



BNP PARIBAS | Bank zmieniającego się świata

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

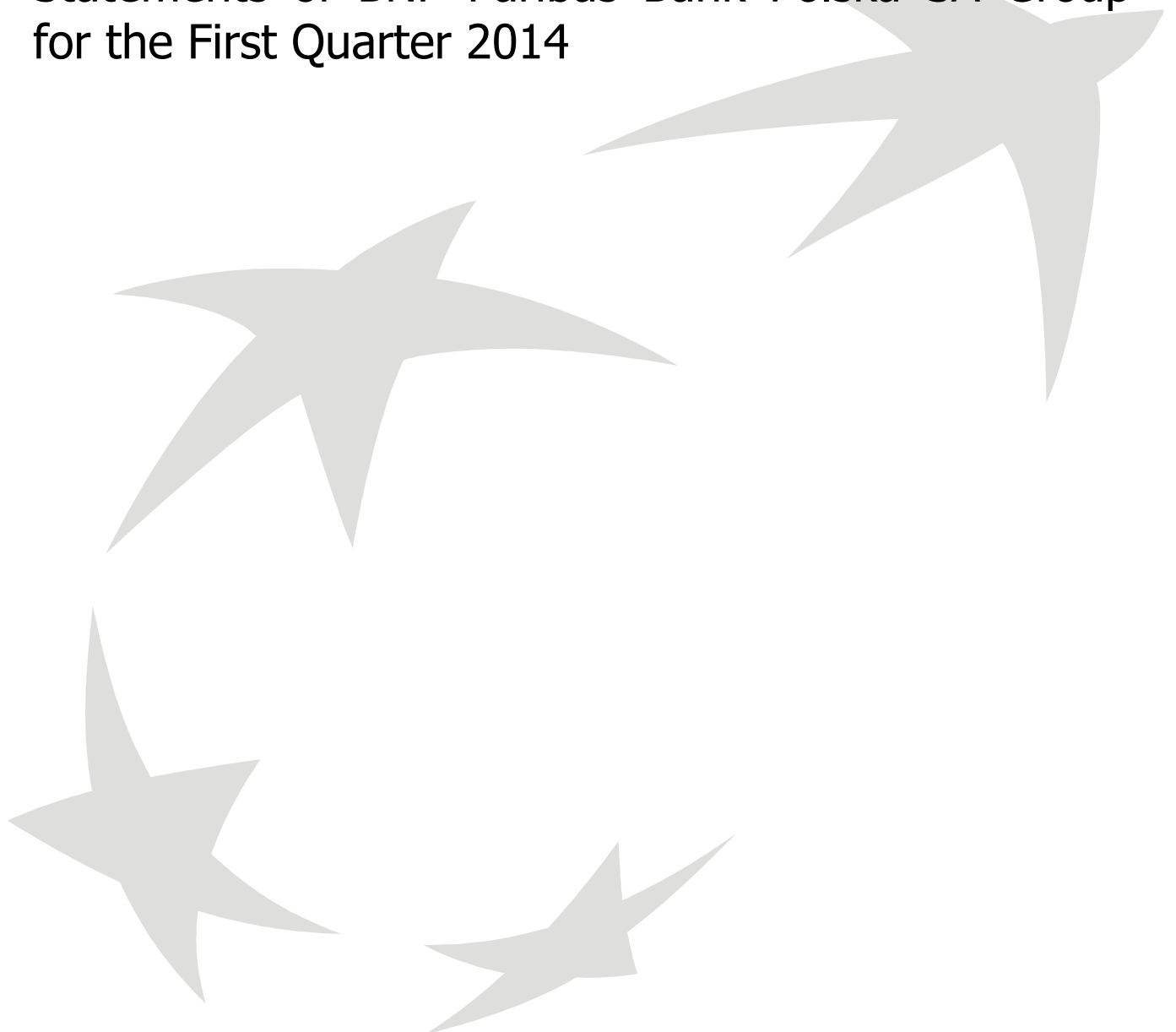


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1. Financial Highlights

CONSOLIDATED FINANCIAL HIGHLIGHTS	in PLN thousand		in EUR thousand	
	31 Mar 2014 (YTD)	31 Mar 2013 (YTD)	31 Mar 2014 (YTD)	31 Mar 2013 (YTD)
Income Statement				
Net interest income	139,550	143,455	33,310	34,370
Net fee and commission income	34,373	35,006	8,205	8,387
Net banking income	197,589	217,062	47,164	52,006
General expenses (including depreciation)	-142,203	-140,919	-33,944	-33,763
Cost of risk and net result on provisions	-21,190	-34,602	-5,058	-8,290
Profit/loss before taxation	33,356	41,383	7,962	9,915
Profit/loss after taxation	24,642	30,794	5,882	7,378
Ratios				
Weighted average number of shares	28,692,926	28,692,926	-	-
Basic earnings/loss per share (PLN/EUR)	0.86	1.07	0.20	0.26
Diluted earnings/loss per share (PLN/EUR)	0.86	1.07	0.20	0.26
Cash flow statement				
Net cash provided by operating activities	-1,741,844	-601,403	-415,774	-144,090
Net cash provided by investing activities	747,131	277,489	178,338	66,484
Net cash provided by (used in) financing activities	637,236	-759,062	152,107	-181,864
Total gross cash flow	-357,477	-1,082,976	-85,329	-259,470
Balance Sheet				
	Balance as at 31 Mar 2014	Balance as at 31 Dec 2013	Balance as at 31 Mar 2014	Balance as at 31 Dec 2013
Total assets	21,045,194	21,117,256	5,045,236	5,091,931
Loans to customers	17,289,871	16,582,614	4,144,960	3,998,508
Liabilities due to banks	1,019,102	424,273	244,313	102,303
Liabilities due to customers	10,156,502	10,894,299	2,434,853	2,626,905
Loans and credit facilities received	6,997,965	7,050,920	1,677,646	1,700,164
Equity capital	1,824,022	1,804,841	437,279	435,195
Ratios				
Number of shares	28,692,926	28,692,926	-	-
Book value per share (PLN/EUR)	63.57	62.90	15.24	15.17
Diluted book value per share (PLN/EUR)	63.57	62.90	15.24	15.17
Capital adequacy*				
Total capital adequacy ratio	12.07%	12.36%	-	-
Capital adequacy ratio Tier 1	9.55%	9.69%	-	-
Tier 1 (core) capital/CRD IV,CET 1	1,725,641	1,704,294	413,694	410,951
Tier 2 (supplementary) capital/ CRD IV,Tier 2	455,430	459,557	109,182	110,811
Tier 3 (short term) capital	-	10,228	-	2,466

FINANCIAL HIGHLIGHTS (SEPARATE)	in PLN thousand		in EUR thousand	
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Income Statement	31 Mar 2014 (YTD)	31 Mar 2013 (YTD)	31 Mar 2014 (YTD)	31 Mar 2013 (YTD)
Net interest income	135,079	133,437	32,243	31,970
Net fee and commission income	32,047	32,761	7,650	7,849
Net banking income	188,666	203,222	45,034	48,690
General expenses (including depreciation)	-138,690	-136,246	-33,105	-32,643
Cost of risk and net result on provisions	-23,467	-37,514	-5,602	-8,988
Profit/loss before taxation	25,558	24,507	6,101	5,872
Profit/loss after taxation	19,933	16,769	4,758	4,018

Ratios

Weighted average number of shares	28,692,926	28,692,926	-	-
Basic earnings/loss per share (PLN/EUR)	0.69	0.58	0.17	0.14
Diluted earnings/loss per share (PLN/EUR)	0.69	0.58	0.17	0.14

Cash flow statement

Net cash provided by operating activities	-1,702,208	-739,358	-406,313	-177,143
Net cash provided by investing activities	747,022	276,919	178,312	66,347
Net cash provided by (used in) financing activities	597,739	-549,771	142,679	-131,720
Total gross cash flow	-357,447	-1,012,210	-85,322	-242,516

Balance Sheet	Balance as at 31 Mar 2014	Balance as at 31 Dec 2013	Balance as at 31 Mar 2014	Balance as at 31 Dec 2013
Total assets	20,909,866	19,653,614	5,012,794	4,739,008
Loans to customers	17,121,887	15,074,082	4,104,688	3,634,761
Liabilities due to banks	1,019,019	424,273	244,293	102,303
Liabilities to customers	10,243,582	10,971,677	2,455,729	2,645,563
Loans and credit facilities received	6,824,071	5,586,978	1,635,958	1,347,169
Equity capital	1,778,425	1,756,237	426,348	423,475

Ratios

Number of shares	28,692,926	28,692,926	-	-
Book value per share (PLN/EUR)	61.98	61.21	14.86	14.76
Diluted book value per share (PLN/EUR)	61.98	61.21	14.86	14.76

Capital adequacy*				
Total capital adequacy ratio	12,01%	12.86%	-	-
Capital adequacy ratio Tier 1	9.45%	10.25%	-	-
Tier 1 (core) capital/CRD IV,CET 1	1 684 785	1,615,598	403 899	389,564
Tier 2 (supplementary) capital/ CRD IV,Tier 2	455 430	401,378	109 182	96,783
Tier 3 (short term) capital	-	10,228	-	2,466

*A capital adequacy ratio has been computed according to the following rules:

- as at the end of 2013, pursuant to Resolution 76/2010 of the Polish Financial Supervision Authority dated 10 March 2010 regarding the detailed rules of determination of capital requirements for specific types of risk (KNF Official Journal 2/2010 item 2),
- as at the end of the first quarter of 2014, according to the Regulation of the European Parliament and the Council no. 572/2013 on prudential requirements for credit institutions and investment firms that amended Regulation (EU) no. 648/2012, with the assumption that 100% of deferred tax assets are deducted from the own funds and they are taken into account in calculating 80% of losses on the trading book.

The rates used for the translation of the financial data for the euro

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

- particular items of assets and liabilities in the balance sheet and book value per share as at the end of the first quarter of 2014 have been converted into EUR at the mid-rate binding as at 31 March 2014 published by the National Bank of Poland, i.e. EUR 1 = PLN 4.1713; comparative financial data as at the end of 2013 have been converted into EUR at the mid-rate binding as at 31 December 2013, published by the National Bank of Poland on 31 December 2013, i.e. EUR 1 = PLN 4.1472;
- particular items in the income statement and cash flows, and earnings per share for the first quarter of 2014 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through March 2014, i.e. EUR 1 = PLN 4.1894, whereas comparative data for the end of the first quarter of 2013 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as of the last days of the months from January through March 2013, i.e. EUR 1 = PLN 4.1738.

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

Consolidated Income Statement (in PLN thousand)	Notes	1 Jan 2014- 31 Mar 2014	1 Jan 2013- 31 Mar 2013
Interest income	9.1	215,389	233,418
Interest expense	9.2	-75,839	-89,963
Net interest income		139,550	143,455
Fee and commission income	9.3	46,454	46,800
Fee and commission expense	9.4	-12,081	-11,794
Net fee and commission income		34,373	35,006
Net trading income	9.5	17,793	23,388
Net profit/loss on hedging transactions		505	-704
Net profit/loss on the hedged item		-505	704
Net profit/loss on available-for-sale financial assets		5,730	14,090
Other income		13,080	5,973
Other operating expenses		-12,937	-4,850
Net banking income		197,589	217,062
General expenses		-131,848	-129,476
Personnel expenses		-71,504	-68,400
Other general expenses		-60,344	-61,076
Depreciation		-10,355	-11,443
Gross operating profit/loss		55,386	76,143
Cost of risk	9.6	-21,490	-31,464
Net result on provisions	9.7	300	-3,138
Cost of risk and net result on provisions		-21,190	-34,602
Net operating profit/loss		34,196	41,541
Net profit/loss from disposal of assets, shares and interest		-840	-158
Profit/loss before taxation		33,356	41,383
Income tax expense		-8,714	-10,589
Profit/loss after taxation		24,642	30,794
<hr/>			
Consolidated earnings per share	9.8		
Profit/loss after taxation (in PLN thousand)		24,642	30,794
Weighted average number of ordinary shares		28,692,926	28,692,926
Earnings per ordinary share (in PLN)		0.86	1.07
<hr/>			
Weighted average diluted number of ordinary shares		28,692,926	28,692,926
Diluted earnings per ordinary share (in PLN)		0.86	1.07

Consolidated report of total income (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Net profit/loss for the year	24,642	30,794
Profits/losses not recognised in the income statement (investments available for sale)	2,176	-22,515
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-413	4,278
Profits/losses not recognised in the income statement (investments available for sale) - net	1,763	-18,237
Total consolidated income	26,405	12,557

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

Consolidated balance sheet (in PLN thousand)	Notes	31 Mar 2014	31 Dec 2013	31 Mar 2013
ASSETS				
Cash and cash equivalents	10.1	933,090	1,290,247	898,400
Financial assets held for trading	10.2.1	65,820	70,118	106,351
Due from banks	10.3.1	72,563	79,201	121,043
Loans to customers	10.3.2	17,289,871	16,582,614	16,584,882
Hedging instruments	11	7,114	8,503	8,658
Investments available for sale	10.4	1,851,127	2,607,870	1,473,636
Property, plant and equipment		136,445	125,728	124,260
Intangible assets		41,118	37,044	34,084
Non-current assets held for sale	10.5	15,253	18,243	32,017
Settlements on account of income tax		17,738	19,841	4,842
Deferred tax assets	10.6.1	190,723	196,830	238,071
Other assets		424,332	81,017	218,085
Total assets		21,045,194	21,117,256	19,844,329
LIABILITIES				
Financial liabilities held for trading	10.2.2	72,186	69,790	76,991
Liabilities due to banks	10.7.1	1,019,102	424,273	1,176,178
Liabilities due to customers	10.7.2	10,156,502	10,894,299	8,901,049
Loans and credit facilities received	10.7.3	6,997,965	7,050,920	7,154,491
Differences from the fair value hedge against interest rate risk falling on hedged items		6,631	6,097	8,173
Subordinated liabilities		455,899	452,192	457,044
Income tax provision		-	128	9,037
Deferred tax liabilities	10.6.1	1,216	808	3,143
Other liabilities		457,909	353,378	254,031
Provisions	10.8.1	53,762	60,530	60,690
Total liabilities		19,221,172	19,312,415	18,100,827
EQUITY CAPITAL				
Share capital		1,304,380	1,304,380	1,434,646
Additional capital		173,438	172,921	172,401
Other capital		183,480	183,480	26,269
Revaluation reserve		5,514	3,751	13,901
Retained earnings		132,568	38,026	65,491
Net profit/loss for the year		24,642	102,283	30,794
Total equity capital		1,824,022	1,804,841	1,743,502
Total liabilities and equity		21,045,194	21,117,256	19,844,329

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

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

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
Balance as at 1 Jan 2013	1,434,646	172,401	65,519	-	26,269	32,110	1,730,945
Total income for the first quarter of 2013	-	-	-	30,794	-	-18,237	12,557
Other	-	-	-28	-	-	28	-
Balance as at 31 Mar 2013	1,434,646	172,401	65,491	30,794	26,269	13,901	1,743,502

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

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

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

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
Balance as at 31 Dec 2013	1,304,380	172,921	140,309	-	183,480	3,751	1,804,841
Total income for the first quarter of 2014	-	-	-	24,642	-	1,763	26,405
Other	-	517	-7,741	-	-	-	-7,224
Balance as at 31 Mar 2014	1,304,380	173,438	132,568	24,642	183,480	5,514	1,824,022

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

Consolidated Cash Flow Statement (in PLN thousand)	1 Jan 2014- 31 Mar 2014	1 Jan 2013- 31 Mar 2013
Cash and cash equivalents, gross	1,290,864	1,981,688
Opening balance		
OPERATING ACTIVITY		
Gross profit/loss	33,356	41,383
Adjustments for:	-1,775,200	-642,786
Depreciation	10,346	11,443
Change of reserves and provisions	-24,146	9,014
Profits/losses on account of FX rate differences	789	15,776
Profit/loss on investing activities	2,272	1,281
Changes in operational assets and liabilities:	-1,758,037	-673,637
- financial assets and liabilities held for trading	6,694	29,760
- due from banks, gross	6,793	87,002
- loans to customers, gross	669,073	-414,982
- change in the balance of available-for-sale investments, gross	3,752	35,788
- liabilities due to banks	594,830	793,618
- liabilities due to customers	-720,422	-1,163,901
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	1,923	1,894
- liabilities due on account of credit facilities and loans received	-2,057,391	60,652
- liabilities due on account of a subordinated loan	3,707	10,281
- change in the balance of assets held for sale and discontinued operations	7,155	-
- other assets and liabilities	-274,151	-113,951
Tax paid	-6,424	-6,663
Net operating cash flows	-1,741,844	-601,403
INVESTING ACTIVITY		
Acquisition of shares and investments in subsidiaries	-7,449,910	-3,818,449
Purchase of property, plant and equipment and intangible fixed assets	-9,260	-17,702
Proceeds from AFS divestment	8,205,082	4,113,483
Proceeds from sales of property, plant and equipment	1,485	396
Other investment expenses	-266	-239
Net cash provided by investing activities	747,131	277,489
FINANCING ACTIVITY		
Subordinated loans repayment	-	-267,092
Drawdown of loans and credit facilities received	1,721,032	691,693
Repayment of loans and credit facilities received	-1,083,796	-1,203,267
Other financial gains	-	19,604
Net cash provided by (used in) financing activities	-637,236	-759,062
Cash and cash equivalents, gross	933,387	898,712
Ending balance		
Change in gross cash and cash equivalents	-357,477	-1,082,976

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

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

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

Income Statement (in PLN thousand)	1 Jan 2014- 31 Mar 2014	1 Jan 2013- 31 Mar 2013
Interest income	206,667	214,972
Interest expense	-71,588	-81,535
Net interest income	135,079	133,437
Fee and commission income	43,913	44,276
Fee and commission expense	-11,866	-11,515
Net fee and commission income	32,047	32,761
Net trading income	17,847	22,936
Net profit/loss on hedging transactions	505	-704
Net profit/loss on the hedged item	-505	704
Net profit/loss on available-for-sale financial assets	5,730	14,040
Other income	10,900	4,876
Other operating expenses	-12,937	-4,828
Net banking income	188,666	203,222
General expenses	-127,441	-124,991
Personnel expenses	-69,956	-66,609
Other general expenses	-57,485	-58,382
Depreciation	-11,249	-11,255
Gross operating profit/loss	49,976	66,976
Cost of risk	-23,767	-34,376
Net result on provisions	300	-3,138
Cost of risk and net result on provisions	-23,467	-37,514
Net operating profit/loss	26,509	29,462
Net profit/loss from disposal of assets, shares and interest	-951	-4,955
Profit/loss before taxation	25,558	24,507
Income tax	-5,625	-7,738
Profit/loss after taxation	19,933	16,769

Separate report of total income (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Net profit/loss for the year	19,933	16,769
Profits/losses not recognised in the income statement (investments available for sale)	2,145	-22,485
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	-407	4,272
Profits/losses not recognised in the income statement (investments available for sale) - net	1,738	-18,213
Total separate income	21,671	-1,444

Balance Sheet (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
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ASSETS

Cash and cash equivalents	933,076	1,290,203	892,041
Financial assets held for trading	65,820	70,118	106,351
Due from banks	72,563	79,201	121,043
Loans to customers	17,121,887	15,074,082	15,133,525
Hedging instruments	7,114	8,503	8,658
Investments available for sale	1,847,580	2,604,354	1,466,640
Other investments	21,067	115,851	115,851
Property, plant and equipment	136,334	125,601	123,207
Intangible assets	41,105	37,015	33,947
Non-current assets held for sale	15,253	-	4,785
Settlements on account of income tax	13,219	15,201	-
Deferred tax assets	191,303	169,237	211,834
Other assets	443,545	64,248	199,112
Total assets	20,909,866	19,653,614	18,416,994

LIABILITIES

Financial liabilities held for trading	72,186	69,790	76,991
Liabilities due to banks	1,019,019	424,273	1,176,176
Liabilities due to customers	10,243,582	10,971,677	8,927,789
Loans and credit facilities received	6,824,071	5,586,978	5,781,692
Differences from the fair value hedge against interest rate risk falling on hedged items	6,631	6,097	8,173
Subordinated liabilities	455,899	452,192	457,044
Income tax liabilities	-	-	9,037
Deferred tax liabilities	1,216	808	3,101
Other liabilities	455,215	328,194	222,680
Provisions	53,622	57,368	57,801
Total liabilities	19,131,441	17,897,377	16,720,484

EQUITY CAPITAL

Share capital	1,304,380	1,304,380	1,434,646
Additional capital	179,247	178,730	176,387
Other capital	183,434	183,434	26,223
Revaluation reserve	5,188	3,450	13,225
Retained earnings	86,243	-28	29,260
Net profit/loss for the year	19,933	86,271	16,769
Total equity capital	1,778,425	1,756,237	1,696,510
Total liabilities and equity	20,909,866	19,653,614	18,416,994

Statement of Changes in Shareholders' Equity for the first quarter of 2013
(in PLN thousand)

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
Balance as at 1 Jan 2013	1,434,646	176,387	29,288	-	26,223	31,410	1,697,954
Total income for the first quarter of 2013	-	-	-	16,769	-	-18,213	-1,444
Other	-	-	-28*	-	-	28	-
Balance as at 31 Mar 2013	1,434,646	176,387	29,260	16,769	26,223	13,225	1,696,510

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

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

Statement of Changes in Shareholders' Equity for the first quarter of 2014
(in PLN thousand)

	Share capital	Additional capital	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Total capital
Balance as at 1 Jan 2014	1,304,380	178,730	86,243	-	183,434	3,450	1,756,237
Total income for the first quarter of 2014	-	-	-	19,933	-	1,738	21,671
Other	-	517	-	-	-	-	517
Balance as at 31 Mar 2014	1,304,380	179,247	86,243	19,933	183,434	5,188	1,778,425

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

Cash Flow Statement (in PLN thousand)	1 Jan 2014- 31 Mar 2014	1 Jan 2013- 31 Mar 2013
Cash and cash equivalents, gross		
Opening balance	1,290,820	1,904,563
OPERATING ACTIVITY		
Gross profit/loss	25,558	24,507
Adjustments for:	-1,727,766	-763,865
Depreciation	11,262	11,255
Change of reserves and provisions	94,246	20,392
Profit/loss on investing activities	2,272	1,282
Changes in operational assets and liabilities:	-1,831,962	-793,082
- financial assets and liabilities held for trading	6,694	29,760
- due from banks, gross	6,792	87,002
- loans to customers, gross	-786,845	-516,968
- change in the balance of available-for-sale investments, gross	3,752	35,838
- liabilities due to banks	594,746	793,850
- liabilities due to customers	-728,055	-1,185,325
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	1,923	1,894
- liabilities due on account of credit facilities and loans received	-709,363	60,688
- change in the balance of assets held for sale and discontinued operations	7,155	-
- liabilities due on account of a subordinated loan	3,707	10,281
- other assets and liabilities	-232,468	-110,102
Tax paid	-3,584	-3,712
Net operating cash flows	-1,702,208	-739,358
INVESTING ACTIVITY		
Purchase of available-for-sale investments	-7,449,910	-3,818,449
Purchase of property, plant and equipment and intangible fixed assets	-9,258	-17,580
Proceeds from AFS divestment	8,205,082	4,112,813
Proceeds from sales of property, plant and equipment	1,374	374
Other investment expenses	-266	-239
Net cash provided by investing activities	747,022	276,919
FINANCING ACTIVITY		
Subordinated loans repayment	-	-267,092
Loans and credit facilities taken	1,218,385	537,392
Repayment of loans and credit facilities	-620,646	-839,675
Other financial gains	-	19,604
Net cash provided by (used in) financing activities	597,739	-549,771
Cash and cash equivalents, gross		
Ending balance	933,373	892,353
Change in gross cash and cash equivalents	-357,447	-1,012,210

Cash Flow Statement is prepared using an indirect method.

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

4.1. Financial Results

Profit & Loss Account (in PLN thousand)	1 Jan 2014- 31 Mar 2014	1 Jan 2013- 31 Mar 2013	Change Q1 2014 -Q1 2013
Net interest income	139,550	143,455	-2.7%
Net fee and commission income	34,373	35,006	-1.8%
Other income ¹	23,666	38,601	-38.7%
Net banking income	197,589	217,062	-9.0%
Personnel expenses	-71,504	-68,400	4.5%
Other general expenses	-60,344	-61,076	-1.2%
Cost of risk and net result on provisions	-21,190	-34,602	-38.8%
Profit/loss before taxation	33,356	41,383	-19.4%
Profit/loss after taxation	24,642	30,794	-20.0 %

4.2. Financial Highlights

Total assets (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013	Change 31 Mar 2014 - 31 Dec 2013
Total assets	21,045,194	21,117,256	19,844,329	-0.3%
Loans to customers	17,289,871	16,582,614	16,584,882	4.3%
Liabilities due to customers	10,156,502	10,894,299	8,901,049	-6.8%
Total equity	1,824,022	1,804,841	1,743,502	1.1%

4.3. Financial ratios (%)

	31 Mar 2014	31 Dec 2013	31 Mar 2013
Total capital adequacy ratio	12.07%	12.36%	12.18%
Return on assets (ROA)*	0.5%	0.5%	0.6%
Return on equity (ROE)*	5.6%	5.8%	7.3%
Net interest margin*	2.9%	2.8%	3.1%
Net PLN loans to PLN deposits ratio	121.1%	105.1%	123.0%
Net PLN loans to PLN deposits ratio - Bank	118.5%	96.4%	114.1%

*These ratios were calculated as follows:

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

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

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

Consolidated Income Statement

The Group closed the first quarter of 2014 with a profit after taxation totalling PLN 24.6 million, which was by PLN 6.2 million or 20.0% higher than the result of the first quarter of 2013. Excluding the impact of one-off income items, which significantly increased the result of the first quarter of 2013, the profit after taxation would grow by PLN 9.3 million (60.8%), whereas the net banking income would be by 0.2% lower as compared to the first quarter of 2013.

Furthermore, the efficient debt restructuring and collection activities and improved quality of the loan portfolio contributed to reduction of the cost of risk by 31.7%. The general expenses and depreciation increased in the corresponding period by 0.9%.

In the first quarter of 2014 the Group did not record any considerable non-recurring or extraordinary items.

In the first quarter of 2013, the Group recorded the following non-recurring or extraordinary items:

- PLN 19.1 million: net income on account of the settlement of a prepayment of some credit facilities from the BNP PARIBAS group (primarily a subordinated loan) with the positive mark to market, which affected the net interest income in the Other Banking Activity segment.

The Group's net banking income for the first quarter of 2014 in the amount of PLN 197.6 million was by PLN 19.5 million (9.0%) lower as compared to the corresponding period of 2013, mainly due to one-off income items related to the settlement of a prepayment of some credit lines granted by the BNP PARIBAS group with the positive mark to market in the amount of PLN 19.1 million, which affected the net interest income in the first quarter of 2013. Excluding the one-off items the net banking income would be by 0.2% lower as compared to the first quarter of 2013.

Key items of this position are presented below:

– **Net interest income**

In the structure of the Group's income, the net interest income is the main item. At the end of Q1 2014, it stood at PLN 139.6 million and was by PLN 3.9 million or 2.7% lower than in the corresponding period of 2013; however, the material decrease in market interest rates impacted both the Group's interest income and expense.

Interest income amounted to PLN 215.4 million in the first quarter of 2014, which represents a fall by 7.7% (PLN 18.0 million) in comparison to Q1 2013. This fall was mainly recorded in:

- **interest on loans to the Group's customers** (by 6.2% or PLN 12.8 million), which in the analysed period amounted to PLN 193.5 million. Decrease in interest on loans to customers derived chiefly from materially lower market interest rates, which affected in particular average interest rates on commercial loans and finance lease receivables;
- **interest on cash and cash equivalents** (by PLN 3.1 million);
- **interest on securities** available for sale (by 8.1% i.e. PLN 1.6 million).

In Q1 2014, **interest expense** went down by PLN 14.1 million or 15.7% as compared to the corresponding period of 2013 and reached PLN 75.8 million. This item fell mainly due to the following:

- lower **interest expense on customer deposits** (by PLN 24.3 million or 35.4%), despite higher average volumes of such deposits, mainly as a result of cutting interest rates of savings accounts and term deposits following the market interest rate decrease;
- lower **interest expense on liabilities due to banks** (by PLN 1.3 million or 26.1%) mainly in connection with the market interest rate fall.

At the same time, **interest expense related to subordinated loans and loans and credit facilities received** increased jointly by PLN 12,3 million PLN. The above growth resulted mainly from the impact on interest expense in the first quarter of 2013 exerted by the net income received by the Bank on account of the settlement of a prepayment of some credit lines granted by the BNP PARIBAS group with the positive mark to market in the amount of PLN 19.1 million. On the other hand, the market interest rates fall affected the decrease in expenses on PLN loans and credit facilities received.

The net interest margin in the first quarter of 2014 equalled 2.9% as compared to 3.1% in the first quarter of 2013. In the first quarter of 2013, the interest margin amount was affected by one-off income items related to the settlement of a prepayment of some credit lines granted by the BNP PARIBAS group (mainly the subordinated loan) with a positive mark to market - excluding the said income, the net interest margin would stand at 2.7% in the analysed period.

– **Net fee and commission income**

In Q1 2014, the Group recorded a slight decrease, by 1.8% or PLN 0.6 million, in the net fee and commission income as compared to the corresponding period of 2013.

The item went down mainly due to the following:

- higher costs of commissions and fees paid to franchisees and intermediaries for granting cash loans (following the higher total volume and improved sales of such loans);
- drop in net fees and commissions for cash settlement services that include primarily account maintenance, cash transaction and bank transfer fees (by 2.8%);

The decrease was counterbalanced by higher fees and commission related to granting loans (by 11.9% or PLN 0.8 million).

– **Net trading income**

As at the end of the first quarter of 2014, the net trading income amounted to PLN 17.8 million, which in comparison to the result generated in the first quarter of 2013 means a decrease by PLN 5.6 million (23.9%). The net income on derivative instruments fell by PLN 4.3 million to PLN -3.4 million in the first quarter of 2014 and it was chiefly due to recognition of the Credit Value Adjustment (CVA) in the amount of PLN 3.5 million in the first quarter of 2014. The net FX income dropped as compared to the first quarter of 2013 by PLN 1.4 million or 6.0% mainly as a result of a lower margin realised on FX transactions made by the Bank's customers (with a parallel increase in the average volume of those transactions).

– **Net income on available-for-sale financial assets**

The net income on available-for-sale financial assets in the first quarter of 2014 amounted to PLN 5.7 million in comparison to PLN 14.1 million in the first quarter of 2013. The net income decrease was related to lower profits earned on the sale of securities.

The Group's operating expenses

In 2013 the Group completed implementation of the cost optimisation programme called *Triathlon* and managed to make savings at the assumed level. Apart from the *Triathlon* programme, the Bank is participating in a global cost-efficiency project of the BNP PARIBAS group - "Simple & Efficient", which aims at reaching annual savings at the level of PLN 26 million. The "Simple & Efficient" project will be carried out by the end of 2015. The combined effects of both projects will allow the Group to invest in the activity development while avoiding a significant expense increase.

In the first quarter of 2014, the Group's general expenses and depreciation were by PLN 1.3 million (0.9%) higher as compared to the first quarter of 2013. The slight increase of expenses despite the optimisation programmes implemented was related to the release of one-off provision in the amount of PLN 1.3 million created for the employment restructuring that charged the costs in the first quarter of 2013 and higher provisions for bonuses.

Personnel costs of the Group stood at PLN 71.5 million after the first quarter of 2014 and were higher by PLN 3.1 million or 4.5% than in the first quarter of 2013. The above increase was attributable to provisions on severance pay related to retirement, unused vacation leaves and other employee benefits higher by PLN 2.3 million (chiefly due to the release of one-off provision in the amount of PLN 1.3 million for the employment restructuring in the first quarter 2013 and creation of higher provisions for bonuses), likewise surcharges on remuneration higher by PLN 1.0 million. Furthermore, basic remuneration expenses fell by 0.4% as compared to the expenses recorded in the first quarter of 2013. As at the end of the first quarter of 2014, the headcount in the Group was 2,798 FTE as compared to 2,763 FTE as at the end of the first quarter of 2013.

Depreciation of fixed and intangible assets amounted to PLN 10.4 million in the first quarter of 2014 and was lower by 9.5% than in the corresponding period of 2013 as a result of lower investment outlays.

Other general expenses of the Group in the first quarter of 2014 amounted to PLN 60.3 million and were by PLN 0.7 million (1.2%) lower than in the corresponding period of 2013. The decrease in other expenses is related to lower marketing costs and savings made within cost optimisation programmes (the considerable portion of the savings made was recorded already in the first quarter 2013).

Cost of risk

Continuation of a prudent risk management policy remains the priority for the Group. In Q1 2014, cost of risk amounted to PLN 21.5 million, which represents a decrease by PLN 10.0 million or 31.7% as compared to the corresponding period of 2013.

Cost of risk ratio (computed as the quotient of the cost of risk and the average balance of gross loans to customers as at the end of the four subsequent quarters) stood at 0.5% in the first quarter of 2014 versus 0.7% in the first quarter of 2013.

The cost of risk was lower due to the following:

- effective restructuring and debt recovery measures concerning the impaired portfolio, in particular in the Corporate and Transaction Banking;
- high quality of the new loan production in the segment of large enterprises and consumer credits (granted since 2010).

Net result on provisions

The net result on provisions in the first quarter of 2014 amounted to PLN 0.3 million, as a result of the release of provisions for legal risk, as compared to the costs of creation of those provisions, in connection with claims of counterparties, in the amount of PLN 3.1 million in the first quarter of 2013.

Consolidated balance sheet

As at the end of Q1 2014, the Group's consolidated total assets amounted to PLN 21,045.2 million and were slightly lower (by PLN 72.1 million) than as at the end of December last year. The growth of balances of loans to customers, chiefly loans to corporate customers, was counterbalanced by a drop in the value of the available-for-sale investments portfolio – mainly NBP cash bills - and balances of short-term receivables due from other banks.

Loan portfolio of the Group

Net loans to customers are the primary item of the Group's asset structure. At PLN 17,289.9 million, they account for 82% of total assets. Their increase as compared to December 2013 (by PLN 707.3 million or 4.3%) resulted chiefly from:

- increase in the loan portfolio of large enterprises,
- active sale of consumer loans to individual customers, especially cash loans, thanks to an attractive offering and marketing actions undertaken,
- growth in lease receivables balances,
- a depreciation of the Polish zloty against the foreign currencies in which the Bank's foreign currency loan portfolio is denominated, which contributed to a nearly 0.4% increase of the total net loan portfolio,
- improved loan portfolio quality, which resulted in lower provisions for impairment (for incurred, reported losses).

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

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

in PLN thousand	31 Mar 2014	Share (%)	31 Dec 2013	Share (%)	Δ 31 Mar 2014/ 31 Dec 2013
Commercial loans	8,162,113	44%	7,565,244	43%	+7.9%
PLN mortgage loans	1,785,050	10%	1,789,026	10%	-0.2%
FC mortgage loans	3,888,343	21%	3,903,697	22%	-0.4%
Consumer loans and credit facilities	2,486,065	14%	2,442,003	14%	+1.8%
Lease receivables	1,812,217	10%	1,762,775	10%	+2.8%
Other receivables*	227,183	1%	208,476	1%	+9.0%
Total loans to customers, gross	18,360,971	100%	17,671,221	100%	+3.9%
Impairment provisions and IBNR	-1,071,100		-1,088,607		-1.6%
Total loans to customers, net	17,289,871		16,582,614		+4.3%

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

The highest increase in comparison to December 2013 (by PLN 596.9 million or 7.9%) was recorded in the portfolio of **commercial loans for business entities**, first of all thanks to the following:

- higher utilisation of overdraft facility limits and working capital loans by corporate customers (big enterprises),

active sale of car loans to enterprises, which in the first quarter of 2014 amounted to PLN 68.1 million and was by 20.4% higher than in the corresponding period of 2013 when the sale volume equalled PLN 56.6 million. The sale of car loans and car lease facilities with respect to the portion of the loans and facilities granted by the Personal Finance Business Line to all customers of the Bank (both business and individual ones) amounted to PLN 111.7 million in the first quarter of 2014 as compared to PLN 101.0 million in the first quarter of 2013 and PLN 99.6 million in the fourth quarter of 2013.

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

The portfolio of **consumer loans and credit facilities** for individuals as at the end of March 2014 grew by PLN 44.1 million (1.8%) in comparison to the end of December 2013. Owing to maintenance of an attractive offering of cash loans and marketing campaign carried out, the sale of such loans in the first quarter 2014 was by 5.3% higher compared to the previous year and reached PLN 232.4 million versus PLN 220.8 million in the first quarter of 2013 (and by 5.8% higher than in the fourth quarter of 2013, when it equalled PLN 219.6 million).

The decrease in the **mortgage loans** balance by PLN 19.3 million (0.3%) was mainly related to the portfolio of foreign currency mortgage loans whose value was reduced by PLN 15.4 million (or 0.4%) as compared to the level as at the end of December 2013 (the decrease in foreign currency balances resulting from discontinuation of granting new foreign currency mortgage loans was counterbalanced by a positive impact of weakening PLN towards CHF – CHF mortgage loans in the amount of PLN 3 811.4 million as at the end of the first quarter of 2014 accounted for 98.0% of the total balance of foreign currency mortgage loans). Presently, the Group does not focus on the sale of PLN mortgage loans. In consequence, the balance of such loans developed at the level similar to the level as at the end of December 2013.

Gross finance lease receivables increased by PLN 49.4 million, or 2.8%, as compared to the level recorded as at the end of December 2013. The growth in the Group's lease portfolio was affected mainly by a higher new lease production in the first quarter of 2014, in particular in terms of real estate lease.

The level of foreign currency lease receivables, which as at the end of March 2014 accounted for 41.5% of total lease receivables, was also positively affected by the FX rate rise which contributed to the 0.6% increase in the value of such receivables in the first quarter of 2014.

As at the end of Q1 2013, the gross balance of **factoring receivables** stood at PLN 168.6 million and was higher than as at the end of December 2013 by PLN 17.3 million, or 11.4%, as a result of development of the subsidiary's business.

Foreign currency loans accounted for 37.5% of gross loans to customers as at the end of Q1 of 2014, with the highest share of CHF loans at PLN 4,038.3 million (22.0% of the entire gross loans to customers), and

EUR loans (14.7% of the entire gross loans to customers). The value of the foreign currency loan portfolio expressed in PLN remained at the similar level as compared to December 2013.

Loan portfolio quality

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

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

As at the end of March 2014, the share of the impaired loan portfolio in the Group's total loan portfolio fell to 7.6% versus 8.4% as at the end of December 2013 and 10.1% as at the end of March 2013. For loans to customers of the Corporate and Transaction Banking the ratio was 6.9%, for SME segment customers it equalled 13.7%, 13.1% for consumer loans (which also include car loans granted to SME customers) and 2.8% for mortgage loans.

Liabilities

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

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

The balance of loans and credit facilities received as at the end of March 2014 amounted to PLN 6,998 million and accounted for 36.4% in the Group's structure of liabilities. A slight decrease in their value as compared to the level as at the end of December 2013 by PLN 53.0 million or 0.8%, was mainly due to repayment and non-renewal of some tranches of the maturing credit facilities from the BNP PARIBAS group financing the lease activity in connection with the financing optimisation following the activity incorporation into the Bank's structures.

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

The principal component of loans and credit facilities received are credit facilities granted by the BNP PARIBAS group; as at the end of March 2014 they constituted 90.6% of loans received by the Group. This category includes also credit facilities from the European Investment Bank and the European Bank for Reconstruction and Development earmarked for financing investment projects of small and medium-sized enterprises.

Subordinated loans taken with the BNP PARIBAS group whose balance as at the end of March 2014 amounted to PLN 455.9 million, remain also the stable source of financing. A slight increase in their value (by PLN 3.7 million as compared to December 2013) was a consequence of the FX rates rise.

The Group has been financing its activity also using liabilities due to banks, the balance of which at the end of the first quarter of 2014 stood at the level of PLN 1,019.1 million, which accounted for 5.3% of total liabilities of the Group. Increase in the value of these liabilities (by PLN 594.8 million) as compared to the level at the end of December 2013 resulted primarily from growth in the value of term deposits, mainly deposits of banks from the BNP PARIBAS group, related to the current management of liquidity.

Customer deposits

The balance of liabilities due to the Group's customers as at the end of Q1 2014 was PLN 10,156.5 million which means a decrease by 6.8% or PLN 737.8 million as compared to the balance noted as at the end of December 2013.

The decrease was a result of an active deposit base management and its adjustment to the current liquidity needs. This decrease was mainly related to:

- PLN term deposits (drop by PLN 571.8 million or 9.7%), chiefly short-term deposits of big enterprises (as at the end of 2013 the deposit base contained a few large deposits of corporate customers deposited for short terms) and individual customers;
- core deposits on current accounts of business customers.

The above decrease was partially counterbalanced by an increase in balances on individual customers' current accounts.

Deposits denominated in foreign currencies account for 14% of total customer deposits. The balances of foreign currency deposits went down as compared to December 2013 by PLN 97.4 million, or by 6.4%; however, the fall concerned mainly current foreign currency deposits held by business customers (subject to periodic fluctuations that depend on the settlement cycle of enterprises.)

The Group's capital position

As at the end of Q1 2014, the Group's equity capital amounted to PLN 1,824.0 million which represents growth by 1.1% or PLN 19.2 million over the end of December 2013. This growth results mainly from the net profit generated by the Group in the first quarter of 2014.

Within the fulfillment of BNP PARIBAS group's commitment to the Polish Financial Supervision Authority ("KNF") to increase the free float of the Bank's shares to at least 15%, the Bank carried out the public offering of shares. Under the issue prospectus approved by KNF on 22 April 2012, subscriptions for the newly issued series O shares were conducted in late April and early May. On 6 May 2014, the Bank's Board of Executives allotted 5,026,539 series O shares. Institutional investors were allotted 4,860,446 shares and retail investors 166,093 shares. The expected gross proceeds from the Public Offering will be approx. PLN 231.2 and will contribute to total own funds in Q2 2014.

5. Information on BNP Paribas Bank Polska SA Group

Basic data on the Issuer

BNP Paribas Bank Polska Spółka Akcyjna ("the Bank") with its registered office in Warsaw, at ul. Suwak 3, is entered in the National Court Register (KRS) maintained by the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register under No. KRS 0000006421. The Bank was assigned statistical number (REGON) 003915970 and tax identification number (NIP) 676-007-83-01.

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

The consolidated financial statements of BNP Paribas Bank Polska SA Group for the first quarter of 2014 contains the data of the Bank and its subsidiaries: Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A., Fortis Lease Polska Sp. z o.o. and BNP Paribas Factor Sp. z o.o. (jointly referred to as "the Group").

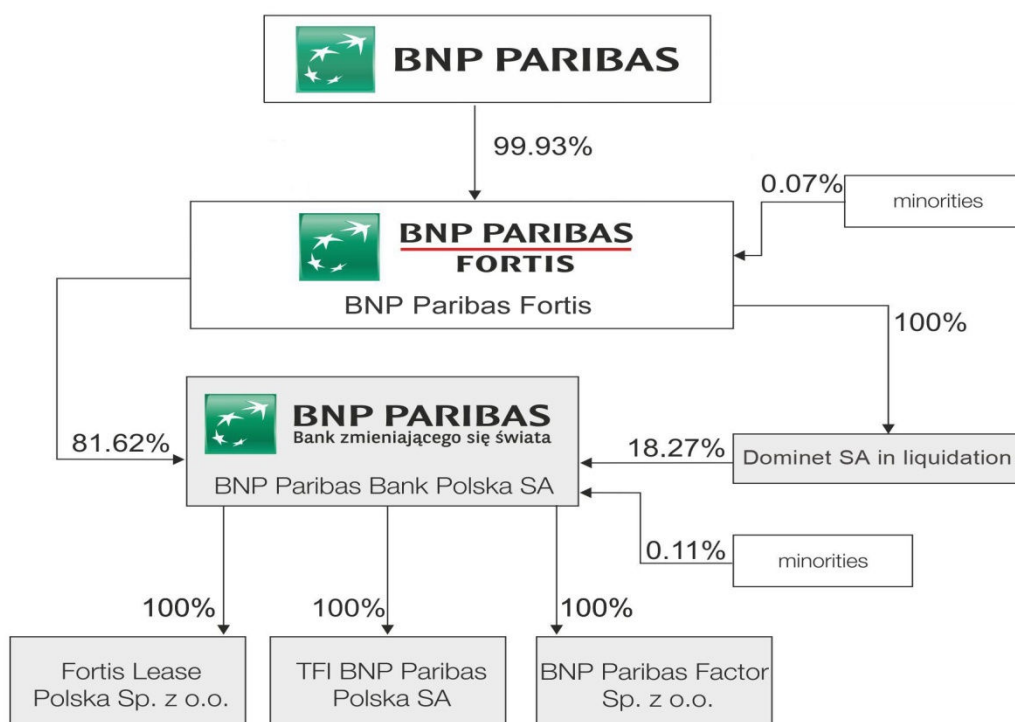
Structure of the Group

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

As at 31 March 2014, the direct parent entity of BNP Paribas Bank Polska SA was BNP Paribas Fortis based in Brussels which held 99.89% of the Bank's shares, of which 81.62% directly, and 18,27% through Dominet SA in liquidation; the remaining 0,11% of shares is held by other shareholders.

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

shortened BNP Paribas Bank Polska SA ownership structure



As at 31 March 2014, the BNP Paribas Bank Polska SA Group included:

- BNP Paribas Bank Polska SA (hereinafter: ("the Bank");
- Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA (investment fund company) (hereinafter: "TFI") - the Bank's subsidiary in which it holds 100% shares,
- Fortis Lease Polska Sp. z o.o. (hereinafter: "FLP") - the Bank's subsidiary in which it holds 100% shares;
- BNP Paribas Factor Sp. z o.o. (hereinafter: "Factor") - the Bank's subsidiary in which it holds 100% shares.

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

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

BNP Paribas Factor Sp. z o. o. with its registered office in Warsaw at ul. Cybernetyki 19B, is registered with the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register (KRS) under No. KSR 0000225155. The company was assigned statistical number (REGON): 052255107, and tax identification number (NIP): 966-17-67-430.

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

Field of the Group's business activity

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

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

1. The scope of the Bank's business shall include:

- 1) accepting deposits due on demand and/or in fixed date, and maintaining bank accounts for such deposits,
- 2) maintaining other bank accounts,
- 3) granting credits and loans, including consumer credits and loans,
- 4) carrying out bank pecuniary settlements, including payment card settlements, likewise payment card issuance,
- 5) issuing and confirming bank guarantees, granting sureties, likewise opening and confirming L/Cs,
- 6) issuing securities, including convertible bonds and banking securities, likewise carrying out commissioned tasks, and assuming obligations related to the issuance of securities,
- 7) participating in trading in financial instruments, including maintaining securities custody accounts,

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

6. Accounting Policies

Statement on consistency with the IFRS

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

Pursuant to the Ministry of Finance Ordinance dated 19 February 2009 regarding current and periodical information submitted by issuers of securities and conditions of recognising as equivalent the information required by law provisions of a country that is not a EU Member State (Journal of Laws No. 33/2009, item 259, as amended), the Bank shall publish its financial performance for the period of 3 months ended 31 March 2014, which is considered a current interim reporting period.

These financial statements of the Bank were approved for publishing by the Bank Board of Executives on 13 May 2014.

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

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

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

The Group now analyses in detail the effect of new standards on the financial statements. In the opinion of the Group, the aforesaid amendments to standards and interpretations will have no material effect on the Group's financial statements, except for IFRS 9 - Financial Instruments, for which effective date has not been finally determined (as at the date of preparing these financial statements, the amendments have not been approved by the European Commission).

Comparative Data

The consolidated financial statements present consolidated data of BNP Paribas Bank Polska SA and its subsidiaries: Fortis Lease Polska Sp. z o.o., Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska SA i BNP Paribas Factor Sp. z o.o. for the periods from 1.01.2014 until 31.03.2014, and as at 31.03.2014, and consolidated comparative data for the periods from 1.01.2013 until 31.03.2013, and as at 31.03.2013.

7. Comparability with Previously Published Reports

There have been changes made with respect to the manner of presentation of the data, published in the report for the first quarter of 2013 as at 31 March 2013 to ensure data comparability. The data are presented in PLN thousand.

Consolidated balance sheet as at 31 March 2013

Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Loans to customers	16,584,913	-31	16,584,882	-31	Change in the presentation of settlements with counterparties to Other assets
Other assets	218,054	31	218,085	31	
Liabilities due from banks	1,176,043	135	1,176,178	135	Change in the presentation of interest
Liabilities due to customers	8,901,184	-135	8,901,049	-135	

Consolidated Income Statement for the period from 1 Jan 2013 to 31 Mar 2013

Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Other general expenses	-64,214	3,138	-61,076	3,138	Separation from "Other expenses" of a new item, "Net result on provisions", where provisions for legal risk are recognised
Net result on provisions	-	-3,138	-3,138	-3,138	

Consolidated Cash Flow Statement for the period from 1 Jan 2013 to 31 Mar 2013

Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Operating activity					
Liabilities due from banks	793,683	135	793,818	135	Change in the presentation of interest
Liabilities due to customers	-1,163,766	-135	-1,163,901	-135	

8. Segment Reporting

Consolidated Income Statement by Business Segments for the First Quarter of 2014.

1 Jan 2014 - 31 Mar 2014 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	130,357	63,010	22,022	215,389
Transfer prices expense (internal)	-62,414	-36,186	-82,289	-180,889
Interest expense (external)	-26,892	-23,141	-25,806	-75,839
Transfer prices income (internal)	39,020	32,074	109,795	180,889
Net interest income	80,071	35,757	23,722	139,550
Fee and commission income (external)	29,452	16,963	39	46,454
Fee and commission expense (external)	-11,326	-709	-46	-12,081
Net fee and commission income	18,126	16,254	-7	34,373
Net trading income	6,137	12,345	-689	17,793
Net profit (loss) on hedging transactions	-	-	505	505
Net profit/loss on the hedged item	-	-	-505	-505
Net profit/loss on available-for-sale financial assets	-	-	5,730	5,730
Other revenues	7,906	5,174	-	13,080
Other operating expenses	-7,265	-5,672	-	-12,937
Net banking income	104,975	63,858	28,756	197,589
General expenses	-70,852	-16,675	-44,321	-131,848
Personnel expenses	-33,090	-11,391	-27,023	-71,504
Other general expenses	-37,762	-5,284	-17,298	-60,344
Depreciation	-6,015	-92	-4,248	-10,355
Cost allocation (internal)	-35,283	-10,249	45,532	-
Gross operating profit/loss	-7,175	36,842	25,719	55,386
Cost of risk	-21,251	-559	320	-21,490
Net result on provisions	-	300	-	300
Cost of risk and net result on provisions	-21,251	-259	320	-21,190
Net operating profit/loss	-28,426	36,583	26,039	34,196
Net profit/loss from disposal of assets, shares and interest	-877	37	-	-840
Profit/loss before taxation	-29,303	36,620	26,039	33,356
Income tax	5,941	-8,924	-5,731	-8,714
Profit/loss after taxation	-23,362	27,696	20,308	24,642

1 Jan 2013 - 31 Mar 2013 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	139,392	65,672	28,354	233,418
Transfer prices expense (internal)	-79,477	-37,750	-106,070	-223,297
Interest expense (external)	-46,085	-33,156	-10,722	-89,963
Transfer prices income (internal)	54,320	39,396	129,581	223,297
Net interest income	68,150	34,162	41,143	143,455
Fee and commission income (external)	31,198	15,569	33	46,800
Fee and commission expense (external)	-10,866	-878	-50	-11,794
Net fee and commission income	20,332	14,691	-17	35,006
Net trading income	6,878	15,745	765	23,388
Net profit (loss) on hedging transactions	-	-	-704	-704
Net profit/loss on the hedged item	-	-	704	704
Net profit/loss on available-for-sale financial assets	50	444	13,596	14,090
Other revenues	3,604	2,369	-	5,973
Other operating expenses	-3,552	-1,298	-	-4,850
Net banking income	95,462	66,113	55,487	217,062
General expenses	-64,398	-14,881	-50,197	-129,476
Personnel expenses	-33,319	-9,670	-25,411	-68,400
Other general expenses	-31,079	-5,211	-24,786	-61,076
Depreciation	-5,883	-889	-4,671	-11,443
Cost allocation (internal)	-41,234	-9,997	51,231	-
Gross operating profit/loss	-16,053	40,346	51,850	76,143
Cost of risk	-33,623	1,370	789	-31,464
Net result on provisions	-3,133	-4	-1	-3,138
Cost of risk and net result on provisions	-36,756	1,366	788	-34,602
Net operating profit/loss	-52,809	41,712	52,638	41,541
Net profit/loss from disposal of assets, shares and interest	-136	-22	-	-158
Profit/loss before taxation	-52,945	41,690	52,638	41,383
Income tax	17,994	-11,973	-16,610	-10,589
Profit/loss after taxation	-34,951	29,717	36,028	30,794

Consolidated total assets (in PLN thousand)	Balance as at:	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Assets*	31/03/2014	10,693,357	6,590,225	3,761,612	21,045,194
	31/12/2013	10,866,641	5,671,083	4,579,532	21,117,256
	31/03/2013	10,878,438	5,482,469	3,483,422	19,844,329
Loans to customers, gross	31/03/2014	11,423,709	6,937,262	-	18,360,971
	31/12/2013	11,551,350	6,119,871	-	17,671,221
	31/03/2013	11,669,764	6,107,166	-	17,776,930
Liabilities	31/03/2014	5,560,643	4,818,267	10,666,284	21,045,194
	31/12/2013	6,535,010	5,907,961	8,674,285	21,117,256
	31/03/2013	5,729,268	4,841,749	9,273,312	19,844,329
Liabilities due to customers	31/03/2014	5,509,736	4,646,766	-	10,156,502
	31/12/2013	5,949,746	4,944,553	-	10,894,299
	31/03/2013	5,246,984	3,654,065	-	8,901,049

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

9. Additional Notes to Consolidated Income Statement

Note 9.1

Interest income (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Cash and cash equivalents	2,824	5,884
Due from banks	406	742
Loans to customers	193,473	206,229
Investments available for sale	18,022	19,621
Securities held for trading	-	291
Derivative hedging instruments	664	651
Total interest income	215,389	233,418

Note 9.2

Interest expense (in PLN thousand)	1 Jan 2014 – 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Liabilities due to banks	-3,783	-5,116
Liabilities due to customers	-44,343	-68,643
Loans and credit facilities received	-24,090	-31,486
Subordinated loans	-3,518	16,164*
Derivative hedging instruments	-67	-49
Others	-38	-833
Total interest expense	-75,839	-89,963

*in this item, the settlement of a prepaid portion of subordinated loans was recognised, with a positive mark to market in the amount of PLN 16,604 thousand.

Note 9.3

Fee and commission income (in PLN thousand)	1 Jan 2014 – 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
On securities trading	102	435
Cash settlements services	13,967	14,360
Guarantees and contingent liabilities	4,832	4,825
Fees and commissions related to granting credit facilities (recognised on a straight-line basis)	4,329	3,482
Fees and commissions (one-off items)	2,881	2,960
Income on account of agency in customer acquisition	720	434
Card related income	5,999	5,441
Insurance product sales revenues	4,465	4,580
Income on asset management	889	643
Others	8,270	9,640
Total fee and commission income	46,454	46,800

Note 9.4

Fee and commission expense (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
On securities trading	-31	-22
Card related expenses	-3,609	-4,230
Cash transactions expenses	-73	-68
Settlements	-191	-198
Fee and commission expenses related to the franchise branch network	-2,912	-2,129
Expenses related to the sale of insurance products:	-578	-705
Others	-4,687	-4,442
Total fee and commission expenses	-12,081	-11,794

Note 9.5

Net trading income (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Securities	-	-100
Derivative instruments, including:	-3,416	916
- fair value adjustment on account of credit risk of derivative instruments	-3,131	856
Foreign exchange transactions	21,209	22,572
Total net trading income	17,793	23,388

Note 9.6

Cost of risk (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Net cash and cash equivalents, including:	320	789
- provisions for Incurred But Not Reported losses (IBNR)	320	789
Due from banks, net, including:	46	-
- provisions for Incurred But Not Reported losses (IBNR)	46	-
Loans to customers, net, including:	-19,014	-12,091
- provisions for credit receivables	-19,371	-11,898
- provisions for Incurred But Not Reported losses (IBNR)	-3,295	-2,879
- income on account of written-off receivables,	3,652	2,686
Off-balance sheet liabilities, net, including:	-1,555	-19,560
- provisions for off-balance sheet commitments	-1,662	-19,540
- provisions for Incurred But Not Reported losses (IBNR)	107	-20
Other assets, net	-1,287	-602
Total cost of risk	-21,490	-31,464

Note 9.7

Net result on provisions (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Provisions for legal risk related to financial instruments	300	-
Provisions for legal risk - other	-	-3,138
Total net result on provisions	300	-3,138

Note 9.8

Consolidated Earnings Per Share	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Mar 2013
Number of shares as at 31 March	28,692,926	28,692,926
Weighted average number of ordinary shares	28,692,926	28,692,926
Profit/loss after taxation (in PLN thousand)	24,642	30,794
Earnings/loss per ordinary share ratio in PLN	0.86	1.07
Weighted average diluted number of potential ordinary shares	28,692,926	28,692,926
Diluted consolidated EPS ratio (PLN per share)	0.86	1.07

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

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

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

10. Additional Notes to Consolidated Balance Sheet

Note 10.1

Cash and cash equivalents (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Cash on hand	157,901	182,201	148,950
Due from the Central Bank	646,100	377,416	551,828
Short-term liabilities due from banks, including:	129,337	731,199	196,850
- Nostro accounts	101,665	374,133	155,938
- short-term deposits from banks	27,672	357,066	40,912
Interest	49	48	1,084
Cash and cash equivalents, gross	933,387	1,290,864	898,712
Impairment losses:	-297	-617	-312
- for Incurred But Not Reported losses (IBNR)	-297	-617	-312
Total cash and cash equivalents, net	933,090	1,290,247	898,400

Note 10.2.1

Financial assets held for trading (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Held-for-trading securities, including:	-	-	25,201
- treasury bonds	-	-	25,021
Interest	-	-	180
Derivative financial instruments, including:	65,820	70,118	81,150
- foreign currency contracts, including:	15,716	17,685	15,579
- fair value adjustment for credit risk	-4,362	-417	-524
- interest rate contracts	50,104	52,433	65,571
Total financial assets held for trading	65,820	70,118	106,351

Either as at 31 March 2014 or in the periods compared, the Bank's balance sheet included no buy-sell-back repo securities held for trading.

Note 10.2.2

Financial liabilities held for trading (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Derivative financial instruments, including:	72,186	69,790	76,991
- foreign currency contracts	17,480	18,669	12,957
- interest rate contracts	54,706	51,121	64,034
Total financial liabilities held for trading	72,186	69,790	76,991

Note 10.3.1

Due from banks (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Loans	42,032	62,054	60,028
Receivables from financial instruments recognition (FX spot and FX swap transactions) on the transaction date	26,650	3,407	53,772
Other receivables	3,830	13,667	7,088
Interest	82	150	229
Total due from banks, gross	72,594	79,278	121,117
Impairment losses:	-31	-77	-74
- for Incurred But Not Reported losses (IBNR)	-31	-77	-74
Total due from banks, net	72,563	79,201	121,043

Note 10.3.2

Loans to customers (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Loans to budgetary entities	41	37	44
Mortgage loans	5,673,393	5,692,723	5,866,318
Consumer loans and credit facilities	2,486,065	2,442,003	2,378,787
Commercial loans	8,162,113	7,565,244	7,680,132
Receivables from financial instruments recognition (FX spot and FX swap transactions) on the transaction date	981	-	124
Finance lease receivables	1,812,217	1,762,775	1,684,158
Other receivables	174,917	158,077	112,431
Interest	51,234	50,362	54,936
Total loans to customers, gross	18,360,971	17,671,221	17,776,930
Impairment losses:	-1,071,100	-1,088,607	-1,192,048
- for incurred, reported losses	-952,813	-974,610	-1,086,315
- for Incurred But Not Reported losses (IBNR)	-118,287	-113,997	-105,733
Total loans to customers, net	17,289,871	16,582,614	16,584,882

Note 10.3.3

Changes to impairment losses (in PLN thousand)	Due from banks Provisions for Incurred But Not Reported losses (IBNR)	Loans to customers	
		Impairment provisions	Write-downs for Incurred But Not Reported losses (IBNR)
Balance as at 1 Jan 2013	-74	-1,099,281	-102,853
Increases	-	-164,795	-11,044
Decreases	-	155,319	8,164
Write-downs to provisions	-	81,905	-
FX rate differences	-	-59,463	-
Balance as at 31 Mar 2013	-74	-1,086,315	-105,733
Balance as at 1 Jan 2013	-74	-1,099,281	-102,853
Increases	-28	-536,216	-39,103
Decreases	25	453,728	27,959
Write-downs to provisions	-	208,012	-
FX rate differences	-	-853	-
Balance as at 31 Dec 2013	-77	-974,610	-113,997
Balance as at 1 Jan 2014	-77	-974,610	-113,997
Increases	-	-144,593	-42,386
Decreases	46	134,898	38,096
Write-downs to provisions	-	35,312	-
FX rate differences	-	-3,820	-
Balance as at 31 Mar 2014	-31	-952,813	-118,287

Note 10.4

Investments available for sale (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Treasury bonds	1,701,117	1,814,477	1,437,102
Bonds issued by banks	61,200	61,414	-
Bonds issued by non-financial entities	59,856	-	10,889
NBP cash bills	-	699,847	-
Shares and stock	5,408	5,148	15,640
Other	3,522	3,491	6,697
Interest	20,401	23,493	13,080
Total investments available for sale, gross	1,851,504	2,607,870	1,483,408
Provisions for investments available for sale	-377	-	-9,772
- for bonds issued by non-financial entities	-	-	-3,888
- for shares	-377	-	-5,884
Total investments available for sale, net	1,851,127	2,607,870	1,473,636

Non-current assets held for sale

The table below presents a specification of non-current assets held for sale as at 31 March 2014 as well as comparative data:

Note 10.5

in PLN thousand	31 Mar 2014	31 Dec 2013	31 Mar 2013
Land (including perpetual usufruct of land)	3,087	3,984	6,837
Buildings and premises	9,040	13,577	24,020
Means of transport	410	682	1,080
Construction machines	-	-	80
Others	2,716	-	-
Total non-current assets held for sale	15,253	18,243	32,017

As at 31 March 2014, the Group identified the fixed assets which met the relevant IFRS5 requirements: The above-mentioned assets were taken over from lessees through debt recovery actions and earmarked for sale.

Deferred Tax Assets and Liabilities

The table below presents deferred tax assets and liabilities as at 31 March 2014 and comparative data.

Note 10.6.1

in PLN thousand	31 Mar 2014	31 Dec 2013	31 Mar 2013
Deferred tax assets	230,319	245,230	281,410
Deferred tax liabilities	39,596	48,400	43,339
Total deferred tax assets, net - recognised in assets	190,723	196,830	238,071
Deferred tax liabilities - recognised in correspondence with revaluation reserve	1,170	762	3,258
Deferred tax liabilities related to actuarial profits and losses	46	46	6
Other deferred tax liabilities, net	-	-	-121
Total deferred tax liabilities - recognised in liabilities	1,216	808	3,143
Net deferred tax	189,507	196,022	234,928

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

Deferred tax assets (in PLN thousand)	Opening balance 1 Jan 2014	Opening balance (including incorporation of Fortis Lease Polska into the Bank's structure) as at 15.02.2014	Increases / decreases recognised in income statement	Increases/ decreases recognised in capital	Closing balance 31 Mar 2014
Interest accrued to be paid	5,255	132	442	-304	5,525
Negative fair value - hedged and hedging items	1,158	-	102	-	1,260
Provisions for credit exposure impairment	149,652	-	3,270	-	152,922
Fair value adjustment on account of credit risk of matured derivative instruments	21,367	-	-4,765	-	16,602
Reserves for employee benefits	4,862	-	-2,259	-	2,603
Expenses calculated for payment, which are not tax-deductible expenses	3,957	172	77	4	4,210
Provisions for impairment - other assets	25,011	-	-98	-23,351	1,562
Provisions that are not tax-deductible expenses	4,925	-	-990	-	3,935
Measurement of financial instruments held for trading	3,061	-	809	-	3,870
Measurement of available-for-sale investments	72	-	-	-72	-
Commissions and fees settled in time	8,174	-	1,157	-4,690	4,641
Difference between the market price and shares acquisition price	404	-	-	-	404
Provisions for impairment - fixed assets, intangible assets	288	-	21	-	309
Tax value of the company	6,823	-	-758	-	6,065
Civil law transaction tax on account of acquisition of shares in a subsidiary	194	-	-	-180	14
Provisions for impairment - bonds, shares	-	72	-	-	72
Compensation notes paid	-	2,576	120	-	2,696
Write-offs for leasing receivables	-	14,905	-547	-	14,358

impairment					
Write-downs for impairment of assets held for sale related to leasing activity	-	3,029	12	-	3,041
Surplus of basic value of leased fixed assets over book value of receivables	-	9,593	2,817	-9,553	2,857
Up-front fees for leasing agreements	-	580	-10	-	570
Income settled in time related to leasing activity	-	2,150	66	-	2,216
Others	10,027	-	-3	-9,437	587
Total deferred tax assets	245,230	33,209	-537	-47,583	230,319

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

Interest accrued to be received	28,820	-	1,109	-630	29,299
Difference between balance sheet depreciation and tax depreciation	5,573	-	-345	-	5,228
Measurement of held-for-trading securities	917	-	-569	-	348
Measurement of available-for-sale investments	837	-	-	412	1,249
Commissions and fees settled in time	3,055	-	-693	-2,148	214
Income to be received	554	-	112	-	666
Development work costs	876	-	30	-	906
Negative fair value - hedged and hedging items	1,615	-	-264	-	1,351
Costs settled in time related to leasing activity	-	1,520	154	-171	1,503
Surplus of positive unrealised FX differences over negative unrealised FX differences related to leasing activity	-	6,852	-	-6,852	-
Actuarial profits or losses on account of retirement severance pay, disability benefits and post-death benefits	46	-	-	-	46
Others	6,915	-	-8	-6,905	2
Total deferred tax liabilities	49,208	8,372	-474	-16,294	40,812
Net deferred tax	196,022	24,837	-63	- 31,289	189,507

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

Deferred tax assets (in PLN thousand)	Opening balance 1 Jan 2013	Increases / decreases recognised in income statement	Increases/ decreases recognised in capital	Closing balance 31 Mar 2013
Interest accrued to be paid	10,885	-324	-	10,561
Negative fair value - hedged items and hedging instruments	1,672	-119	-	1,553
Provisions for credit exposure impairment	173,939	842	-	174,781
Fair value adjustment on account of credit risk of matured derivative instruments	26,873	-141	-	26,732
Reserves for employee benefits	3,532	-1,455	-	2,077
Expenses calculated for payment, which are not tax-deductible expenses	3,594	249	-	3,843
Provisions for impairment - other assets	26,887	-599	-	26,288
Provisions which are not tax-deductible expenses	2,989	566	6	3,561
Measurement of financial instruments held for trading	6,900	-1,160	-	5,740
Measurement of available-for-sale investments	72	-	-	72
Commissions and fees settled in time	6,942	846	-	7,788
Difference between the market price and shares acquisition price	3,155	-572	-	2,583
Provisions for impairment - fixed assets, intangible assets	347	-	-	347
Tax value of the company	9,855	-758	-	9,097
Civil law transaction tax on account of acquisition of shares in a subsidiary	194	-	-	194
Provisions for impairment - bonds, shares	2,151	-293	-	1,858
Others	2,153	2,182	-	4,335
Total deferred tax assets	282,140	-736	6	281,410
Deferred tax liabilities (in PLN thousand)				
Interest accrued to be received	29,597	-5,946	-	23,651
Difference between balance sheet depreciation and tax depreciation	5,825	-119	-	5,706
Measurement of financial instruments held for trading	3,125	-1,098	-	2,027
Measurement of available-for-sale investments	7,537	-	-4,278	3,259
Commissions and fees settled in time	5,272	-797	-	4,475
Income to be received	390	-	-	390
Development work costs	726	101	-	827
Negative fair value - hedged and hedging items	2,124	-479	-	1,645
Others	1,587	2,909	6	4,502
Total deferred tax liabilities	56,183	-5,429	-4,272	46,482
Net deferred tax	225,957	4,693	4,278	234,928

Liabilities

Note 10.7.1

Liabilities due to banks (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Current deposits	128,422	92,569	99,196
Term deposits	712,199	160,000	748,548
Cash collateral	150,167	166,864	273,311
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) on the transaction date	26,627	3,402	53,763
Others	84	-	-
Interest	1,603	1,438	1,360
Total due to banks	1,019,102	424,273	1,176,178

Note 10.7.2

Liabilities due to customers (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Current deposits	4,355,340	4,473,505	3,445,835
Term deposits	5,647,106	6,239,465	5,263,820
Cash collateral	137,680	152,052	137,480
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) on the transaction date	981	-	124
Others	-	15,167	11,575
Interest	15,395	14,110	42,215
Total due to customers	10,156,502	10,894,299	8,901,049

Note 10.7.3

Loans and credit facilities received (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Loans and credit facilities received from banks	6,988,924	7,042,355	7,143,735
Interest	9,041	8,565	10,756
Total loans and credit facilities received	6,997,965	7,050,920	7,154,491

Provisions

Note 10.8.1

Provisions by titles (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Provisions for off-balance sheet commitments	22,912	21,238	27,546
Provision for Incurred But Not Reported losses - off-balance sheet commitments (IBNR)	10,187	10,398	8,644
Legal risk provisions	13,763	19,482	12,749
Reserves for liabilities	140	3,162	2,889
Reserves for employee benefits (including the restructuring provision)	5,395	4,831	7,215
Reserves for office sub-lease	1,365	1,419	1,647
Total provisions	53,762	60,530	60,690

The notes below present changes in the balance of provisions:

Note 10.8.2

Change in provisions for off-balance sheet commitments (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 - 31 Dec 2013	1 Jan 2013 - 31 Mar 2013
Opening balance	31,636	16,534	16,534
Increases	6,942	26,963	26,031
- for off-balance sheet commitments	5,626	21,271	24,972
- for IBNR losses – off-balance sheet commitments	1,316	5,692	1,059
Decreases	-5,479	-11,861	-6,472
- for off-balance sheet commitments	-4,056	-7,943	-5,433
- for IBNR losses – off-balance sheet commitments	-1,423	-3,918	-1,039
FX rate differences	-	-	97
Ending balance	33,099	31,636	36,190

Note 10.8.3

Changes in other provisions (in PLN thousand)	1 Jan 2014 - 31 Mar 2014	1 Jan 2013 – 31 Dec 2013	1 Jan 2013 - 31 Mar 2013
Opening balance	28,894	23,133	23,133
Increases	2,247	57,441	8,030
- for legal risk	644	43,360	5,638
- for office sub-lease	151	917	137
- for future commitments	140	10,434	1,540
- for employee benefits	1,312	2,730	715
Decreases	-10,478	-51,680	-6,682
- for legal risk	-6,363	-33,470	-2,500
- for office sub-lease	-205	-1,287	-279
- for future commitments	-3,162	-11,249	-2,628
- for employee benefits	-748	-5,674	-1,275
FX rate differences	-	-	19
Ending balance	20,663	28,894	24,500

11. Hedge Accounting

As at 31 March 2014 and in the periods compared, the Group applies the fair value hedge. The risk hedged is the interest rate risk, and in particular, changes in the fair value of assets and liabilities bearing a fixed interest rate due to changes in a specific reference rate.

Hedging instruments

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

Hedged item

Fixed rate current accounts in EUR are the hedged items.

The tables below present the breakdown of hedging derivative instruments at nominal value as at 31/03/2014 and in periods compared, broken down by residual maturity:

Note 11

Hedging derivative instruments (in PLN thousand)	31 Mar 2014							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
Interest Rate Contracts	7,114	-	-	-	16,685	66,741	12,514	95,940
- Swaps (IRS)	7,114	-	-	-	16,685	66,741	12,514	95,940
Total hedging derivative instruments	7,114	-	-	-	16,685	66,741	12,514	95,940

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

Hedging derivative instruments (in PLN thousand)	31 Mar 2013							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
Interest Rate Contracts	8,658	-	-	-	-	66,838	29,242	96,080
- Swaps (IRS)	8,658	-	-	-	-	66,838	29,242	96,080
Total hedging derivative instruments	8,658	-	-	-	-	66,838	29,242	96,080

12. Lease facilities

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

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

Note 12.1

Finance lease receivables (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
(Gross) finance lease receivables	2,055,844	1,998,848	1,956,807
Unrealised financial income	-243,627	-232,759	-272,649
Current value of minimum lease charges	1,812,217	1,766,089	1,684,158
provisions for impairment	-88,285	-115,370	-128,180
Total finance lease receivables	1,723,932	1,650,719	1,555,978

Note 12.2

Finance lease receivables by maturity (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
up to 1 year	511,871	528,057	518,193
from 1 up to 5 years	963,943	914,183	839,337
above 5 years	580,030	556,608	599,277
(Gross) finance lease receivables	2,055,844	1,998,848	1,956,807

Note 12.3

Current value of minimum lease charges (in PLN thousand)	31 Mar 2014	31 Dec 2013	31 Mar 2013
up to 1 year	450,359	466,439	452,891
from 1 up to 5 years	833,339	791,720	685,948
above 5 years	528,519	507,930	545,319
Current value of minimum lease charges, gross	1,812,217	1,766,089	1,684,158

13. Other Material Information

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

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

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

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

- more dynamic economic growth shown by the global economy which will translate into the increased pace of economic growth in Poland,
- rising employment rate and salaries going up at a gradually faster pace, which may boost demand for consumer,
- announcement of the Monetary Policy Council to maintain stable interest rates at least until the end of the third quarter of 2014.

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

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

13.4. Information on changes to contingent liabilities

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

Contingent liabilities granted (in PLN thousand)	31 Mar 2014	31 Dec 2013	Change (%)
Financial liabilities granted	6,328,064	5,747,843	10.09
Guarantee liabilities granted	2,401,006	2,008,975	19.51
Total contingent liabilities granted	8,729,070	7,756,818	12.53

Contingent liabilities received (in PLN thousand)	31 Mar 2014	31 Dec 2013	Change (%)
Financial liabilities received	1,755,375	2,125,000	-17.39
Guarantee liabilities received	744,313	514,690	44.61
Total contingent liabilities received	2,499,688	2,639,690	-5.30

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

As at 31 March 2014 and the publication date of the report for the first quarter of 2014, i.e. 13 May 2014, the shareholders' structure specifying the shareholders with at least 5% of the total number of votes at the General Meeting of Shareholders was as follows:

Shareholder name	Number of shares	Share (%) in the share capital	Share capital (in PLN)	Number of votes at the general meeting	Share (%) in the total number votes at the GM
BNP Paribas	28,661,545	99.89%	1,302,953,835.70	28,661,545	99.89%
BNP Paribas Fortis SA/NV	23,418,013	81.62%	1,064,582,870.98	23,418,013	81.62%
Dominet SA (in liquidation)	5,243,532	18.27%	238,370,964.72	5,243,532	18.27%
Minority shareholders	31,381	0.11%	1,426,580.26	31,381	0.11%
Total:	28,692,926	100.00%	1,304,380,415.96	28,692,926	100.00%

BNP PARIBAS based in Paris is the parent entity (holder of 99.93% shares) of BNP Paribas Fortis SA/NV based in Brussels. On 14 November 2013, the BNP PARIBAS group acquired, through an investment vehicle SFPI/FPIM, a 25% shareholding in BNP Paribas Fortis SA/NV, owned by the Belgian state.

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

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

As at 31 March 2014, and as at the publication date of the report for the first quarter of 2014, i.e. 13 May 2014, none of the Members of the Board of Executives or Members of the Supervisory Board held any shares issued by BNP Paribas Bank Polska SA or any other related financial instruments, which means that no change occurred from the publication date of the report for 2013, i.e. 11 March 2014.

13.7. Pending Proceedings before Court, Relevant Arbitration Body or Public Administration Body

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

To the best knowledge of the Bank, as at 31 March 2014, the total value of lawsuits pending before the courts, involving the Group's entities, either as a plaintiff or defendant, was PLN 245.6 million. As at 31 March 2014, the total value of lawsuits, in which entities of the Group appeared as a plaintiff, amounted to PLN 120.2 million (excluding interest), while the total value of lawsuits, in which the entities of the Group appeared as a defendant, was PLN 125.4 million (excluding interest).

As at 31 March 2014, in the aforementioned lawsuits the total value of disputes currently pending before the courts, which involve the Bank as a plaintiff or defendant was PLN 231.1 million (excluding interest). As at 31 March 2014, the total value of lawsuits in which the Bank appears as the plaintiff was PLN 111.6 million (excluding interest), while the total value of lawsuits in which the Bank appears as the defendant was PLN 119.5 million (excluding interest).

As at 31 March 2014, the Bank's provision for legal risk was PLN 13.7 million. In the opinion of the Bank's Board of Executives, the provisions created for the legal risk as at 31 March 2014 were adequate to the risk level.

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

As at 31 March 2014 the nominal value of claims related to transactions in derivative instruments, including currency options, that were filed to a court, totalled PLN 54.7 million (net of interest), the total of which constitutes the value in dispute of eight cases brought before courts against the Bank. As at 31 March 2014, the highest nominal value claim against the Bank amounted to approx. PLN 30.5 million. A lawsuit in this case, in spite of being brought to court in August 2013, has not been served on the Bank yet. On 25 April 2014 (after the balance sheet date), a settlement agreement was concluded under which the plaintiff renounced all its claims against the Bank and withdrew the lawsuit. Therefore, the total nominal value of claims related to derivative transactions decreased by PLN 30.5 million.

As compared to December 2013, the value of claims filed to the Bank and claims arising from summons to conciliatory settlement attempt fell substantially from PLN 15.4 million as at the end of December 2013 to nearly PLN 0.4 million as at the end of March 2014. This value declined owing to the settlement agreement concluded by the Bank on 3 January 2014 as a result of summons to conciliatory attempt of the highest amount of PLN 14.96 million, under which the customer waived all the claims against the Bank.

As at the end of March 2014, the total amount of provisions created by the Bank for legal risk in court proceedings related to derivative instruments amounted to approx. PLN 7.5 million. The amount of provisions for legal risk has substantially decreased as compared to December 2013. It results from performance of two settlement agreements signed in 2013 in option cases. Costs of the settlement agreements signed were written down against provisions created in previous periods.

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

13.8. Information on Related Party Transactions

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

Note 13.8.1

31 Mar 2014 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
Assets				
Cash and cash equivalents	87,390	115	39,361	126,866
Financial assets held for trading	2,385	18,998	-	21,383
Due from banks and Loans to customers	-	26,650	10,488	37,138
Hedging instruments	7,114	-	-	7,114
Other assets	3,366	119	116	3,601
Total assets	100,255	45,882	49,965	196,102

Liabilities				
Financial liabilities held for trading	1,375	4,457	24	5,856
Liabilities due to banks and customers	115,897	31,748	473,163	620,808
Loans and credit facilities received	-	5,325,033	1,013,659	6,338,692
Subordinated liabilities	-	455,899	-	455,899
Other liabilities	712	6,267	4,401	11,380
Total liabilities	117,984	5,823,404	1,491,247	7,432,635

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

Liabilities				
Financial liabilities held for trading	44,210	5,624	-	49,834
Liabilities due to banks and customers	41,357	38,286	131,244	210,887
Loans and credit facilities received	-	5,058,068	-	5,028,068
Subordinated liabilities	-	452,192	-	452,192
Other liabilities	637	6,089	7,378	14,104
Total liabilities	86,204	5,560,259	138,622	5,785,085

31 Mar 2013 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
Assets				
Cash and cash equivalents	176,309	744	10,703	187,756
Financial assets held for trading	18,425	10,647	-	29,072
Due from banks and Loans to customers	-	64,557	5,361	69,918
Hedging instruments	8,658	-	-	8,658
Other assets	9,051	60	96	9,207
Total assets	212,443	76,008	16,160	304,611

Liabilities				
Financial liabilities held for trading	57,364	3,161	-	60,525
Liabilities Due to banks and customers	81,503	60,905	856,302	998,710
Loans and credit facilities received	-	5,251,747	-	5,251,747
Subordinated liabilities	-	457,044	-	457,044
Other liabilities	599	5,599	5,432	11,630
Total liabilities	139,466	5,778,456	861,734	6,779,656

Note 13.8.2

Income Statement 1 Jan 2014 - 31 Mar 2014 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
Interest income	794	15	206	1,015
Interest expense	-178	-17,862	-8,017	-26,057
Fee and commission income	-36	2	556	522
Fee and commission expense	-156	-5	-76	-237
Net trading income	-8,385	7,096	505	-784

Net profit (loss) on hedging transactions	301	-	-	301
Other revenues	-	-	1	1
Other operating expenses	-	-	-77	-77
Other general expenses	-	-	-2,163	-2,163
Cost of risk	-	-153	-	-153

Income Statement 1 Jan 2013 - 31 Mar 2013 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
Interest income	873	111	2,419	3,403
Interest expense	19,345	-22,390	-3,522	-6,567
Fee and commission income	41	3	627	671
Fee and commission expense	-197	-15	-121	-333
Net trading income	4,520	9,416	-	13,936
Net profit (loss) on hedging transactions	-728	-	-	-728
Other revenues	-	-	63	63
Other operating expenses	-	-	-	-
Other general expenses	-	-	-988	-988
Cost of risk	-	-	-1	-1

Note 13.8.3

Contingent liabilities and operations on derivative instruments 31 Mar 2014 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
Contingent liabilities granted	16,244	5,789	224,272	246,305
- financial	-	-	22,443	22,443
- guarantees	16,244	5,789	201,829	223,862
Contingent liabilities received	41,849	66,701	577,789	686,339
- guarantees	41,849	66,701	577,789	686,339
Transactions in derivative instruments*	1,842,705	10,003,762	484,544	12,331,011

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

Contingent liabilities and operations in derivative instruments 31 Mar 2013 (in PLN thousand)	Direct parent entity (BNP Paribas Fortis)	Ultimate parent entity (BNP Paribas)	Other entities of the BNP Paribas group	Total
Contingent liabilities granted	11,173	41,686	277,126	329,985
- financial	-	-	18,463	18,463
- guarantees	11,173	41,686	258,663	311,522
Contingent liabilities received	33,563	124,231	325,182	482,976
- guarantees	33,563	124,231	325,182	482,976
Transactions in derivative instruments*	2,076,339	2,787,285	-	4,863,624

* including buy and sell transactions in derivative instruments

Agreements with the BNP Paribas group entities

Secured credit line agreement concluded with BNP PARIBAS

On 22 January 2014 the Bank and BNP PARIBAS group concluded an uncommitted secured credit line agreement. Under the agreement, BNP PARIBAS has made available to the Bank a credit line, which replaced the existing financing of the majority of the portfolio of CHF mortgage loans granted by the Bank, under the terms and conditions that ensure a better maturity match in relation to the existing financing. The funds from the new credit line were earmarked for repayment of the current funding, and simultaneously ensured new funding for those loans. The amount of the credit line received may not exceed an equivalent of CHF 810 million. The detailed terms and conditions of the financing are determined individually for each tranche disbursed under the facility.

In order to secure the credit line, the conditional receivables assignment agreement was concluded with BNP PARIBAS on the same day. The object of the conditional assignment agreement are receivables under the portfolio of CHF-denominated mortgage loans granted by the Bank. The Bank may be obligated to effectively assign the receivables under the agreement, only in case of a significant deterioration of the Bank's economic indices concerning the loan portfolio quality, capital adequacy or the share of the Bank's pledged assets in relation to total assets (fulfilment of a condition precedent).

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

Conclusion of the guarantee credit line agreement

On 20 January 2014, the Bank signed a guarantee credit line agreement with not affiliated entities (the Ordering Party and Surety) and annex no. 1 to the guarantee credit line agreement ("the Guarantee Credit Line Agreement")

Under the Guarantee Credit Line Agreement, the Bank made available to the Ordering Party a guarantee limit up to PLN 424.8 million ("the Guarantee Limit") for the period of 67 months from the conclusion date of the Guarantee Credit Line Agreement, and the Guarantee Limit will be systematically reduced whenever the total amount of the guaranteed obligation of the Ordering Party is decreased. The Guarantee Credit Line Agreement provides for granting by the Bank of an irrevocable and unconditional payment guarantee up to PLN 216.7 million ("Guarantee I") (Guarantee I within the limit set was granted on 28 January 2014 up to the amount of PLN 216,7 million), likewise an irrevocable and unconditional payment guarantee up to PLN 424.8 million ("Guarantee II"). If Guarantee II is granted, Guarantee I will automatically expire on the date of the Guarantee II. As of 28 February 2014, the reduced Guarantee Limit amounted to approx. PLN 398.8 million.

Conclusion of the multi-option credit line agreement

On 27 February 2014, the Bank concluded an agreement on a multi-option credit line up to the maximum amount of PLN 200 million with customers not affiliated with the Bank.

Under the agreement, the Bank provides customers with a L/C line and grants an uncommitted overdraft facility, likewise a revolving working capital loan. The financing term is 12 months.

Conclusion of the multi-option credit line agreement

On 05 March 2014, the Bank concluded an agreement on a multi-option credit line up to the maximum amount of PLN 250 million with customers not affiliated with the Bank.

Under the agreement, the Bank grants to customers an overdraft facility in PLN or EUR, likewise a revolving working capital loan in PLN or EUR. The financing term lasts until 30 March 2016.

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

Planned increases of free float by the series O shares issue

Within the BNP Paribas group's commitment towards the Financial Supervision Authority ("KNF") to increase the free float of the Bank's shares up to at least 15% - the Bank resumed in 2014 the work on the new offering of shares, which was suspended in December 2013 due to a disclosure of information about the planned acquisition of a 98.5% shareholding of Bank Gospodarki Żywnościowej SA by the BNP PARIBAS group.

On 7 April 2014, the Bank's Annual General Meeting was held which resolved to increase the share capital by the amount up to PLN 228.5 million through a new issue of up to 5,026,539 Series O shares, with pre-emptive rights of the existing shareholders excluded. On 11 April 2014, the Bank confirmed its intention to increase the share capital through a public offering of shares, and to increase the free float of the Bank's shares at the Warsaw Stock Exchange.

On 22 April 2014, the Polish Financial Supervision Authority (KNF) approved the issue prospectus of the Bank. An underwriting agreement was concluded under the terms and conditions set out in the prospectus, whereas the Bank and BNP Paribas Fortis SA/NV and "Dominet" S.A. w likwidacji made the lock-up commitment. The function of the Global Coordinator of the offering was entrusted to Citigroup (through Citigroup Global Markets Ltd and Dom Maklerski Banku Handlowego). Citigroup Global Markets Ltd, Dom Maklerski Banku Handlowego and BNP Paribas were the Joint Bookrunners. The Offering Agent was Dom Maklerski Banku Handlowego.

After disclosing the issue prospectus on 23 April 2014, the Bank initiated the public offering. The offering included up to 5,026,539 shares of the "O" series. On 29 April 2014, the Bank's Board of Executives in consultation with the Global Coordinator set the price of Offer Shares at PLN 46.00 for each Offer Share. On 6 May 2014, the Bank's Board of Executives allotted the maximum number of 5,026,539 newly issued series O shares. Institutional investors were allotted 4,860,446 shares and retail investors 166,093 shares. The first day of listing the rights to the Offer Shares on the Warsaw Stock Exchange is expected to be on or before 16 May 2014.

The gross proceeds from issue of the Offer Shares will be PLN 231.2 million. By conducting the Offering, the Bank will strengthen its capital position. Most of the proceeds from the Offering (approximately 90%) will be used to support credit action in the corporate and retail segment. The remainder of the proceeds from the Offering (approximately 10%) will be used to support the investment plan in 2014, including the modernization of IT infrastructure. The transaction also ensures the fulfilment of BNP Paribas SA's commitment to the Polish Financial Supervision Authority to increase the Bank's free float of shares on the Warsaw Stock Exchange to at least 15%.

Incorporation of the subsidiary's leasing activity into the Bank

On 15 February 2014, an agreement on the enterprise sale and debt takeover (hereinafter, "the Agreement") was signed by and between Fortis Lease Polska Sp. z o.o. (hereinafter "FLP") as the "Seller" and the Bank as the "Buyer". FLP is the wholly-owned subsidiary of the Bank, i.e. the Bank holds 100% of FLP shares. Under the Agreement, the FLP's enterprise was transferred to the Bank as in-kind remuneration for shares redeemed, which accounted for 99.98% of FLP's share capital. The remuneration for the FLP's redeemed shares amounts to PLN 114.9 million.

The incorporation of the lease business into the Bank's structure is intended to improve the business and cost efficiency, additionally it should simplify the service of the Bank's customers.

As at 31 March 2014, the Bank Supervisory Board's composition was as follows:

	Name and surname	Function in the Bank's Supervisory Board
1.	Jean-Paul Sabet	Chairman
2.	Jarosław Bauc	Vice Chairman, independent
3.	Filip Dierckx	Vice Chairman

4.	Monika Bednarek	Supervisory Board's member, independent
5.	Francois Benaroya	Supervisory Board's member
6.	Yvan De Cock	Supervisory Board's member
7.	Jean Deullin	Supervisory Board's member
8.	Helene Dubourg	Supervisory Board's member
9.	Andrzej Wojtyna	Supervisory Board's member, independent

In the first quarter of 2014, no changes as regards the composition of the Supervisory Board took place.

Changes in the composition of the Bank's Supervisory Board on 7 April 2014

The Annual General Meeting of the Bank, has appointed a new member of the Supervisory Board - Mr. Jean-Marc Buresi, representing the BNP Paribas group, CEO of the Personal Finance Inside (France). Concurrently, on the day of the Annual General Meeting, Mr. Jean Deullin and Ms. Helene Dubourg resigned from their functions in the Bank's Supervisory Board, effective at the date of the Annual General Meeting. The reason for the resignation was the appointment of Mr. Jean Deullin and Ms. Helene Dubourg to other positions in the BNP Paribas group.

Effective 07 April 2014, the Bank's Supervisory Board composition is as follows:

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

As at 31 March 2014, the composition of the Bank's Board of Executives was as follows:

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

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

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

On 20 January 2014, the Bank signed a guarantee credit line agreement with not affiliated entities (the Ordering Party and Surety) and annex no. 1 to the guarantee credit line agreement ("the Guarantee Credit Line Agreement")

Under the Guarantee Credit Line Agreement, the Bank made available to the Ordering Party the guarantee limit up to PLN 424.8 million ("the Guarantee Limit").

On 28 January 2014 within the limit set, the Bank granted Guarantee I up to the amount of approximately PLN 216.7 million.

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

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

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

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

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

In the first quarter of 2014, the Bank introduced calculation of the Credit Value Adjustment (CVA), which includes derivative transactions recognised in the Bank's trading and banking book (foreign exchange transactions, interest rate swap transactions, currency options and interest rate options).

The CVA reflects the market value of the counterparty credit risk. The CVA is calculated to factor in the situation where insolvency of the counterparty makes it impossible to recover the market value of derivative transactions concluded with the counterparty.

The Bank determines the adjustment amount based on the exposure, assessment of the counterparty's creditworthiness and estimation of expected recoveries in case the counterparty has become insolvent.. The exposure amount is determined on the basis of the current valuation of contracts and the potential future change in the exposure value, depending on the transaction type and settlement date.

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

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

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

As at 31 March 2014 and 31 March 2013, apart from provisions presented in the notes to the balance sheet, the Group did not make any other material provisions.

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

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

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

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

13.19. Corrections of prior period errors

In the first quarter of 2014, no corrections were made of prior period errors.

13.20. Other information

Update of the Recovery Programme

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

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

In KNF's opinion, the full implementation of the Recovery Programme should allow the Bank to permanently achieve positive financial results and improve the main economic and financial ratios, and thus enable the finalisation of the recovery process by the assumed deadline i.e. 31 December 2014. On 17 March 2014 the Bank submitted to KNF "The Information regarding the Impact of the Lease Business Incorporation into the Bank's Structures on the Financial Projections in the Recovery Programme for BNP Paribas Bank Polska SA".

13.21. Post-balance Sheet Events

The Annual General Meeting of 7 April 2014

On 7 April 2014, the Bank's Annual General Meeting of Shareholders was held which adopted resolutions concerning the approval of separate and consolidated financial statements for 2013, the Board of Executives' Report on the business activity in 2013 and the Supervisory Board's Report for 2013, the approval of the discharge of duties of the Bank's authorities for 2013 and distribution of the 2013 profit. The Bank's net profit for the fiscal year 2013 which amounted to nearly PLN 86.3 million, was earmarked in full for the increase of the Bank's own capital funds in the following manner: the profit portion of nearly PLN 79.2 million was allocated to the general risk fund, PLN 7 million to the additional capital, and the remainder to the retained earnings.

The Annual General Meeting of the Bank has decided to increase the share capital by issuing the series "O" shares with pre-emptive rights of the existing shareholders excluded, and to amend the Bank's Statute accordingly.

Organizational changes in the Bank's sales network

On April 1, 2014, the Bank has separated out 27 SME Financial Centres, dedicated to the service of customers in the SME segment. The change consists in greater focusing of the Retail Banking Business Line on the SME segment, and thereby improving the efficiency of operations in this segment.

Proceeding conducted by the General Inspector of Financial Information

In April 2014, the Bank was informed that the General Inspector of Financial Information (GIIF) initiated proceedings against the Bank for non-fulfilment of the obligation to register transactions the equivalent of which exceeds EUR 15,000 and for a failure to provide the GIIF with documents related to these transactions. The Bank provided the GIIF with clarifications in this case pointing out the limited scale of the failures (3 transactions concluded in May/June 2012). The proceedings have not been closed as at the report publication date.

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

13 May 2014	Frédéric Amoudru President of the Board of Executives signature
13 May 2014	Jan Bujak Senior Vice President of the Board of Executives Chief Financial Officer signature
13 May 2014	Jaromir Pelczarski Vice President of the Board of Executives signature
13 May 2014	Michel Thebault Vice President of the Board of Executives signature
13 May 2014	Wojciech Kemblowski Member of the Board of Executives signature
13 May 2014	Marta Oracz Member of the Board of Executives signature
13 May 2014	Adam Parfiniewicz Member of the Board of Executives signature
13 May 2014	Stéphane Rodes Member of the Board of Executives signature