 million, while according to the Bank - approx. PLN 8.5 million. Based on an external legal opinion received by the Bank, the Board of Executives believes that the Bank has sufficient grounds to effectively resist the claim. The case is now in the course of the proceedings at first instance.

As at 30 September 2013 the Bank's provisions for legal proceedings related to transactions in derivative instruments amounted to PLN 21.9 million.

14.8. Information on Related Party Transactions

Information on transactions of the Bank 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 2013 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Assets			
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	-	22,642	22,642
Hedging instruments	8,284	-	8,284
Other assets	12,572	604	13,176
Total assets	163,840	34,661	198,501

Liabilities			
Financial liabilities held for trading	48,335	7,612	55,947
Due to banks and customers	126,196	1,016,688	1,142,884
Loans and credit facilities received	-	5,314,976	5,314,976
Subordinated liabilities	-	460,405	460,405
Other liabilities	646	17,698	18,344
Total liabilities	175,177	6,817,379	6,992,556

31 Dec 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Assets			
Cash and cash equivalents	956,258	200,455	1,156,713
Financial assets held for trading	8,216	21,094	29,310
Due from banks and Loans to customers	103,458	42,371	145,829
Hedging instruments	11,179	-	11,179
Other assets	9,207	6,695	15,902
Total assets	1,088,318	270,615	1,358,933

Liabilities			
Financial liabilities held for trading	63,037	8,288	71,325
Due to banks and customers	27,220	162,002	189,222
Loans and credit facilities received	-	5,495,895	5,495,895
Differences from measurement to fair value of a hedged item against interest rate risk	8,800	-	8,800
Subordinated liabilities	245,300	448,951	694,251
Other liabilities	659	15,528	16,187
Total liabilities	345,016	6,130,664	6,475,680

30 Sept 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas group	Total
Assets			
Cash and cash equivalents	665,842	1,919	667,761
Financial assets held for trading	9,834	34,215	44,049
Due from banks and Loans to customers	103,875	177,023	280,898
Hedging instruments	10,132	-	10,132
Other assets	8,547	8,026	16,573
Total assets	798,230	221,183	1,019,413

Liabilities			
Financial liabilities held for trading	5,108	10,102	15,210
Due to banks and customers	29,496	541,888	571,384
Loans and credit facilities received	-	5,516,632	5,516,632
Subordinated liabilities	411,418	-	411,418
Other liabilities	27	36,039	36,066
Total liabilities	446,049	6,104,661	6,550,710

Note 14.8.2

Income Statement 1 Jan 2013 - 30 Sept 2013 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas group	Total
Interest income	2,426	3,541	5,967
Interest expense	18,870	-76,413	-57,543
Fee and commission income	87	1,059	1,146
Fee and commission expense	-520	-266	-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	-	-1,776	-1,776
Cost of risk	-	-1	-1

Income Statement 1 Jan 2012 - 30 Sept 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas group	Total
Interest income	5,098	7,207	12,305
Interest expense	-14,357	-62,191	-76,548
Fee and commission income	619	603	1,222
Fee and commission expense	-906	-196	-1,102
Net trading income	58,258	-14,082	44,176
Net profit/loss on hedging transactions	-3,988	-	-3,988
Other revenues	7	188	195
Other operating expenses	-	-6	-6
Other general expenses	-	-2,116	-2,116
Cost of risk	-102	-74	-176

Note 14.8.3

Contingent liabilities and transactions in derivative instruments 30 Sept 2013 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas group	Total
Contingent liabilities granted	16,887	270 215	287 102
- items related to financing	-	30,179	30,179
- guarantees	16,887	240,036	256,923
Contingent liabilities received	42,265	396,424	438,689
- guarantees	42,265	396,424	438,689
Transactions in derivative instruments*	1,816,225	4,764,508	6,580,733

Contingent liabilities and transactions in derivative instruments 31 Dec 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas group	Total
Contingent liabilities granted	7,513	367,228	374,741
- items related to financing	-	27,467	27,467
- guarantees	7,513	339,761	347,274
Contingent liabilities received	29,036	442,813	471,849
- guarantees	29,036	442,813	471,849
Transactions in derivative instruments*	2,791,378	4,841,363	7,632,741

Contingent liabilities and transactions in derivative instruments 31 Sept 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas group	Total
Contingent liabilities granted	9,706	398,873	408,579
- items related to financing	-	31,578	31,578
- guarantees	9,706	367,295	377,001
Contingent liabilities received	32,919	407,148	440,067
- guarantees	32,919	407,148	440,067
Transactions in derivative instruments*	4,407,671	4,320,657	8,728,328

* including buy and sell transactions in derivative instruments

Agreements with the BNP Paribas Group entities

Loan agreements with BNP Paribas SA

Under a loan agreement by and between the Bank and BNP PARIBAS, in July 2013 another loan tranche was disbursed in the amount of EUR 30 million, which matures on 5 January 2015. The Bank repaid a tranche of CHF 25 million.

Annex to the credit line agreement with Fortis Lease Polska Sp. z o.o.

On 9 May 2013, the Bank and Fortis Lease concluded annex no. 2 to the Uncommitted Credit Facility Agreement of 23 March 2012 under which the maximum credit facility amount was increased to PLN 345 million.

Annex to agreement with TFI BNP Paribas

On 1 October 2013, the Bank and TFI BNP Paribas concluded an annex to the agreement with TFI BNP Paribas signed on 29 June 2012. Under the annex, rules of cooperation were changed as regards the Bank's distribution of participation units of investment funds managed by TFI BNP Paribas. As a result, the Bank's distribution offer was expanded by participation units of investment funds managed by KBC Towarzystwo Funduszy Inwestycyjnych SA.

14.9. Conclusion of a significant agreement with a customer not affiliated with the Bank

Conditional agreement for a sale of receivables due to the Bank from Vistula Group SA

On 26 July 2013, BNP Paribas Bank Polska SA ("the Bank") and BNP Paribas Fortis SA/NV ("BNP Paribas Fortis") on the one hand, and Raport 5 Non-Standard Closed-End Securitization Investment Fund and Forum XI Closed-End Investment Fund ("Funds"), managed by FORUM Towarzystwo Funduszy Inwestycyjnych SA, on the other hand, signed a conditional agreement for a sale of receivables due to the Bank and BNP Paribas Fortis from Vistula Group SA ("Agreement"). The aggregate nominal value of the principal of the Bank's receivables that were sold conditionally under the Agreement and were so far recognised in the Bank's books as non-performing receivables, amounted to approx. PLN 141 million as at 26 July 2013.

The Agreement implementation within the scope pertinent to the Bank was conditional upon the satisfaction of a number of conditions precedent, including in particular the payment by the Funds of the price in the amount of approx. PLN 103 million in favour of the Bank. The last condition precedent of the agreement, including the payment of the agreed sale price in favour of the Bank, was satisfied on 13 August 2013.

Conclusion of a significant agreement with a customer not affiliated with the Bank

On 15 July 2013, the Bank and a customer not affiliated with the Bank signed the Annex dated 11 July 2013 to a multi-option credit line agreement, regarding an increase, in the period from the date

of fulfilment of terms and conditions specified in the Annex till 1 December 2013, of the credit limit from EUR 42 million to EUR 47 million, i.e. the equivalent of approximately PLN 202 million at the NBP mid-rate of 16 July 2013. Pursuant to the Annex, from 2 December 2013 till the end of the current credit term, i.e. till 11 January 2014, the aforesaid limit will be reduced to EUR 20 million. As specified in the Annex, the financing term lasts to 22 June 2015.

Under the Annex, the Bank grants the customer an overdraft facility, a guarantee credit line and a letter of credit line.

The funds likewise the guarantee and L/C lines provided under the Annex are related to the customer's business activity. The overdraft facility interest rate has been established based on WIBOR increased by a margin. Guarantee credit lines are provided available to the customer for a commission, while L/C lines are granted under the rules determined in the Table of Commissions and Fees for Enterprises. Terms of financing and of issuing guarantees and L/Cs determined in the Annex correspond to market conditions.

14.10. 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.

Planned increases of free float by the series O shares issue

In the third quarter of 2013, the Bank continued its endeavours to fulfil the commitment of the BNP Paribas Group towards the Polish Financial Supervision Authority (PFSA) to increase the free float of shares of BNP Paribas Bank Polska SA up to 15% by the end of 2013.

The planned new issue of the series "O" shares, based on the issue prospectus approved by the PFSA on 19 June 2013, was not carried out on the fixed date. On 5 September 2013, having consulted Citigroup, the Global Coordinator for the offer, the Bank's Board of Executives decided not to proceed with the public offering of the series "O" shares in view of a highly unfavourable market situation at the Warsaw Stock Exchange in Poland.

On 9 October 2013, the Extraordinary General Meeting of the Bank made a new decision to increase the Bank's share capital through the issue of 8,575,086 series "O" shares, with a concurrent decrease of the share capital by reducing the nominal value of each share from PLN 45.46 to PLN 35.00. The series "O" shares will be made available to investors under a public offering, with pre-emptive rights of the existing shareholders excluded.

As at 30 September 2013, the Bank Supervisory Board's composition was as follows:

Jean-Paul Sabet	Chairman,
Jarosław Bauc	Vice Chairman
Filip Dierckx	Vice Chairman
Monika Bednarek	Supervisory Board Member
Francois Benaroya	Supervisory Board member
Yvan De Cock	Supervisory Board Member
Jean Deullin	Supervisory Board member
Helene Dubourg	Supervisory Board Member
Andrzej Wojtyna	Supervisory Board Member

In the third quarter of 2013, no changes as regards the composition of the Supervisory Board took place.

As at 30 September 2013, the composition of the Bank's Board of Executives was as follows:

Frédéric Amoudru	President of the Board of Executives
Jan Bujak	Senior Vice-President of the Board of Executives
Jaromir Pelczarski	Vice-President
Michel Thebault	Vice President
Wojciech Kemblowski	Member of the Board of Executives
Marta Oracz	Member of the Board of Executives
Adam Parfiniewicz	Member of the Board of Executives
Stephane Rodes	Member of the Board of Executives

In the third quarter of 2013, no changes as regards the composition of the Board of Executives took place.

14.11. 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 third quarter of 2013, no suretyships for loans or credit facilities or issuance of guarantees were granted with the total value of existing suretyships and guarantees accounting for at least 10% of the Group's equity.

14.12. 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.

14.13. 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.

14.14. Changes in the manner of determination of measurement of financial instruments measured at fair value.

In the reporting period, there were no changes in the manner of determination of measurement of financial instruments measured at fair value.

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

In the third quarter of 2013, there were no changes in the manner of classification of financial instruments due to a change of the purpose or utilisation of such assets.

14.16. Information about provisions for impairment of financial assets, tangible fixed assets, intangible assets or other assets, and reversal of such provisions

As at 30 September 2013 and 30 September 2012, apart from provisions presented in the notes to the balance sheet, the Group did not make any other material provisions.

14.17. 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 the third quarter 2013, 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.

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

On 4 April 2013, the Annual General Meeting decided not to pay any dividend for 2012.

14.19. Corrections of prior period errors

In the third quarter of 2013, no corrections were made of prior period errors.

14.20. Other information

Auditor

On 12 September 2013, the Bank's Supervisory Board, acting pursuant to the binding provisions and norms, under Article 15 item 3 section 8) of the Bank's Statute, upon the motion of the Bank's Board of Executives, chose Mazars Audyt Sp. z o.o. based in Warsaw as the entity authorised to review financial statements of the Bank and the Bank's Group for the third quarter of 2013. On 10 October 2013, an agreement with the auditor was signed.

Update of the Recovery Programme

On 11 July 2013, the Polish Financial Supervision Authority approved the revised *Recovery Programme for BNP Paribas Bank Polska SA*.

In the revised Programme approved by KNF, new assumptions in terms of financial projections for years 2013-2014 have been adopted; they take into account the present economic slowdown and faster-than-expected reduction of interest rates by the Monetary Policy Council.

In KNF's opinion, the full implementation of the Recovery Programme should allow the Bank to permanently achieve positive financial results and improve the main economic and financial ratios, and thus enable the finalisation of the recovery process by the assumed deadline i.e. 31 December 2014.

"Mission, Vision and Strategy for the Years 2013-2016" Document

The Board of Executives of the Bank and the Supervisory Board formally adopted the document "Mission, Vision and Strategy of BNP Paribas Bank Polska SA for the Years 2013-2016" that is the revision of the "Mission, Vision and Strategy for the Years 2011-2015" accepted in 2010 and includes the strategic assumptions consistent with the Recovery Programme for BNP Paribas Bank Polska SA, approved by the PFSA on 11 July 2013.

14.21. Post-Balance Sheet Events

Planned incorporation of the subsidiary's leasing activity into the Bank

The Bank plans to incorporate the business and operating activity of Fortis Lease Polska Sp. z o.o. into the Bank's structure in the first quarter of 2014. The integration is intended to improve the business and cost efficiency.

In relation to the planned consolidation, on 15 October 2013 the Extraordinary Shareholders' Meeting of FLP passed resolutions on compulsory redemption of 99.98% of the Bank's shares in FLP and on related amendments to the deed of incorporation of FLP ("Redemption Resolutions"). According to the Redemption Resolutions, in consideration for the redeemed shares, the Bank will receive in-kind consideration in the form of the FLP's enterprise (the property, rights etc. comprising the enterprise). For this purpose the Bank intends to conclude an enterprise transfer agreement with FLP. Under the enterprise transfer agreement, certain assets and economic rights comprised in the enterprise may be excluded from the transfer. According to the Redemption Resolutions, a consideration due for the redeemed shares of the Bank is not to be lower than the value of the net assets attributable to the redeemed shares of the Bank, as disclosed in the financial statements for the last fiscal year, less the sum due to the Bank for distribution, and will amount to PLN 114,980,000.

In relation to the share redemption, the Extraordinary Shareholder's Meeting of FLP decided to decrease the share capital of FLP accordingly. As required under the Code of Commercial Companies and Partnerships, the share capital decrease in FLP will require a convocation procedure (*postępowanie konwokacyjne*) to be completed.

The Bank is analysing potential consequences of consolidating the businesses of FLP and the Bank. Therefore, depending on the analysis results, the Bank may withdraw from the planned consolidation or change the assumptions of the contemplated integration of the lease business before signing the FLP enterprise transfer agreement, scheduled for the first quarter of 2014, based on which the FLP's enterprise will be transferred to the Bank.

Election of an entity authorised to audit financial statements for the years 2014-2017

On 29 October 2013 the Bank's Supervisory Board elected Deloitte Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa (limited partnership), seated in Warsaw, (address: Al. Jana Pawła II No. 19, 00-854 Warsaw; the National Chamber of Statutory Auditors register No. 73, hereinafter the "Auditor") as an entity authorised to audit financial statements of the Bank and the Group, with which an agreement will be concluded on:

- the audit of the consolidated financial statements of the Group and the separate financial statements of the Bank for the years 2014-2017; and
- the review of the consolidated financial statements of the Group and the separate financial statements of the Bank for the 1st halves of 2014-2017.

The agreement with Auditor will be concluded for the period of performance of the above-mentioned audits and reviews for the years 2014-2017.

The Bank has not used the Auditor's services in the past, which includes auditing of financial statements, but has previously used the advisory services, including tax advisory, of other entities from Deloitte group.

The financial statements of the Bank and of the Group for the year 2013 will be audited by the current auditor, i.e. Mazars Audyty Spółka z ograniczoną odpowiedzialnością (limited liability partnership), seated in Warsaw.

On behalf of BNP Paribas Bank Polska SA:

Frédéric Amoudru

*President of the Management
Board*

Jan Bujak

*Senior Vice President of the Board
of Executives*

Jaromir Pelczarski

*Vice President of the Board of
Executives*

Michel Thebault

*Vice President of the Board of
Executives*

Wojciech Kemblowski

Member of the Board of Executives

Marta Oracz

Member of the Board of Executives

Adam Parfiniewicz

Member of the Board of Executives

Stephane Rodes

Member of the Board of Executives

7 November 2013