BANK BGŻ BNP PARIBAS S.A.
Warsaw, 9 November 2015

Consolidated Interim Report of the Capital Group of Bank BGŻ BNP Paribas S.A. for the third quarter

ended 30 September 2015

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SELECTED FINANCIAL DATA

Selected consolidated financial data	PLN thousand		EUR thousand	
Profit and loss statement	**Three quarters of 2015**	**Three quarters of 2014**	**Three quarters of 2015**	**Three quarters of 2014**
Net interest income	**996 388**	**842 887**	239 602	201 632
Net fee and commission income	**301 586**	**234 157**	72 523	56 014
Profit before income tax	**81 758**	**224 735**	19 660	53 760
Net profit for the period	**58 219**	**177 264**	14 000	42 404
Total comprehensive income for the period	**(27 102)**	**315 558**	(6 517)	75 486
Total net cash	**236 939**	**(102 554)**	56 977	(24 532)
Indicators	**30.09.2015**	**30.09.2014**	**30.09.2015**	**31.12.2014**
Number of shares	**84 238 318**	**56 138 764**		
Earnings per share	**0,81**	**3,35**	0,19	0,80
Balance sheet	**30.09.2015**	**31.12.2014**	**30.09.2015**	**31.12.2014**
Total assets	**61 736 810**	**40 496 575**	14 565 378	9 501 109
Amounts due to customers	**44 156 915**	**32 804 444**	10 417 807	7 696 418
Total liabilities	**55 538 082**	**36 340 271**	13 102 931	8 525 977
Share capital	**84 238**	**56 139**	19 874	13 171
Total equity	**6 198 728**	**4 156 304**	1 462 447	975 132
Capital adequacy ratio	**30.09.2015**	**31.12.2014**	**30.09.2015**	**31.12.2014**
Total equity	**6 606 533**	**3 916 443**	1 558 659	918 857
Total risk exposure	**48 160 120**	**28 349 526**	11 362 271	6 651 227
Total capital requirement	**13,72%**	**13,81%**		
Total capital ratio Tier 1	**11,98%**	**12,69%**		

Selected seperate financial data	PLN thousand		EUR thousand	
Profit and loss statement	**Three quarters of 2015**	**Three quarters of 2014**	**Three quarters of 2015**	**Three quarters of 2014**
Net interest income	**993 014**	**844 427**	238 791	202 000
Net fee and commission income	**291 713**	**234 157**	70 148	56 014
Profit before income tax	**82 882**	**225 234**	19 931	53 879
Net profit for the period	**59 824**	**177 763**	14 386	42 524
Total comprehensive income for the period	**(25 506)**	**316 057**	(6 133)	75 606
Total net cash	**236 939**	**(102 554)**	56 977	(24 532)
Indicators	**30.09.2015**	**30.09.2014**	**30.09.2015**	**31.12.2014**
Number of shares	**84 238 318**	**56 138 764**		
Earnings per share	**0,83**	**3,36**	0,20	0,80
Balance sheet	**30.09.2015**	**31.12.2014**	**30.09.2015**	**31.12.2014**
Total assets	**61 198 960**	**40 484 204**	14 438 484	9 498 206
Amounts due to customers	**44 195 316**	**32 804 752**	10 426 866	7 696 491
Total liabilities	**55 010 673**	**36 332 329**	12 978 501	8 524 114
Share capital	**84 238**	**56 139**	19 874	13 171
Total equity	**6 188 287**	**4 151 875**	1 459 984	974 093
Capital adequacy ratio	**30.09.2015**	**31.12.2014**	**30.09.2015**	**31.12.2014**
Total equity	**6 612 522**	**3 912 315**	1 560 072	917 888
Total risk exposure	**47 673 880**	**28 394 598**	11 247 553	6 661 802
Total capital requirement	**13,87%**	**13,78%**		
Total capital ratio Tier 1	**12,12%**	**12,65%**		

The following exchange rates were used in translation selected financial data from PLN to EUR:

For the statement of financial position items an exchange rate announced by the National Bank of Poland:
- as at 30.09.2015 - 1 EUR = 4,2386 PLN
- as at 31.12.2014 - 1 EUR = 4,2623 PLN

For the statement of profit or loss items and statement of cash flows items an exchange rate calculated as the arithmetic mean of exchange rates announced by the National Bank of Poland as at the end of each month:
- for the period from 1.01.2015 to 30.09.2015 - 1 EUR = 4,1585 PLN
- for the period from 1.01.2014 to 30.09.2014 - 1 EUR = 4,1803 PLN

- figures in thousand PLN

I INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim condensed consolidated statement of profit or loss

	Note	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Interest income	9	565 122	1 466 703	476 437	1 340 613
Interest expense	9	(159 455)	(470 315)	(180 375)	(497 726)
Net interest income		**405 667**	**996 388**	**296 062**	**842 887**
Fee and commission income	10	138 312	348 189	92 769	269 357
Fee and commission expense	10	(19 335)	(46 603)	(12 401)	(35 200)
Net fee and commission income		**118 977**	**301 586**	**80 368**	**234 157**
Dividend income		(836)	4 394	-	3 302
Net trading income	11	53 242	121 106	18 517	43 391
Result on investing activities		105	35 305	(87)	5 389
Result on hedge accounting		-	-	-	(156)
Other operating income	12	21 402	38 317	11 779	28 169
Other operating expenses	13	(18 681)	(62 368)	(11 281)	(22 103)
Net impairment losses on financial assets and contingent liabilities	14	(92 533)	(225 972)	(44 230)	(155 383)
General administrative expenses	15	(389 392)	(1 022 165)	(235 847)	(680 714)
Amortization and depreciation	16	(41 722)	(104 833)	(24 369)	(74 204)
Operating result		**56 229**	**81 758**	**90 912**	**224 735**
Share in profit (loss) of associates		-	-	(2 096)	-
Profit before income tax		**56 229**	**81 758**	**88 816**	**224 735**
Income tax expense	17	(15 813)	(23 539)	(20 050)	(47 471)
Net profit for the period		**40 416**	**58 219**	**68 766**	**177 264**
attributable to equity holders of the Group		40 416	58 219	68 766	177 264
Earnings per share (in PLN per share)					
Basic		0,48	0,81	1,22	3,35
Diluted		0,48	0,81	1,22	3,35

- figures in thousand PLN

Interim condensed consolidated statement of other comprehensive income

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Net profit for the period	**40 416**	**58 219**	**68 766**	**177 264**
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss	***27 763***	***(90 093)***	***52 737***	***141 005***
Net change in valuation of available for sale financial assets	34 274	(111 226)	65 107	182 480
Net change in valuation of derivative instruments designated as cash flow hedges	-	-	-	(8 400)
Deferred tax	(6 511)	21 133	(12 370)	(33 075)
Items that will not be reclassified subsequently to profit or loss	***1 725***	***4 772***	***(590)***	***(2 711)***
Actuarial valuation of employee benefits	2 129	5 891	(728)	(3 347)
Deferred tax	(404)	(1 119)	138	636
Other comprehensive income (net of tax)	**29 488**	**(85 321)**	**52 147**	**138 294**
Total comprehensive income for the period	**69 904**	**(27 102)**	**120 913**	**315 558**
attributable to equity holders of the Group	69 904	(27 102)	120 913	315 558

During the nine months of 2015, the Group's comprehensive income was lower by PLN 342,660 thousand as compared to the preceding year.

A drop in the net profit by PLN 119,045 thousand YoY, mainly as a result of the costs of integration with BNPP Polska in the amount of PLN 171.2 million, accompanied by a change in valuation of available for sale financial assets (i.e. a portfolio of T- bonds) led to a considerable decrease in the Group's comprehensive income.

In 2014, a hedging relationship for a part of the preferential loan portfolio expired. Before, the net change in valuation of the effective portion of the hedging instrument had been charged to other comprehensive income.

- figures in thousand PLN

Interim condensed consolidated statement of financial position

	Note	30.09.2015	31.12.2014
ASSETS			
Cash and balances with the Central Bank	18	2 022 991	1 790 160
Loans and advances to banks	19	518 141	404 724
Reverse repo transactions	20	-	100 668
Debt securities held for trading	21	-	199 404
Derivative financial instruments	22	372 814	420 152
Hedging instruments	23	6 880	-
Loans and advances to customers	24	50 201 630	29 631 923
Available for sale financial assets	25	6 962 185	7 084 017
Investment property		54 627	54 627
Intangible assets	26	261 231	165 307
Property, plant and equipment	27	526 526	411 063
Provision for deferred tax		415 874	173 828
Other assets	28	393 911	60 702
TOTAL ASSETS		**61 736 810**	**40 496 575**

The balance sheet total of the Group as at the end of September 2015 was PLN 61,736,810 thousand, which denotes a rise by PLN 21,240,235 thousand, i.e. 52.4%, as compared to the end of December 2014.

Loans and advances to customers, which represented 81.3% of total assets as at the end of September 2015 vs. 73.2% at the end of 2014, were the key item in the structure of assets. In terms of value, the volume of net loans and advances increased by PLN 20,569,707 thousand, i.e. 69.4%, mainly due to inclusion of the loan portfolio of BNPP Polska, which totaled PLN 18.1 billion as at 30 April 2015.

The reserve requirement declared as at the end of September 2015 was PLN 1,531,408 thousand vs. PLN 1,086,490 thousand in December 2014.

- figures in thousand PLN

Interim condensed consolidated statement of financial position (continued)

	Note	30.09.2015	31.12.2014
LIABILITIES			
Amounts due to banks	29	8 650 762	1 546 739
Repo transactions	30	-	45 364
Differences resulting from fair value hedges against interest rate risk attributable to hedged items		5 293	-
Derivative financial instruments	22	347 710	448 908
Amounts due to customers	31	44 156 915	32 804 444
Debt securities issued	32	467 686	762 311
Subordinated liabilities	33	836 112	320 951
Other liabilities	34	872 101	325 751
Current tax liabilities		31 664	9 639
Provision for deferred tax		8 068	8 052
Provisions	35	161 771	68 112
TOTAL LIABILITIES		**55 538 082**	**36 340 271**
EQUITY			
Share capital	43	84 238	56 139
Other supplementary capital		5 092 196	3 430 785
Other reserve capital		780 875	271 859
Revaluation reserve		171 720	255 362
Retained earnings:		69 699	142 159
retained profit		11 480	4 128
net profit for the period		58 219	138 031
TOTAL EQUITY		**6 198 728**	**4 156 304**
TOTAL LIABILITIES AND EQUITY		**61 736 810**	**40 496 575**

As at the end of September 2015, the Group's total liabilities amounted to PLN 55,538,082 thousand and were higher by PLN 19,197,811 thousand, i.e. 52.8%, as compared to the end of 2014.

Amounts due to customers and amounts due to banks were the key items affecting the said increase.

At the end of September 2015, customer deposits went up by PLN 11,352,471 thousand, i.e. 34.6% vs. the end of December 2014, to PLN 44,156,915 thousand. They accounted for 79.5% of total liabilities as compared to 90.3% at the end of 2014. The volume of amounts due to customers of BNPP Polska, which increased the deposit base of the merged Bank, was PLN 12.4 billion as at 30 April 2015.

Following the merger of the two financial institutions, a rise was also recorded in amounts due to banks to PLN 8,650,762 thousand at the end of September 2015, i.e. by PLN 7,104,023 thousand, which was mainly attributable to the merged Bank's takeover of loans and advances received by BNPP Polska from the BNP Paribas Group as well as EBRD and EIB, which totaled PLN 6.7 billion as at 30 April 2015.

Also, the balance of subordinated liabilities rose following the takeover of the subordinated loans from the BNP Paribas Group.

As at the end of September 2015, the Group's equity amounted to PLN 6,198,728 thousand and was higher by PLN 2,042,424 thousand, i.e. 49.1%, as compared to the end of 2014.

- figures in thousand PLN

Interim condensed consolidated statement of changes in equity

	Share capital	Other supplementary capital	Other reserve capital	Revaluation reserve	Retained earnings: Retained profit	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2015	**56 139**	**3 430 785**	**271 859**	**255 362**	**4 128**	**138 031**	**4 156 304**
Total comprehensive income for the period	**-**	**-**	**-**	**(85 321)**	**-**	**58 219**	**(27 102)**
Net profit for the period	-	-	-	-	-	58 219	58 219
Other comprehensive income for the period	-	-	-	(85 321)	-	-	(85 321)
Approportion of retained earnings	**-**	**7 730**	**130 000**	**-**	**301**	**(138 031)**	**-**
Approportion of retained earnings	-	7 730	130 000	-	301	(138 031)	-
Merge	**28 099**	**1 653 681**	**379 016**	**1 122**	**-**	**-**	**2 061 918**
Issued shares of I series	28 099	-	-	-	-	-	28 099
Equity resulting from merger	-	1 653 681	379 016	1 122	-	-	2 033 819
Other	**-**	**-**	**-**	**557**	**7 051**	**-**	**7 608**
Balance as at 30 September 2015	**84 238**	**5 092 196**	**780 875**	**171 720**	**11 480**	**58 219**	**6 198 728**

- figures in thousand PLN

Interim condensed consolidated statement of changes in equity (continued)

	Share capital	Other supplementary capital	Other reserve capital	Revaluation reserve	Retained earnings: Retained profit	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2014	**51 137**	**3 085 059**	**115 001**	**91 462**	**6 387**	**160 144**	**3 509 190**
Total comprehensive income for the period	**-**	**-**	**-**	**163 900**	**-**	**138 031**	**301 931**
Net profit for the period	-	-	-	-	-	138 031	138 031
Other comprehensive income for the period	-	-	-	163 900	-	-	163 900
Approportion of retained earnings	**-**	**162 403**	**-**	**-**	**(2 259)**	**(160 144)**	**-**
Approportion of retained earnings to other supplementary capital	-	162 403	-	-	(2 259)	(160 144)	-
Merge	**5 002**	**183 323**	**156 858**	-	-	-	**345 183**
Issued shares of H series	5 002	-	-	-	-	-	5 002
Equity resulting from merger	-	183 323	156 858	-	-	-	340 181
Balance as at 31 December 2014	**56 139**	**3 430 785**	**271 859**	**255 362**	**4 128**	**138 031**	**4 156 304**

- figures in thousand PLN

Interim condensed consolidated statement of changes in equity (continued)

	Share capital	Other supplementary capital	Other reserve capital	Retained earnings: Retained profit	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2014	**51 137**	**3 085 059**	**206 463**	**6 387**	**160 144**	**3 509 190**
Total comprehensive income for the period	**-**	**-**	**138 294**	**-**	**177 264**	**315 558**
Net profit for the period	-	-	-	-	177 264	177 264
Other comprehensive income for the period	-	-	138 294	-	-	138 294
Approportion of retained earnings	**-**	**162 403**	**-**	**(2 259)**	**(160 144)**	**-**
Approportion of retained earnings to other supplementary capital	-	162 403	-	(2 259)	(160 144)	-
Merge	**5 002**	**183 323**	**156 858**	**-**	**-**	**345 183**
Issued shares of H series	5 002	-	-	-	-	5 002
Equity arising from merger	-	183 323	156 858	-	-	340 181
Balance as at 30 September 2014	**56 139**	**3 430 785**	**501 615**	**4 128**	**177 264**	**4 169 931**

- figures in thousand PLN

Interim condensed consolidated statement of cash flows

	Note	Three quarters of 2015 from 01.01.2015 to 30.09.2015	Three quarters of 2014 from 01.01.2014 to 30.09.2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit for the period		**58 219**	**177 264**
Adjustments for:		**2 132 681**	**2 142 579**
Income tax expense		23 539	47 471
Depreciation and amortization		104 833	74 204
Dividend income		(4 394)	(3 302)
Interest income		(1 466 703)	(1 340 613)
Interest expense		470 315	497 726
Change in provisions		102 067	(1 222)
Change in loans and advances from banks		(116 496)	(5 085)
Change in reverse repo transactions		100 662	(44 388)
Change in debt securities held for trading		198 528	847 276
Change in derivative financial instruments (assets)		40 458	(38 639)
Change in loans and advances to customers		(20 542 451)	(3 469 569)
Change in amounts due to banks		7 111 818	(440 454)
Change in repo transactions		(45 357)	145 372
Change in financial liabilities held for trading		-	(253 214)
Change in derivative financial instruments (liabilities)		(101 198)	53 017
Change in amounts due to customers		13 149 657	4 810 228
Change in other assets and current tax assets		(555 502)	110 046
Change in other liabilities and deferred tax liability		568 391	56 397
Other adjustments	**37**	2 261 715	352 642
Interest received		1 324 940	1 280 503
Interest paid		(492 141)	(475 595)
Income tax paid		-	(60 222)
NET CASH FROM OPERATING ACTIVITIES		**2 190 900**	**2 319 843**

- figures in thousand PLN

Interim condensed consolidated statement of cash flows (continued)

	Note	Three quarters of 2015 from 01.01.2015 to 30.09.2015	Three quarters of 2014 from 01.01.2014 to 30.09.2014
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investing activities inflows		**105 082 465**	**97 407 341**
Sale of shares in associates		-	35 005
Sale of available for sale financial assets		105 057 937	97 360 111
Sale of intangible assets and property, plant and equipment		20 134	8 923
Dividends income and other investing activities inflows		4 394	3 302
Investing activities outflows		**(104 956 725)**	**(99 192 224)**
Purchase of available for sale financial assets		(104 813 001)	(99 147 434)
Purchase of intangible assets and property, plant and equipment		(143 724)	(44 790)
NET CASH FROM INVESTING ACTIVITIES		**125 740**	**(1 784 883)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Financing activities inflows		**4 029 646**	**-**
Long-term loans received		4 029 646	-
Financing activities outflows		**(6 109 347)**	**(637 514)**
Repayment of long-term loans and advances to banks		(5 814 572)	(251 426)
Redemption of debt securities issued		(294 775)	(386 088)
NET CASH FROM FINANCING ACTIVITIES		**(2 079 701)**	**(637 514)**
TOTAL NET CASH		**236 939**	**(102 554)**
Cash and cash equivalents at the beginning of the period		**2 180 981**	**1 881 640**
Cash and cash equivalents at the end of the period, of which:	**36**	**2 417 920**	**1 779 086**
effect of exchange rate fluctuations on cash and cash equivalents held		16 364	1 325
of restricted use		4 228	2 560

EXPLANATORY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Bank BGŻ BNP Paribas S.A. is the parent in the Capital Group of Bank BGŻ BNP Paribas S.A. (the "Group").

The registered office of Bank BGŻ BNP Paribas S.A. (the "Bank" or "BGŻ BNP Paribas") is located at ul. Kasprzaka 10/16 in Warsaw. The Bank is registered in Poland, with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under number KRS 0000011571. The duration of the parent and the Group companies is unlimited.

2 General information of the Capital Group

Bank BGŻ BNP Paribas S.A. operates within BNP PARIBAS SA GROUP with its registered office in Paris.

As at 30 September 2015, the Group comprised Bank BGŻ BNP Paribas S.A., the parent, and its subsidiaries:

2.1. Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o. ("Actus") with its registered office at ul. Kasprzaka 10/16 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000023062. The Bank holds 100% interest in the share capital of the Company and 100% of votes at the General Meeting.

2.2. Towarzystwo Funduszy Inwestycyjnych BGŻ BNP Paribas S.A. ("TFI") with its registered office at ul. Bielańska 12 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under number KRS 0000031121. The Bank holds 100% of the Company's shares.

2.3. Fortis Lease Polska Sp. z o.o. in liquidation ("FLP") with its registered office at ul. Suwak 3 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000098813. The Bank holds 100% of the Company's shares.

Pursuant to a Resolution of the Extraordinary Shareholders' Meeting of FLP dated 30 June 2014, the liquidation procedure was opened for Fortis Lease Polska Sp. z o.o. on 1 July 2014. As at 30 September 2015 and the date of approval hereof, i.e. 9 November 2015, the liquidation procedure had not been closed.

2.4. BGŻ BNP Paribas Faktoring Sp. z o.o. ("Faktoring") with its registered office at ul. Suwak 3 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000225155. The Bank holds 100% of the Company's shares.

In accordance with the principles laid down in IFRS, the interim condensed consolidated financial statements cover all subsidiaries as at 30 September 2015.

3 Accounting principles applied for purposes of preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements for the third quarter ended 30 September 2015 have been prepared in conformity with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"), as endorsed by the European Union, and other applicable regulations. The accounting principles applied in the third quarter of 2015 do not differ from the principles used in 2014, which were presented in detail in the Consolidated Financial Statements of the Capital Group of Bank Gospodarki Żywnościowej for the year ended 31 December 2014.

As the interim condensed consolidated financial statements do not contain all the information and disclosures required for the annual consolidated financial statements, they should be read together with the Consolidated Financial Statements of the Capital Group of Bank Gospodarki Żywnościowej for the year ended 31 December 2014.

These financial statements have been prepared in conformity with the requirements set out in all International Accounting Standards ("IAS") and International Financial Reporting Standards endorsed by the European Union ("IFRS EU"), as well as the related interpretations, except the standards and interpretations listed below, which are awaiting endorsement by the European Union or have already been endorsed by the European Union but entered or will enter into force after the end of the reporting period.

Standards and interpretations awaiting endorsement by the EU:

- IFRS 9 *Financial instruments* (applicable to annual periods beginning on or after 1 January 2018);
- IFRS 14 *Regulatory Deferral Accounts* (applicable to annual periods beginning on or after 1 January 2016);
- IFRS 15 *Revenue from Contracts with Customers* (applicable to annual periods beginning on or after 1 January 2017);
- Revised IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual periods beginning on or after 1 January 2016);
- Revised IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* – Investment Entities: Applying the Consolidation Exception (applicable to annual periods beginning on or after 1 January 2016);
- Revised IFRS 11 *Joint Arrangements* – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual periods beginning on or after 1 January 2016);
- Revised IAS 1 *Presentation of Financial Statements* – Disclosure Initiative (applicable to annual periods beginning on or after 1 January 2016);
- Revised IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* – Clarification of Acceptable Methods of Depreciation and Amortization (applicable to annual periods beginning on or after 1 January 2016);
- Revised IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* – Agriculture: Bearer Plants (applicable to annual periods beginning on or after 1 January 2016);
- Revised IAS 27 *Separate Financial Statements* – Equity Method in Separate Financial Statements (applicable to annual periods beginning on or after 1 January 2016);
- Revised standards *IFRS Improvements (2012-2014)* – amendments to standards resulting from the annual improvements process (IFRS 5, IFRS 7, IAS 19 and IAS 34), primarily with a view to removing inconsistencies and clarifying wording (applicable to annual periods beginning on or after 1 January 2016).

Standards and interpretations which have been endorsed by the EU but not entered into force yet

- Revised standards *IFRS Improvements (2010-2012)* – amendments to standards resulting from the annual improvements process (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38), primarily with a view to removing inconsistencies and clarifying wording, endorsed by the EU on 17 December 2014 (applicable to annual periods beginning on or after 1 February 2015);
- Revised IAS 19 *Employee Benefits* – Defined Benefit Plans: Employee Contributions, endorsed by the EU on 17 December 2014 (applicable to annual periods beginning on or after 1 February 2015).

The Management Board does not believe that the implementation of the aforesaid standards and interpretations could have a significant effect on the accounting principles (policy) adopted by the Group, except for the modifications introduced by IFRS 9.

Recognition of jointly controlled operations

Business combinations of jointly-controlled entities do not fall within the scope of IFRS regulations. In the absence of detailed IFRS regulations in this regard, in line with the guidelines laid down in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, Bank BGŻ BNP Paribas S.A. adopted an accounting policy generally applied to any business combinations of jointly-controlled entities in the Bank's Group, whereby such transactions are recognized at book value.

In accordance with the adopted accounting principles, the acquirer recognizes the assets, liabilities and equity of the acquiree at their present book value adjusted only for purposes of bringing the accounting principles of the acquiree into line with those of the acquirer. Goodwill and negative goodwill are not recognized.

The difference between the book value of the acquired net assets and the fair value of the payment is recognized in the Bank's equity. As a method based on book values is used, the comparative data is not restated.

If the business combinations of jointly-controlled entities transaction involves acquisition of minority interests, the Group shows it separately.

4 Going concern

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future, i.e. within at least 12 months of the end of the reporting period, in substantially the same scope.

5 Approval for publication

The consolidated interim report of the Capital Group of Bank BGŻ BNP Paribas S.A. for the third quarter ended 30 September 2015 was approved by the Management Board for publication on 9 November 2015.

6 Seasonality or cyclicality of business

There are no major seasonal or cyclical phenomena in the operations of the Group.

7 Estimates

The Group makes estimates and assumptions which affect the value of its assets and liabilities in the following period. The estimates and assumptions, which are reviewed on an ongoing basis, are made based on prior experience and considering other factors, including expectations as to future events, which appear reasonable in specific circumstances.

a) Impairment of loans and advances

In accordance with IFRS, the Bank's financial assets measured at amortized cost and available for sale financial assets which are not measured at fair value are tested for impairment. Financial assets are tested so as to verify whether any objective indications of their impairment exist.

As regards business entities with integrated accounts, the Bank has compiled a list of indications if impairment, such as considerable financial difficulties of the customer, substantial deterioration of the customer's rating or delinquency exceeding 90 days (or 30 days for restructured exposures).

As regards individuals and micro enterprises with simplified accounts, delinquency by more than 90 days (or more than 30 days for exposures with forbearance granted to obligors) is the key indication of impairment. Other indications include debt restructuring or a suspicion of fraud.

For exposures with objective indications of impairment identified, individual or collective (group) tests are performed by the Bank. Individual tests are performed for assets considered by the Bank to be individually material.

Impairment tests for assets which are individually material

The individual test is performed by the Bank's employees for financial assets which are individually material. It consists in case-by-case verification of financial assets for impairment. The individual test determines expected future cash flows and impairment is calculated as the difference between the present value (carrying amount) of a financial asset which is individually material and the value of future cash flows generated by that asset, discounted using the effective interest method. Cash flows from collateral are taken into account for purposes of estimating future cash flows.

Collective (group) tests

Collective tests are performed for assets:

- classified as individually immaterial, for which an objective indication of impairment has been identified; and
- classified as individually material and individually immaterial, for which no objective indication of impairment has been identified.

For exposures with objective indications of impairment identified, the Bank recognizes a collective impairment loss (provision). The value of the aforesaid impairment loss depends on the type of the credit exposure, the delinquency period as well as the type and value of collateral (applicable to selected portfolios). For exposures with no objective indications of impairment identified, an IBNR (incurred but not reported) loss is recognized by the Bank. The amount of the IBNR loss depends on the probability of default (PD), loss given default (LGD), credit conversion factor (CCF) and the loss identification period (LIP).

The amount of impairment losses estimated using the collective method, both for exposures which are individually immaterial with an objective indication of impairment identified and exposures which are individually material and immaterial without an objective indication of impairment identified, is determined with the application of statistical methods for defined exposure portfolios which are homogenous from the perspective of credit risk. Homogeneous exposure portfolios are defined based on customer segment, type of credit products and, for purposes of IBNR estimates, exposure delinquency classes which do not exceed 90 days and, for institutional customers with a rating assigned by the Bank internally, the credit rating assigned to the customer. The criteria applied by the Bank to define homogeneous portfolios are aimed at grouping exposures so that the credit risk profile is reflected as accurately as practicable and, consequently, so as to estimate the level of impairment losses on financial assets as objectively and adequately as possible.

In line with the Bank's impairment testing methodology, the PD parameters are updated twice a year. The aforesaid parameter is determined based on statistical analyses of historical data as well as observable monthly migration of credit exposures. The value of LGD, CCF and LIP is verified and updated on an annual basis. As regards CCF, the Bank's analysis focuses on the percentage of off-balance sheet liabilities converted into on-balance sheet exposures during the loss identification period (LIP). LIP parameters are determined based on analyses of the period between the occurrence of an event driving the impairment loss in relation to the obligor and the date when the impairment status is actually assigned to the debtor. The length of LIP depends on the characteristics of the product as well as effectiveness and frequency of the credit exposure monitoring process carried out by the Bank. For selected portfolios, LGD is determined separately for each exposure, depending on the type and value of collateral. For the remaining portfolios, it is determined at the level of the homogeneous portfolio defined by the Bank.

When classifying exposures into those with objective indications of impairment identified and those without objective indications of impairment identified, the Bank takes into account a quarantine period, where a credit exposure with an objective indication of impairment identified may be again classified as an exposure without an objective indication of impairment identified only if the Bank's receivables from the customer have been paid on time, i.e. without a delinquency of more than 30 days, for a specific number of months. The required quarantine period differs depending on the customer type and the type of the credit exposure. Its length is determined by the Bank on the basis of historical observations which are sufficient to determine the time after which the probability of the customer's default decreases to a level comparable to other exposures classified as exposures without indications of impairment.

Impairment losses on financial assets estimated using statistical models in a collective impairment test are back-tested periodically. The parameters used for purposes of estimating impairment losses and the statistical models are covered by the model management process, which involves laying down the principles of their development, approval, monitoring and validation as well as model back-testing. The models and parameters are validated and impairment losses/provisions determined using the collective method are back-tested at least on an annual basis. Additionally, the process of estimating impairment losses is subject to periodic functional control and verified independently by the Bank's internal audit.

b) Fair value of derivative financial instruments

The fair value of derivative financial instruments which are not quoted on active markets is determined using measurement techniques (e.g. models). Such methods are evaluated and verified periodically by qualified independent employees who have not participated in their development. All models require approval before use as well as calibration to ensure that the results reflect actual data and comparable market prices. The models used at present rely on data obtained from Reuters and/or Bloomberg information systems. Derivative financial instruments are measured on the basis of generally acceptable models. Linear instruments are measured using the discounted cash flow method while plain vanilla options using the Black-Scholes model. Other options included in structured deposits are measured either through decomposition into vanilla options or through Monte Carlo simulations.

CVA/DVA is estimated for all derivatives which are active at a specific date. The adjustment is determined based on the projected future exposure resulting from the instrument, counterparty rating and collateral provided/accepted.

c) Securities

Securities with no liquid market are measured using the discounted cash flow model. As regards level 3 securities, the credit risk margin is a non-observable parameter corresponding to the market margin for instruments with similar characteristics.

d) Impairment of property, plant and equipment

At the end of each reporting period, the Group verifies whether there is any objective indication of impairment of its property, plant and equipment. If such indications have been identified, the Group estimates the recoverable amount. Determination of the value in use of property, plant and equipment requires the Bank to make assumptions as to the estimated amounts, dates of future cash flows that may be generated by the Group on the property, plant and equipment as well as other factors. When estimating the fair value less costs to sell, the Group relies on available market data or valuations of independent appraisers, which, as a rule, are also based on estimates.

e) Provision for retirement benefits

Provisions for retirement benefits have been estimated by an independent actuary using actuarial methods. The underlying assumptions are revised at the end of each quarter.

f) Leases – the Group as a lessor

Lease agreements whereby substantially all risks and rewards of ownership of the assets are transferred onto the lessee are classified as finance leases. The receivables representing the net lease investment are recognized on the balance sheet. Revenue from finance lease agreements is recognized to reflect the fixed periodic rate of return on the net lease investment made by the Group in the form of a finance lease.

The Group does not offer operating lease products where substantially all risks and rewards of ownership of the assets are not transferred onto the lessee.

8 Business combinations

Merger of Bank BGŻ S.A. and BNP Paribas Bank Polska S.A.

On 9 April 2015, the Polish Financial Supervision Authority (PFSA) issued the following authorizations and decisions related to the merger of Bank Gospodarki Żywnościowej S.A. (BGŻ) and BNP Paribas Bank Polska S.A. (BNPP Polska):

1. a consent for the merger of BGŻ (as the acquirer) and BNPP Polska (as the acquiree) through the transfer of all assets, liabilities and equity of BNPP Polska onto BGŻ (Merger); and
2. a decision that there are no grounds for voicing an objection against the intention of BGŻ to purchase directly the shares in Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A., the number of which is sufficient to exceed the threshold of 50% of votes at the General Meeting.

On 10 April 2015, BNP Paribas Fortis SA/NV obtained the decision of the European Central Bank, issued as part of the Single Supervisory Mechanism, whereby a consent for the planned merger of BGŻ and BNPP Polska was granted.

On 23 April 2015, the Polish Financial Supervision Authority granted its consent for amendments to the Statute of Bank Gospodarki Żywnościowej S.A. made in relation to the Merger.

On 30 April 2015, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, recorded the Merger in the National Court Register. Upon the entry of the Merger in the National Court Register, the Bank's name was changed from Bank Gospodarki Żywnościowej S.A. to Bank BGŻ BNP Paribas S.A.

In relation to the Merger, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, registered also the amendments to the Statute, as adopted by the Extraordinary Shareholders' Meeting of BGŻ on 25 February 2015.

The Merger was effected in accordance with Article 492.1.1 of the Code of Commercial Companies by transferring all the assets, liabilities and equity of BNPP Polska (the acquiree) onto BGŻ (the acquirer), which was accompanied by an entry of the increase in the share capital of BGŻ from PLN 56,138,764 to PLN 84,238,318 through the issue of 28,099,554 shares of BGŻ with the par value of PLN 1.00 each, to be acquired by the existing shareholders of BNPP Polska (Merger Shares). The shareholders of BNPP Polska received 5 Merger Shares in exchange for 6 shares in BNPP Polska.

As a result of the Merger, BGŻ assumed all the rights and obligations of BNP Paribas Bank Polska SA, which was wound up without a liquidation procedure.

Accounting principles adopted in relation to the transaction

- Bank BGŻ and BNPP Polska were both subsidiaries in the Group, jointly controlled by BNP PARIBAS.
- The financial statements of Bank BGŻ and BNPP Polska were prepared in conformity with IFRS as endorsed by the EU ("IFRS").

The business combination transaction was accounted for using the book value method. Bank BGŻ recognized the assets, liabilities and equity of BNPP Polska at their book value measured as at the merger date, i.e. 30 April 2015, which were adjusted only in order to ensure consistency of the accounting principles adopted by Bank BGŻ. As at 30 April 2015, the book value of the assets held by BNPP Polska was PLN 23,349,411 thousand.

As the book value method was used, no goodwill or surplus of the fair value of the net assets over the business combination cost was recognized in relation to the transaction.

The difference between the carrying amount of the net assets of BNPP Polska, which were transferred, in the amount of PLN 2,033,941 thousand, and the par value of the shares issued by Bank BGŻ, totaling PLN 28,099 thousand, was recognized in the Bank's equity.

The results of the operations of BNPP Polska were recognized in the consolidated financial statements of the BGŻ Group prospectively, as from 30 April 2015.

The Bank's comparative data for the preceding periods was not restated.

Shareholders' equity instruments issued for the transaction

At the merger date, Bank BGŻ issued ordinary shares, which were acquired by the existing shareholders of BNPP Polska. As a result of the aforesaid transaction, the share capital of Bank BGŻ was increased from PLN 56,138,764 to PLN 84,238,318, i.e. by PLN 28,099,554, and is now divided into 84,238,318 registered shares and bearer shares with the par value of PLN 1.00 each.

The difference between the carrying amount of the net assets of BNPP Polska, which were transferred, and the par value of the shares issued, totaling PLN 2,033,941 thousand, was recognized in the Bank's equity.

- figures in thousand PLN

Assets and liabilities recognized as at the merger date

The following assets and liabilities were transferred from BNP Paribas Polska to Bank BGŻ on 30 April 2015:

	30.04.2015
ASSETS	**unaudited**
Cash and balances at Central Bank	2 745 280
Loans and advances to banks	504 402
Debt securities held for trading	167 463
Hedging instruments	6 500
Loans and advances to customers	18 138 127
Available for sale financial assets	1 238 010
Investments in associates	21 067
Intangible assets	73 271
Property, plant and equipment	97 266
Deferred tax asset	213 610
Other assets	144 415
TOTAL ASSETS	**23 349 411**
LIABILITIES	
Amounts due to banks	595 093
Financial liabilities held for trading	176 832
Differences resulting from fair value hedges against interest rate risk attributable to hedged items	5 872
Amounts due to customers	12 392 905
Loans and advances received	6 706 454
Subordinated liabilities	474 016
Current tax liability	14 176
Provision for deferred tax liabilities	263
Other liabilities	835 199
Provision	86 561
TOTAL LIABILITIES	**21 287 371**
TOTAL EQUITY	**2 062 040**
TOTAL LIABILITIES AND EQUITY	**23 349 411**

- figures in thousand PLN

Statement of profit or loss for the nine months ended 30 September 2015

The following table presents information on the profit of Bank BGŻ merged with BNP Paribas Polska. The combined figures have been calculated by adding the profit generated by Bank BGŻ BNP Paribas during the period of nine months ended 30 September 2015 to the profit generated by BNP Paribas Polska between 1 January and 30 April 2015, adjusted only by eliminating transactions between these two entities in the aforesaid period.

Interim condensed statement of profit or loss	Period from 01.01.2015 to 30.09.2015 unaudited
Interest income	1 724 968
Interest expense	(553 352)
Net interest income	**1 171 616**
Fee and commission income	397 541
Fee and commission expense	(56 375)
Net fee and commission income	**341 166**
Dividend income	6 837
Net trading income	153 991
Result on investment activities	46 955
Result on hedge accounting	-
Other operating income	54 776
Other operating expenses	(70 895)
Net impairment losses on financial assets and contingent liabilities	(293 004)
General administrative expenses	(1 269 800)
Depreciation and amortization	(119 752)
Operating result	**21 890**
Profit before income tax for the period	**21 890**
Income tax expenses	(10 298)
Net profit for the period	**11 592**

The combined figures for the nine months ended 30 September 2015 have been prepared for illustrative purposes only as they present the profit generated by BNP Paribas Polska when it operated as an independent bank. Consequently, the figures may not be regarded as reflecting the actual performance or financial condition of the former BNP Paribas Polska as if its operations were integrated with those carried out by BGŻ as from 1 January 2015, as they do not reflect the strategy and organizational structure of the Bank as from the merger date.

- figures in thousand PLN

9 Net interest income

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Interest income				
Loans and advances to banks	6 527	17 705	8 101	22 233
Loans and advances to customers in current accounts	90 168	236 837	76 372	210 496
Loans and advances to customers, in this:	417 416	1 047 899	317 457	889 521
corporate	114 398	285 540	91 729	246 836
households	285 859	729 619	222 575	632 989
budget entities	1 367	4 461	2 125	6 496
other entities	15 792	28 279	1 028	3 200
Hedging instruments and hedged items	583	979	-	9 024
Reverse repo transactions	-	7 559	19 318	42 851
Debt securities, in this:	50 428	155 724	55 189	166 488
held for trading	-	1 956	1 853	9 679
available for sale	50 428	153 768	53 336	156 809
	565 122	**1 466 703**	**476 437**	**1 340 613**
Interest expense				
Amounts due to banks	(15 462)	(38 338)	(16 406)	(46 085)
Debt securities issued	(3 392)	(13 367)	(7 703)	(25 342)
Amounts due to customers:	(140 545)	(410 973)	(137 567)	(382 266)
corporate	(33 522)	(79 050)	(28 981)	(79 998)
households	(83 819)	(262 453)	(85 549)	(247 726)
budget entities	(3 707)	(9 660)	(3 447)	(10 600)
other entities	(19 497)	(59 810)	(19 590)	(43 942)
Hedging instruments and hedged items	1	1	-	-
Repo transactions	(57)	(7 638)	(18 699)	(44 033)
	(159 455)	**(470 315)**	**(180 375)**	**(497 726)**
Net interest income	**405 667**	**996 388**	**296 062**	**842 887**

After three quarters of 2015, the net interest income, which represents the major source of the Group's revenue, went up by PLN 153,501 thousand, i.e. 18.2%, which was driven by a rise in interest income by PLN 126,090 thousand, i.e. 9.4% YoY, accompanied by a reduction in interest expense by PLN 27,411 thousand, i.e. 5.5% YoY. The level of interest income and expense in the analyzed period was affected both by external factors and the growth rate of commercial volumes as well as the merger of Bank BGŻ with BNPP Polska.

The main external factors include the policy adopted by the National Bank of Poland with respect to the basic interest rates and their lowest level on record (in September 2015, the reference rate was 1.5% vs. 2.5% a year before).

Interest income on loans and advances to customers, the value of which increased by PLN 158,378 thousand (i.e. 17.8%) YoY, is the major item in the structure of the Group's interest income (71%). In addition to interest on loans and advances, a rise was observed in interest on loans and advances to customers in current accounts (by PLN 26,341 thousand, i.e. 12.5% YoY).

The volume of (gross) loans and advances increased by 69.8% YoY.

Interest income on reverse repo transactions dropped by PLN 35,292 thousand.

- figures in thousand PLN

A drop in interest expense was mainly the result of a lower cost of repo transactions, a lower level of liabilities arising from issuance of debt securities and a lower level of amounts due to banks, which in total decreased by PLN 56,117 thousand YoY. This, despite low interest rates of the National Bank of Poland, was sufficient to offset an increase in interest on amounts due to customers, which went up by PLN 28,707 thousand, i.e. 7.5% YoY, as a result of an increase of the deposit base of the Bank by 40.9% YoY, also due to the merger with BNPP Polska.

10 Net fee and commission income

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Fee and commission income:				
loans and advances	39 124	102 396	26 423	76 159
settlements	15 615	31 126	4 252	12 526
account maintenance	29 723	82 886	27 216	79 214
guarantee commitments	7 455	14 715	1 819	5 771
brokerage operations	6 682	18 482	8 328	17 836
payment cards	18 924	49 350	18 080	61 700
insurance activity	7 085	18 515	3 563	10 582
asset management	877	2 489	-	-
other	12 827	28 230	3 088	5 569
	138 312	**348 189**	**92 769**	**269 357**
Fee and commission expense:				
loans and advances	(771)	(2 774)	(1 991)	(2 750)
payment cards	(12 671)	(32 003)	(8 270)	(25 614)
insurance activity	(628)	(1 071)	(68)	(196)
related to partners' network	(2 038)	(3 000)	-	-
other	(3 227)	(7 755)	(2 072)	(6 640)
	(19 335)	**(46 603)**	**(12 401)**	**(35 200)**
Net fee and commission income	**118 977**	**301 586**	**80 368**	**234 157**

Between 1 January 2015 and 30 September 2015, the net fee and commission income went up by PLN 67,429 thousand, i.e. 28.8% YoY, which was driven by a rise in fee and commission income by PLN 78,832 thousand, i.e. 29.3% YoY, accompanied by an increase in fee and commission expense by PLN 11,403 thousand, i.e. 32.4%.An increase in fee and commission income, mainly as a consequence of acquisition of the customer base of BNPP Polska, was recorded in almost all fee and commission categories (except those on payment cards), specifically on:

- loans and advances – by PLN 26,237 thousand, i.e. 34.5%;
- account maintenance and settlements (the total of PLN 22,272 thousand, i.e. 24.3%), which was attributable to an increase in the number of accounts as well as changes introduced to the Rates and Charges Information;
- guarantee commitments by PLN 8,944 thousand, i.e. 155.0%;
- insurance activity – by PLN 7,933 thousand, i.e. 75.0%.

A drop in fee and commission income on payment cards by PLN 12,350 thousand, i.e. 20.0% YoY, was mainly due to a reduction in interchange fees (in July 2014 and another one in January 2015).

- figures in thousand PLN

An increase in fee and commission expense was mainly driven by higher fee and commission expense on payment cards, paid to card operators due to a higher number of transactions carried out by the Bank's customers, as well as that related to the partners' network.

11 Net trading income

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Debt instruments	(1)	204	792	(2 236)
Derivative financial instruments and foreign currency exchange result	53 243	120 902	17 725	45 627
Net trading income	**53 242**	**121 106**	**18 517**	**43 391**

The net trading income for the nine months of 2015 increased by PLN 77,715 thousand, i.e. 179.1% YoY. The level of and changes in the net trading income are affected mainly by valuation of the Bank's IRS positions used as interest rate hedges as well as trading in debt securities.

12 Other operating income

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Sale or liquidation of property, plant and equipment and intangible assets	450	1 406	2 284	3 137
Sale of goods and services	1 215	3 833	2 459	6 434
Release of provisions for litigation and claims and other liabilities	1 997	2 169	1 148	1 897
Recovery of debt collection costs	1 544	3 355	582	1 965
Recovery of overdue debts, redeemed receivables, noncollectible debts and payment of receivables that were excluded from the consolidated statement of financial position	5 964	9 237	1 271	4 385
Income from leasing operations	5 252	8 325	-	-
Other	4 980	9 992	4 035	10 351
Total other operating income	**21 402**	**38 317**	**11 779**	**28 169**

Other operating income for the first three quarters of 2015 increased by 10,148 thousand, i.e. 36.0% year-on-year.

In the analyzed period, a drop was recorded in income from sale of goods and services as well as property, plant and equipment and intangible assets, which was offset in whole by income from leasing operations included in the operating structure of the Bank as well as higher income from recovery of debts and payment of receivables that were excluded from the consolidated financial statements.

- figures in thousand PLN

13 Other operating expenses

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Loss on sale or liquidation of property, plant and equipment, intangible assets	(4 027)	(18 119)	(1 541)	(2 280)
Impairment charges on other receivables	(384)	(1 063)	(2 582)	(3 694)
Provisions for restructuring of assets, litigation and claim, and other liabilities	1 191	(9 415)	(2 295)	(2 769)
Debt collection	(4 628)	(10 157)	(2 264)	(7 947)
Donations made	(1 268)	(1 291)	(811)	(2 098)
Costs of leasing operations	(4 986)	(7 921)	-	-
Other operating expenses	(4 579)	(14 402)	(1 788)	(3 315)
Total other operating expenses	**(18 681)**	**(62 368)**	**(11 281)**	**(22 103)**

During the first three quarters of 2015, other operating expenses totaled PLN 62,368 thousand, which denotes an increase (by PLN 40,265 thousand) as compared to the corresponding period of the preceding year, mainly as a result of:

- integration costs, including:
  - write-off of IT investment projects in progress, related to applications which will not be used in the target architecture of the Bank, totaling PLN 13.1 million;
  - creation of an allowance for closing down Bank BGŻ branches as part of the planned restructuring process in relation to the banks' merger, totaling PLN 6.9 million (item: Costs of recognition of provisions for restructuring of assets, litigation and claim, and other liabilities);
  - liquidation of assets related to branch visualization and assets carrying the previous logo of the banks, totaling PLN 3.8 million;
  - additional expenses incurred due to termination of cooperation with an insurance company;

- recognition of costs of leasing operations in other operating expenses as a result of inclusion of leasing operations in the operating structure of the Bank.

14 Net impairment losses on financial assets and contingent liabilities

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Loans and advances to banks	(205)	(575)	11	89
Loans and advances to customers	(108 372)	(251 825)	(41 654)	(155 691)
Contingent commitments granted	16 044	26 428	(2 587)	219
Total net impairment losses on financial assets and contingent liabilities	**(92 533)**	**(225 972)**	**(44 230)**	**(155 383)**

During the nine months of 2015, net impairment losses on financial assets and contingent liabilities rose by PLN 70,589 thousand, i.e. 45.4%, year-on-year. This was mainly attributable to:

- an increase in loan receivables as a result of acquisition of BNP Paribas Bank Polska as of the end of April 2015;

- figures in thousand PLN

- revision of the applicable impairment policy, including: (i) new principles of identification of facilities and restructuring, and their consideration in the process of identification of indications of impairment; (ii) introduction of a collective impairment methodology based on the value of collateral accepted by the Bank (applicable to portfolios of corporate customers, farmers as well as home loans to individuals); (iii) LIP extension for credit card portfolios, current account loans to individuals as well as ex-BNP Paribas Bank Polska cash advances;
- deterioration of the ratio of Microenterprise loans repaid.

15 General administrative expenses

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Personnel expenses	(192 973)	(546 328)	(133 062)	(385 797)
Marketing	(35 492)	(55 247)	(15 729)	(37 252)
IT and telecom costs	(35 160)	(84 334)	(20 139)	(58 931)
Rental expenses	(41 873)	(100 815)	(20 961)	(66 869)
Other non-personnel expenses	(30 606)	(55 402)	(10 435)	(31 665)
Other external services	(21 996)	(96 163)	(25 333)	(66 367)
Business travels	(1 545)	(3 047)	(335)	(1 197)
ATM and cash handling costs	(1 295)	(2 457)	(199)	(732)
Costs of outsourcing services related to leasing operations	(589)	(3 232)	-	-
Bank Guarantee Fund fee	(27 862)	(70 124)	(9 654)	(28 078)
Polish Financial Supervision Authority fee	(1)	(5 016)	-	(3 826)
Total general administrative expenses	**(389 392)**	**(1 022 165)**	**(235 847)**	**(680 714)**

Following the entry into force of Interpretation 21 issued by the International Financial Reporting Interpretations Committee (IFRIC 21) on 1 January 2015, doubts have arisen over the application of IFRIC 21 requirements in the financial reporting of the Bank with respect to the fees paid to the Bank Guarantee Fund.

Considering the position adopted by the Ministry of Finance and the Polish Financial Supervision Authority, the Bank decided to amortize the costs incurred for the benefit of the Bank Guarantee Fund throughout 2015, i.e. a similar approach to that taken in the preceding years was adopted.

Had the aforesaid costs been recognized by the Bank on a one-off basis, the operating expenses in the consolidated financial statements of the Group and the separate financial statements of the Bank would have been higher by the remaining recognized portion of the annual fee paid to the Bank Guarantee Fund in the amount of PLN 27,864 thousand.

The Group's general administrative expenses for the period from 1 January to 30 September 2015 went up by PLN 341,451 thousand, i.e. 50.2%, year-on-year. This was mainly related to the acquired cost base of BNPP Polska and incurred costs of the integration of Banks.

The integration costs incurred by the Bank during the first three quarters of 2015 totaled PLN 171.2 million and included:

- PLN 139.4 million recognized as general administrative expenses;
- PLN 31.8 million recognized as other operating expenses.

Integration costs recognized as general administrative expenses comprise mainly:

- creation of a restructuring allowance totaling PLN 48.1 million;
- costs of legal and consulting services of PLN 32.9 million;

- figures in thousand PLN

- integration-related projects totaling PLN 25.9 million (including costs of rebranding in the amount of PLN 10.3 million and development of a single product offering of PLN 3.4 million, marketing and communication of PLN 4.7 million and the operational merger of PLN 5.5 million);
- brand campaign costs of PLN 11.7 million;
- employee relocation and retention program and termination benefits for members of the Management Board of PLN 12.4 million.

Integration costs recognized as other operating expenses are mainly related to:

- write-off of IT investment projects in progress, related to applications which will not be used in the target architecture of the Bank, totaling PLN 13.1 million;
- creation of an allowance for closing down BGŻ Bank branches as part of the planned restructuring process, totaling PLN 6.9 million;
- costs of liquidation of assets related to branch visualization and assets carrying the previous logo of the banks, totaling PLN 4.5 million.
- additional expenses incurred due to termination of cooperation with an insurance company.

Apart from integration costs, the level of operating expenses in the nine months of 2015 was also affected by:

- takeover of the employees of BNPP Polska as of 30 April 2015 as a result of the merger;
- an increase in the level of payments to the Bank Guarantee Fund by PLN 42.0 million YoY attributable to introduction of higher rates of both the annual and the prudential fee related to creation of the stabilization fund and expansion of the Bank's operations following its merger with BNPP Polska.

16 Amortization and depreciation

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Property, plant and equipment	(18 697)	(48 144)	(12 667)	(38 460)
Intangible assets	(23 025)	(56 689)	(11 702)	(35 744)
Total amortization and depreciation	**(41 722)**	**(104 833)**	**(24 369)**	**(74 204)**

In the analyzed period, the amortization expense increased by PLN 30,629 thousand, i.e. 41.3%, year-on-year. This was attributable to a rise in amortization of intangible assets by PLN 20,945 thousand (as a consequence of acquisition of intangible assets of BNPP Polska) as well as depreciation of property, plant and equipment by PLN 9,684 thousand.

- figures in thousand PLN

17 Income tax expenses

	3rd quarter 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Current income tax	(560)	(33 133)	(3 611)	(59 850)
Deferred income tax	(15 253)	9 594	(16 439)	12 379
Total income taxes	**(15 813)**	**(23 539)**	**(20 050)**	**(47 471)**
Profit before income tax	56 229	81 758	88 816	224 735
Statutory tax rate	19%	19%	19%	19%
Income tax on gross profit	**(10 683)**	**(15 534)**	**(16 875)**	**(42 700)**
Receivables write-off	(264)	(1 002)	(791)	(2 766)
Non-tax-deductible overheads/income	(125)	(289)	(215)	954
PFRON	(263)	(696)	(200)	(578)
Prudential fee to the Bank Guarantee Fund	(1 107)	(2 787)	(316)	(1 261)
Purchased receivables write-off	(115)	(250)	47	(167)
Impairment allowance for receivables	(581)	(368)	(142)	364
Other differences	(2 675)	(2 613)	(1 558)	(1 317)
Total income tax charge on gross profit	**(15 813)**	**(23 539)**	**(20 050)**	**(47 471)**

18 Cash and balances with the Central Bank

	30.09.2015	31.12.2014
Cash	1 102 327	696 292
Balances at the Central Bank	920 664	1 093 868
Total cash and balances at Central Bank	**2 022 991**	**1 790 160**

19 Loans and advances to banks

	30.09.2015	31.12.2014
Current accounts	387 350	334 295
Interbank placements	20 134	60 043
Loans and advances	109 821	10 873
Other	1 899	-
Total loans and advances to banks (gross)	**519 204**	**405 211**
Impairment allowances on loans and advances to banks	(1 063)	(487)
Total loans and advances to banks (net)	**518 141**	**404 724**

	9 months ended 30.09.2015	12 months ended 31.12.2014
Impairment allowances on loans and advances to banks at the beginning of the period	**487**	**584**
Impairment charges	799	117
Release of impairment charges	(224)	(216)
Provision acquired as a result of merger	79	-
Other changes	(78)	2
Impairment allowances on loans and advances to banks at the end of the period	**1 063**	**487**

- figures in thousand PLN

On 13 July 2015, an Agreement was signed whereby Bank BGŻ BNP Paribas S.A. (the “Lender”) granted a subordinated loan to Sygma Banque Societe Anonyme (Spółka Akcyjna) Branch in Poland (the “Borrower”). Under the said agreement, the loan amount, i.e. PLN 50 million, was disbursed on 27 July 2015, i.e. a day after PFSA had granted an authorization for the establishment of Sygma Bank Polska S.A. by way of a contribution in kind comprising all the assets, equity and liabilities of the Borrower. After PFSA’s authorization had been granted on 10 August the loan amount was classified as Tier 2 capital of Sygma Bank Polska S.A. All the funds will be used by the Borrower for purposes of financing the day-to-day operations of Sygma Bank Polska S.A. The loan will be repaid on a one-off basis, 10 years after its disbursement, i.e. on 28 July 2025. The interest rate is equal to WIBOR 3M plus a mark-up of 2.17 p.p.

20 Reverse repo transactions

	30.09.2015	31.12.2014
Receivables from customers	-	100 668
Total reverse repo transactions	**-**	**100 668**

21 Debt securities held for trading

	30.09.2015		31.12.2014	
	Assets	Liabilities	Assets	Liabilities
Securities issued by government:				
T-bonds	-	-	199 404	-
Total debt securities held for trading	**-**	**-**	**199 404**	**-**
of which: valued using the market quotation method	*-*	*-*	*199 404*	*-*

- figures in thousand PLN

22 Derivative financial instruments

30.09.2015	Nominal value	Fair value	
		Assets	Liabilities
Trading derivatives			
Currency derivatives:			
Non-deliverable Forward (NDF)	841 708	8 502	1 396
Foreign Exchange Forward (FX Forward)	5 633 801	25 468	26 433
Currency Swaps (FX Swap)	5 810 058	12 355	15 854
Currency Interest Rate Swaps (CIRS)	732 052	566	1 466
OTC currency options	3 302 457	11 541	11 772
Total OTC currency derivatives	**16 320 076**	**58 432**	**56 921**
Interest rate derivatives:			
Interest Rate Swap (IRS)	42 661 928	288 175	267 121
Currency Interest Rate Swap (CIRS)	1 130	267	-
Forward Rate Agreements (FRA)	24 750 000	7 095	8 767
OTC interest rate options	1 193 962	5 123	5 756
Other	-	-	-
Total OTC interest rate derivatives	**68 607 020**	**300 660**	**281 644**
OTC options	423 959	5 370	3 236
Total OTC derivatives based on equity securities	**423 959**	**5 370**	**3 236**
OTC commodity swap	183 930	6 200	5 902
OTC commodity derivatives	**183 930**	**6 200**	**5 902**
Other options	**(14 422)**	**1 546**	**-**
Foreign Exchange Spot (FX Spot)	1 856 837	606	7
Total current currency derivatives	**1 856 837**	**606**	**7**
TOTAL	**87 377 400**	**372 814**	**347 710**
of which: valued using the market quotation method			
valued using model-based method	*87 377 400*	*372 814*	*347 710*

- figures in thousand PLN

31.12.2014	Nominal value	Fair value	
		Assets	Liabilities
Trading derivatives			
Currency derivatives:			
Non-deliverable Forward (NDF)	841 374	9 177	430
Foreign Exchange Forward (FX Forward)	537 120	2 454	3 826
Currency Swaps (FX Swap)	11 427 943	94 871	145 844
OTC currency options	389 790	2 884	1 492
Total OTC currency derivatives:	**13 196 227**	**109 386**	**151 592**
Interest rate derivatives:			
Interest Rate Swap (IRS)	19 876 888	288 944	276 630
Currency Interest Rate Swaps (CIRS)	152 243	1 848	440
Forward Rate Agreements (FRA)	7 950 000	9 733	12 028
OTC interest rate options	167 657	1 091	1 193
Other	243 535	66	38
Total OTC interest rate derivatives:	**28 390 323**	**301 682**	**290 329**
OTC options	433 628	7 898	6 215
Total OTC derivatives based on equity securities:	**433 628**	**7 898**	**6 215**
OTC commodity swap	25 528	688	581
OTC commodity derivatives:	**25 528**	**688**	**581**
Foreign Exchange Spot (FX Spot)	190 396	498	191
Total current currency derivatives	**190 396**	**498**	**191**
TOTAL:	**42 236 102**	**420 152**	**448 908**
of which: valued using the market quotation method	-	-	-
valued using model-based method	*42 236 102*	*420 152*	*448 908*

- figures in thousand PLN

23 Hedge accounting

Between 2012 and April 2014, the Group used cash flow hedges against changes in cash flows related to interest on preferential loans granted.

<table>
<tr><td>Hedging relationship</td><td colspan="4">Hedging a portion of interest rate risk related to interest on preferential loans subsidized by the Agency for Restructuring and Modernization of Agriculture (ARiMR) over the rediscount rate of the National Bank of Poland, resulting from the application of the multiplier mechanism for determining the interest rate.</td></tr>
<tr><td>Hedged items</td><td colspan="4">Highly probable future cash flows related to a portion of the preferential loan portfolio.</td></tr>
<tr><td rowspan="4">Hedging instruments</td><td rowspan="2">PLN IRS</td><td rowspan="2">Nominal value</td><td colspan="2">Fair value</td></tr>
<tr><td>Assets</td><td>Liabilities</td></tr>
<tr><td>30.09.2015</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>31.12.2014</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Presentation of the result on the hedged and hedging transactions</td><td colspan="4">The effective portion of the change in the fair value of the hedging instruments is recognized in the Revaluation Reserve (Other reserve capital), while the ineffective portion is presented in the Result on hedge accounting. Interest on the IRS transaction and the hedged items is recognized in the net interest income.</td></tr>
</table>

Amounts recognized in the statement of profit or loss and the Revaluation reserve in relation to cash flow hedge accounting:

	30.09.2015	31.12.2014
Net interest income on hedging derivatives	-	9 024
Ineffective part of the change in fair value hedging transactions recognized in Result on hedge accounting	-	(156)

As at 30 September 2015, the Group used fair value hedges.

<table>
<tr><td>Hedging relationship</td><td colspan="4">The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate.</td></tr>
<tr><td>Hedged items</td><td colspan="4">Fixed-rate EUR current accounts are the hedged items.</td></tr>
<tr><td rowspan="4">Hedging instruments</td><td colspan="4">Standard IRS transactions, i.e. plain vanilla IRS in the euro, where the Group receives a fixed interest rate and pays a floating rate based on EURIBOR 3M, are the hedging instruments.</td></tr>
<tr><td rowspan="2">USD IRS</td><td rowspan="2">Nominal value</td><td colspan="2">Fair value</td></tr>
<tr><td>Assets</td><td>Liabilities</td></tr>
<tr><td>30.09.2015</td><td>80 533</td><td>6 880</td><td>-</td></tr>
<tr><td>Presentation of result on the hedged and hedging transactions</td><td colspan="4">The change in fair value of hedging instrument is recognized in the Result on hedge accounting. Interest on the IRS transaction and the hedged items is recognized in Interest income.</td></tr>
</table>

Amounts recognized in the statement of profit or loss in relation to fair value hedges:

	30.09.2015	31.12.2014
Net interest income on hedging derivatives	979	-
Change in fair value of hedging transactions recognized in the Result on hedge accounting	-	-

- figures in thousand PLN

The table below presents hedging derivative instruments by nominal value as at 30 September 2015, broken down by residual maturity:

Hedging instruments	30.09.2015							
	Fair value		Nominal value					
	positive	negative	up to 1 month	1 - 3 months	3 months - 1 year	1-5 years	> 5 years	Total
Interest rate contracts	**6 880**	**0**	**0**	**0**	**16 954**	**50 863**	**12 716**	**80 533**
Swap (IRS)	6 880	0	0	0	16 954	50 863	12 716	80 533
Total hedging instruments	**6 880**	**0**	**0**	**0**	**16 954**	**50 863**	**12 716**	**80 533**

24 Loans and advances to customers

	30.09.2015	31.12.2014
Current accounts:	**8 104 188**	**5 268 652**
corporate	4 186 131	2 118 862
households:	3 877 130	3 144 797
individual customers	212 607	106 328
individual entrepreneurs	519 145	375 241
farmers	3 145 378	2 663 228
budget entities	14 733	617
other entities	26 194	4 376
Non-current loans and advances:	**44 846 330**	**25 793 660**
corporate:	13 917 597	7 970 809
investment loans	6 095 388	4 622 665
revolving loans	3 793 119	2 222 940
other	4 029 090	1 125 204
households:	28 319 879	17 533 570
individual customers, in this:	19 251 101	10 087 819
mortgage loans	14 572 591	8 340 820
individual entrepreneurs	2 362 642	1 414 479
farmers	6 706 136	6 031 272
budget entities	182 300	215 802
other entities	350 858	73 479
lease receivables	2 075 696	-
Total loans and advances to customers (gross)	**52 950 518**	**31 062 312**
Impairment allowances	(2 748 888)	(1 430 389)
Total loans and advances to customers (net)	**50 201 630**	**29 631 923**

At the end of the third quarter of 2015, gross loans and advances to customers went up by PLN 21,888,206 thousand, i.e. 70.5%, vs. the end of 2014, both as a result of the takeover of the loan portfolios of BNPP Polska and new sales. Specifically, the third quarter saw an increase in loans and advances to farmers as well as corporate working capital loans.

A major change in the volume and structure of the loan portfolio was the effect of a legal merger of Bank BGŻ and BNPP Polska, completed on 30 April 2015. Credit exposures to corporate customers and farmers were the key item of the loan portfolio of ex-Bank BGŻ, while mortgage loans to individual customers represented the major part of the ex-BNPP portfolio.

Loans and advances to corporate customers increased by 8,014,057 thousand, i.e. 79.4%, and account for 34% of the gross loan portfolio as compared to 32% as at 31 December 2014.

Loans and advances to households (including those to individual entrepreneurs and farmers) rose by PLN 11,518,642 thousand, i.e. 55.7%, and represent 61% of the gross loan portfolio vs. 67% as at 31 December 2014. Mortgage loans totaling PLN 14,572,591 thousand represent more than a half of loans and advances to households.

- figures in thousand PLN

Lease receivables, which are now managed within the Bank's structure, account for almost 4% of the gross loan portfolio.

The share of impaired exposures in gross loans and advances to the Bank's customers was 7.6% at the end of September 2015 vs. 7.9% at the end of 2014.

Impairment allowances on loans and advance to customers

	30.09.2015	31.12.2014
Current accounts:	**(427 470)**	**(256 124)**
corporate	(291 646)	(163 515)
households:	(135 232)	(92 483)
individual customers	(24 768)	(7 271)
individual entrepreneurs	(74 101)	(54 925)
farmers	(36 363)	(30 287)
budget entities	(7)	-
other entities	(585)	(126)
Non-current loans and advances:	**(2 321 418)**	**(1 174 265)**
corporate:	(1 008 413)	(585 301)
investment loans	(194 358)	(140 369)
revolving loans	(431 600)	(328 322)
other	(382 455)	(116 610)
households:	(1 214 853)	(587 507)
Individual customers, in this:	(813 961)	(312 821)
mortgage loans	(353 330)	(157 257)
Individual entrepreneurs	(233 474)	(129 195)
farmers	(167 418)	(145 491)
budget entities	(209)	(215)
other entities	(6 130)	(1 242)
lease receivables	(91 813)	-
Total impairment allowances	**(2 748 888)**	**(1 430 389)**

The Bank's credit risk exposure related to loans and advances to customers by indications of impairment

	30.09.2015	31.12.2014
Impaired exposures		
Gross carrying exposure	4 010 773	2 452 967
Impairment allowances	(2 444 258)	(1 278 865)
Net exposure	**1 566 515**	**1 174 102**
Non-impaired exposures		
Gross carrying amount	48 939 745	28 609 345
IBNR provision	(304 630)	(151 524)
Net exposure	**48 635 115**	**28 457 821**

	30.09.2015	31.12.2014
Impairment allowances – opening balance	**1 430 389**	**1 215 969**
Impairment charges*	1 519 642	1 456 856
Release of impairment charges*	(1 267 765)	(1 149 805)
Write-off	(23 929)	(148 095)
Impairment acquired as a result of merger	1 085 452	46 228
Other changes (including exchange differences)	5 099	9 236
Impairment allowances – closing balance	**2 748 888**	**1 430 389**

*Creation and release of impairment charges on loans and advances are presented by turnover due to functional system limitations.
This presentation does not impact the financial result of the Group.

Home loans to individuals – by currency (in PLN '000)

Loans by currency	30.09.2015	31.12.2014
CHF	6 941 395	2 882 295
EUR	85 154	16 751
PLN	7 541 063	5 438 868
USD	4 979	2 906
Total	**14 572 591**	**8 340 820**

CHF loan portfolio value

	30.09.2015		31.12.2014	
	Total portfolio	including CHF exposures	Total portfolio	including CHF exposures
(Gross) loan portfolio, including:				
Current accounts:	**8 104 188**	**2**	**5 268 652**	**-**
corporate	4 186 131	1	2 118 862	-
households:	3 877 130	1	3 144 797	-
individual customers	212 607	-	106 328	-
individual entrepreneurs	519 145	1	375 241	-
farmers	3 145 378	-	2 663 228	-
budget entities	14 733	-	617	-
other entities	26 194	-	4 376	-
Loans and advances:	**44 846 330**	**7 354 524**	**25 793 660**	**3 084 764**
corporate:	13 917 597	123 795	7 970 809	100 606
investment loans	6 095 388	30 468	4 622 665	36 206
revolving loans	3 793 119	12 637	2 222 940	10 490
other	4 029 090	80 690	1 125 204	53 910
households:	28 319 879	7 128 886	17 533 570	2 981 299
individual customers, in this:	19 251 101	7 051 332	10 087 819	2 902 576
mortgage loans	14 572 591	6 941 395	8 340 820	2 882 295
individual entrepreneurs	2 362 642	66 115	1 414 479	67 503
farmers	6 706 136	11 439	6 031 272	11 220
budget entities	182 300	-	215 802	-
other entities	350 858	3 841	73 479	2 859
lease receivables	2 075 696	98 002	-	-
Total loans and advances (gross)	**52 950 518**	**7 354 526**	**31 062 312**	**3 084 764**

During the first three quarters of 2015, the Group did not sell its loan portfolio.

During the first three quarters of 2014, the Group entered into an agreement for sale of its loan portfolio. The receivables sold under the agreement, the major part of which had been covered with impairment allowances or derecognized in whole, totaled PLN 35,135 thousand (principal, interest and other accompanying receivables). The contractual portfolio sale price was PLN 3,004 thousand. The net effect of the portfolio sale on the profit generated by the Group was PLN 1,001 thousand and it was presented in the lines "impairment charges" and "release of impairment charges".

- figures in thousand PLN

25 Available for sale financial assets

	30.09.2015	31.12.2014
Debt securities available for sale:	6 918 918	7 078 943
issued by central banks – NBP bills	-	3 199 654
issued by governments – T-bonds	6 823 164	3 860 027
issued by non-financial entities – bonds	76 202	-
issued by budget entities – municipal bonds	19 552	19 262
Available for sale equity instruments Stock and shares	38 948	4 160
Share units	4 695	914
Total available for sale financial assets	**6 962 561**	**7 084 017**
of which:		
valued using the market quotation method	*6 827 087*	*3 863 688*
valued using model-based method	*135 474*	*3 220 329*
Impairment allowances on available for sale assets	**(376)**	**-**
impairment allowances on shares	(376)	-
Net available for sale financial assets	**6 962 185**	**7 084 017**

26 Intangible assets

	30.09.2015	31.12.2014
Licenses	220 628	136 872
Other intangible assets	6 299	599
Expenditure on intangible assets	34 304	27 836
Total intangible assets	**261 231**	**165 307**

In the third quarter of 2015, the gross book value of intangible assets purchased by the Group was PLN 47,865 thousand (vs. PLN 29,394 thousand in the third quarter of 2014), while the net amount of assets sold and liquidated was PLN 17 thousand (as compared to PLN 0.00 in the third quarter of 2014).

27 Property, plant and equipment

	30.09.2015	31.12.2014
Non-current assets, in this:	492 887	404 471
land and buildings	299 826	254 379
leasehold improvements	60 579	63 027
IT equipment	79 859	36 140
office equipment	48 693	50 060
equipment and vehicles	3 930	865
Assets under construction	33 639	6 592
Total property, plant and equipment	**526 526**	**411 063**

In the third quarter of 2015, the gross book value of property, plant and equipment purchased by the Group was PLN 36,054 thousand (vs. PLN 11,142 thousand in the third quarter of 2014), while the net amount of property, plant and equipment items sold and liquidated was PLN 6,504 thousand (as compared to PLN 8,357 thousand in the third quarter of 2014).

- figures in thousand PLN

28 Other assets

	30.09.2015	31.12.2014
Other assets:		
other debtors	59 382	73 958
interbank and inter-system receivables	57 239	-
prepaid expenses	53 720	9 761
accrued income	28 840	6 789
cards settlements	111 347	2 554
tax and other regulatory receivables	85 772	10
insurance receivables	545	-
other lease receivables	11 729	-
other	34 287	1 146
Total other assets (gross)	**442 861**	**94 218**
Impairment allowances on other receivables	(48 950)	(33 516)
Total other assets (net)	**393 911**	**60 702**

29 Amounts due to banks

	30.09.2015	31.12.2014
Current accounts	207 889	108 994
Interbank deposits	1 344 092	15 208
Loans and advances received*	7 060 344	1 327 121
Other liabilities	38 437	95 416
Total amounts due to banks	**8 650 762**	**1 546 739**

*Under an agreement signed by the Bank on 19 September 2014 with Societe Anonyme De Gestion D´Investissements Et De Participations ("Sagip"), BNP Paribas SA and Rabobank, Sagip acquired receivables under the aforesaid agreement representing the outstanding principal and interest accrued as at 23 September 2014, i.e. CHF 669,535 thousand, from Rabobank. As Sagip is a financial institution, the above mentioned loan obtained is presented in "Amounts due to customers".

Loan agreement with EIB

On 17 September 2015, the Bank entered into a loan agreement with the European Investment Bank ("EIB"), whereby EIB will grant a term loan to the Bank, up to EUR 100 million (one hundred million euro), i.e. PLN 420.9 million (translated at the average exchange rate of the National Bank of Poland of 15 September 2015). The loan amount may be used within 12 months of the agreement date, in the maximum of 7 tranches with the minimum value of EUR 10 million each. Each tranche is to be repaid within 3 years of the disbursement date. The loan bears interest calculated as 3M EURIBOR plus a mark-up, the level of which will be determined by EIB at each disbursement date.
The funds received by the Bank will be used for purposes of financing investment projects for small and medium-sized enterprises as well as MID CAPS (defined in the agreement as enterprises with up to 3,000 employees) in the Agro, industrial and services sectors in Poland. Disbursement of funds under the agreement is conditional, among other things, on BNP Paribas SA giving a guarantee securing the Bank's payment of liabilities under the aforesaid loan agreement.

- figures in thousand PLN

30 Repo transactions

	30.09.2015	31.12.2014
Due to banks	-	45 364
Total repo transactions	**-**	**45 364**

31 Amounts due to customers

	30.09.2015	31.12.2014
Other financial institutions:	**4 279 452**	**4 222 120**
Current accounts	175 901	24 015
Term deposits	1 779 737	1 906 525
Loans and advances received	2 288 308	2 291 569
Other liabilities, in this:	35 506	11
cash collaterals	213	-
other	35 293	11
Individual customers:	**22 908 333**	**18 539 420**
Current accounts	12 791 593	9 670 397
Term deposits	10 034 271	8 811 831
Other liabilities, in this:	82 469	57 192
cash collaterals	38 804	10 766
other	43 665	46 426
Corporate:	**16 026 236**	**9 448 772**
Current accounts	9 176 383	4 847 839
Term deposits	6 637 573	4 471 291
Other liabilities, in this:	212 280	129 642
cash collaterals	195 907	128 084
other	16 373	1 558
Including farmers:	**1 252 933**	**1 195 840**
Current accounts	1 081 066	882 206
Term deposits	167 907	307 626
Other liabilities, in this:	3 960	6 008
cash collaterals	3 915	5 920
other	45	88
Budget entities:	**942 894**	**594 132**
Current accounts	546 103	384 526
Term deposits	396 658	209 475
Other liabilities, in this:	133	131
cash collaterals	133	131
Total amounts due to customers	**44 156 915**	**32 804 444**

At the end of the third quarter of 2015, customer deposits went up by PLN 11,352,471 thousand, i.e. 34.6%, as compared to the end of 2014, which was mainly attributable to inclusion of the deposit base of BNPP Polska as from May 2015.

Current accounts and term deposits of corporate customers as well as other amounts due to corporate customers increased in total by PLN 6,577,464 thousand, i.e. almost 70%. Their share in the structure of total deposits went up from 28.8% at the end of December 2014 to 36.3% at the end of September 2015.

Current accounts and term deposits of individual customers as well as other amounts due to individual customers went up in total by PLN 4,368,913 thousand, i.e. almost 24%. Their share in the deposit base at the end of September 2015 was 51.9% vs. 56.5% at the end of December 2014.

- figures in thousand PLN

The share of current accounts in total deposits rose to more than 51% vs. 45.5% at the end of December 2014. The value of funds deposited in current accounts increased by PLN 7,763,203 thousand, i.e. 52%. On the other hand, the share of term deposits in total deposits dropped from 46.9% at the end of December 2014 to 42.7% at the end of September 2015. In terms of value, term deposits increased by PLN 3,449,117 thousand, i.e. 22.4% vs. December 2014.
The balance of loans and advances received did not change as compared to the end of December 2014, while other liabilities went up by PLN 143,412 thousand.

32 Debt securities issued

Changes in the balance of debt securities issued

	9 months ended 30.09.2015	12 months ended 31.12.2014
Balance at the beginning of the period	**762 311**	**1 191 158**
Issuance of certificates of deposit	-	-
Redemption of certificates of deposit	(294 775)	(431 433)
Changes in discount from certificates of deposit, interests, commission and other fees on certificates of deposits amortized using EIR, foreign currency exchange differences	150	2 586
Balance of debt securities issued at the end of the period	**467 686**	**762 311**

In 2008, the Bank entered into several agreements with three financing banks, concerning the issue of bearer, materialized bank securities (Certificates of Deposit) denominated in PLN.
The Bank, as the issuer of debt securities, signed a Dealer Agreement and an Underwriting Agreement for purposes of the Debt Securities Issue Program ("Program") with Bank Handlowy w Warszawie S.A., Bank Pekao S.A., BRE Bank S.A. (now: mBank) and ING Bank Śląski S.A., acting as the Program Dealers. The scope of the Program includes multiple issues of Certificates of Deposit ("CDs") and the Bank's Bonds ("bonds") denominated in PLN, with the total par value of no more than PLN 3,500,000. The Bank will issue zero-coupon and coupon CDs for a maximum term of 5 years as well as zero-coupon and coupon bonds for a maximum term of 10 years. The aforesaid agreements were signed for an indefinite term.

The Debt Securities Issue Program is aimed at financing the day-to-day lending operations of the Bank.

The agreements renew and extend the scope of the previous Debt Securities Issue Program of 14 March 2008, to include bonds.

As at 30 September 2015, the par value of certificates of deposit issued was PLN 465,000 thousand as compared to PLN 755,000 thousand as at 31 December 2014.

33 Subordinated liabilities

Change in the balance of subordinated liabilities	**9 months ended 30.09.2015**	**12 months ended 31.12.2014**
Balance at the beginning of the period	**320 951**	**304 817**
Decreases	-	-
loans repayments	-	-
Exchange differences	42 490	14 679
Loan acquired as a result of merger	474 016	-
Change in the balance of interests	(1 345)	1 455
Closing balance	**836 112**	**320 951**

- figures in thousand PLN

34 Other liabilities

	30.09.2015	31.12.2014
Interbank and intersystem settlements	208 230	67 322
Other creditors	83 955	63 718
Card settlements	113 357	13 776
Provisions for non-personnel expenses	82 693	34 812
Provisions for other employees-related liabilities	89 114	80 630
Provision for unused holidays	31 843	19 544
Deferred income	66 496	12 789
Trust account liabilities	8 062	-
Other regulatory liabilities	81 286	26 862
Insurance liabilities	7 434	-
Other lease liabilities	13 110	-
Brokerage house liabilities	15 148	-
Other	71 373	6 298
Total other liabilities	**872 101**	**325 751**

35 Provisions

	30.09.2015	31.12.2014
Provision for restructuring	75 783	-
Provision for retirement benefits and similar obligations	25 457	26 859
Provisions for guarantees, surety ships and undrawn credit facilities	33 678	23 200
Provisions for litigation and claims	21 056	16 457
Other provisions	5 797	1 596
Total provisions	**161 771**	**68 112**

Provision for restructuring	9 months ended 30.09.2015	12 months ended 31.12.2014
Opening balance	**-**	**4 310**
Provisions charges	56 294	-
Provisions utilization	(25 066)	(2 424)
Provisions release	(4 529)	(1 886)
Provision acquired as a result of merger	49 084	-
Closing balance	**75 783**	**-**

Provision for retirement benefits and similar obligations	9 months ended 30.09.2015	12 months ended 31.12.2014
Opening balance	**26 859**	**19 966**
Provisions charges	1 292	6 968
Provisions release	(6 559)	(75)
Provision acquired as a result of merger	3 865	-
Closing balance	**25 457**	**26 859**

Provisions for guarantees, surety ships and undrawn credit facilities	9 months ended 30.09.2015	12 months ended 31.12.2014
Opening balance	**23 200**	**18 338**
Provisions charges	33 274	33 189
Provisions release	(59 700)	(29 175)
Provision acquired as a result of merger	36 759	1 977
Other changes	145	(1 129)

- figures in thousand PLN

Closing balance	**33 678**	**23 200**

Provisions for litigation and claims	**9 months ended 30.09.2015**	**12 months ended 31.12.2014**
Opening balance	**16 457**	**18 845**
Provisions charges	1 024	2 866
Provisions utilizations	(400)	(545)
Provisions release	(624)	(4 709)
Provision acquired as a result of merger	4 599	-
Other changes	0	-
Closing balance	**21 056**	**16 457**

Other provisions	**9 months ended 30.09.2015**	**12 months ended 31.12.2014**
Opening balance	**1 596**	**2 556**
Provisions charges	1 904	-
Provisions release	(501)	(960)
Provision acquired as a result of merger	2 798	-
Closing balance	**5 797**	**1 596**

36 Cash and cash equivalents

For purposes of preparation of the statement of cash flows, the balance of cash and cash equivalents comprises the following balances with original maturity shorter than three months:

	30.09.2015	**31.12.2014**
Cash and balances at Central Bank	2 022 991	1 790 160
Current accounts and other receivables	118 368	335 821
Interbank placements	276 561	55 000
Total cash and cash equivalents	**2 417 920**	**2 180 981**

- figures in thousand PLN

37 Additional information regarding the statement of cash flows

Other adjustments in the statement of cash flows	**9 months ended 30.09.2015**	**9 months ended 30.09.2014**
Changes resulting from changes in balances as a result of merger:	2 062 040	346 722
Cash and cash equivalents	*2 745 280*	*99 698*
Loans and advances to banks	*504 402*	*2 290*
Derivative financial instruments	*-*	*14 587*
Debt securities held for trading	*167 463*	*-*
Hedging instruments	*6 500*	*-*
Loans and advances to customers	*18 138 127*	*2 097 157*
Available-for-sale financial assets	*1 238 010*	*1 095 175*
Investments in associates	*21 067*	*-*
Intangible assets	*73 271*	*1 348*
Property, plant and equipment	*97 266*	*2 910*
Deferred tax assets	*213 610*	*8 250*
Current tax assets	*-*	*3 295*
Other assets	*144 415*	*3 909*
Amounts due to banks	*(595 093)*	*(2 592 364)*
Derivative financial instruments	*-*	*(17 702)*
Financial liabilities held for trading	*(176 832)*	*-*
Differences resulting from fair value hedges against interest rate risk attributable to hedged items	*(5 872)*	*-*
Amounts due to customers	*(12 392 905)*	*(339 034)*
Loans and advances received	*(6 706 454)*	*-*
Subordinated liabilities	*(474 016)*	*-*
Current tax liabilities	*(14 176)*	*-*
Provision for deferred tax	*(263)*	*-*
Other liabilities	*(835 199)*	*(22 735)*
Provisions	*(86 561)*	*(10 062)*
Available-for-sale financial assets	114 132	-
FX differences from subordinated loans	43 073	7 056
Changes in hedge accounting	1 587	-
Equity of subsidiaries from merger	7 608	-
Investments in associates from merger	21 067	-
Other adjustments	12 208	(1 136)
Total other adjustments	**2 261 715**	**352 642**

- figures in thousand PLN

38 Contingent liabilities

	30.09.2015	31.12.2014
Contingent commitments granted	**15 480 562**	**5 694 336**
financial commitments	11 609 845	4 999 624
guarantees	3 870 717	694 712
Contingent commitments received	**3 977 360**	**1 573 710**
financial commitments	2 625 018	942 883
guarantees	1 352 342	630 827

39 Fair value of financial assets and liabilities

At the end of the second quarter of 2015, instruments were allocated to the following measurement levels:

- level 1: treasury bonds, WSE-listed shares (fair value determined directly by reference to published active market quotations);
- level 2: interest rate options in EUR, FX options, base interest rate and FX swaps, FRA, FX Forward and FX swaps maturing within 1 year, commodity swaps, OIS, interest rate swaps maturing within 10 years (fair value determined using measurement techniques which are based on available, verifiable market data) money bills, CATALYST-listed corporate bonds (fair value determined using measurement techniques (models) which are based on available, verifiable market data or based on prices available on a limited-liquidity market);
- level 3: interest rate options in PLN, FX options maturing over 1 year, FX Forward and FX swaps maturing over 1 year, interest rate swaps with residual maturity exceeding 10 years (fair value determined using measurement techniques (models) which are not based on available, verifiable market data), corporate bonds except of CATALYST-listed ones, shares not listed on WSE (fair value determined using measurement techniques not based on available, verifiable market data, i.e. in other cases than described in points 1 and 2).

The table below presents classification of assets and liabilities measured at fair value in the consolidated financial statements into three categories:

30.09.2015	Level 1	Level 2	Level 3	Total
Assets re-measured to fair value:	**6 831 579**	**428 457**	**129 590**	**7 389 626**
Derivative financial instruments	-	363 206	9 608	372 814
Available-for-sale financial assets	6 831 579	65 251	65 355	6 962 185
Investment property	-	-	54 627	54 627
Liabilities re-measured to fair value:	**-**	**306 336**	**(1 286)**	**305 050**
Derivative financial instruments	-	306 336	(1 286)	305 050

31.12.2014	Level 1	Level 2	Level 3	Total
Assets re-measured to fair value:	**4 063 092**	**3 611 523**	**83 585**	**7 758 200**
Debt securities held for trading	199 404	-	-	199 404
Derivative financial instruments	-	411 869	8 283	420 152
Available-for-sale financial assets	3 863 688	3 199 654	20 675	7 084 017
Investment property	-	-	54 627	54 627
Liabilities re-measured to fair value:	**-**	**(442 677)**	**(6 231)**	**(448 908)**
Derivative financial instruments	-	(442 677)	(6 231)	(448 908)

The fair value of level 2 and 3 financial instruments is determined using the valuation techniques (e.g. models) described in Note 7 “Estimates”.

The input data used for purposes of valuation of level 2 and 3 instruments includes foreign exchange rates, yield curves, reference rates, changes in foreign exchange rates, reference rates and stock market indices and stock prices, swap points, basis spreads, stock market index values and futures prices.

- figures in thousand PLN

As regards level 3 municipal bonds, the credit risk margin is a non-observable parameter corresponding to the market margin for instruments within similar characteristics. The effect of changes in the credit margin on changes in the fair value is considered immaterial.

As regards the investment property, bid prices for comparable real property, the actual transaction prices as well as other data concerning specific aspects of the real property market in a specific area are input data used for purposes of measurement. If estimates other than those made as at 30 September 2015 were used, the measurement of the investment property could change considerably. However, the Group does not have access to reliable estimates concerning their effect on the fair value of the real property.

The measurement was carried out by a third-party property appraiser using the combined approach (residual method).

Presented below are changes in the measurement of level 3 assets and liabilities as well as amounts charged to profit or loss and statement of comprehensive income.

	Derivative financial instruments – assets	Available-for-sale financial assets	Investment property	Derivative financial instruments – liabilities
Balance as at 1.01.2015	**8 283**	**20 675**	**54 627**	**(6 231)**
Total gains/losses recognized in:	(12 295)	3 384	-	(7 488)
net interest income	-	*608*	-	-
net trading income	*(12 295)*	-	-	*(8 592)*
other operating income/expenses	-	-	-	*1 104*
statement of other comprehensive income	-	*2 776*	-	-
Purchase	4 189	19 894	-	1 925
Settlement	-	-	-	-
Transfers	(769)	-	-	308
Merge	10 200	41 402	-	-
Balance as at 30.09.2015	**9 608**	**85 355**	**54 627**	**(11 486)**
Unrealized gains/losses recognized in profit or loss relating to assets and liabilities held at the end of the period, in this:	**(12 295)**	**437**	**-**	**(7 488)**
Net interest income	-	437	-	-
Net trading income	(12 295)	-	-	(7 488)

	Derivative financial instruments – assets	Available-for-sale financial assets	Investment property	Derivative financial instruments – liabilities
Balance as at 01.01.2014	**9 823**	**24 889**	**62 524**	**(7 159)**
Total gains/losses recognized in:	(9 579)	587	(7 897)	3 872
net interest income	-	*797*	-	-
net trading income	*(9 579)*	-	-	*3 872*
other operating income/expenses	-	-	*(7 897)*	-
statement of other comprehensive income	-	*(210)*	-	-
Purchase	8 039	-	-	(2 944)
Settlement	-	(4 801)		-
Balance as at 31.12.2014	**8 283**	**20 675**	**54 627**	**(6 231)**
Unrealized gains/losses recognized in profit or loss relating to assets and liabilities held at the end of the period, in this:	**(9 579)**	**6**	**(7 897)**	**3 872**
Net interest income	-	6	-	-
Net trading income	(9 579)	-	-	3 872
Other operating income	-	-	(7 897)	-

- figures in thousand PLN

The Bank measures the fair value by discounting all contractual cash flows related to transactions, with the use of yield curves characteristic of each transaction group. Where no repayment schedule is agreed for a product, it is assumed that the fair value is equal to the carrying amount of the transaction.

The yield curve used for fair value measurement of liabilities (such as customer and interbank deposits) and receivables (such as loans to customers and interbank deposits) comprises:

- the credit risk free yield curve;
- the cost of obtaining financing above the credit risk free yield curve;
- the market margin that reflects credit risk for receivables.

The yield curve for fair value measurement of loans is constructed through classification of loans into sub-portfolios depending on the product type and currency as well as customer segmentation. A margin is determined for each sub-portfolio taking into account credit risk. The margin is determined by reference to margins used for each type of loan granted over the past three months and if no such loans were granted over such period, a period of six months is analyzed. If no new transaction was entered into during the past six months, the margin for the whole portfolio of specific type loans is used as the basis. In particular, for foreign currency mortgage loans, the margin for the whole portfolio of a specific type of mortgage loans serves as the basis for determination of a margin reflecting credit risk as no new transactions are concluded.

At the end of the third quarter of 2015, receivables and liabilities were allocated to the following measurement levels:

- level 2, which denotes that the fair value is measured using techniques based on available, verifiable market data, without any discretionary adjustments that would have a considerable effect on the results of measurement;
- level 3, which denotes that the fair value is measured using available market data adjusted by parameters resulting from the Bank's own assumptions based on expertise and experience as well as the perceived behavior of other market participants.

The table below presents the measurement hierarchy for receivables from and liabilities to banks and non-bank customers as at 30 September 2015, including comparative data.

30.09.2015	Book value	Fair value	Level
Financial assets			
Loans and advances to banks	518 141	521 095	2,3
Loans and advances to customers	50 201 630	48 860 716	3
Financial liabilities			
Amounts due to banks	8 650 762	8 710 057	2,3
Amounts due to customers	44 156 915	44 248 474	3
Debt securities issued	467 686	468 674	3
Subordinated liabilities	836 112	962 895	2

31.12.2014	Book value	Fair value	Level
Financial assets			
Loans and advances to banks	404 724	402 216	3
Reverse repo transactions	100 668	100 668	3
Loans and advances to customers	29 631 923	29 619 745	3
Financial liabilities			
Amounts due to banks	1 546 739	1 536 443	3
Repo transactions	45 364	45 364	
Amounts due to customers	32 804 444	32 865 106	3
Debt securities issued	762 311	764 634	3
Subordinated liabilities	320 951	322 250	3

40 Related-party transactions

Bank BGŻ BNP Paribas S.A. operates within the Capital Group of BNP Paribas S.A. Group.

Bank BGŻ BNP Paribas S.A. is the parent in the Capital Group of Bank BGŻ BNP Paribas S.A.

As at 30 September 2015, the Group comprised Bank BGŻ BNP Paribas S.A., the parent, and its subsidiaries:

1. Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o. ("Actus") with its registered office at ul. Kasprzaka 10/16 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000023062. The Bank holds 100% interest in the share capital of the Company and 100% of votes at the General Meeting.
2. Towarzystwo Funduszy Inwestycyjnych BGŻ BNP Paribas S.A. ("TFI") with its registered office at ul. Bielańska 12 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under number KRS 0000031121. The Bank holds 100% of the Company's shares.
3. Fortis Lease Polska Sp. z o.o. in liquidation ("FLP") with its registered office at ul. Suwak 3 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000098813. The Bank holds 100% of the Company's shares.
4. BGŻ BNP Paribas Faktoring Sp. z o.o. ("Faktoring") with its registered office at ul. Suwak 3 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000225155. The Bank holds 100% of the Company's shares.

All transactions between the Bank and its related parties were entered into as part of its day-to-day operations and included mainly loans, deposits, transactions in derivative transactions as well as income and expenses related to advisory and financial intermediation services.

- figures in thousand PLN

Transactions with shareholders of BGŻ S.A. and related parties

30.09.2015	BNP PARIBAS SA	BNP PARIBAS FORTIS SA/NV	OTHER ENTITIES FROM THE CAPITAL GROUP OF BANK BNP PARIBAS SA	KEY PERSONNEL	TOTAL
Assets	**25 774**	**100 622**	**34 477**	**1 536**	**162 409**
Current accounts, interbank placements and loans	44	98 789	33 528	1 536	**133 897**
Derivative financial instruments	25 578	-	83	-	**25 661**
Other assets	152	1 833	866	-	**2 851**
Liabilities	**5 087 679**	**305 515**	**4 160 272**	**3 854**	**9 557 320**
Loans and advances received	4 196 080	-	2 840 221	-	**7 036 301**
Interbank deposits and current accounts	7 744	305 052	1 311 888	3 854	**1 628 538**
Subordinated liabilities	836 615	-	-	-	**836 615**
Derivative financial instruments	19 753	339	3 854	-	**23 946**
Other liabilities	27 487	124	4 309	-	**31 920**
Contingent liabilities					
Financial commitments granted	-	-	141 037	251	**141 288**
Guarantees granted	9 759	60 109	265 383	-	**335 251**
Commitments received	88 625	74 492	564 457	-	**727 574**
Derivative financial instruments (face value)	15 539 236	1 719 482	325 048	-	**17 583 766**
Three quarters of 2015 Period from 01.01.2015 to 30.09.2015					
Statement of profit or loss	**(25 959)**	**16 423**	**(17 078)**	**5**	**(26 609)**
Interest income	12	890	243	16	**1 161**
Interest expense	(16 319)	(211)	(26 028)	(11)	**(42 569)**
Fee and commission income	-	10 441	2 313	-	**12 754**
Fee and commission expense	(2)	(74)	(3 487)	-	**(3 563)**
Net trading income	(4 327)	55	6 630	-	**2 358**
Result on hedge accounting	(5 323)	5 307	-	-	**(16)**
Other operating income	-	15	170	-	**185**
General administrative expenses	-	-	3 081	-	**3 081**

- figures in thousand PLN

31.12.2014	THE CAPITAL GROUP OF BANK BNP PARIBAS SA	KEY PERSONNEL	COöPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.*	SUBSIDIARIES OF RABOBANK*	TOTAL
Assets	**8 243**	**19**	**-**	**-**	**8 262**
Current accounts, interbank placements and loans	105	19	-	-	124
Derivative financial instruments	8 115	-	-	-	8 115
Other assets	23	-	-	-	23
Liabilities	**2 620 901**	**3 283**	**-**	**-**	**2 624 184**
Loans and advances received	2 291 561	-	-	-	2 291 561
Interbank deposits and current accounts	554	3 283	-	-	3 837
Subordinated liabilities	320 944	-	-	-	320 944
Derivative financial instruments	7 839	-	-	-	7 839
Other liabilities	3	-	-	-	3
Contingent liabilities					
Financial commitments granted	-	31	-	-	31
Guarantees granted	-	-	-	-	-
Commitments received	-	-	-	-	-
Derivative financial instruments (face value)	851 851	-	-	-	851 851
Q1-Q3 2014 Period from 01.01.2014 to 30.09.2014		-			
Income statement	**(14 592)**	**(4)**	**(68 518)**	**44**	**(83 070)**
Interest income	-	-	1 868	-	1 868
Interest expense	(7 309)	(4)	(33 901)	(32)	(41 246)
Fee and commission income	-	-	540	50	590
Fee and commission expense	-	-	(3 116)	-	(3 116)
Net trading income	(7 283)	-	(20 436)	25	(27 694)
Other operating income	-	-	220	1	221
General administrative expenses	-	-	(13 693)	-	(13 693)

* Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. has not been a related party since 27 October 2014. Therefore, the figures concerning related-party transactions apply to the period from 1 January 2014 to 27 October 2014.

- figures in thousand PLN

Remuneration of the Management Board and Supervisory Board

Management Board	30.09.2015	31.12.2014
Short-term employee benefits	14 561	14 476
Long-term benefits	3 127	1 251
Benefits due to termination of employment	3 223	-
Share-based payments	3 270	1 251
TOTAL	**24 181**	**16 978**

Supervisory Board	30.09.2015	31.12.2014
Short-term employee benefits	301	574
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
TOTAL	**301**	**574**

41 Consolidated capital adequacy ratio

	31.09.2015	31.12.2014
Total equity	6 606 533	3 916 443
Total risk exposure	48 160 120	28 349 526
Total capital requirement	**13.72%**	**13.81%**
Common Equity Tier 1	**11.98%**	**12.69%**

Since 1 January 2014, equity and capital adequacy requirements have been determined by Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR) of 26 June 2013.

PFSA recommendation concerning additional capital requirement for the Bank

On 23 October 2015, the Bank received a recommendation from the Polish Financial Supervision Authority concerning the Bank's maintenance of equity necessary to satisfy an additional capital requirement at the level of 0.71 p.p. in order to hedge the risk resulting from foreign currency mortgage loans granted to households, with Tier 1 capital accounting for at least 75% (i.e. 0.53 p.p.) of such equity.

Therefore, the Bank's minimum capital ratios taking into account the additional capital requirement recommended by PFSA should be as follows:

- Tier 1=9.53%
- Total Capital Ratio = 12.71%.

The Bank's capital ratios taking into account the additional capital requirement in the context of the dividend policy (criteria for distribution of up to 100% of profit for 2014) are as follows: CET1= 9.53% TCR= 13.21%.

The aforesaid recommendation should be respected by the Bank from the date of its receipt until revoked.

As at the date of receipt of PFSA recommendations, the Bank maintained equity sufficient to satisfy the aforesaid capital requirements, i.e. as at 30 September 2015, the Bank's capital ratios were as follows: Tier 1 = 12.12% and TCR = 13.87%.

Additionally, on 19 June 2015 the General Meeting of the Bank decided to allocate the total net profit generated by the Bank in the financial year ended 31 December 2014 to increase its equity.

Moreover, in relation to introduction of security buffers as a part of CRD IV/CRR package implementation, the Polish banks received a general supervisory recommendation from the Polish Financial Supervision Authority that they should maintain the increased capital ratios, starting from 1 January 2016, i.e. at least: Tier 1= 10.25% and TCR=13.25%.

42 Operating segments

Segment reporting

The Group has identified the following operating segments for reporting purposes and allocated income and expenses as well as assets and liabilities thereto: Retail and Business Banking, Small and Medium-Sized Enterprises (SME) and Agro, Corporate Banking, Corporate and Institutional Banking (CIB) as well as Other Operations, including the Assets and Liability Management Division and the Corporate Center. Additionally, performance related to Agro customers, i.e. individual farmers and agri-food sector enterprises, as well as the Personal Finance segment has been presented. Although the aforesaid segment performance overlaps with that of the basic operating segments, they are additionally monitored separately for purposes of the Group's management reporting. The abovementioned segmentation reflects the principles of customer classification to each segment in line with the business model adopted by the Group, which are based on such criteria as the entity, finances and type of business activity. Enterprises are segmented on the basis of activity classification codes.

The Group's management performance is monitored by considering all items of the income statement of the particular segment, to the level of gross profit, i.e. the for each segment revenue, expenses and net impairment losses are reported. Management revenue takes into account cash flows between customer segments and the asset liability management unit, measured by reference to internal transfer prices of funds based on market prices and liquidity margins for each maturity and currency. Management expenses of the segments include direct operating expenses and expenses allocated using the allocation model adopted by the Group. Additionally, the management performance of the segments may take into account amounts due to each business line for services between such lines – such information is assigned to the Bank's customers.

The Group's operations are carried out in Poland only. As no considerable differences in the risks, which might be affected by the geographical location of the Group's branches, can be identified, no geographical disclosures have been presented.

The Group applies consistent, detailed principles to all identified segments. As regards revenue, in addition to standard items, components of the net interest income of the segments have been identified, to include external and internal revenue and expenses. As regards operating expenses, the Group's indirect expenses are allocated to each segment in the Expense allocation (internal) item. Total integration of banks BGŻ and BNP Paribas Polska costs are presented in the Other Operations segment. Considering the profile of the Group's business, no material seasonal or cyclical phenomena are identified. The Group provides financial services, the demand for which is stable, and the effect of seasonality is immaterial.

Description of operating segments

The Retail and Business Banking Segment offers comprehensive services to individuals, also private banking customers, as well as businesses (microenterprises), including:

- entrepreneurs whose annual net revenue for the preceding financial year is below PLN 10 million and the Bank's credit exposure to a customer is less than PLN 2 million;
- farmers, where the Bank's credit exposure to a customer is less than PLN 1 million and Standard Output (parameter describing the economic size of farms in accordance with the Community Typology for Agricultural Holdings) in the preceding financial year was less than EUR 50 thousand.

The scope of financial services offered by the Retail and Business Banking Segment includes maintenance of current and deposit accounts, acceptance of term deposits, granting mortgages loans, cash advances, mortgage loans, overdrafts, loans to microenterprises, issuing debit and credit cards, cross-border cash transfers, foreign exchange transactions, sale of insurance products as well as other services of lesser importance to the Group's income. Additionally, the performance of the Retail and Business Banking Segment includes: balances and performance of direct banking (BGŻ Optima), performance of brokerage services and distribution of investment fund units.

The Retail and Business Banking customers are served by the Bank's Branches and alternative channels, i.e. online banking (eBGŻ, Pl@net), mobile banking and telephone banking (TeleBGŻ), indirect banking channel (BGŻ Optima) and the Personal Banking channel. Selected products are also sold by financial intermediaries active at the country and local level.

Personal Finance is responsible for development of product offering and management of financial services provided to consumers, with three major products, i.e. cash advances, car loans and credit cards. The aforesaid products are distributed through the Retail and Business Banking branch network as well as external distribution channels.

Personal Finance provides strong support in acquisition of individual customers, generating revenue and increasing profitability.

The SME and Agro Segment provides services to institutional customers (other than retail customers) with annual net revenue for the preceding financial year of PLN 10-60 million and the Bank's credit exposure of less than PLN 25 million, or the Bank's credit exposure of PLN 2-25 million and the customer's net revenue for the preceding financial year of less than PLN 60 million; farmers with the Bank's credit exposure of PLN 1-25 million or the Standard Output (parameter describing the economic size of farms in accordance with the Community Typology for Agricultural Holdings) in the preceding financial year of EUR 50 thousand or more as well as Agro entrepreneurs.

The SME sales network has been divided into 7 SME Regions with 44 SME Business Centers dedicated solely to provision of services to Small and Medium-Sized Enterprises.

The Corporate Banking Segment focuses on provision of services to medium-sized and large enterprises, offering them a wide range of financial solutions**.** Corporate Banking customers are corporations and institutions with annual sales revenue exceeding PLN 60 million. They are divided into four key groups:

- Polish mid-caps (with annual revenue of PLN 60-600 million);
- multinational customers (companies operating in multinational capital groups);
- large Polish corporations (with annual turnover of more than PLN 600 million and an investment banking potential);
- public sector and institutions.

Additionally, an agro sub-segment and a non-agro sub-segment have been identified in the aforesaid segment.

Services are provided by 9 Business Centers located in large cities across Poland, which are separate from the Bank's branch network. Operating services are provided to all institutional segment customers by the Bank's Branches, via telephone (TeleBGŻ) and online (eBGŻ Firma, Biznes Planet and Connexis). Selected products are also sold by financial intermediaries active at the country and local level.

The basic products and services provided to Corporate Customers include cash management and global trade finance services – comprehensive services related to import and export LCs, bank guarantees and documentary collection, supply chain and exports financing, acceptance of deposits (from overnight to term deposits), corporate finance services which involve provision of overdraft facilities, revolving and investment loans as well as agro-business loans), financial market products, to include foreign exchange and derivative transactions on account of customers, lease and factoring products as well as specialized services such as financing real property, structured finance services to mid-caps and investment banking.

The Corporate and Institutional Banking (CIB) Segment supports sales of products of the BNP Paribas Group, an international institution, dedicated to the largest Polish enterprises.

It offers world-class quality expertise to customers by combining the knowledge of the Polish market with experience gained on international markets as well as top-class industry experts' competence. It supports development of Polish enterprises and implementation of projects of strategic importance to Poland, to include construction of power plants, green energy or fuel sector funding or securing financing for cross-border acquisitions of listed companies. In addition to the Strategic Customer Department, the organizational structure of CIB comprises the Financial Markets Division.

Other Operations of the Group are carried out mainly through **the Asset Liability Management Division, the** main objective of which is ensuring an appropriate and stable level of funding to guarantee security of the Bank's operations and compliance with the standards defined in the applicable laws.

The Asset Liability Management Division assumes responsibility for liquidity management at the Bank, setting internal and external reference prices, management of the interest rate risk inherent in the Bank's balance sheet as well as the operational and structural currency risk. The Asset Liability Management Division focuses on both prudential (compliance with external and internal regulations) and optimization aspects (financing cost management and generating profit on management of the Bank's balance sheet items).

The **Other Operations** segment includes also direct costs of the support functions, which have been allocated to segments in the Expense allocation (internal) item, as well as results that may not be assigned to any of the aforementioned segments (to include equity investment, gains/losses on own accounts and customer accounts not allocated to a specific segment).

The presentation of data in the segment reporting note as at 30 September 2014 and for the period then ended has been changed as compared to the presentation in the interim consolidated financial statements prepared as at 30 September 2014 and for the period then ended, with a view to ensuring their full comparability with the relevant financial information as at 30 September 2015 and for the period then ended.

- figures in thousand PLN

Q1-Q3 2015*	Retail and Business Banking	SME and AGRO	Corporate Banking	CIB	Other Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss								
Net interest income	592 367	144 378	108 742	1 815	149 085	**996 388**	231 750	182 738
external interest income	799 199	297 098	199 131	-	171 275	**1 466 703**	475 908	263 390
external interest expense	(278 078)	(35 493)	(75 957)	-	(80 786)	**(470 315)**	(38 716)	-
internal interest income	474 440	73 675	107 486	-	733 833	**1 389 433**	(288 655)	(80 662)
internal interest expense	(403 193)	(190 901)	(121 918)	1 815	(675 236)	**(1 389 433)**	83 213	10
Net fee and commission income	180 324	64 866	55 175	32	1 189	**301 586**	89 932	9 725
Dividend income	2	(146)	144	-	4 394	**4 394**	192	-
Net trading income	29 247	22 821	35 684	15 031	18 324	**121 106**	17 481	583
Result on investment activities	78	-	-	-	35 227	**35 305**	-	-
Result on hedge accounting	-	-	-	-	-	**-**	-	-
Share in profit (loss) of associates	-	-	-	-	-	**-**	-	-
Other operating income and expenses	(3 075)	5 162	162	-	(26 300)	**(24 051)**	4 296	(1 902)
Net impairment losses on financial assets and contingent liabilities	(210 912)	(26 511)	12 288	-	(838)	**(225 972)**	(55 813)	(58 977)
General administrative expenses	(429 456)	(48 034)	(57 061)	(9 848)	(477 767)	**(1 022 165)**	(7 112)	(35 872)
Depreciation and amortization	(48 482)	(867)	(5 241)	(670)	(49 573)	**(104 833)**	(294)	(1 947)
Expense allocation (internal)	(140 320)	(41 174)	(34 221)	(2 971)	218 686	**-**	(60 483)	(33 641)
Segment result	**(30 226)**	**120 496**	**115 671**	**3 390**	**(127 573)**	**81 758**	**219 950**	**60 708**
Profit (loss) before income tax	**-**	**-**	**-**	**-**	**-**	**81 758**	**-**	**-**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**(23 539)**	**-**	**-**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**58 219**	**-**	**-**
Statement of financial position as at 30.09.2015								
Segment assets	27 313 268	11 050 438	11 828 563	-	11 544 541	**61 736 810**	15 585 559	5 059 454
Segment liabilities	27 071 373	5 344 995	10 101 495	-	13 020 220	**55 538 082**	4 883 667	-

Three quarters of 2014*	Retail and Business Banking	SME and AGRO	Corporate Banking	CIB	Other Operations	Total	including Agro customers	including Personal Finance
Income statement								
Net interest income	506 559	127 633	51 368	456	156 871	**842 887**	217 800	110 994
external interest income	671 655	306 141	136 638	-	226 180	**1 340 613**	518 218	149 031
external interest expense	(264 631)	(50 729)	(62 015)	-	(120 351)	**(497 726)**	(58 512)	-
internal interest income	483 910	86 501	68 938	-	654 787	**1 294 136**	(349 299)	(38 046)
internal interest expense	(384 374)	(214 279)	(92 194)	456	(603 745)	**(1 294 136)**	107 393	10
Net fee and commission income	158 438	50 774	23 187	(265)	2 022	**234 157**	83 595	(2 415)
Dividend income	-	-	-	-	3 303	**3 302**	-	-
Net trading income	29 647	18 495	8 767	2 693	(16 211)	**43 391**	17 745	594
Result on investment activities	-	-	-	-	5 389	**5 389**	-	-
Result on hedge accounting	-	-	-	-	(156)	**(156)**	-	-
Share in profit (loss) of associates	-	-	-	-	-	**-**	-	-
Other operating income and expenses	(2 495)	2 451	1 221	-	4 889	**6 066**	1 477	(15)
Net impairment losses on financial assets and contingent liabilities	(103 937)	(33 895)	(17 195)	-	(357)	**(155 383)**	(33 857)	(29 931)
General administrative expenses	(383 209)	(30 082)	(26 673)	-	(240 749)	**(680 714)**	(7 040)	-
Depreciation and amortization	(39 244)	(455)	(3 481)	-	(31 025)	**(74 204)**	(257)	-
Expense allocation (internal)	(155 201)	(44 701)	(18 957)	(647)	219 507	**-**	-	-
Segment result	**10 558**	**90 220**	**18 237**	**2 238**	**103 482**	**224 735**	**279 463**	**79 227**
Profit (loss) before income tax	**-**	**-**	**-**	**-**	**-**	**224 735**	**-**	**-**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**(47 471)**	**-**	**-**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**177 264**	**-**	**-**
Statement of financial position as at 31.12.2014								
Segment assets	16 576 471	8 419 119	4 200 740	-	11 300 245	**40 496 575**	14 243 059	1 352 490
Segment liabilities	22 042 225	3 536 701	4 806 638	-	5 954 708	**36 340 271**	4 695 766	-

*As the figures have been rounded and presented in PLN ‘000, in some cases their total may not correspond to the exact grand total.

- figures in thousand PLN

43 The Shareholders' structure of Bank BGŻ BNP Paribas S.A.

As at 30 September 2015 and the date of the Management Board's approval of the report for the third quarter of 2015, i.e. 9 November 2015, the structure of the shareholders of Bank BGŻ BNP Paribas S.A., including those holding at least 5% of the total number of votes at the General Meeting, was as follows:

30.09.2015 Shareholders	Number of shares	Percentage interest in share capital	Number of votes at the General Meeting	Percentage share in the total number of votes at the General Meeting
BNP PARIBAS total:	74 409 864	88.33%	74 409 864	88.33%
BNP Paribas directly	50 524 889	59.98%	50 524 889	59.98%
BNP Paribas Fortis SA/NV directly	23 884 975	28.35%	23 884 975	28.35%
Rabobank International Holding B.V.*	5 613 875	6.66%	5 613 875	6.66%
Other	4 214 579	5.01%	4 214 579	5.01%
Total:	**84 238 318**	**100.00%**	**84 238 318**	**100.00%**

*Rabobank Group

As at 30 September 2015, the Bank's share capital amounted to PLN 84,238 thousand and was divided into 84,238,318 shares with the par value of PLN 1.00, including: 15,088,100 A series shares, 7,807,300 B series shares, 247,329 C series shares, 3,220,932 D series shares, 10,640,643 E series shares, 6,132,460 F series shares, 8,000,000 G series shares, 5,002,000 H series shares and 28,099,554 I series shares.

The Bank's shares are ordinary bearer and registered shares (as at 30 September 2015, there were 13,024,915 registered shares, including 4 B series shares).

No special control rights are attached to the ordinary bearer shares.

Four B series registered shares of the Bank are preference shares with respect to payment of the full par value per share in the event of the Bank's liquidation, once the creditors' claims have been satisfied, with priority over payments per ordinary shares, which, after the rights attached to the preference shares have been exercised, may be insufficient to cover the total par value of those shares.

The Bank's Statute does not impose any limitations as to exercising the voting rights or set forth any provisions whereby the equity rights attached to securities would be separated from the holding itself. One right to vote at the General Meeting of the Bank is attached to each share. The Bank's Statute does not impose any limitations as to transferring the title to the securities issued by the Bank.

As at 30 September 2015 and the date of the Management Board's approval of the report for the third quarter of 2015, i.e. 9 November 2015, no shares issued by the Bank were held by members of the Management Board, Supervisory Board or the key executives, which has not changed since the date of publication of the report for the first half of 2015, i.e. 31 August 2015.

As declared by BNP Paribas SA to the Polish Financial Supervision Authority, the number of the Bank's shares that are traded freely should be increased to at least 12.5% by 30 June 2016 and to at least 25% plus one share by the end of 2018 at the latest, in accordance with the specific conditions laid down in the aforesaid declarations.

- figures in thousand PLN

Changes in the shareholder structure in the first half of 2015

As at 31 December 2014, the structure of the shareholders of Bank BGŻ S.A., including those holding at least 5% of the total number of votes at the General Meeting, was as follows:

31.12.2014 Shareholders	Number of shares	Percentage interest in share capital	Number of votes at the General Meeting	Percentage share in the total number of votes at the General Meeting
BNP PARIBAS	49 952 737	88.98%	49 952 737	88.98%
Rabobank International Holding B.V.*	5 613 875	9.99%	5 613 875	9.99%
Other	572 152	1.03%	572 152	1.03%
Total:	**56 138 764**	**100.00%**	**56 138 764**	**100.00%**

***Rabobank Group**

Squeeze-out

On 3 December 2014, BNP Paribas SA and Rabobank International Holding B.V. entered into an agreement, as referred to in Article 87.1.5 of the Act on Public Offering, concerning the purchase of the Bank's shares by demanding that all remaining shareholders sell all the Bank's shares which they hold in accordance with Article 82 of the Act on Public Offering ("squeeze-out").

On 13 January 2015, Bank BGŻ was notified that BNP Paribas and Rabobank, acting in agreement concerning the purchase of the shares in Bank BGŻ through squeeze-out, hold 56,129,200 shares in the Bank in total, which represent 56,129,200 votes at the Bank's General Meeting, thus ca. 99.98% interest in the share capital as well as ca. 99.98% of the total number of votes at the General Meeting.

On 19 January 2015, the squeeze-out procedure was closed by BNP Paribas. At the same time, the agreement of 3 December 2014 made by BNP Paribas and Rabobank with respect to the purchase of shares in Bank BGŻ through squeeze-out expired.

Consequently, on 23 January 2015, the Bank was notified that following the squeeze-out BNP Paribas SA with its registered office in Paris holds 50,524,889 shares in the Bank, which represent 50,524,889 votes at the Bank's General Meeting, thus ca. 90.0000025% interest in the share capital as well as ca. 90.0000025% of the total number of votes at the General Meeting. The shareholding of Rabobank International Holding B.V. remained unchanged, i.e. 5,613,875 shares representing 9.9999975% of the total number of shares.

Issue of I series merger shares

Pursuant to a resolution of the Extraordinary Shareholders' Meeting of 25 February 2015, the Bank issued a public offering of 28,099,554 I series merger shares.

Following the registration of an increase in the share capital from PLN 56,138,764.00 to PLN 84,238,318.00 through the issue of 28,099,554 I series merger shares, on 30 April 2015, the merger shares were acquired by the existing shareholders of BNPP Polska. The shareholders of BNPP Polska received 5 Merger Shares in exchange for 6 shares in BNPP Polska. The fractional shares, i.e. those which were not handed over to the shareholders of BNPP Polska as a result of approximation, were acquired by BNPP Fortis.

As a result, the percentage share of the existing shareholders of Bank BGŻ in the total number of votes at the General Meeting of the Bank changed. The share of BNP Paribas in the total number of votes at the General Meeting of the Bank decreased below the threshold of 90%. At the same time, BNP Paribas Fortis SA/NV (BNPP Fortis), which did not hold any shares in Bank BGŻ before the merger, exceeded the threshold of 25% of the total number of votes.

Following the merger and acquisition of the fractional shares by BNPP Fortis, the BNP Paribas Group holds the total of 74,409,864 shares in the Bank representing 88.33% of the share capital, which corresponds to 74,409,864 votes and 88.33% of the total number of votes, where:

a) 50,524,889 shares in the Bank representing 59.98% of the share capital as well as 50,524,889 votes and 59.98% of the total number of votes are held by BNP PARIBAS directly; and

b) 23,884,975 shares in the Bank representing 28.35% of the share capital as well as 23,884,975 votes and 28.35% of the total number of votes are held by BNP PARIBAS indirectly through BNPP Fortis, a subsidiary.

The share of the Rabobank Group decreased from 9.99% to 6.66%. Rabobank International Holding B.V. holds the total of 5,613,875 shares in the Bank representing 6.66% of the share capital as well as 5,613,875 votes and 6.66% of the total number of votes at the Bank.

44 Dividends paid

Pursuant to a Resolution of the General Meeting of BGŻ BNP Paribas of 19 June 2015, the net profit for 2014, in the amount of PLN 137,730 thousand, was allocated to the unidentified banking risk reserve (PLN 130,000 thousand) and to the Bank's supplementary capital (PLN 7,730 thousand).

45 Litigation

As at 30 September 2015, the total value of the proceedings with the Bank as the defendant was PLN 112,476 thousand and of those with the Bank as the plaintiff was PLN 137,402 thousand. As at 31 December 2014, the total value of the proceedings with the Bank as the defendant was PLN 40,735 thousand and of those with the Bank as the plaintiff was PLN 75,744 thousand.

Bank BGŻ BNP Paribas Spółka Akcyjna or other Group companies are not parties to any proceedings before courts, arbitration or public administration bodies, the value of which would account for at least 10% of the Bank's equity.

Court decision regarding calculation of the interchange fee

On 6 October 2015, the Court of Appeals issued a decision regarding calculation of the interchange fee by banks acting in agreement. Thus, the decision of the 1st instance (Regional) Court of 2013 was changed by dismissing the banks' appeals in whole, while upholding the appeal brought by the Office of Competition and Consumer Protection (UOKiK), which had questioned a considerable reduction in the fines by the 1st instance court. This denotes that the penalty imposed under the decision of the President of UOKiK of 29 December 2006 was upheld. It involved a fine of PLN 9,650 thousand levied on BGŻ S.A. for practices limiting competition by calculating interchange fees on Visa and MasterCard transactions in Poland in agreement. The banks acting in agreement were also ordered to discontinue such a practice immediately.

As communicated by Bank BGŻ S.A. in its annual report for 2013, the 1st instance proceedings before the Antitrust Court concerning the fine imposed by the President of UOKiK in 2006 were closed in 2013. As a result of proceedings instigated between 2006 and 2013 before the Regional Court in Warsaw – the Court of Competition and Consumer Protection and subsequently, the Court of Appeals, in its decision of 21 November 2013 the Court dismissed all the appeals brought by the parties (the banks and MasterCard) and amended the decision issued by the President of UOKiK by reducing the fine levied on Bank BGŻ S.A. before to PLN 1,861 thousand. The Bank recognized a relevant provision for legal risk which amounted to PLN 1,861 thousand as at 31 December 2013.

BNP Paribas Bank Polska S.A. (then: Fortis Bank Polska S.A.) was also among the 20 Polish banks being parties to the proceedings, on which a fine of PLN 2,895 thousand was levied by the President of UOKiK in 2006. As a result of an appeal filed by the banks with the Antitrust Court and further appeals, in November 2013, the Antitrust Court (1st instance) issued a decision whereby the fine imposed on the bank was reduced to PLN 60 thousand. In December 2013, the provision for legal risk recognized by the bank was reduced to the level of the fine imposed on the bank under the said decision.

The total fine levied on Bank BGŻ BNP Paribas S.A. as a result of the final decision of the Appeal Court amounts to PLN 12,544 thousand and includes: i) a fine for the practice of Bank Gospodarki Żywnościowej in the amount of PLN 9,650 thousand and ii) a fine for the practice of Fortis Bank Polska S.A. in the amount of PLN 2,895 thousand.

The decision is final. The fine levied by the court was paid by the Bank within the prescribed time limit of 14 days of the date of the decision becoming final (in accordance with Article 112.3 of the Act on Competition and Consumer Protection).

The costs related to the said fine, totaling PLN 10.6 million, will have a direct impact on the net profit of the Bank in the fourth quarter of 2015.

A last resort appeal may be brought by the banks against the decision of the Court, which possibility is being considered by the Management Board of the Bank.

46 Risk management

Presented below are the major changes in the approach to credit risk management, basic market, liquidity, counterparty and country risk measures as well as changes in the approach to operational risk management, as introduced in the first three quarters of 2015.

CREDIT RISK

Credit risk is inherent in the core financial operations of the Bank, the scope of which includes both lending and provision of funding with the use of capital market products. Consequently, credit risk is identified as the risk with the highest potential to affect the present and future profits and equity of Bank BGŻ BNP Paribas. The materiality of credit risk is confirmed by its more than 70% share in the total economic capital estimated by the Group for purposes of covering major risks involved in the Group's operations, in addition to its 90% share in the total value of regulatory capital.

Credit risk management is primarily aimed at implementation of the Group's strategy through a harmonious increase in the loan portfolio, accompanied by maintenance of the credit risk appetite at an acceptable level.

Credit risk management principles adopted by the Group:

- each credit transaction requires comprehensive credit risk assessment expressed in internal rating or scoring;
- in-depth and careful financial analysis serves as the basis for regarding the customer's financial information and collateral-related data as reliable; prudential analyses performed by the Group always take into account a margin of safety;
- as a rule, financing is provided to the customer based on its ability to generate cash flows that ensure payment of its liabilities to the Group;
- the credit risk assessment is additionally verified by credit risk assessment personnel, independent of the business;
- the pricing terms of a credit transaction have to account for the risk involved in such a transaction;
- credit risk is diversified on such dimensions as geographical regions, industries, products and customers;
- credit decisions may only be taken by competent employees;
- the Group enters into credit transactions only with customers it knows and long-term relationships are the basis for cooperation with customers;
- the customer and the transactions made with the customer are monitored transparently from the perspective of the customer, in a manner that strengthens the relationship between the Bank and the customer.

Forbearance practices

The Bank treats its exposures as forborne if the obligor is provided with a facility which results in a material economic loss or any facility for exposures with indications of impairment.

A facility is understood as the occurrence of at least one of the following events:

- a change to the repayment schedule;
- cancellation of the past due amount (e.g. capitalization of the past due amount, which may be repaid at a later date);
- cancellation of principal, interest or fees;

- granting a new loan for purposes of repayment of the existing debt only when the customer is faced with financial difficulties, i.e.:
  - the exposure is subject to debt collection; or
  - the exposure is not subject to debt collection but there is evidence (provided by the customer or obtained in the decision-making process) that the customer is facing financial difficulties.

A material economic loss is defined by the bank as:

- margin reduction by more than 50%; or
- cancellation of receivables by more than 5% of the total amount due (principal, interest, fees, charges); or
- a combination of the aforementioned elements, provided that they represent at least 100% of the loss materiality threshold.

The "forborne" status is no longer assigned if the following conditions have been satisfied:

- the exposure has not been considered impaired for 24 months in a row;
- none of the exposures to the customer are past due by more than 30 days;
- the obligor has been making regular and considerable payments for at least a half of the trial period.

FINANCIAL RISK

Market risk in the banking book

The interest rate risk level in the third quarter of 2015 was reduced as compared to the second quarter. The drop in the use of limits in each time range reached 18% on average. The sensitivity of items to changes in interest rates in the banking book was negative, which denotes that scenarios based on the assumption of interest rate rises were the worst case scenarios analyzed in stress tests.

The currency risk in the banking book is transferred to the trading book.

Market risk in the trading book

In the third quarter of 2015, the market risk measured by VaR remained at a moderate level – the average use of the VaR limit for the trading book was 33%. Interest rate exposures were the main source of risk in the trading book (with the major share of interest rate swaps and forward rate agreements). Currency risk exposures had a very limited impact on the Bank's market risk as end-of-day positions in each currency were reduced to minimum levels.

Liquidity risk

In the third quarter of 2015, the Bank's liquidity was maintained at a safe level. Ratios and supervisory liquidity measures remained at a satisfactory level, both in the short and in the long term, which means that the related requirements were satisfied by the Group in the whole reporting period.

Amounts due to customers, medium- and long-term lines of credit and equity are the major sources of funding used by the Bank. Medium- and long-term lines of credit, including subordinated loans, are provided mainly by the BNP Paribas Group.

Counterparty and country risk

The counterparty risk exposure to corporate customers remained virtually unchanged in the third quarter of 2015. A considerable increase was observed in the exposure to banks (excluding trade finance transactions).

Counterparty risk exposure to corporate customers

	30.09.2015	30.06.2015	Change
exposure	211 247	206 937	2%

Exposure to banks (excluding trade finance transactions)

	30.09.2015	30.06.2015	Change
exposure	320 246	205 363	56%

As at 30 September 2015, foreign lending operations of the Bank represented 44%, international trade transactions accounted for 34.9%, treasury transactions for 21% and derivative transactions entered into with foreign corporate customers represented 0.1% of the Bank's country risk exposure.

Risk appetite structure and actual exposure of the Bank:

Exposure by countries (in PLN million)

country risk classification*	limit	exposure	use
low	7 010	1 023	15%
moderate	553	248	45%
elevated	225	69	31%
high	10	9	86%

*based on internal country risk ratings

OPERATIONAL RISK

The Bank's operational risk is defined in accordance with the resolution of the Polish Financial Supervision Authority (PFSA) and the requirements of Recommendation M of the PFSA as the possibility of incurring a loss or an unreasonable cost through the fault of inappropriate or unreliable internal processes, people, technical systems or as a result of external factors. It includes legal risk but not strategic risk. Operational risk is inherent in any types of banking operations.

It is managed with a view to reducing the losses and costs resulting from the aforesaid risk, ensuring top quality of the services provided by the Bank in addition to security and compliance of the Bank's operations with the applicable laws and standards.

Procedures

Operational risk management consists in employment of measures aimed at operational risk identification, analysis, monitoring, control, reporting and mitigating in addition to implementation of corrective actions. Such measures take into account the structures, processes, resources and scopes of responsibilities for the said processes at various organizational levels. The operational risk management strategy has been described in the *Operational Risk Management Strategy of Bank BGŻ BNP Paribas S.A.*, which was approved by the Management Board of the Bank and accepted by the Supervisory Board. The *Operational Risk Policy of Bank BGŻ BNP Paribas S.A.*, adopted by the Management Board of the Bank, is another document of key importance. It addresses all aspects of the Bank's operations in addition to defining the Bank's objectives and the methods of their achievement as regards the quality of operational risk management as well as compliance with legal requirements set out in the recommendations and resolutions issued by local banking supervision authorities. The Bank's operational risk management objectives include, in particular, compliance with high operational risk management and assessment standards that guarantee security of customer deposits, the Bank's equity, stability of its financial performance as well as maintenance of the operational risk level within the range of the operational risk appetite and tolerance defined by the Bank. When developing the operational risk management and assessment system, the Bank complies with the applicable legal requirements, in particular the recommendations and resolutions of the national financial supervision authorities and the standards adopted by the Group.

In accordance with the policy, the Bank's operational risk management instruments include:

- tools used for purposes of recording operational events, together with the principles of their recording, allocation and reporting;
- operational risk analysis, its monitoring and day-to-day control;
- counteracting an elevated level of operational risk, to include risk transfer;
- calculation of the capital requirement related to operational risk.

Compliance with the operational risk policy is verified by the Bank's Management Board periodically and, if necessary, the required adjustments are made in order to improve the system. To this end, the Management Board of the Bank is regularly provided with information concerning the scale and types of operational risk to which the Bank is exposed, its effects and management methods.

Internal environment

The Bank precisely defines the roles and responsibilities in the operational risk management process, considering its organizational structure. The Operational Risk Department is responsible for day-to-day operational risk analysis in addition to development of appropriate risk control and mitigation techniques and their improvement. Development and implementation of the Bank's strategy with respect to insurance as a risk mitigation technique is the responsibility of the Administration Department, while the Information Security and Continuity of Business Department ('COB') focuses on management of continuity of business.

As part of the legal risk management process, the Legal Division monitors, identifies and performs analyses of changes to common laws and their effect on the Group's operations, in addition to court and administrative proceedings which affect the Bank. The Compliance Department is responsible for day-to-day compliance risk analysis as well as development of appropriate risk control techniques and their improvement.

Considering the elevated level of external and internal risks related to fraud and offence against the assets of the Bank and its customers, the Bank has extended the scope of and improved its processes aimed at counteracting, detecting and examining such cases, which is the responsibility of the Fraud Management Department.

Risk management

The Bank places a strong focus on identification and assessment of the factors that trigger its present exposure to operational risk in relation to banking products. It is the Bank's objective to reduce the operational risk level through improvement of its internal processes as well as mitigating the risk inherent in the process of launching new products and services and outsourcing operations to third parties.

In accordance with the operational risk management policy, operational risk analysis is aimed at acquiring an understanding of the interdependence between the risk generating factors and operational event types, and it is performed primarily with the objective to define the operational risk profile.

The operational risk profile is the assessment of materiality of the risk, which is understood as the scale and structure of the operational risk exposure, defining the degree of exposure to the operational risk (operational losses), expressed in structural dimensions selected by the Bank (key process areas) and the scale (residual risk level). It is determined in the course of annual operational risk mapping sessions, which involve operational risk assessment for the major operational risk factors (people, processes, systems and external events) as well as the key process areas at the Bank.

Keeping a track record of operational events enables efficient operational risk analysis and monitoring. The process of operational event recording is overseen by the Operational Risk Department, which assumes responsibility for verification of the quality and completeness of data concerning operational events recorded in dedicated tools available to all organizational units of the Bank.

Internal control system

The internal control system principles have been formulated in the Internal Control Policy of the Bank BGZ BNP Paribas SA, which was approved by the Management Board of the Bank and accepted by the Supervisory Board. The document lays down the key principles, defines the organizational framework and establishes the standards of the Bank's internal control environment. The Bank's internal control objectives are, in particular, improvement of efficiency of controls as part of a uniform, effective internal control system based on three control levels, as well as improvement of the process of the Bank's response to identified internal control inefficiencies and raising the risk awareness in the organization. The Bank's management is involved in the process of ensuring and confirming the efficiency of the key processes and controls (management sign-off).
Functional control is exercised in accordance with the Functional Control Rules.

Monitoring and reporting

The Bank monitors periodically the efficiency of the operational risk management system and its appropriateness for its current risk profile. The organization of the operational risk management system is reviewed as part of periodic control exercised by the Internal Audit Division, which is not directly involved in the operational risk management process but provides professional and unbiased opinions supporting achievement of the Bank's objectives. The operational risk management system is overseen and its appropriateness and efficiency are assessed by the Supervisory Board.

The Bank holds data regarding operational risk losses for over ten years and estimates its regulatory capital necessary to cover operational risk in accordance with the applicable regulations. The said calculation is performed using the basic indicator approach (BIA).

47 Changes in the governing bodies of the Bank

At its meeting on 20 March 2015, the Supervisory Board adopted a resolution on appointment of Mr. Bartosz Urbaniak to the position of Member of the Management Board of the Bank as of 1 April 2015.

On 20 March 2015, resignations were submitted by:

- Ms. Monika Nachyła, Vice-President of the Management Board, as of 30 April 2015;
- Mr. Gerardus Embrechts, First Vice-President of the Management Board, as of 31 March 2015;
- Mr. Dariusz Odzioba, Vice-President of the Management Board, as of 31 March 2015;
- Mr. Witold Okarma, Vice-President of the Management Board, as of the date of the merger of BGŻ S.A. and Bank BNP Paribas Polska S.A.;
- Mr. Andrzej Sieradz, Vice-President of the Management Board, as of 31 March 2015.

The resignations submitted before by Ms. Monika Nachyła, Vice-President of the Management Board, and Mr. Witold Okarma, Vice-President of the Management Board, became effective as of the Merger date.

On 30 April 2015, Mr. Józef Wancer resigned from the position of President of the Management Board.

In its Resolution of 30 April 2015, amended by a Resolution of 30 July 2015, the Supervisory Board of the Bank appointed Mr. Tomasz Bogus President of the Management Board of the Bank. The aforesaid resolution on appointment was to enter into force as of the date of the consent of the Polish Financial Supervision Authority for the appointment, not earlier, though, than on 1 September 2015.

On 30 July 2015, Mr. Józef Wancer submitted a representation, whereby the effective date of his resignation from the position of President of the Management Board of the Bank was changed. In accordance with the aforesaid representation, Mr. Wancer held the office of President of the Management Board until 31 August 2015.

On 25 August 2015, pursuant to Article 22b of the Banking Law, the Polish Financial Supervision Authority granted its consent for the appointment of Mr. Tomasz Bogus to the position of the President of the Management Board. Mr. Tomasz Bogus assumed the position of the Management Board President of Bank BGŻ BNP Paribas S.A. as of 1 September 2015.

On 27 July 2015 Mr. Wojciech Sass submitted a statement of resignation from the position of Vice-President of the Management Board of the Bank as of 31 August 2015.

Composition of the Management Board of Bank BGŻ BNP Paribas as at 30 September 2015:

1. Tomasz Bogus – President of the Management Board;
2. Daniel Astraud – Vice-President of the Management Board;
3. Francois Benaroya – Vice-President of the Management Board;
4. Blagoy Bochev – Vice-President of the Management Board;
5. Jan Bujak – Vice-President of the Management Board;
6. Wojciech Kembłowski – Vice-President of the Management Board;
7. Magdalena Legęć – Vice-President of the Management Board;
8. Jaromir Pelczarski – Vice-President of the Management Board;
9. Jean-Philippe Stephane Rodes – Vice-President of the Management Board;
10. Michel Thebault – Vice-President of the Management Board;
11. Bartosz Urbaniak – Member of the Management Board.

On 1 September 2015, Extraordinary Shareholders' Meeting of the Bank appointed the following individuals members of the Supervisory Board: Stefaan Decraene, Alain Van Groenendael, Thomas Mennicken, Piotr Mietkowski and Józef Wancer, until the end of the current three-year office term ending as at the date of the Ordinary Shareholders' meeting approving the financial statements for 2015.

Therefore, and taking into account the statement of resignation as of 31 August 2015, submitted by Mr. Michel Vial, composition of the Supervisory Board as at 30 September 2015 was as follows:

1. Józef Wancer – Chairman of the Supervisory Board;
2. Jarosław Bauc – Vice-Chairman of the Supervisory Board, an independent member;
3. Jean-Paul Sabet – Member of the Supervisory Board (Vice-Chairman since the registration date of amendments to the Bank's Charter arising from Article 1 of Resolution No. 3 of the Extraordinary Shareholders' Meeting of 1 September 2015);
4. Stefaan Decraene – Member of the Supervisory Board;
5. Jacques d'Estais – Member of the Supervisory Board;
6. Alain Van Groenendael – Member of the Supervisory Board;
7. Thomas Mennicken – Member of the Supervisory Board;
8. Piotr Mietkowski – Member of the Supervisory Board;
9. Monika Nachyła – Member of the Supervisory Board;
10. Mariusz Warych – Independent Member of the Supervisory Board.

48 Major events in 2015

16.02.2015 **The Polish Financial Supervision Authority** approved the **Information Memorandum** of Bank Gospodarki Żywnościowej S.A. prepared in connection with the merger of Bank BGŻ and BNP Paribas Bank Polska S.A.

25.02.2015 **The Extraordinary Shareholders' Meetings** of Bank BGŻ and BNP Paribas Bank Polska SA adopted **resolutions on the banks' merger,** increase in the share capital of Bank BGŻ through the issue of 28,099,554 I series shares and consent for the proposed amendments to the Statute of Bank BGŻ. The post-merger consolidated text of the Bank's Statute was adopted by the Extraordinary Shareholders' Meeting of Bank BGŻ.

5.03.2015 An **agreement with the trade unions** active at Bank BGŻ and one of the two trade unions active at BNP Paribas Bank Polska S.A. was made, whereby the procedures related to the group dismissal process were defined.

9.04.2015 **The Polish Financial Supervision Authority granted its consent for the merger of Bank Gospodarki Żywnościowej S.A. and BNP Paribas Bank Polska S.A. (BNPP Polska):**

- the PFSA granted its consent for the merger of Bank BGŻ (as the acquirer) and BNPP Polska (as the acquiree) through the transfer of all assets, equity and liabilities of BNPP Polska onto Bank BGŻ; and
- the PFSA adopted a decision that there are no grounds for voicing an objection against the intention of Bank BGŻ to purchase directly the shares in Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A., the number of which is sufficient to exceed the threshold of 50% of votes at the General Shareholders' Meeting.

10.04.2015 **BNP Paribas Fortis SA/NV obtained a decision of the European Central Bank** issued as part of the Single Supervisory Mechanism, whereby a consent for the planned merger of the banks was granted.

23.04.2015 **The Polish Financial Supervision Authority** granted its consent for **amendments to the Statute of Bank Gospodarki Żywnościowej S.A.** made in relation to the banks' merger.

29.04.2015 Bank BGŻ recognized a **restructuring provision** totaling PLN 49.3 million and a provision for winding up the branches of Bank BGŻ S.A. in the amount of PLN 6.9 million. The said provisions were recognized as part of the restructuring process planned in connection with the merger of the banks.

30.04.2015 **Legal merger of Bank BGŻ and BNP Paribas Bank Polska**
The District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, recorded the banks' merger, an increase in the share capital and amendments to the Charter in the National Court Register. Upon the entry of the merger in the National Court Register, the Bank's business name was changed from Bank Gospodarki Żywnościowej S.A. to Bank BGŻ BNP Paribas S.A.
The merger was effected in accordance with Article 492.1.1 of the Code of Commercial Companies by transferring all the assets, equity and liabilities of BNPP Polska (the acquiree) onto Bank BGŻ (the acquirer), which was accompanied by an entry of the increase in the share capital of BGŻ from PLN 56,138,764.00 to PLN 84,238,318.00 through the issue of 28,099,554 shares of Bank BGŻ with the par value of PLN 1.00 each, which were acquired by the existing shareholders of BNPP Polska (merger shares). The shareholders of BNPP Polska received 5 Merger Shares in exchange for 6 shares in BNPP Polska.
As a result of the merger, Bank BGŻ assumed all the rights and obligations of BNP Paribas Bank Polska S.A., which was wound up without a liquidation procedure.

6.05.2015 **The Bank was notified** by BNP Paribas SA and BNP Paribas Fortis SA/NV of their shareholding in the merged Bank BGŻ BNP Paribas S.A. as a result of acquisition of I series merger shares issued.
The share of BNP Paribas in the total number of votes at the Bank's General

Shareholders' Meeting dropped below the threshold of 90% to 88.33%, including 59.98% held directly and 28.35% held through BNP Paribas Fortis SA/NV.
BNP Paribas Fortis SA/NV (BNPP Fortis), which did not hold any shares in Bank BGŻ before the merger, exceeded the threshold of 25% of the total number of votes. Detailed information concerning the parties holding more than 5% of the total number of votes has been presented in Section 43 of the Report.

18.05.2015 **The new I series merger shares were registered with the National Depository for Securities** under code ISIN PLBGZ0000010 and introduced to trading on the Main Market of the Warsaw Stock Exchange.
The shares in Bank BGŻ BNP Paribas were reintroduced to trading on the Main Market of the Warsaw Stock Exchange.

11.06.2015 The Supervisory Board of the Bank appointed **Deloitte Polska** Spółka z ograniczoną odpowiedzialnością Spółka komandytowa as the entity authorized to audit the separate financial statements of Bank BGŻ BNP Paribas S.A. and the consolidated financial statements of the Capital Group of Bank BGŻ BNP Paribas S.A. for 2015-2017.

29.06.2015 **A single brand and logo of BGŻ BNP Paribas were introduced.**

13.07.2015 Following registration of changes in the National Court Register, Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A. changed its business name to **Towarzystwo Funduszy Inwestycyjnych BGŻ BNP Paribas S.A.**

28.07.2015 Bank BGŻ BNP Paribas S.A. signed the following agreements with Sygma Banque SA with its registered office in Paris (Sygma Banque):

- *a preliminary share purchase agreement,* whereby the Bank and Sygma Banque are obliged to enter into a final share purchase agreement under which BGŻ BNPP will acquire 1,000 (one thousand) registered shares in Sygma Bank Polska Spółka Akcyjna with its registered office in Warsaw ("Sygma Bank Polska"), representing 100% of the shares in Sygma Bank Polska and 100% of votes at the General Meeting of Sygma Bank Polska, from Sygma Banque (or its legal successor), at the total price of PLN 200 million.

  The final agreement for the purchase of shares in Sygma Bank Polska will be signed after the following conditions precedent have been satisfied: (i) registration of Sygma Bank Polska in the Register of Entrepreneurs of the National Court Register; (ii) the Polish Financial Supervision Authority granting the authorizations and issuing the decisions required under the Banking Law; and (iii) the entry of the Resolution of the Supervisory Board of BGŻ BNPP concerning the consent for acquisition of the shares in Sygma Bank Polska by BGŻ BNPP into force;
- *a preliminary share purchase agreement,* whereby the Bank and Sygma Banque are obliged to enter into a final share purchase agreement under which BGŻ BNPP will acquire 100% of the shares in Laser Services Polska Spółka Akcyjna with its registered office in Warsaw ("LSP") at the total price of PLN 11 million from Sygma Banque (or its legal successor).

  The final agreement for the purchase of LSP shares will be signed after the following conditions precedent have been satisfied: (i) acquisition of 100% of shares in Sygma Bank Polska by BGŻ BNPP; and (ii) the entry of the Resolution of the Supervisory Board of BGŻ BNPP concerning the consent for acquisition of LSP shares by BGŻ BNPP into force.

03.08.2015 **Registration of Sygma Bank Polska Spółka Akcyjna** with its registered office in Warsaw in the Register of Entrepreneurs of the National Court Register. Thus, the first condition precedent necessary for conclusion of the final agreement for the purchase of shares in Sygma Bank Polska by BGŻ BNPP from Sygma Banque SA with its registered office in Paris, France (or the legal successor of Sygma Banque SA) was satisfied.

01.09.2015 **The Extraordinary Shareholders' Meeting of Bank BGŻ BNP Paribas S.A.** adopted resolutions concerning: (i) amendments to the Statute of Bank BGŻ BNP Paribas S.A. and adoption of a consolidated text thereof; (ii) determination of the number of members of the Bank's Supervisory Board; (iii) changes in the composition of the Bank's Supervisory Board; and (iv) amendments to Resolution No. 24 of the Extraordinary Shareholders' Meeting of Bank Gospodarki Żywnościowej S.A. concerning the compensation paid to members of the Supervisory Board of Bank Gospodarki Żywnościowej Spółka Akcyjna, dated 10 January 2005.

49 Factors which, according to the Bank, will affect the Group's performance within the upcoming quarter.

- Act of 9 October 2015 on supporting residential borrowers in a difficult financial condition

The Act of 9 October 2015 on supporting residential borrowers in a difficult financial condition (the Act on supporting borrowers), signed by the President of the Republic of Poland on 28 October 2015, enters into force in the fourth quarter 2015.

The Act sets the principles of providing and the conditions of using a returnable financial support, granted as no-interest bearing loans to individuals, who due to adverse objective situation found themselves in a financial distressed, and at the same time are obliged to pay down their residential mortgage installments, which constitutes a substantial burden to their household's budget.

The support will be paid from the funds of Borrowers' Support Fund (the Fund), to be created at Bank Gospodarstwa Krajowego.

Under the Act on supporting borrowers, some categories of lenders, including the Bank, are obliged to make a contribution to the Fund in proportion to the size of their portfolio of residential mortgage loans, for which delinquency in principal or interest repayments exceeds 90 days, based on data as at the end of the last quarter prior to the determination of the contribution value.

The Bank is planning to recognize in the fourth quarter of 2015 a provision of PLN 30 million to cover the contribution it will be required to make to the Borrowers' Support Fund. The actual amount and due date of the first contribution will be communicated to the lenders by the Fund's Board within one month of the expiry of 14 days of the Act publication date.

As at the end of September 2015 the Bank BGZ BNP Paribas housing loan portfolio amounted to PLN 14 573 million, including 90 days in default loans of PLN 513 million, while at the end of June 2015 they stood at PLN 14 821 million and PLN 500 million respectively.

The provision for the contribution to the Fund will have a negative impact on the Bank's and the Group's net financial result in the fourth quarter of 2015.

- Court decision regarding calculation of the interchange fee

On 6 October 2015, the Court of Appeals issued a decision regarding calculation of the interchange fee by banks acting in agreement. Thus, the decision of the 1st instance (Regional) Court of 2013 was changed by dismissing the banks' appeals in whole, while upholding the appeal brought by the Office of Competition and Consumer Protection (UOKiK), which had questioned a considerable reduction in the fines by the 1st instance court. This denotes that the penalty imposed under the decision of the President of UOKiK of 29 December 2006 was upheld, which involved fines levied on 20 banks, BGŻ S.A. and Fortis Bank Polska S.A. for practices limiting competition by calculating interchange fees on Visa and MasterCard transactions in Poland in agreement.
The total fine levied on Bank BGŻ BNP Paribas S.A. amounts to PLN 12,544 thousand and includes: i) a fine for the practice of Bank Gospodarki Żywnościowej (BGŻ) in the amount of PLN 9,650 thousand and ii) a fine for the practice of Fortis Bank Polska S.A. (FBP) in the amount of PLN 2,895 thousand.
The fine levied by the court was paid by the Bank within the prescribed time limit of 14 days of the date of the decision becoming final.

Given that the amount due exceeds the provision created for this purpose in 2013 by BGŻ and FBP, the costs related to the said fine, totaling PLN 10.6 million, will have a direct impact on the net profit of the Bank in the fourth quarter of 2015.
A last resort appeal may be brought by the banks against the decision of the Court, which possibility is being considered by the Management Board of the Bank.

- Potential further legislative changes

The possible imposition of the so called banking tax, further increases in the fees to the Bank Guarantee Fund or introduction of new legislation pertaining convertion of CHF mortgage loans into PLN loans could have a negative effect on the operations and financial performance of the Group.

As at the date of publishing the Bank's Q3 2015 report, legislative proceedings on the *Act laying down specific principles of foreign currency mortgage loan restructuring due to changes in foreign exchange rates relative to the Polish currency*, adopted on August 5, 2015 have been suspended due to the principle of discontinuation of works following the ending of 7th term of office of the Polish Parliament.

50 Events after the end of the reporting period

07.10.2015 **The entry into force of a Resolution of the Supervisory Board of BGŻ BNPP** concerning the consent for conclusion of agreements for the purchase of 100% of shares in Sygma Bank Polska Spółka Akcyjna (SBP) and 100% of shares in Laser Services Polska Spółka Akcyjna (LSP), between BGŻ BNPP and Sygma Banque ("Resolution of the Supervisory Board"). Thus, the next condition precedent necessary for conclusion of the final agreement for the purchase of shares in Sygma Bank Polska S.A. by BGŻ BNPP from Sygma Banque (or the legal successor of Sygma Banque SA) was satisfied.

At the same time, following the entry into force of the Resolution of the Supervisory Board, one of the conditions precedent necessary for conclusion of the final agreement for the purchase of shares in LSP by BGŻ BNPP from Sygma Banque (or the legal successor of Sygma Banque) was satisfied.

23.10.2015 The Bank received a recommendation from the Polish Financial Supervision Authority concerning the Bank's maintenance of equity necessary to satisfy an additional capital requirement at the level of 0.71 p.p. in order to hedge the risk resulting from foreign currency mortgage loans granted to households, with Tier 1 capital accounting for at least 75% (i.e. 0.53 p.p.) of such equity. Therefore, the Bank's minimum capital ratios taking into account the additional capital requirement recommended by PFSA should be as follows: Tier 1=9.53% and Total Capital Ratio = 12.71%. The recommended capital ratios of the Bank, taking into account the additional capital requirement in the context of the dividend policy (criteria for distribution of up to 100% of profit for 2014), are as follows: CET1= 9.53% and TCR= 13.21%.

The aforesaid recommendation should be respected by the Bank from the date of its receipt until revoked. As at the date of receipt of PFSA recommendations, the Bank maintained equity sufficient to satisfy the aforesaid capital requirements, i.e. as at 30 September 2015, the Bank's capital ratios were as follows: Tier 1 = 12.12% and TCR = 13.87%.

04.11.2015 **Recognition of a provision for the Borrowers' Support Fund contribution–** following the close of the legislative process related to the Act of 9 October 2015 on supporting residential borrowers in a difficult financial condition (the Act on supporting borrowers), in the fourth quarter of 2015 the Bank is planning to recognize a provision of PLN 30 million to cover the contribution it will be required to make to the Borrowers' Support Fund (the Fund).

The amount of the provision has been estimated in accordance with the Act on supporting borrowers, whereby some categories of lenders, including the Bank, are obliged to make a contribution to the Fund in proportion to size of their portfolio of residential mortgage loans for which. the delinquency in payment of the principal or interest exceeds 90 days.

The actual amount and due date of the first contribution will be communicated to the lenders by the Fund's Board within one month of the expiry of 14 days of the Act publication date.

The provision for the contribution to the Fund will have a negative impact on the Bank's net financial result in the fourth quarter of 2015.

- figures in thousand PLN

II INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Interim condensed separate statement of profit or loss

	3rd quarter of 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter of 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Interest income	562 947	1 460 104	476 959	1 342 005
Interest expense	(158 545)	(467 090)	(180 381)	(497 578)
Net interest income	**404 402**	**993 014**	**296 578**	**844 427**
Fee and commission income	134 318	336 885	92 768	269 357
Fee and commission expense	(18 987)	(45 172)	(12 400)	(35 200)
Net fee and commission income	**115 331**	**291 713**	**80 368**	**234 157**
Dividend income	1 607	6 837	-	3 302
Net trading income	53 242	121 106	18 517	43 391
Result on investing activities	27	35 227	(87)	5 389
Result on hedge accounting	-	-	-	(156)
Other operating income	21 609	38 676	11 708	26 703
Other operating expenses	(17 822)	(61 266)	(11 278)	(22 100)
Net impairment losses on financial assets and contingent liabilities	(91 827)	(224 884)	(44 184)	(155 192)
General administrative expenses	(386 205)	(1 013 003)	(235 795)	(680 484)
Depreciation and amortization	(41 632)	(104 538)	(24 369)	(74 203)
Operating result	**58 732**	**82 882**	**91 458**	**225 234**
Profit before income tax	**58 732**	**82 882**	**91 458**	**225 234**
Income tax expense	(15 695)	(23 058)	(20 050)	(47 471)
Net profit	**43 037**	**59 824**	**71 408**	**177 763**
attributable to equity holders of the Bank	43 037	59 824	71 408	177 763
Earnings per share (in PLN per share)				
Basic	0.51	0.83	1.27	3.36
Diluted	0.51	0.83	1.27	3.36

- figures in thousand PLN

Interim condensed separate statement of other comprehensive income

	3rd quarter of 2015 from 01.07.2015 to 30.09.2015	Three quarters of 2015 from 01.01.2015 to 30.09.2015	3rd quarter of 2014 from 01.07.2014 to 30.09.2014	Three quarters of 2014 from 01.01.2014 to 30.09.2014
Net profit for the period	**43 037**	**59 824**	**71 408**	**177 763**
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss	***27 688***	***(90 102)***	***52 737***	***141 005***
Net change in valuation of available-for-sale financial assets	34 182	(111 237)	65 107	182 480
Net change in valuation of cash flow hedges	-	-	-	(8 400)
Deferred tax	(6 494)	21 135	(12 370)	(33 075)
Items that will not be reclassified subsequently to profit or loss	***1 725***	***4 772***	**(590)**	**(2 711)**
Actuary valuation of employee benefits	2 129	5 891	(728)	(3 347)
Deferred tax	(404)	(1 119)	138	636
Other comprehensive income (net of tax)	**29 413**	**(85 330)**	**52 147**	**138 294**
Total comprehensive income for the period	**72 450**	**(25 506)**	**123 555**	**316 057**
attributable to equity holders of the Bank	72 450	(25 506)	123 555	316 057

- figures in thousand PLN

Interim condensed separate statement of financial position

	30.09.2015	31.12.2014
ASSETS		
Cash and balances with the Central Bank	2 022 991	1 790 160
Loans and advances to banks	518 119	404 724
Reverse repo transactions	-	100 668
Debt securities held for trading	-	199 404
Derivative financial instruments	372 814	420 152
Hedging instruments	6 880	-
Loans and advances to customers	49 683 461	29 657 523
Available-for-sale financial assets	6 958 388	7 084 017
Investments in subsidiaries and associates	37 799	16 732
Intangible assets	260 259	165 307
Property, plant and equipment	526 367	411 063
Deferred tax asset	416 785	173 828
Other assets	395 097	60 626
TOTAL ASSETS	**61 198 960**	**40 484 204**

- figures in thousand PLN

Interim condensed separate statement of financial position (continued)

	30.09.2015	31.12.2014
LIABILITIES		
Amounts due to banks	8 097 695	1 546 739
Repo transactions	-	45 364
Differences resulting from fair value hedges against interest rate risk attributable to hedged items	5 293	-
Derivative financial instruments	347 710	448 908
Amounts due to customers	44 195 316	32 804 752
Debt securities issued	467 536	762 142
Subordinated liabilities	836 112	320 951
Other liabilities	867 679	325 722
Current tax liabilities	31 664	9 639
Provisions	161 668	68 112
TOTAL LIABILITIES	**55 010 673**	**36 332 329**
EQUITY		
Share capital	84 238	56 139
Other supplementary capital	5 092 196	3 430 785
Other reserve capital	780 875	271 859
Revaluation reserve	171 154	255 362
Retained earnings:	59 824	137 730
profit for the period	59 824	137 730
TOTAL EQUITY	**6 188 287**	**4 151 875**
TOTAL LIABILITIES AND EQUITY	**61 198 960**	**40 484 204**

- figures in thousand PLN

Interim condensed separate statement of changes in equity

	Share capital	Other supplementary capital	Other reserve capital	Revaluation reserve	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2015	**56 139**	**3 430 785**	**271 859**	**255 362**	**137 730**	**4 151 875**
Total comprehensive income for the period	**-**	**-**	**-**	**(85 330)**	**59 824**	**(25 506)**
Net profit for the period	-	-	-	-	59 824	59 824
Other comprehensive income for the period	-	-	-	(85 330)	-	(85 330)
Appropriation of retained earnings	**-**	**7 730**	**130 000**	**-**	**(137 730)**	**-**
Appropriation of retained earnings to other supplementary capital	-	7 730	130 000	-	(137 730)	-
Merge	**28 099**	**1 653 681**	**379 016**	**1 122**	**-**	**2 061 918**
Issued shares of I series	28 099	-	-	-	-	28 099
Equity resulting from merger	-	1 653 681	379 016	1 122	-	2 033 819
As at 30 September 2015	**84 238**	**5 092 196**	**780 875**	**171 154**	**59 824**	**6 188 287**

- figures in thousand PLN

Interim condensed separate statement of changes in equity (continued)

	Share capital	Other supplementary capital	Other reserve capital	Revaluation reserve	Retained earnings Net profit for the period	Total
Balance as at 1 January 2014	**51 137**	**3 085 059**	**115 001**	**91 462**	**162 403**	**3 505 062**
Total comprehensive income for the period	**-**	**-**	**-**	**163 900**	**137 730**	**301 630**
Net profit for the period	-	-	-	-	137 730	137 730
Other comprehensive income for the period	-	-	-	163 900	-	163 900
Appropriation of retained earnings	**-**	**162 403**	**-**	**-**	**(162 403)**	**-**
Appropriation of retained earnings to other supplementary capital	-	162 403	-	-	(162 403)	-
Merge	**5 002**	**183 323**	**156 858**	**-**	**-**	**345 183**
Issued shares of H series	5 002	-	-	-	-	5 002
Equity resulting from merger	-	183 323	156 858	-	-	340 181
As at 31 December 2014	**56 139**	**3 430 785**	**271 859**	**255 362**	**137 730**	**4 151 875**

- figures in thousand PLN

Interim condensed separate statement of changes in equity (continued)

	Share capital	Other supplementary capital	Other reserve capital	Retained earnings Profit/loss for the period	Total
Balance as at 1 January 2014	**51 137**	**3 085 059**	**206 463**	**162 403**	**3 505 062**
Total comprehensive income for the period	**-**	**-**	**138 294**	**177 763**	**316 057**
Net profit/loss for the period	-	-	-	177 763	177 763
Other comprehensive income for the period	-	-	138 294	-	138 294
Appropriation of retained earnings	**-**	**162 403**	**-**	**(162 403)**	**-**
Appropriation of retained earnings to other supplementary capital	-	162 403	-	(162 403)	-
Merge	**5 002**	**183 323**	**156 858**	**-**	**345 183**
H series shares issued	5 002	-	-	-	5 002
Equity resulting from merger	-	183 323	156 858	-	340 181
As at 30 September 2014	**56 139**	**3 430 785**	**501 615**	**177 763**	**4 166 302**

- figures in thousand PLN

Interim condensed separate statement of cash flows

	Three quarters of 2015 from 01.01.2015 to 30.09.2015	Three quarters of 2014 from 01.01.2014 to 30.09.2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit for the period	**59 824**	**177 763**
Adjustments for:	**2 127 502**	**2 142 219**
Income tax expense	23 058	47 471
Depreciation and amortization	104 538	74 203
Dividend income	(6 837)	(3 302)
Interest income	(1 460 104)	(1 342 005)
Interest expense	467 090	497 578
Change in provisions	101 955	(1 222)
Change in loans and advances to banks	(116 474)	(5 087)
Change in repo transactions	100 662	(44 388)
Change in the balance of securities held for trading	198 528	847 276
Change in derivative financial instruments	40 458	(38 639)
Change loans and advances to customers	(20 002 581)	(3 469 762)
Change in amounts due to banks	6 558 751	(440 454)
Change in repo transactions	(45 357)	145 372
Change in financial liabilities held for trading	-	(253 214)
Change in derivative financial instruments (liabilities)	(101 198)	53 017
Change in the balance of amounts due to customers	13 191 101	4 811 733
Change in current assets and current tax receivables	(557 675)	109 902
Change in other liabilities and deferred tax liabilities	563 982	56 414
Other adjustments	2 237 632	352 643
Interest received	1 322 240	1 280 506
Interest paid	(492 267)	(475 601)
Income tax paid	-	(60 222)
NET CASH FROM OPERATING ACTIVITIES	**2 187 326**	**2 319 982**

- figures in thousand PLN

Interim condensed separate statement of cash flows (continued)

	Three quarters of 2015 from 01.01.2015 to 30.09.2015	Three quarters of 2014 from 01.01.2014 to 30.09.2014
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investing activities inflows	**105 084 908**	**97 407 341**
Sale of shares in associates	-	35 005
Sale of available-for-sale financial assets	105 057 937	97 360 111
Sale of intangible assets and property, plant and equipment	20 134	8 923
Dividends and other investing activities inflows	6 837	3 302
Investing activities outflows	**(104 955 594)**	**(99 192 363)**
Purchase of available-for-sale securities	(104 813 001)	(99 147 434)
Purchase of intangible assets and property, plant and equipment	(142 593)	(44 790)
Other investment expenses	-	(139)
NET CASH FROM INVESTING ACTIVITIES	**129 314**	**(1 785 022)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financing activities inflows	**4 029 646**	**-**
Long-term loans received	4 029 646	-
Financing activities outflows	**(6 109 347)**	**(637 514)**
Repayment of long-term loans and advances to banks	(5 814 572)	(251 426)
Redemption of debt securities	(294 775)	(386 088)
NET CASH FROM FINANCING ACTIVITIES	**(2 079 701)**	**(637 514)**
TOTAL NET CASH	**236 939**	**(102 554)**
Cash and cash equivalents at the beginning of the period	**2 180 981**	**1 881 640**
Cash and cash equivalents at the end of the period of which:	**2 471 920**	**1 779 086**
effect of exchange rate fluctuations on cash and cash equivalents held	16 364	1 325
to restricted use	4 228	2 560

EXPLANATORY INFORMATION TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1 Accounting principles applied for purposes of preparation of the interim condensed separate financial statements

These interim condensed separate financial statements for the third quarter ended 30 September 2015 have been prepared in conformity with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"), as endorsed by the European Union, and other applicable regulations.

As the interim condensed separate financial statements do not contain all the information and disclosures required for the annual financial statements, they should be read together with the interim condensed consolidated financial statements for the third quarter of 2015 and the Separate Financial Statements of BGŻ S.A. for the year ended 31 December 2014, which were approved by the Management Board of the Bank on 2 March 2015.

The accounting principles and the accounting estimate methods adopted for purposes of preparation of the interim condensed separate financial statements of the Bank are consistent with the accounting principles used for the preparation of the interim condensed consolidated financial statements of the Group, as presented in Section 3 and Section 7.

2 Related-party transactions

Bank BGŻ BNP Paribas S.A. operates within the BNP Paribas S.A. Group.

Bank BGŻ BNP Paribas S.A. is the parent in the Capital Group of Bank BGŻ BNP Paribas S.A.

As at 30 September 2015, the Group comprised Bank BGŻ BNP Paribas S.A., the parent, and its subsidiaries:

1. Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o. ("Actus") with its registered office at ul. Kasprzaka 10/16 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000023062. The Bank holds 100% interest in the share capital of the Company and 100% of votes at the General Meeting.
2. Towarzystwo Funduszy Inwestycyjnych BGŻ BNP Paribas Polska S.A. ("TFI") with its registered office at ul. Bielańska 12 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, under number KRS 0000031121. The Bank holds 100% of the Company's shares.
3. Fortis Lease Polska Sp. z o.o. in liquidation ("FLP") with its registered office at ul. Suwak 3 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000098813. The Bank holds 100% of the Company's shares.
4. BGŻ BNP Paribas Faktoring Sp. z o.o. ("Faktoring") with its registered office at ul. Suwak 3 in Warsaw. The Company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000225155. The Bank holds 100% of the Company's shares.

All transactions between the Bank and its related parties were entered into as part of its day-to-day operations and included mainly loans, deposits, transactions in derivative instruments as well as income and expenses related to advisory and financial intermediation services.

- figures in thousand PLN

Transactions with shareholders of BGŻ S.A. and related parties

30.09.2015	BNP PARIBAS SA	BNP PARIBAS FORTIS SA/NV	OTHER ENTITIES FROM THE CAPITAL GROUP OF BANK BNP PARIBAS SA	KEY PERSONNEL	SUBSIDIARIES	TOTAL
Assets	**25 774**	**100 622**	**34 477**	**1 536**	**38 051**	**200 460**
Current accounts, interbank placements and loans	44	98 789	33 528	1 536	37 617	**171 514**
Derivative financial instruments	25 578	-	83	-	-	**25 661**
Other assets	152	1 833	866	-	434	**3 285**
Liabilities	**5 087 679**	**305 515**	**4 160 272**	**3 854**	**38 813**	**9 596 133**
Loans and advances received	4 196 080	-	2 840 221	-	-	**7 036 301**
Interbank deposits and current accounts	7 744	305 052	1 311 888	3 854	38 812	**1 667 350**
Subordinated liabilities	836 615	-	-	-	-	**836 615**
Derivative financial instruments	19 753	339	3 854	-	-	**23 946**
Other liabilities	27 487	124	4 309	-	1	**31 921**
Contingent liabilities						
Financial commitments granted	-	-	141 037	251	51	**141 339**
Guarantee commitments	9 759	60 109	265 383	-	-	**335 251**
Commitments received	88 625	74 492	564 457	-	-	**727 574**
Derivative instruments (face value)	15 539 236	1 719 482	325 048	-	-	**17 583 766**
Three quarters of 2015 Period from 01.01.2015 to 30.09.2015						
Statement of profit or loss	**(25 959)**	**16 423**	**(17 078)**	**5**	**842**	**(25 767)**
Interest income	12	890	243	16	878	**2 039**
Interest expense	(16 319)	(211)	(26 028)	(11)	(112)	**(42 681)**
Fee and commission income	-	10 441	2 313	-	66	**12 820**
Fee and commission expense	(2)	(74)	(3 487)	-	-	**(3 563)**
Net trading income	(4 327)	55	6 630	-	-	**2 358**
Result on hedge accounting	(5 323)	5 307	-	-	-	**(16)**
Other operating income	-	15	170	-	10	**195**
General administrative expenses	-	-	3 081	-	-	**3 081**

- figures in thousand PLN

31.12.2014	THE CAPITAL GROUP OF BANK BNP PARIBAS SA	KEY PERSONNEL	ACTUS SP Z O.O.	COöPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.*	SUBSIDIARIES OF RABOBANK*	TOTAL
Assets	**8 243**	**19**	**36 732**	**-**	**-**	**44 994**
Current accounts, interbank placements and loans and advances	105	19	36 732	-	-	36 856
Derivative financial instruments	8 115	-	-	-	-	8 115
Other assets	23	-	-	-	-	23
Liabilities	**2 620 901**	**3 283**	**309**	**-**	**-**	**2 624 493**
Loans and advances received	2 291 561	-	-	-	-	2 291 561
Interbank deposits and current accounts	554	3 283	309	-	-	4 146
Subordinated liabilities	320 944	-	-	-	-	320 944
Derivative financial instruments	7 839	-	-	-	-	7 839
Other liabilities	3	-	-	-	-	3
Contingent liabilities						
Financing commitments granted	-	31	-	-	-	31
Guaranteecommitments granted	-	-	-	-	-	-
Commitments received	-	-	-	-	-	-
Derivative instruments (face value)	851 851	-	-	-	-	851 851
First half of 2014 period from 01.01.2014 to 30.06.2014						
Income statement	**(14 592)**	**(4)**	**1 394**	**(68 518)**	**44**	**(81 676)**
Interest income	-	-	1 389	1 868	-	3 257
Interest expense	(7 309)	(4)	(6)	(33 901)	(32)	(41 252)
Fee and commission income	-	-	1	540	50	591
Fee and commission expense	-	-	-	(3 116)	-	(3 116)
Net trading income	(7 283)	-	-	(20 436)	25	(27 694)
Other operating income	-	-	10	220	1	231
General administrative expenses	-	-	-	(13 693)	-	(13 693)

- figures in thousand PLN

Remuneration of the Management Board and Supervisory Board

Management Board	30.09.2015	31.12.2014
Short-term employee benefits	14 561	14 476
Long-term benefits	3 127	1 251
Benefits due to termination of employment	3 223	-
Share-based payments	3 270	1 251
TOTAL	**24 181**	**16 978**

Supervisory Board	30.09.2015	31.12.2014
Short-term employee benefits	301	574
Long-term benefits	-	-
Benefits due to termination of employment	-	-
Share-based payments	-	-
TOTAL	**301**	**574**

3 Separate capital adequacy ratio

	31.09.2015	31.12.2014
Total equity	6 612 522	3 912 315
Total risk exposure	47 673 880	28 394 598
Total capital requirement	**13.87%**	**13.78%**
Common Equity Tier 1	**12.12%**	**12.65%**

Since 1 January 2014, equity and capital adequacy requirements have been determined by Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR) of 26 June 2013.

PFSA recommendation concerning additional capital requirement for the Bank

On 23 October 2015, the Bank received a recommendation from the Polish Financial Supervision Authority concerning the Bank's maintenance of equity necessary to satisfy an additional capital requirement at the level of 0.71 p.p. in order to hedge the risk resulting from foreign currency mortgage loans granted to households, with Tier 1 capital accounting for at least 75% (i.e. 0.53 p.p.) of such equity.

Therefore, the Bank's minimum capital ratios taking into account the additional capital requirement recommended by PFSA should be as follows:

- Tier 1=9.53%
- Total Capital Ratio = 12.71%.

The Bank's capital ratios taking into account the additional capital requirement in the context of the dividend policy (criteria for distribution of up to 100% of profit for 2014) are as follows: CET1= 9.53% TCR= 13.21%.

The aforesaid recommendation should be respected by the Bank from the date of its receipt until revoked.

As at the date of receipt of PFSA recommendations, the Bank maintained equity sufficient to satisfy the aforesaid capital requirements, i.e. as at 30 September 2015, the Bank's capital ratios were as follows: Tier 1 = 12.12% and TCR = 13.87%.

- figures in thousand PLN

Additionally, on 19 June 2015 the General Meeting of the Bank decided to allocate the total net profit generated by the Bank in the financial year ended 31 December 2014 to increase its equity.

Moreover, in relation to introduction of security buffers as a part of CRD IV/CRR package implementation, the Polish banks received a general supervisory recommendation from the Polish Financial Supervision Authority that they should maintain the increased capital ratios, starting from 1 January 2016, i.e. at least: Tier 1= 10.25% and TCR=13.25%.

4 Seasonality and cyclicality of operations

There are no major seasonal or cyclical phenomena in the operations of the Bank.

5 Debt securities issued and redeemed

Issue and redemption of securities have been described in Section 32 of the Consolidated interim financial statements for the third quarter of 2015.

6 Dividends paid

Pursuant to a Resolution of the General Meeting of BGŻ BNP Paribas of 19 June 2015, the net profit for 2014, in the amount of PLN 137,730 thousand, was allocated to the unidentified banking risk reserve (PLN 130,000 thousand) and to the Bank's supplementary capital (PLN 7,730 thousand).

7 Contingent liabilities

	30.09.2015	31.12.2014
Contingent commitments granted	**15 480 562**	**5 694 336**
financial commitments	11 609 845	4 999 624
guarantees	3 870 717	694 712
Contingent commitments received	**3 977 360**	**1 573 710**
financial commitments	2 625 018	942 883
guarantees	1 352 342	630 827

8 Events after the end of the reporting period

07.10.2015 **The entry into force of a Resolution of the Supervisory Board of BGŻ BNPP** concerning the consent for conclusion of agreements for the purchase of 100% of shares in Sygma Bank Polska Spółka Akcyjna (SBP) and 100% of shares in Laser Services Polska Spółka Akcyjna (LSP), between BGŻ BNPP and Sygma Banque ("Resolution of the Supervisory Board"). Thus, the next condition precedent necessary for conclusion of the final agreement for the purchase of shares in Sygma Bank Polska S.A. by BGŻ BNPP from Sygma Banque (or the legal successor of Sygma Banque SA) was satisfied.

At the same time, following the entry into force of the Resolution of the Supervisory Board, one of the conditions precedent necessary for conclusion of the final agreement for the purchase of shares in LSP by BGŻ BNPP from Sygma Banque (or the legal successor of Sygma Banque) was satisfied.

23.10.2015 The Bank received a recommendation from the Polish Financial Supervision Authority concerning the Bank's maintenance of equity necessary to satisfy an additional capital requirement at the level of 0.71 p.p. in order to hedge the risk resulting from foreign currency mortgage loans granted to households, with Tier 1 capital accounting for at least 75% (i.e.

0.53 p.p.) of such equity. Therefore, the Bank's minimum capital ratios taking into account the additional capital requirement recommended by PFSA should be as follows: Tier 1=9.53% and Total Capital Ratio = 12.71%. The recommended capital ratios of the Bank, taking into account the additional capital requirement in the context of the dividend policy (criteria for distribution of up to 100% of profit for 2014), are as follows: CET1= 9.53% and TCR= 13.21%.

The aforesaid recommendation should be respected by the Bank from the date of its receipt until revoked. As at the date of receipt of PFSA recommendations, the Bank maintained equity sufficient to satisfy the aforesaid capital requirements, i.e. as at 30 September 2015, the Bank's capital ratios were as follows: Tier 1 = 12.12% and TCR = 13.87%.

4.11.2015 **Recognition of a provision for the Borrowers' Support Fund contribution–** following the close of the legislative process related to the Act of 9 October 2015 on supporting CHF home loan borrowers in a difficult financial condition (the Act on supporting borrowers), in the fourth quarter of 2015 the Bank is planning to recognize a provision of PLN 30 million to cover the contribution it will be required to make to the Borrowers' Support Fund (the Fund).

The amount of the provision has been estimated in accordance with the Act on supporting borrowers, whereby some categories of lenders, including the Bank, are obliged to make payments to the Fund in proportion to the value of their portfolios of home loans granted to households, where the delinquency in payment of the principal or interest exceeds 90 days.

The actual amount and due date of the first contribution will be communicated to the lenders by the Fund's Board within one month of the expiry of 14 days of the Act publication date.

The provision for the contribution to the Fund will have a negative impact on the Bank's net profit in the fourth quarter of 2015.

……………………………………
Tomasz Bogus
President of the Management Board

……………………………………
Daniel Astraud
Vice-President of the Management Board

……………………………………
Francois Benaroya
Vice-President of the Management Board

……………………………………
Blagoy Bochev
Vice-President of the Management Board

……………………………………
Jan Bujak
Vice-President of the Management Board

……………………………………
Wojciech Kembłowski
Vice-President of the Management Board

……………………………………
Magdalena Legęć
Vice-President of the Management Board

……………………………………
Jaromir Pelczarski
Vice-President of the Management Board

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Stephane Rodes
Vice-President of the Management Board

……………………………………
Michel Thebault
Vice-President of the Management Board

……………………………………
Bartosz Urbaniak
Member of the Management Board

……………………………………
Katarzyna Romaszewska-Rosiak
Managing Director, Financial Accounting Division

Warsaw, 9 November 2015