



Consolidated quarterly report
of the Alior Bank
Spółka Akcyjna Group

for the third quarter of 2014

Selected financial data from the consolidated financial statements

in PLN'000					
	1.01.2014 - 30.09.2014	1.01.2013- 31.12.2013	1.01.2013 - 30.09.2013 Restated amounts	% C)/C	(A-
	A	B	C	D	
Net interest income	896 399	998 561	700 847		27,9%
Net fee and commission income	252 629	275 178	186 822		35,2%
Trading result & other	224 188	266 288	204 032		9,9%
Net operating income*	1 373 216	1 540 027	1 091 701		25,8%
General administrative expenses	-684 373	-847 358	-614 054		11,5%
Impairment losses	-413 704	-404 981	-262 495		57,6%
Gross profit	275 139	287 688	215 152		27,9%
Net profit	221 167	227 902	169 899		30,2%
General administrative expenses	-684 373	-847 358	-614 054		11,5%
Gross profit	275 139	287 688	215 152		27,9%
Net profit	221 167	227 902	169 899		30,2%
Total net cash flow	-65 096	-90 015	-477 140		0,0%
Loans and advances to customers	22 789 454	19 657 900	18 309 688		24,5%
Customer deposits	22 630 379	20 842 462	19 156 303		18,1%
Total equity	2 918 534	2 184 732	2 117 516		37,8%
Total assets	29 156 450	25 549 871	23 268 492		25,3%
Ratios					
Earnings/losses per share (PLN)	3,17	3,58	2,67		18,6%
ROE	11,6%	11,0%	11,1%		4,3%
ROA	1,1%	1,0%	1,0%		5,8%
C/I	49,8%	55,0%	56,2%		-11,4%
CoR	2,5%	2,3%	2,0%		20,6%
L/D	1,01	0,94	0,96		5,4%
NPL ratio	8,8%	6,9%	6,8%		29,4%
NPL coverage ratio	54,6%	57,3%	56,7%		-3,7%
Capital adequacy ratio	13,8%	12,1%	12,8%		7,9%
Tier 1	12,0%	10,3%	10,8%		10,8%
Book value per ordinary share (PLN)	41,7	34,4	33,3		25,3%
Other data					
Number of shares (in thousand)	69 941	63 583	63 583		10,0%
Number of employees	6 706	6 512	6 154		9,0%

*) net operating income means the sum of following: (i) net interest income, (ii) dividend income, (iii) net fee and commission income, (iv) trading result, (v) net gain (realized) on other financial instruments and (vi) net other operating income

	in EUR'000			
	1.01.2014 - 30.09.2014	1.01.2013- 31.12.2013	1.01.2013 - 30.09.2013 Restated amounts	%% (A-C)/C
	A	B	C	D
Net interest income	214 434	237 132	165 955	29,2%
Net fee and commission income	60 433	65 347	44 238	36,6%
Trading result & other	53 630	63 236	48 313	11,0%
Net operating income*	328 497	365 715	258 506	27,1%
General administrative expenses	-163 714	-201 225	-145 403	12,6%
Impairment losses	-98 965	-96 172	-62 157	59,2%
Gross profit	65 818	68 318	50 946	29,2%
Net profit	52 907	54 121	40 231	31,5%
General administrative expenses	-163 714	-201 225	-145 403	12,6%
Gross profit	65 818	68 318	50 946	29,2%
Net profit	52 907	54 121	40 231	31,5%
Total net cash flow	-15 572	-21 376	-112 983	0,0%
Loans and advances to customers	5 457 898	4 740 041	4 342 596	25,7%
Customer deposits	5 419 801	5 025 671	4 543 392	19,3%
Total equity	698 966	526 797	502 221	39,2%
Total assets	6 982 745	6 160 752	5 518 699	26,5%
Ratios				
Earnings/losses per share (EUR)	0,8	0,9	0,6	20,6%
ROE	11,6%	11,0%	11,1%	4,3%
ROA	1,1%	1,0%	1,0%	5,8%
C/I	49,8%	55,0%	56,2%	-11,4%
CoR	2,5%	2,3%	2,0%	20,6%
L/D	1,01	0,94	0,96	5,4%
NPL ratio	8,8%	6,9%	6,8%	29,3%
NPL coverage ratio	54,6%	57,3%	56,7%	-3,7%
Capital adequacy ratio	13,8%	12,1%	12,8%	7,9%
Tier 1	12,0%	10,3%	10,8%	10,8%
Book value per ordinary share (EUR)	9,99	8,29	7,90	26,5%
Other data				
Number of shares (in thousand)	69 941	63 583	63 583	10,0%
Number of employees	6 706	6 512	6 154	9,0%

*) net operating income means the sum of following: (i) net interest income, (ii) dividend income, (iii) net fee and commission income, (iv) trading result, (v) net gain (realized) on other financial instruments and (vi) net other operating income

The selected items of the Financial Statements have been converted into EUR at the following rates:

a) as at 30.09.2014

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 30.09.2014 – 4.1755;

- income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.1803;

b) as at 31.12.2013

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 31.12.2013 – 4.1472;

- income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.2110;

c) as at 30.09.2013

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 30.09.2013 – 4.2163;

- income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.2231.

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Consolidated income statement

	Note	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Interest income		455 818	1 277 246	357 007	1 103 134
Interest expense		-134 549	-380 847	-117 885	-402 287
Net interest income	4	321 269	896 399	239 122	700 847
Dividend income		9	11	15	20
Fee and commission income		134 965	398 883	116 291	335 280
Fee and commission expense		-49 722	-146 254	-45 205	-148 458
Net fee and commission income	5	85 243	252 629	71 086	186 822
Trading result	6	77 359	198 324	53 160	180 393
Net gain (realized) on other financial instruments	7	-1 779	391	280	7 241
Other operating income		12 666	38 711	8 181	33 001
Other operating costs		-5 180	-13 249	-3 362	-16 623
Net other operating income	8	7 486	25 462	4 819	16 378
General administrative expenses	9	-235 447	-684 373	-212 666	-614 054
Impairment losses	10	-166 553	-413 704	-102 244	-262 495
Gross profit		87 587	275 139	53 572	215 152
Income tax	11	-17 705	-53 972	-12 115	-45 253
Net profit from continuing operations		69 882	221 167	41 457	169 899
<i>attributable to equity holders of the parent</i>		<i>70 071</i>	<i>221 706</i>	<i>41 457</i>	<i>169 899</i>
<i>attributable to non-controlling interests</i>		<i>-189</i>	<i>-539</i>	<i>0</i>	<i>0</i>
Net profit attributable to equity holders of the parent		70 071	221 706	41 457	169 899
Weighted average number of ordinary shares		69 941 261	69 941 261	63 582 965	63 582 965
Net profit per share (in PLN)	12	1,00	3,17	0,65	2,67
Diluted earnings per share (in PLN)	12	0,96	3,03	0,62	2,54

Consolidated statement of comprehensive income

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Net profit	69 882	221 167	41 457	169 899
Other taxable comprehensive income	23 646	46 505	8 884	-33 586
Net gains/losses on financial assets available for sale	8 699	16 311	7 916	-25 811
Profit/loss on valuation of financial assets available for sale	10 740	20 137	9 773	-31 865
Deferred tax	-2 041	-3 826	-1 857	6 054
Net gains/losses on hedging instruments	14 947	30 194	968	-7 775
Profit/loss on valuation of hedging instruments	18 453	37 276	1 195	-9 599
Deferred tax	-3 506	-7 082	-227	1 824
Total comprehensive income, net	93 528	267 672	50 341	136 313
holders of the parent	93 717	268 211	50 341	136 313
non-controlling shareholders	-189	-539	0	0

Consolidated statement of financial position

ASSETS	Note	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Cash and balances with the Central Bank	13	1 018 716	1 067 227	755 303
Financial assets held for trading	21	420 848	243 291	234 261
Financial assets available for sale	14	3 795 709	3 388 525	2 929 182
Other financial instruments at fair value through profit or loss	17	3 601	0	0
Hedging derivatives	23	53 036	12 099	3 463
Amounts due from banks	16	297 497	254 199	181 380
Loans and advances to customers	15	22 789 454	19 657 900	18 309 688
Property, plant and equipment		195 899	215 121	206 227
Intangible assets		208 933	188 050	169 044
Non-current asset held for sale		37	38 335	62 298
Income tax asset		127 900	143 793	118 201
<i>Current</i>		2 288	0	0
<i>Deferred</i>		125 612	143 793	118 201
Other assets	18	244 820	341 331	299 445
TOTAL ASSETS		29 156 450	25 549 871	23 268 492

LIABILITIES AND EQUITY	Note	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Financial liabilities held for trading	22	296 221	184 090	153 753
Financial liabilities measured at amortized cost	19	24 549 799	21 660 435	20 084 391
Hedging derivatives	23	0	0	5 040
Provisions	20	12 907	10 574	3 570
Other liabilities	21	830 333	1 129 270	559 765
Income tax liabilities		0	31 949	187
<i>Current</i>		0	31 949	187
Subordinated loans	24	548 656	348 821	344 270
Total liabilities		26 237 916	23 365 139	21 150 976
Equity	25	2 918 534	2 184 732	2 117 516
Equity attributable to equity holders of the parent		2 916 463	2 184 732	2 117 516
Share capital		699 413	635 830	635 830
Supplementary capital		1 773 494	1 434 713	1 434 713
Revaluation reserve		29 728	-16 777	-22 810
Other reserves		182 318	176 792	173 612
Undistributed result from previous years		9 804	-273 728	-273 728
Current year profit		221 706	227 902	169 899
Non-controlling interests		2 071	0	0
TOTAL LIABILITIES AND EQUITY		29 156 450	25 549 871	23 268 492



(in thousands of zloties)

Consolidated statement of changes in equity

1.01.2014 - 30.09.2014	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed result from previous years	Current year profit	Non-controlling interests	Total equity
As at 1 January 2014	635 830	1 434 713	176 792	-16 777	-273 728	227 902	-	2 184 732
Transfer of the previous year result	-	-	-	-	227 902	-227 902	-	0
Comprehensive income	-	-	-	46 505	-	221 706	-539	267 672
Share-based payments	-	-	5 686	-	-	-	-	5 686
Share issue	63 583	394 412	-	-	-	-	-	457 995
Covering of losses	-	-55 630	-	-	55 630	-	-	0
Sale of subsidiary	-	-1	-1	-	-	-	-	-2
Non-controlling interest arising on business combination	-	-	-	-	-	-	3 048	3 048
Acquisition of non-controlling interest	-	-	-159	-	-	-	-438	-597
As at 30 September 2014	699 413	1 773 494	182 318	29 728	9 804	221 706	2 071	2 918 534

1.01.2013- 31.12.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed result from previous years	Current year profit	Total equity
As at 1 January 2013 - validated data	635 830	1 276 611	163 377	10 776	-14 305	174 063	2 246 352
As at 1 January 2013 - adjusted amount	635 830	1 276 611	163 377	10 776	-176 754	61 130	1 970 970
Transfer of the previous year result	-	-	-	-	61 130	-61 130	0
Comprehensive income	-	-	-	-27 553	-	227 902	200 349
Share-based payments	-	-	13 415	-	-	-	13 415
Distribution of prior year result	-	158 102	-	-	-158 102	-	0
Other changes in equity	-	-	-	-	-2	-	-2
As at 31 December 2013	635 830	1 434 713	176 792	-16 777	-273 728	227 902	2 184 732



(in thousands of zloties)

1.01.2013 - 30.09.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed result from previous years	Current year profit	Total equity
As at 1 January 2013 - validated data	635 830	1 276 611	163 377	10 776	-14 305	174 063	2 246 352
As at 1 January 2013 - adjusted amount	635 830	1 276 611	163 377	10 776	-176 754	61 130	1 970 970
Przeniesienie wyniku roku ubiegłego	-	-	-	-	61 130	-61 130	0
Comprehensive income	-	-	-	-33 586	-	169 899	136 313
Share-based payments	-	-	10 235	-	-	-	10 235
Distribution of prior year result	-	158 102	-	-	-158 102	-	0
Other changes in equity	-	-	-	-	-2	-	-2
As at 30 September 2013	635 830	1 434 713	173 612	-22 810	-273 728	169 899	2 117 516

Consolidated cash flow statement

	Note	1.01.2014 – 30.09.2014	1.01.2013 – 30.09.2013 Restated amounts
Operating activities			
Net profit		221 167	169 899
Adjustments:		-820 550	-559 140
Unrealized foreign exchange gains/losses		61	3 815
Income tax presented in the income statement		53 972	45 253
Amortization/depreciation of tangible and intangible assets		57 126	55 826
Change in tangible and intangible assets impairment write-down		174	83
Change in provisions		-13	-8 979
Gains (loss) on disposal of subsidiaries		2 333	0
Interest (financial activity)		19 140	21 341
Share-based payments		5 686	10 235
Other adjustments		0	-2
Change in loans and receivables		-3 190 806	-3 980 434
Change in financial assets available for sale		-407 184	1 391 565
Change in financial assets held for trading		-177 557	-60 555
Change in hedging asset derivatives		-40 937	-3 463
Change in assets designated at fair value through profit or loss		-3 601	0
Change in non-current assets held for sale		38 298	0
Change in other assets		96 771	65 642
Change in deposits		1 304 488	1 524 519
Change in issued debt		514 369	324 511
Change in financial liabilities held for trading		112 131	24 646
Change in hedging liability derivatives		0	5 040
Change in other liabilities		875 936	65 319
Income tax paid		-80 937	-43 502
Net cash flow from operating activities		-599 383	-389 241
Investing activities			
Outflows:		-44 241	-58 354
Purchase of property, plant and equipment		-16 027	-27 928
Purchase of intangible assets		-28 214	-30 426
Inflows:		2 724	0
Disposal of property, plant and equipment		2 712	0
Disposal of subsidiaries		12	0
Net cash flow from investing activities		-41 517	-58 354
Financing activities			
Outflows:		-203 294	-29 545
Repayment of long-term liabilities		-203 294	-29 545
Inflows:		779 098	0
Subordinated liabilities incurred		321 700	0
Inflows from share issue		457 995	0
Acquisition of non-controlling interest		-597	0
Net cash flow from financing activities		575 804	-29 545
Total net cash flow		-65 096	-477 140
<i>incl. exchange gains/(losses)</i>		4 896	3 235
Balance sheet change in cash and cash equivalents		-65 096	-477 140
Cash and cash equivalents, opening balance		1 251 673	1 352 685
Cash and cash equivalents, closing balance		1 186 577	875 545
Additional disclosures on operating cash flows			
Interest income received		1 335 666	1 050 325
Interest expense paid		-380 377	-478 460

Additional information to the consolidated quarterly report

1. Information about the Bank and the Group

1.1 General information

Alior Bank Spółka Akcyjna ("the Bank", "the Parent Company") is the parent company of the Alior Bank Spółka Akcyjna Group ("the Group"). The Bank, with its seat in Warsaw, ul. Łopuszańska 38D, was entered in the register of businesses maintained by the District Court for the Capital City of Warsaw, 13th Business Department of the National Court Register under the number KRS 0000305178. The parent company was assigned a tax identification number NIP: 107-001-07-31 and the statistical number REGON: 141387142.

Since 14 December 2012, the Bank has been listed on the Warsaw Stock Exchange.

1.2 Duration and scope of business activities

On 18 April 2008, the Polish Financial Supervision Authority (the "PFSA") granted permission for the incorporation of a bank under the name Alior Bank S.A. On 1 September 2008, the PFSA issued a license for the Bank to commence its business activities. On 5 September 2008, the PFSA granted the Bank permission to conduct brokerage activities. The duration of the Bank's and Group companies' operations is indefinite.

Alior Bank SA is a universal lending and deposit-taking bank which renders services to individuals, legal persons and other entities which are Polish and foreign persons. The Bank's core activities include maintaining bank accounts, granting loans and advances, issuing banking securities and purchasing and selling foreign currency. The Group also conducts brokerage activities, consulting and financial agency services and renders other financial services. Information on companies belonging to the Group is presented in point 1.4. of this Note. In accordance with its Articles of Association, the Bank operates in the territory of the Republic of Poland and the European Economic Area. The Bank provides services mainly to Polish customers. The share of foreign customers in the total number of Bank customers is minor.

1.3 Shareholders of Alior Bank Spółka Akcyjna

The following shareholders of Alior Bank had more than a 5% interest in the share capital as at the date of this report:

- Alior Lux S.a r. l. & Co S.C.A.;
- European Bank for Reconstruction and Development;
- Genesis Asset Managers LLP.

Shareholders holding more than 5% of the Bank's shares as at 6.11.2014

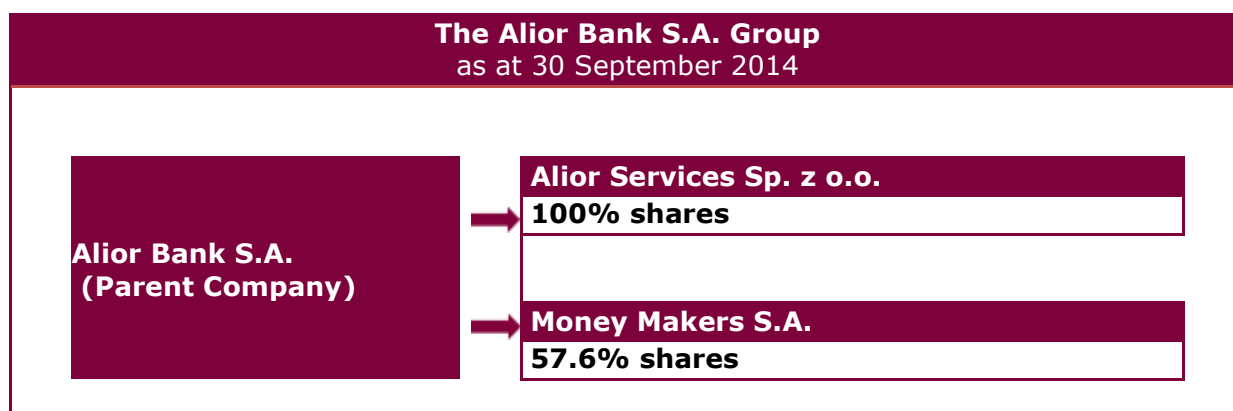
Shareholder	Number of shares / Number of votes	Par value of shares [PLN]	% share in share capital	Share in total number of votes
Alior Lux S.a r. l. & Co. S.C.A. (including Alior Polska sp. z o.o.)	18 318 473	183 184 730	26.183%	26.183%
European Bank for Reconstruction and Development	5 614 035	56 140 350	8.025%	8.025%
Genesis Asset Managers, LLP	3 853 644	38 536 440	5.508%	5.508%
Other shares	42 175 209	421 752 090	60.284%	60.284%
Total	69 961 361	699 613 610	100%	100%

On 22 September 2014, the Bank's Management Board received a notification pursuant to art. 69 of the Act of 29 July 2005 on the public offering and on the terms and conditions for introducing financial instruments to the organized trading system and on public companies, from Wellington Management Company, LLP. On 19 September 2014, the shareholder sold 119,843 of the Bank's shares on the Warsaw Stock Exchange ("WSE"). After the said transaction was concluded, the 3,382,735 shares held in the Bank by Wellington Management constitute 4.84% of the Bank's share capital, and the 3,382,735 voting rights attached to them constitute 4.84% of the total number of votes at the Bank's General Shareholders' Meeting.

Furthermore 20,100 D series ordinary bearer shares were issued during the period, with a total par value of PLN 201,000. The shares were issued to partially settle the Incentive Plan. Therefore, the percentage share of the shareholders in the Bank's share capital changed.

In the period since the date of the last interim report, there were no changes in the number of Bank shares held by shareholders holding at least 5% of the total number of votes besides described above.

1.4 Information about the Alior Bank S.A. Group



1.4.1 Business overview of the Alior Bank S.A. Group companies

As at 30 September 2014, the Alior Bank S.A. Group is composed of the following companies: Alior Bank S.A. as the parent company, and subsidiaries in which the Bank holds majority interests. In the reporting period, there was a change in the structure of the Alior Bank S.A. Group.

In previous reporting periods the Bank consolidated the results of Centrum Obrotu Wierzytelnościami Alior Raty Spółka z ograniczoną odpowiedzialnością S.K.A. On 3 September 2014, an agreement for the sale of 100% of shares in Centrum Obrotu Wierzytelnościami Alior Raty Spółka z ograniczoną odpowiedzialnością S.K.A. was concluded.

The consolidated financial statements cover the Bank's financial statements and the financial statements of the companies listed below. The Bank assessed control over the following entities in the light of the requirements of IFRS 10 and determined its status as the parent company. All subsidiaries are consolidated under the acquisition method.

1. Alior Services Sp. z o.o. (previously Alior Raty Sp. z o.o.) – the change in the business name of the Company set up on 03.02.2012 was registered by the District Court for Kraków-Śródmieście in Kraków, 11th Business Department of the National Court Register on 23 May 2014. As of 31.10.2013 the Company ceased operating in the area of financial agency services. In January 2014, the Management Board of Alior Bank S.A. decided to discontinue the Company's operations in areas other than the previous business areas.
 - The Company's objectives:
 - a. availing itself of opportunities to sell non-financial products and services;
 - b. expanding the offer for Private Banking customers and making it more attractive to reinforce its competitive position.
 - The Company's operations
 - a. finding and gaining external partners for cooperation in offering non-banking services;
 - b. arranging business relationships for clients and external partners.
 - The Company's planned revenues constitute commission for intermediation in non-banking services.

The Company is also continuing operations in the area of meeting obligations to customers under the agreement with TU Ergo Hestia.

2. Money Makers Spółka akcyjna is a company which focuses on asset management services. As at 30 September 2014, the value of the Company's assets and its financial result amounted to PLN 5,067 thousand and PLN –1,511 thousand respectively. Upon the business combination, the Group assessed the value of all non-controlling shares in the subsidiary at the proportionate value of the non-controlling shares in identifiable net assets of the acquired entity.

As at 30 September 2014 Alior Bank holds shares in a joint venture, i.e. a retail trading company – Polbita Spółka z ograniczoną odpowiedzialnością. Due to the planned sale of

the shares, the Bank classified them as assets held for sale and recorded them in accordance with the requirements of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

Additional information relating to the sale of the Company is presented in Note 35.1.

1.5 Information on the composition of the Bank's Management and Supervisory Boards

Composition of the Bank's Management Board:

Composition of the Bank's Management Board as at 30.09.2014	Composition of the Bank's Management Board as at 30.06.2014
Wojciech Sobieraj – CEO	Wojciech Sobieraj – CEO
Krzysztof Czuba - Deputy CEO	Krzysztof Czuba - Deputy CEO
Michał Hucal - Deputy CEO	Michał Hucal - Deputy CEO
Witold Skrok – Deputy CEO	Witold Skrok – Deputy CEO
Katarzyna Sułkowska – Deputy CEO	Katarzyna Sułkowska – Deputy CEO

In the period from the date of the last interim report to the balance sheet date, there were no changes in the composition of the Bank's Management Board.

Members of the Bank's Management Board who held shares in the Bank as at 6 November 2014

Shareholder	Number of shares /Number of votes	Par value of shares	% share in share capital	Share in total number of votes
Wojciech Sobieraj	71 322	713 220	0.10%	0.10%
Katarzyna Sułkowska	2 851	28 510	0.00%	0.00%
Krzysztof Czuba	168	1 680	0.00%	0.00%
Witold Skrok	168	1 680	0.00%	0.00%
Michał Hucal	70	700	0.00%	0.00%

In the period since the date of the last interim report, there were no changes in the number of Bank shares held by Members of the Bank's Management Board.

Composition of the Bank's Supervisory Board:

Composition of the Bank's Supervisory Board as at 6.11.2014		Composition of the Bank's Supervisory Board as at 30.09.2014	
Helene Zaleski	Chair of the Supervisory Board	Helene Zaleski	Chair of the Supervisory Board
Małgorzata Iwanicz-Drozdowska	Deputy Chair of the Supervisory Board	Małgorzata Iwanicz-Drozdowska	Deputy Chair of the Supervisory Board
Marek Michalski	Member of the Supervisory Board	Marek Michalski	Member of the Supervisory Board
Krzysztof Obłój	Member of the Supervisory Board	Krzysztof Obłój	Member of the Supervisory Board
Sławomir Dudzik	Member of the Supervisory Board	Lucyna Stańczak – Wuczyńska	Member of the Supervisory Board
Stanisław Popów	Member of the Supervisory Board	Sławomir Dudzik	Member of the Supervisory Board
Niels Lundorff	Member of the Supervisory Board		

In the period from submitting the previous periodic report there was a change in the composition of the Bank's Supervisory Board. On 8 September 2014, Ms Lucyna Stańczak – Wuczyńska resigned from her function on the Bank's Supervisory Board due to taking up new professional duties in the European Bank for Reconstruction and Development.

Furthermore, on 22 October 2014 the Bank's Extraordinary General Shareholders' Meeting appointed Mr Stanisław Popów and Mr Niels Lundorff to the Supervisory Board.

Members of the Bank's Supervisory Board who held shares in the Bank as at 6 November 2014

Shareholder	Number of shares / Number of votes	Par value of shares	% share in share capital	Share in total number of votes
Helene Zaleski	210 774	2 107 740	0.30%	0.30%
Małgorzata Iwanicz-Drozdowska	1 465	14 650	0.00%	0.00%
Niels Lundorff	90 000	900 000	0.13%	0.13%

In the period from submitting the previous periodic report there were no changes in the number of Bank shares held by the Bank's Supervisory Board.

1.6 Approval of the consolidated financial statements

The consolidated financial statements of the Alior Bank Spółka Akcyjna Group as at and for the year ended 31 December 2013 were approved for publication by the Bank's Management Board on 5 March 2014.

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group were approved by the Bank's Management Board on 5 November 2014.

2. Accounting policies

2.1 Basis of preparation

Scope and comparatives

The interim condensed consolidated financial statements of the Alior Bank S.A. Group include data relating to the Bank and its subsidiaries, and cover the nine-month period ended 30 September 2014 and includes comparative data for the nine-month period ended 30 September 2013 (in respect of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement) and comparative data as at 31 December 2013 (in respect of the consolidated statement of financial position and consolidated statement of changes in equity). The interim condensed consolidated financial statements have been prepared in Polish zloty (PLN). All amounts are presented in PLN thousand, unless otherwise stated.

Due to the change in the bancassurance revenue recognition method (described in the annual consolidated financial statements of the Alior Bank S.A. Group for the period from 1 January 2013 to 31 December 2013) comparative amounts disclosed in the condensed interim consolidated financial statements of the Alior Bank S.A. Group were adjusted for comparability purposes.

Presented below is the effect of the changes resulting from bringing the data to comparability on the individual income statement, statement of financial position and cash flow statement items.

Consolidated income statement

1.01.2013 - 30.09.2013	Financial statement as at 30.09.2013	Amount of adjustments	Adjusted amounts as at 30.09.2013
Interest income	1 133 476	-30 342	1 103 134
Net interest income	-402 287	1 103 134	700 847
Fee and commission income	283 018	52 262	335 280
Fee and commission expense	-146 628	-1 830	-148 458
Net fee and commission income	136 390	50 432	186 822
General administrative expenses	-613 122	-932	-614 054
Impairment losses	-262 199	-296	-262 495
Gross profit	196 290	18 862	215 152
Income tax	-41 669	-3 584	-45 253
Net profit	154 621	15 278	169 899
Total comprehensive income, net	121 035	15 278	136 313

Consolidated statement of financial position

Statement of financial position line item	Financial statement as at 30.09.2013	Amount of adjustments	Adjusted amounts as at 30.09.2013
Loans and advances to customers	18 149 534	160 154	18 309 688
Amounts due from banks*	181 811	-431	181 380
Income tax asset	129 576	-11 375	118 201
<i>Deferred</i>	<i>129 576</i>	<i>-11 375</i>	<i>118 201</i>
TOTAL ASSETS	23 120 144	148 348	23 268 492
Other liabilities	459 912	99 853	559 765
Total liabilities	21 051 123	99 853	21 150 976
Equity	2 069 021	48 495	2 117 516
TOTAL LIABILITIES AND EQUITY	23 120 144	148 348	23 268 492

* adjustment of presentation not related to bancassurance adjustments

Consolidated cash flow statement

1.01.2013 - 30.09.2013	Financial statement as at 30.09.2013	Amount of adjustments	Adjusted amounts as at 30.09.2013
Net profit	154 621	15 278	169 899
Income tax presented in the income statement	-1 833	47 086	45 253
Change in loans and receivables	-3 961 400	-19 034	-3 980 434
Change in other liabilities	65 147	172	65 319
Income tax paid*	0	-43 502	-43 502
Net cash flow from operating activities	-389 241	0	-389 241
Total net cash flow	-477 140	0	-477 140

* adjustment of presentation not related to bancassurance adjustments

Statement of compliance

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the three quarters of 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 31 March 2013, and in accordance with the requirements of the Decree of the Minister of Finance of 19 February 2009 on current and periodic information to be prepared by issuers of securities and conditions for considering equivalent the information required by the provisions of the law of a non-EU state (Journal of Laws of 2009, No. 33, item 259) as amended.

The presented interim condensed consolidated financial statements meet the requirements of International Accounting Standard (IAS) 34 relating to interim financial reporting. These financial statements have been prepared in a condensed version and do not cover all disclosures required in the annual financial statements.

The interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed statement of changes in consolidated equity and interim condensed consolidated cash flow statement for the period from 01.01.2014 to 30.09.2014 and the interim condensed consolidated statement of financial position as at 30 September 2014 with respective comparative data have been

prepared using the same accounting policies as for the latest annual financial statements, except for the changes in accounting policies which became binding as of 1 January 2014.

Going concern

The condensed interim consolidated financial statements of the Alior Bank Spółka Akcyjna Group have been prepared on the assumption that the Group will continue as a going concern for a period of at least 12 months after the balance sheet date, i.e. after 30 September 2014.

As at the date of approval of these financial statements, the Bank's Management Board is not aware of any circumstances which would have a negative effect on the Group's operations for any reasons.

2.2 Accounting policies

The detailed accounting policies have been presented in the annual consolidated financial statements of the Alior Bank S.A. Group for the financial year from 1 January 2013 to 31 December 2013, published on 6 March 2014 and available on Alior Bank S.A.'s website.

In 2014, as a result of assessing the current status and expected future rewards, the amortization and depreciation periods of assets were changed. The changes in amortization and depreciation periods had an impact on the Group's results in the third quarter of 2014. The estimated impact of those changes amounted to PLN 5.6 million. A description of the changes is included in the Group's condensed interim consolidated financial statements for the first quarter of 2014.

Changes in accounting standards

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those used in preparing the financial statements as at and for the year ended 31 December 2013, except for the following amendments to standards and new interpretations binding for annual periods starting on or after 1 January 2014.

- IFRS 10 *Consolidated financial statements* - binding for annual periods beginning on or after 1 January 2013 – applicable in the EU to annual periods starting on or after 1 January 2014 at the latest;
- IFRS 11 *Joint arrangements* – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable to annual periods starting on or after 1 January 2014 at the latest;
- IFRS 12 *Disclosure of interests in other entities* – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014 at the latest;
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition guidance* – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable to annual periods starting on or after 1 January 2014 at the latest;
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment entities* - applicable to annual periods starting on or after 1 January 2014;

- IAS 27 *Separate financial statements* - applicable to periods starting on or after 1 January 2013 – in the EU applicable to annual periods starting on or after 1 January 2014;
- IAS 28 *Investments in associates and joint ventures* - applicable to periods starting on or after 1 January 2013 – in the EU applicable to annual periods starting on or after 1 January 2014;
- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities* - applicable to annual periods starting on or after 1 January 2014;
- IFRIC 21 *Levies* – applicable to annual periods starting on or after 1 January 2014 (retrospective changes);
- Amendments to IAS 39 *Novation of derivatives and continuation of hedge accounting* (published on 27 June 2013) – applicable to annual periods beginning on or after 1 January 2014 (retrospective changes);
- Amendments to IAS 36 *Recoverable amount disclosures for non-financial assets* (published on 19 December 2013) – applicable to annual periods starting on or after 1 January 2014 (retrospective changes).

The Group concluded that the above changes did not have a significant effect on its financial position or results of operations.

New standards and interpretations, which have been published but are not yet effective

The following standards and interpretations were issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, but are not yet effective:

- Phase 1 of IFRS 9 *Financial Instruments* (published on 24 July 2014) – applicable to annual periods starting on or after 1 January 2018, by the date of approving these financial statements not endorsed by the EU;
- IFRS 14 *Regulatory deferral accounts* (published on 30 January 2014) – applicable to the annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU until the date of approval of these financial statements;
- IFRS 15 *Revenues from contracts with customers* (published on 28 May 2014) – applicable to annual periods beginning on or after 1 January 2017 – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments to IAS 16 *Property, Plant and Equipment Investment* and IAS 38 *Intangible Assets: Explanations relating to acceptable methods of amortization and depreciation* (published on 12 May 2014) – applicable to annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments to IFRS 11 *Joint Arrangements: Acquisition of an interest in a joint operation* (published on 6 May 2014) – applicable to annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU until the date of approval of these financial statements;

- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (published on 12 August 2014) – applicable to annual periods starting on or after 1 January 2016; – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments to IAS 19 *Defined benefit plans: employee contributions* (published on 21 November 2013) – applicable to annual periods beginning on or after 1 January 2014 – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments following from the IFRS 2010-2012 review – some of the amendments apply to the annual periods beginning on or after 1 July 2014, and some prospectively to transactions which were concluded on or after 1 July 2014 – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments following from the IFRS 2011-2013 review – applicable to the annual periods beginning on or after 1 July 2014 – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments following from the IFRS 2012-2014 review (published on 25 August 2014) – applicable to the financial years beginning on or after 1 July 2016 – not yet endorsed by the EU until the date of approval of these financial statements;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (published on 11 September 2014) – applicable to annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU until the date of approval of these financial statements.

The Group does not expect that implementing those standards and interpretations should have a significant effect on the accounting policies adopted by the Group, except for the amendments which would result from implementing IFRS 9.

3. Operating segments

The Group divides its operations into the following reporting segments for the purpose of management accounting:

- retail segment;
- business segment;
- treasury activity;
- other.

The Group provides services to retail (individual) and business customers, by offering them a full range of banking services.

The basic products for individual customers cover:

- loan products: cash loans, credit cards, overdraft facilities, housing loans;
- deposit products: term deposits, savings accounts;
- brokerage products and investment funds;
- personal accounts;
- transaction services: cash deposits and withdrawals, transfers;
- FX transactions.

Basic products for business customers include:

- loan products: overdraft facilities, working capital loans, investment loans, credit cards;
- deposit products: term deposits;
- current and auxiliary accounts;
- transaction services: cash deposits and withdrawals, transfers;
- treasury products: FX transactions (also forward forex transactions), derivative products.

The basic element of segment analysis is the profitability of the retail segment and business segment. The profitability includes:

- margin revenue decreased by financing costs (the rate at which a branch makes settlements with the Interbank Transactions Office);
- commission income;
- income from treasury transactions and FX exchange made by customers;
- other operating income and expenses.

Revenues of the retail segment also include revenues from the sale of brokerage products (such as revenues from maintaining brokerage accounts, agency services in trading in securities and revenue from distribution of units in investment funds).

Revenues of the business segment also include revenues from the car loans portfolio.

The *Treasury Activity* segment covers the results from managing the global position – the liquidity and currency positions – arising from the activities of the Bank's entities.

The segment *Other* includes:

- internal net interest income/expense calculated on net impairment losses;
 - reconciliation of the presentation of incremental costs for management reporting purposes by deducting the amount relating to incremental costs from the commission income presented in business segments;
 - commission costs not allocated to business units (including cash management fees, ATM sharing commission, domestic and foreign transfers);
- other operating income and expenses not related directly to operating segments.

Results and volumes by segments for the three quarters ended 30 September 2014

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	522 565	283 956	76 843	13 035	896 399
External income	729 509	403 746	131 183	12 808	1 277 246
External expense	-206 944	-119 790	-54 340	227	-380 847
Internal interest income	56 428	-13 437	13 832	-56 823	0
Internal income	361 270	196 092	754 263	-52 832	1 258 793
Internal expense	-304 842	-209 529	-740 431	-3 991	-1 258 793
Net interest income	578 993	270 519	90 675	-43 788	896 399
Fee and commission income	170 404	137 543	1 119	89 817	398 883
Fee and commission expense	-47 357	-288	-324	-98 285	-146 254
Net fee and commission income	123 047	137 255	795	-8 468	252 629
Dividend income	0	0	0	11	11
Trading result	-186	25 171	173 339	0	198 324
Net gain (realized) on other financial instruments	51 839	89 659	-141 173	66	391
Other operating income	94 205	3 663	602	-59 759	38 711
Other operating expenses	-8 580	-223	-25	-4 421	-13 249
Net other operating income	85 625	3 440	577	-64 180	25 462
Total result before impairment losses	839 318	526 044	124 213	-116 359	1 373 216
Impairment losses	-238 105	-174 982	0	-617	-413 704
Total result after impairment losses	601 213	351 062	124 213	-116 976	959 512
General administrative expenses	-503 867	-178 733	-1 773	0	-684 373
Gross profit (loss)	97 346	172 329	122 440	-116 976	275 139
Income tax	0	0	0	-53 972	-53 972
Net profit (loss)	97 346	172 329	122 440	-170 948	221 167
Investment expenditure (asset purchase costs)					19 271
Amortization/ depreciation					-57 126
Assets	12 637 400	10 152 054	6 366 996	0	29 156 450
Liabilities and equity	13 878 401	8 751 978	6 526 071	0	29 156 450

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	169 277	116 513
Loan products	540 744	277 277
Brokerage products, investment funds, structured products	85 972	0
Treasury products	49 992	114 753
Other	-6 667	17 501
Total	839 318	526 044

Results and volumes by segments for the three quarters ended 30 September 2013 - restated data

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	344 492	243 772	112 583	0	700 847
External income	617 108	349 019	137 007	0	1 103 134
External expense	-272 616	-105 247	-24 424	0	-402 287
Internal interest income	103 324	-33 260	-81 703	11 639	0
Internal income	361 912	174 772	702 757	12 190	1 251 631
Internal expense	-258 588	-208 032	-784 460	-551	-1 251 631
Net interest income	447 816	210 512	30 880	11 639	700 847
Fee and commission income	177 214	165 120	0	-7 054	335 280
Fee and commission expense	-31 957	-1 594	-242	-114 665	-148 458
Net fee and commission income	145 257	163 526	-242	-121 719	186 822
Dividend income	0	0	0	20	20
Trading result	245	22 185	157 953	10	180 393
Net gain (realized) on other financial instruments	42 948	81 588	-117 301	6	7 241
Other operating income	27 277	4 747	-433	1 410	33 001
Other operating expenses	-2 668	-178	-999	-12 778	-16 623
Net other operating income	24 609	4 569	-1 432	-11 368	16 378
Total result before impairment losses	660 875	482 380	69 858	-121 412	1 091 701
Impairment losses	-131 530	-131 348	0	383	-262 495
Total result after impairment losses	529 345	351 032	69 858	-121 029	829 206
General administrative expenses	-453 831	-158 253	-1 570	-400	-614 054
Gross profit (loss)	75 514	192 779	68 288	-121 429	215 152
Income tax	0	0	0	-45 253	-45 253
Net profit (loss)	75 514	192 779	68 288	-166 682	169 899
Investment expenditure (asset purchase costs)				29 691	29 691
Amortization/ depreciation				-55 826	-55 826
Assets	9 775 228	8 534 460	4 958 804	0	23 268 492
Liabilities and equity	12 622 301	6 534 002	4 112 189	0	23 268 492

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	149 632	99 026
Loan products	400 097	210 657
Brokerage products, investment funds, structured products	61 245	549
Treasury products	43 070	106 119
Other	6 831	66 029
Total	660 875	482 380

Notes to the income statement

4. Net interest income

4.1 Net interest income by entity	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Interest income	455 818	1 277 246	357 007	1 103 134
financial sector	34 127	86 185	22 314	69 237
non-financial sector	405 938	1 145 034	316 937	971 352
central and local government institutions	15 753	46 027	17 756	62 545
Interest expense	-134 549	-380 847	-117 885	-402 287
financial sector	-51 714	-124 716	-32 156	-80 544
non-financial sector	-82 095	-254 854	-85 323	-320 527
central and local government institutions	-740	-1 277	-406	-1 216
Net interest income	321 269	896 399	239 122	700 847

4.2 Net interest income by product	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Interest income	455 818	1 277 246	357 007	1 103 134
current accounts	4 744	13 879	4 035	13 885
overnight deposits	204	511	221	712
term deposits	152	219	27	929
loans	400 486	1 127 583	311 401	960 515
debt instruments	23 060	70 547	24 227	89 000
receivables acquired	8 168	23 897	8 700	27 432
hedging derivatives	18 511	39 398	8 083	9 858
other	493	1 212	313	803
Interest expense	-134 549	-380 847	-117 885	-402 287
current deposits	-15 377	-48 308	-13 996	-41 897
term deposits	-73 447	-219 429	-74 662	-287 585
repo transactions in securities	-6 397	-12 710	-3 648	-11 600
cash deposits	-645	-2 945	-1 317	-4 767
own issue	-21 075	-58 217	-15 471	-44 168
hedging derivatives	-16 887	-36 701	-7 918	-9 716
other	-721	-2 537	-873	-2 554
Net interest income	321 269	896 399	239 122	700 847

Interest income comprises mainly interest on loans and interest and discount on bonds. Interest expense relates mainly to term deposits for retail banking customers.

5. Net fee and commission income

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Fee and commission income	134 965	398 883	116 291	335 280
brokerage commissions	12 456	40 322	12 606	32 536
payment cards	22 428	83 122	26 795	76 351
revenue from bancassurance activity	42 897	118 750	28 843	95 927
loans and advances	14 617	43 919	9 269	27 512
accounts maintenance	13 916	37 406	8 484	26 473
transfers	8 205	23 492	6 885	20 776
remittances and withdrawals services	5 510	15 243	4 811	13 189
acquired receivables	2 538	9 113	2 711	7 433
guarantees, letters of credit, collections, promises	3 712	9 959	2 793	7 808
other commissions	8 686	17 557	13 094	27 275
Fee and commission expense	-49 722	-146 254	-45 205	-148 458
brokerage commissions	-1 272	-4 112	-1 219	-4 054
costs of card transactions and ATM , including costs of payment card issue	-13 555	-42 870	-15 519	-41 024
insurance of bank products	-4 350	-11 957	-2 215	-6 786
commissions for ATM sharing	-6 564	-17 478	-6 532	-14 933
fees paid under service agreements	-3 233	-12 775	-6 842	-20 891
compensation and awards to customers	-3 280	-12 522	-3 708	-19 131
commissions paid to agents	-1 950	-8 249	-2 195	-16 958
assistance services	-1 769	-5 760	-2 733	-8 683
costs of customers acquisition	-1 137	-2 705	-80	-393
other commissions	-12 612	-27 826	-4 162	-15 605
Net fee and commission income	85 243	252 629	71 086	186 822

6. Trading result

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013
Foreign exchange transactions result	50 302	143 649	45 757	115 777
Interest rate transactions result	26 581	52 865	7 275	61 644
Other financial instruments result	476	1 810	128	2 972
Trading result	77 359	198 324	53 160	180 393

The result on foreign exchange transactions includes the results on: forex, swap (FX swap and CIRS with capital exchange), FX forward, currency options and revaluation of assets and liabilities denominated in foreign currencies.

The result on interest rate transactions includes the results on: interest rate swaps, FRA and net interest income on CIRS transactions and the result of interest rate options (cap / floor).

The result on other financial instruments is the result on trading in equity securities, the result on commodity derivatives (including forwards and futures), the result on options for exchange indices, index baskets and commodities.

7. Net gain realized on other financial instruments

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013
Financial assets available for sale	68	2 187	353	7 484
Own issue	-1 847	-1 796	-73	-243
income from re-purchase	169	274	3	30
losses on repurchase	-2 016	-2 070	-76	-273
Net gain realized on other financial instruments	-1 779	391	280	7 241

8. Net other operating income

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013
Other operating income from:	12 666	38 711	8 181	33 001
management of third party assets	3 644	12 478	2 080	7 218
received compensations, fines and penalties	36	154	582	640
fees paid by counterparts	1 457	4 467	1 396	4 251
acquisition of receivables	7	28	31	1 987
reimbursement of litigation costs	5 167	11 772	2 491	8 711
accrued income of tax from the tax office	0	2 416	0	5 383
other	2 355	7 396	1 601	4 811
Other operating expenses due to:	-5 180	-13 249	-3 362	-16 623
management of third party assets	-352	-2 289	-376	-1 497
paid compensations, fines and penalties	-1 747	-2 132	-80	-338
awards given to customers	-41	-479	-411	-1 216
operating risk	-570	-1 481	-302	-2 372
litigation costs	-1 206	-3 641	-1 092	-4 764
lump sum reimbursement of costs incurred by the insurer in connection with the Bank exercising insurance actions	0	0	-393	-1 949
acquisition of receivables	0	0	-58	-2 072
other	-1 264	-3 227	-650	-2 415
Net other operating income and expense	7 486	25 462	4 819	16 378

9. General administrative expenses

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Payroll costs	-132 618	-380 061	-121 168	-337 624
remuneration due to employment contracts	-109 782	-312 371	-99 235	-274 090
remuneration surcharges	-19 226	-57 262	-16 925	-49 488
share-based payments	-2 553	-5 686	-3 674	-10 235
other	-1 057	-4 742	-1 334	-3 811
General and administrative costs	-83 993	-241 903	-68 987	-213 522
IT costs	-8 289	-25 784	-7 678	-22 958
lease and building maintenance expenses	-35 483	-106 641	-32 342	-99 613
marketing costs	-14 453	-29 981	-5 140	-26 987
training costs	-2 363	-8 213	-2 549	-8 404
cost of advisory services	-3 690	-11 729	-4 303	-8 940
costs of Banking Guarantee Fund	-6 606	-21 555	-3 570	-10 711
lease of property, plant and equipment and intangible assets	-833	-3 259	-2 009	-5 474
costs of telecommunications services	-4 371	-12 554	-4 302	-10 992
external services	-4 892	-11 923	-3 414	-9 434
other	-3 013	-10 264	-3 680	-10 009
Amortization and depreciation	-17 850	-57 126	-18 897	-55 826
property, plant and equipment	-11 141	-35 111	-12 249	-36 504
intangible assets	-6 709	-22 015	-6 648	-19 322
Taxes and fees	-986	-5 283	-3 614	-7 082
Total general administrative expenses	-235 447	-684 373	-212 666	-614 054

10. Net impairment losses

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Impairment losses on impaired loans and advances to customers	-128 026	-357 693	-104 969	-272 851
financial sector	-687	-1 299	-169	-679
non-financial sector	-127 339	-356 394	-104 800	-272 172
retail customers	-83 993	-225 361	-55 991	-132 234
business customers	-43 346	-131 033	-48 809	-139 938
Debt securities	0	0	0	-181
IBNR for customers without impairment losses	694	-16 698	3 508	12 027
financial sector	128	-16	748	1 315
non-financial sector	566	-16 682	2 760	10 712
retail customers	4 842	-12 956	-2 099	1 668
business customers	-4 276	-3 726	4 859	9 044
Off-balance reserve	-860	-945	-675	-1 407
Property, plant and equipment and intangible assets	-63	-70	-108	-83
Impairment losses on non-current asset held for sale	-38 298	-38 298	0	0
Net impairment losses	-166 553	-413 704	-102 244	-262 495

11. Income tax

11.1 Presented in the income statement	1.01.2014 - 30.09.2014	1.01.2013 - 30.09.2013 Restated amounts
Current tax	46 822	12 225
current year	46 822	12 225
Deferred tax	7 150	33 028
origination and reversal of temporary differences	7 150	33 028
Accounting tax recognized in the income statement	53 972	45 253

11.2 Effective tax rate calculation	1.01.2014 - 30.09.2014	1.01.2013 - 30.09.2013 Restated amounts
Profit before tax	275 139	215 152
Income tax at 19%	52 275	40 879
Non-tax deductible expenses	5 525	4 690
Representation costs	47	247
State Fund for Rehabilitation of Persons with Disabilities	823	626
Impairment losses on loans in the part not covered with deferred tax	3 106	630
Costs of provisions for management options	1 080	1 945
Donations	24	2
Other	445	1 240
Non-taxable revenues	-751	-462
Release of loan impairment allowances in the part not covered with the deferred tax	-6	-29
Other	-745	-433
Tax deductible expenses not being accounting expenses	0	-497
Amortization of goodwill for tax purposes	0	-497
Recognition of tax loss	235	0
Recognition of assets related to contribution of receivables to Obrót Wierzytelnościami Alior Polska sp. z o.o. S.K.A.	-3 301	124
Other	-11	519
Accounting tax recognized in the income statement	53 972	45 253
Effective tax rate	19,62%	21,03%

12. Earnings per share

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Net profit attributable to equity holders of the parent	70 071	221 706	41 457	169 899
Weighted average number of ordinary shares	69 941 261	69 941 261	63 582 965	63 582 965
Share options (number) - adjusting instrument	3 331 250	3 331 250	3 331 250	3 331 250
Adjusted weighted average number of shares	73 272 511	73 272 511	66 914 215	66 914 215
Net earnings per ordinary share (PLN)	1,00	3,17	0,65	2,67
Diluted earnings per one share	0,96	3,03	0,62	2,54

Notes to the statement of financial position

13. Cash and balances with the Central Bank

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Current account with the Central Bank	822 256	870 579	560 945
Cash	196 460	196 648	194 358
Cash and balances with the central bank	1 018 716	1 067 227	755 303

14. Available-for-sale financial assets

14.1 By type	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Debt instruments	3 792 709	3 388 218	2 927 887
issued by the State Treasury	3 258 580	2 441 675	2 430 372
T-bonds	3 258 580	2 441 675	2 430 372
issued by monetary institutions	100 247	539 075	219 960
bonds	100 247	139 270	139 982
money bills	0	399 805	79 978
issued by other financial institutions	126 079	64 627	66 931
bonds	105 357	43 743	45 789
Eurobonds	20 722	20 884	21 142
issued by companies	307 803	342 841	210 624
bonds	307 803	342 841	210 624
Equity instruments	3 000	307	1 295
Available-for-sale financial assets	3 795 709	3 388 525	2 929 182

14.2 By maturity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
without set maturity date	3 000	307	1 295
≤ 1M	0	477 226	79 978
> 1M ≤ 3M	100 247	57 248	2 963
> 3M ≤ 6M	251 995	199 230	124 116
> 6M ≤ 1Y	212 648	109 031	195 275
> 1Y ≤ 2Y	1 156 771	616 796	561 159
> 2Y ≤ 5Y	1 470 488	1 334 376	1 370 241
> 5Y ≤ 10Y	600 560	594 311	594 155
Available-for-sale financial assets	3 795 709	3 388 525	2 929 182

14.3 Impairment allowance on debt instruments	As at 30.09.2014		As at 31.12.2013		As at 30.09.2013	
	Gross amount	Impairment allowance	Gross amount	Impairment allowance	Gross amount	Impairment allowance
Bonds issued by companies	4 316	4 316	4 316	4 316	4 316	4 316

The schedules below show the prioritization of the measurement methods of available-for-sale financial assets measured at fair value as at 30 September 2014 and comparative data as at 30 September 2013.

In accordance with IFRS 13, the Group classified:

- to level 1 – all securities for which quotations are available from active financial markets; This group includes mainly debt Treasury securities. The fair value is determined based on the purchase price from the quotations on the interbank market, brokers' quotations and BondSpot quotations.

- to level 2 – instruments for which prices are not directly observable, but the prices used for measurement are based on quotations from active transaction markets.

This group includes NBP bills and debt commercial securities.

The fair value is determined based on the discounted future cash flows method which assumes that the profitability curves will be based on quotations of profitability of securities on the interbank market.

In the case of commercial debt securities, valuation is determined based on spread-adjusted yield curves, if the difference may be determined on the basis of observable market quotations, e.g. on the basis of quotations of credit swaps.

Furthermore, debt commercial securities quoted on exchange markets with low trading volumes were included in this level.

- to level 3 – instruments for which at least one factor affecting the price is not based on observable market data.

This group includes the Bank's position in debt commercial securities, where apart from parameters based on market quotations also observable lending spread has an impact on the fair values. The spread is determined based on the prices on the primary market or as at the moment of concluding the transaction. The spread is periodically updated in periods when reliable market quotations are available or when prices from similar volume transactions are acquired. The amount of the spread also changes on the basis of information on changes in the financial standing of the security issuer. As at the end of the Q3 2014 sensitivity of changes in valuation of those assets in case of an increase in the lending spread by 1 basis point amounted to PLN 120 thousand.

During the three quarters of 2014 one issue of corporate bonds for which there are insufficiently liquid market quotations and the lending spread is not observable was transferred from level 2 to level 3. Transfers of instruments between the valuation levels are effected as at the end of the reporting period. The conditions described in international financial reporting standards, i.e., among other things, availability of quotations of the instrument from an active market, availability of quotations of measurement factors or the impact of non-observable factors on the fair values are premises for the transfer.

14.4 Fair value	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Level 1	3 324 065	2 506 302	2 597 037
T-bonds	3 258 580	2 441 675	2 430 372
Other bonds	65 485	64 627	166 665
Level 2	0	591 186	273 931
Money bills	0	399 805	79 978
Other bonds	0	191 381	193 953
Level 3	471 644	291 037	58 214
Other bonds	468 644	290 730	56 919
Equity instruments	3 000	307	1 295
Available-for-sale financial assets	3 795 709	3 388 525	2 929 182

14.5 Movements on financial assets available for sale classified as level 3	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Opening balance	291 037	243	243
Reclassification	151 275	98 855	0
Increases, including	213 744	240 745	59 336
Acquisition	208 756	237 820	58 844
Revenue recognised in income statement	0	806	5
Other changes recognised in income statement	4 986	975	435
Fair value adjustment	0	1 141	45
Foreign exchange differences	2	3	7
Decreases, including	-184 412	-48 806	-1 365
Sale	-182 518	-48 806	-1 195
Other changes recognised in income statement	-643	0	0
Fair value adjustment	-1 251	0	-170
Financial assets available for sale classified as level 3 at the end of the period	471 644	291 037	58 214

15. Amounts due from customers

15.1 By type	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Retail segment	12 637 400	10 585 360	9 775 228
Working capital facility	152 510	118 342	124 711
Consumer loans	6 093 110	5 240 515	4 991 860
Consumer finance loans	676 330	650 741	475 131
Loans for purchase of securities	171 141	160 678	178 741
Credit card borrowings loans	203 365	193 157	181 950
Loans for residential real estate	4 448 345	3 393 901	2 996 833
Other mortgage loans	853 623	797 964	796 736
Other receivables	38 976	30 062	29 266
Corporate segment	10 152 054	9 072 540	8 534 460
Working capital facility	5 500 786	4 854 894	4 635 195
Car loans	166 005	239 497	266 397
Investment loans	3 887 679	3 366 771	2 968 118
Acquired receivables	556 972	561 826	607 559
Other receivables	40 612	49 552	57 191
Amounts due from customers	22 789 454	19 657 900	18 309 688

15.2 By gross amounts and carrying amounts	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Retail segment (the carrying value)	12 637 400	10 585 360	9 775 228
Loans for residential real estate (the carrying value)	4 448 345	3 393 901	2 996 834
unimpaired (gross value)	4 358 427	3 336 934	2 960 801
impaired (gross value)	112 584	68 766	46 521
IBNR	-2 578	-2 380	-2 579
Impairment allowance	-20 088	-9 419	-7 909
Consumer finance loans (the carrying value)	676 331	650 741	475 131
unimpaired (gross value)	665 413	645 989	473 335
impaired (gross value)	44 953	21 014	9 552
IBNR	-2 679	-2 793	-1 167
Impairment allowance	-31 356	-13 469	-6 589
Other retail loans (the carrying value)	7 512 724	6 540 718	6 303 263
unimpaired (gross value)	7 198 468	6 303 837	6 080 935
impaired (gross value)	1 006 471	704 269	632 855
IBNR	-58 828	-45 921	-44 915
Impairment allowance	-633 387	-421 467	-365 612
Corporate segment (the carrying value)	10 152 054	9 072 540	8 534 460
unimpaired (gross value)	9 688 572	8 838 080	8 293 165
impaired (gross value)	957 501	612 385	615 528
IBNR	-19 871	-15 789	-14 659
Impairment allowance	-474 148	-362 136	-359 574
Amounts due from customers (the carrying value)	22 789 454	19 657 900	18 309 688

The provision for losses incurred but not reported (IBNR) amounted to: PLN 83,956 thousand as at 30 September 2014, PLN 66,883 thousand as at 31 December 2013 and PLN 63,320 thousand as at 30 September 2013.

15.3 Receivables from customers impaired	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Receivables from customers individually assessed	776 847	482 847	456 528
Retail segment	331 209	251 106	215 073
Amounts due from customers	638 727	473 440	412 197
Impairment allowance	-307 518	-222 334	-197 124
Corporate segment	445 638	231 741	241 455
Amounts due from customers	842 261	556 406	542 486
Impairment allowance	-396 623	-324 665	-301 031
Receivables from customers collectively assessed	185 683	117 096	108 244
Retail segment	147 968	98 588	94 042
Amounts due from customers	525 281	320 609	276 731
Impairment allowance	-377 313	-222 021	-182 689
Corporate segment	37 715	18 508	14 202
Amounts due from customers	115 240	55 979	73 042
Impairment allowance	-77 525	-37 471	-58 840
Receivables from customers impaired	962 530	599 943	564 772

15.4 Change in the balance of receivables impairment allowances (net of IBNR)	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Opening balance	806 491	495 983	495 983
Changes during the year:	352 488	310 508	243 701
Increases	585 958	721 490	505 490
Retail segment	341 875	419 494	300 117
Loans for residential real estate	17 479	14 759	10 565
Other loans	324 396	404 735	289 552
Corporate segment	244 083	301 996	205 373
Other loans	200 085	284 157	195 262
Acquired receivables	41 438	12 611	7 257
Other receivables	2 560	5 228	2 854
Decreases	-228 265	-332 973	-232 639
Retail segment	-116 514	-217 832	-167 883
Loans for residential real estate	-7 667	-9 966	-7 355
Other loans	-108 847	-207 866	-160 528
Corporate segment	-111 751	-115 141	-64 756
Other loans	-102 037	-108 369	-60 871
Acquired receivables	-9 039	-5 089	-2 758
Other receivables	-675	-1 683	-1 127
Other changes	0	-23 775	-13 123
Transfer to costs	-21 712	-53 966	-15 956
Foreign exchange differences	16 507	-268	-71
Impairment allowances at the end of the period	1 158 979	806 491	739 684

15.5 By maturity (as at the balance sheet date)	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Retail segment	12 637 400	10 585 360	9 775 228
≤ 1M	2 071 157	1 703 657	1 414 967
> 1M ≤ 3M	248 115	520 859	182 763
> 3M ≤ 6M	350 076	300 675	251 906
> 6M ≤ 1Y	704 658	281 584	539 975
>1Y ≤ 2Y	1 040 655	891 093	801 645
>2Y ≤ 5Y	2 388 728	2 078 983	1 939 951
>5Y ≤ 10Y	2 361 938	2 044 339	1 929 858
>10Y ≤ 20Y	1 865 464	1 470 208	1 338 753
>20Y	1 606 609	1 293 962	1 375 410
Corporate segment	10 152 054	9 072 540	8 534 460
≤ 1M	3 866 447	3 600 406	3 696 104
> 1M ≤ 3M	509 955	972 840	504 468
> 3M ≤ 6M	407 946	494 160	505 437
> 6M ≤ 1Y	930 228	373 558	756 505
>1Y ≤ 2Y	896 891	860 571	652 511
>2Y ≤ 5Y	1 977 231	1 635 095	1 342 105
>5Y ≤ 10Y	1 235 090	888 140	815 424
>10Y ≤ 20Y	328 266	247 770	261 906
Amounts due from customers	22 789 454	19 657 900	18 309 688

15.6 By currency	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Retail segment	12 637 400	10 585 360	9 775 228
PLN	11 667 338	9 564 603	8 722 479
Other	970 062	1 020 757	1 052 749
Corporate segment	10 152 054	9 072 540	8 534 460
PLN	7 848 125	7 275 394	7 037 033
Other	2 303 929	1 797 146	1 497 427
Total receivables	22 789 454	19 657 900	18 309 688

The three tables below present the loan balance at nominal value.

15.7 Ten largest credit exposures	Currency	As at 30.09.2014
Company 1	EUR	250 553
Company 2	EUR	236 651
Company 3	PLN	180 023
Company 4	PLN, EUR, GBP	172 710
<i>thereof impaired (6% provision)</i>	PLN, EUR, GBP	144 926
Company 5	EUR	146 776
Company 6	PLN	142 878
<i>thereof impaired (1% provision)</i>	PLN	9 613
Company 7	EUR	115 930
Company 8	PLN	112 925
Company 9	PLN	111 016
Company 10	PLN	103 164

15.8 Ten largest credit exposures (all loans are performing)	Currency	As at 31.12.2013
Company 1	PLN	395 506
Company 2	PLN, EUR, GBP	190 975
Company 3	PLN	164 467
Company 4	EUR	151 387
Company 5	PLN	148 853
Company 6	EUR	141 604
Company 7	PLN	140 864
Company 8	PLN	120 016
Company 9	EUR	118 000
Company 10	PLN	102 140

15.9 Ten largest credit exposures (all loans are performing)	Currency	As at 30.09.2013
Company 1	PLN	395 445
Company 2	PLN, EUR, GBP	192 958
Company 3	PLN	156 963
Company 4	PLN	155 924
Company 5	EUR	154 556
Company 6	PLN	134 437
Company 7	EUR	119 966
Company 8	EUR	108 772
Company 9	PLN	100 667
Company 10	PLN, EUR	90 943

16. Amounts due from banks

16.1 By type	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Current accounts	41 389	99 822	26 068
Overnight deposits (O/N)	112 770	82 157	87 818
Term deposits	13 791	2 468	6 374
Reverse Repo	0	0	0
Security deposits granted	110 289	57 280	47 957
Other	19 258	12 472	13 163
Amounts due from banks	297 497	254 199	181 380

16.2 By maturity (as at the balance sheet date)	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
≤ 1M	289 765	254 199	181 380
> 1M ≤ 3M	7 732	0	0
> 3M ≤ 6M	0	0	0
Amounts due from banks	297 497	254 199	181 380

16.3 By currency	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
PLN	30 165	7 323	2 054
EUR	112 991	94 043	38 977
GBP	12 522	30 779	19 304
USD	97 641	76 164	90 938
CHF	166	20 430	3 945
Other currencies	44 012	25 460	26 162
Amounts due from banks	297 497	254 199	181 380

Forward repo/reverse repo transactions are concluded by the Group to optimize current liquidity management; therefore, they are classified exclusively to the banking portfolio. Sporadic transactions appearing in the trading book result from risk-free arbitrage. Repo and reverse repo transactions are short-term and mature no later than within one month, they are concluded mainly in PLN, decidedly less frequently in EUR and USD. Net balances of repo and reverse repo transactions which mature within one month are included in the

Group's liquidity buffer (liquid assets). As at the end of the September 2014, the Group did not have any reverse repo transactions.

Security deposits granted relate to security transferred to other banks under the settlements related to CSA (Credit Support Annex).

17. Other financial instruments at fair value through profit or loss

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Investment units TFI SKOK	3 601	0	0
Other financial instruments at fair value through profit or loss	3 601	0	0

18. Other assets

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Sundry debtors	209 827	307 808	268 983
Settlements of payment cards	70 169	86 528	81 672
Receivables related to the sale of goods and services (including insurance)	93 027	172 244	118 972
Guarantee deposits	11 434	12 025	13 230
Other settlements	35 197	37 011	55 109
Deferred costs	34 993	33 523	30 462
Settlements of rental charges and utilities	846	832	790
Maintenance and support of systems, servicing of plant and equipment	6 256	5 236	7 455
Mandatory costs of Banking Guarantee Fund	6 606	0	3 570
Accrued income on PCC settlements with the Tax Office	2 500	10 043	2 500
Settlements of VAT	1 407	4 174	4 174
Other deferred costs	17 378	13 238	11 973
Other assets	244 820	341 331	299 445

The receivables related to the sale of goods and services cover mainly fees from insurance companies for servicing insurance.

19. Financial liabilities measured at amortized cost

19.1 By type	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Due to banks	1 919 420	817 973	928 088
Current deposits	11 018	11 023	11 019
Overnights	46 717	27 002	206 211
Term deposits	42 865	0	0
Credit received	0	62 228	63 260
Other liabilities	118 648	33 796	18 143
Repo	1 700 172	683 924	629 455
Due to customers	22 630 379	20 842 462	19 156 303
Current deposits	9 237 533	8 164 630	7 699 924
Term deposits	11 457 098	11 226 464	10 178 684
Own issue of Banking Securities	1 659 992	1 145 622	980 566
Other liabilities	275 756	305 746	297 129
Total liabilities	24 549 799	21 660 435	20 084 391

19.2 By customer type and segment	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Retail segment	13 878 401	14 223 512	12 622 301
Current deposits	6 644 576	5 864 001	5 728 870
Term deposits	6 921 671	8 134 966	6 708 882
Banking securities issued	165 922	96 814	61 065
Other liabilities	146 232	127 731	123 484
Corporate segment	8 751 978	6 618 950	6 534 002
Current deposits	2 592 957	2 300 629	1 971 054
Term deposits	4 535 427	3 091 498	3 469 802
Banking securities issued	1 494 069	1 048 808	919 501
Other liabilities	129 525	178 015	173 645
Total amounts due to customers	22 630 379	20 842 462	19 156 303

19.3 By maturity (as at the balance sheet date)	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Retail segment	13 878 401	14 223 512	12 622 301
≤ 1M	8 482 813	7 529 896	7 814 010
> 1M ≤ 3M	1 284 707	2 672 427	1 111 906
> 3M ≤ 1Y	3 295 464	3 895 267	3 608 635
> 1Y ≤ 5Y	804 699	121 184	83 467
>5Y	10 718	4 738	4 283
Corporate segment	8 751 978	6 618 950	6 534 002
≤ 1M	5 713 540	4 693 057	4 002 237
> 1M ≤ 3M	1 095 446	464 113	1 138 408
> 3M ≤ 1Y	843 631	608 319	556 830
> 1Y ≤ 5Y	1 092 429	846 247	829 408
>5Y	6 932	7 214	7 119
Total amounts due to customers	22 630 379	20 842 462	19 156 303

19.4 By currency	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Retail segment	13 878 401	14 223 512	12 622 301
PLN	11 856 100	12 328 403	10 900 506
Other	2 022 301	1 895 109	1 721 795
Corporate segment	8 751 978	6 618 950	6 534 002
PLN	7 632 278	5 513 957	5 299 044
Other	1 119 700	1 104 993	1 234 958
Total amounts due to customers	22 630 379	20 842 462	19 156 303

19.5 Ten largest depositors (without banks)	Currency	As at 30.09.2014
Company 1	EUR, PLN, USD	323 614
Company 2	PLN	188 286
Company 3	PLN	92 146
Company 4	EUR, PLN, USD	91 423
Company 5	PLN	90 232
Company 6	EUR, PLN	71 426
Company 7	PLN	70 401
Company 8	PLN	70 096
Company 9	CHF, EUR, PLN	66 695
Company 10	PLN	60 475

19.6 Ten largest depositors (without banks)	Currency	As at 31.12.2013
Company 1	PLN	131 875
Company 2	PLN	129 096
Natural person 1	PLN	58 630
Company 3	EUR, PLN	55 336
Company 4	EUR, PLN	55 232
Company 5	PLN	50 955
Company 6	PLN	50 459
Company 7	EUR, PLN, USD	47 680
Natural person 2	EUR, PLN	39 745
Company 8	EUR, GBP, PLN	35 100

19.7 Ten largest depositors (without banks)	Currency	As at 30.09.2013
Company 1	USD, PLN	362 853
Company 2	PLN	231 220
Company 3	PLN	131 129
Company 4	PLN	76 220
Company 5	PLN	75 703
Company 6	PLN	63 051
Company 7	PLN	58 259
Natural person 1	PLN	43 022
Company 8	PLN	42 175
Company 9	PLN	40 104

In 2009, the Group issued banking securities for the first time. This activity was continued to the date of these financial statements. The following note presents basic information on each issue of those securities.

19.8 Own issues /type of security (nominal value)	Currency	Maturity date	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
UP345U131129	USD	29.11.2013	0	0	1 963
UP34UP131129	USD	29.11.2013	0	0	1 308
EU137U131219	EUR	19.12.2013	0	0	4 216
UP325U140109	USD	09.01.2014	0	982	0
PE416U140116	PLN	16.01.2014	0	404	0
UP325U140116	USD	16.01.2014	0	843	0
UP340U140123A	USD	23.01.2014	0	1 506	1 561
PCRUI140203	PLN	03.02.2014	0	12 686	12 958
PCRUI140203	PLN	03.02.2014	0	43	43
PE425U140220	EUR	20.02.2014	0	3 954	0
UP325U140220	USD	20.02.2014	0	358	0
EP431F140224	EUR	24.02.2014	0	829	843
PCRUI140310	PLN	10.03.2014	0	25 001	25 228
PCRUI140310	PLN	10.03.2014	0	138	138
EP421U140313	EUR	13.03.2014	0	415	0
PF6M60140322	PLN	22.03.2014	0	15 864	15 864
EP431U140325	EUR	25.03.2014	0	1 298	1 320
EP435U140325	EUR	25.03.2014	0	6 978	7 095
UP325U140327	USD	27.03.2014	0	2 291	2 375
PPEQIN140402	PLN	02.04.2014	0	18 889	19 130
PPEQUP140402	PLN	02.04.2014	0	102	102
UP36UP140403	USD	03.04.2014	0	1 506	1 561
PGLDIN140407	PLN	07.04.2014	0	46 008	48 819
PGLDTV140407	PLN	07.04.2014	0	227	227
UP36UP140409	USD	09.04.2014	0	1 506	1 561
UP316U140411	USD	11.04.2014	0	3 012	0
PPEQIN140430	PLN	30.04.2014	0	19 034	19 184
PPEQUP140430	PLN	30.04.2014	0	30	30
UP324U140605	USD	05.06.2014	0	2 390	0
UP329U140605	USD	05.06.2014	0	968	0
PCOMIN140618	PLN	18.06.2014	0	24 782	24 962
PCOMUP140618	PLN	18.06.2014	0	499	499
PAUTIN140725	PLN	25.07.2014	0	32 151	32 727
PAUTUP140725	PLN	25.07.2014	0	291	291
PSILIN140825	PLN	25.08.2014	0	18 464	18 640
PSILUP140825	PLN	25.08.2014	0	118	118
PPLAIN140915	PLN	15.09.2014	0	23 623	23 830
PPLAUP140915	PLN	15.09.2014	0	285	285
EMIXPB140922	EUR	22.09.2014	0	1 037	1 054
PBWEIN141008	PLN	08.10.2014	23 320	25 428	25 853
PBWEUP141008	PLN	08.10.2014	301	301	301
UP325U141015	USD	15.10.2014	397	0	0
EP420U141020	EUR	20.10.2014	418	0	0
PBWEIN141105	PLN	05.11.2014	15 894	17 077	17 358
PBWEUP141105	PLN	05.11.2014	392	407	407
UP350U141107	USD	07.11.2014	1 649	1 506	0
P4EQIN141204	PLN	04.12.2014	86 046	89 097	89 506
P4EQUP141204	PLN	04.12.2014	917	917	917
PGOLIN141205	PLN	05.12.2014	15 510	15 979	16 068
PGOLUP141205	PLN	05.12.2014	75	75	75
PWEQIN141205	PLN	05.12.2014	4 677	5 219	5 350
PWEQUP141205	PLN	05.12.2014	10	10	10
PGOLIN141219	PLN	19.12.2014	14 203	14 611	14 672

PGOLUP141219	PLN	19.12.2014	305	305	305
EP425U141223	EUR	23.12.2014	1 253	0	0
PU290U150123	PLN	23.01.2015	2 500	0	0
PSMAIN150225	PLN	25.02.2015	32 165	53 032	55 632
PSMAUP150225	PLN	25.02.2015	264	283	283
EP426U150305	EUR	05.03.2015	1 670	0	0
UP335U150409	USD	09.04.2015	1 649	0	0
PSTXIN150410	PLN	10.04.2015	23 169	35 833	40 657
PSTXUP150410	PLN	10.04.2015	114	114	114
PETHIN150416	PLN	16.04.2015	8 376	8 476	8 476
PETHUP150416	PLN	16.04.2015	50	50	50
UP335U150416	USD	16.04.2015	1 649	0	0
PETHIN150618	PLN	18.06.2015	8 909	9 671	9 671
ALIOR150629	PLN	29.06.2015	146 700	146 700	146 700
PD10IN150805	PLN	05.08.2015	70 621	91 649	92 529
PD10UP150805	PLN	05.08.2015	282	282	282
PD95IN150805	PLN	05.08.2015	5 234	8 587	8 592
PD95UP150805	PLN	05.08.2015	450	450	450
PSMAIN150826	PLN	26.08.2015	52 519	54 100	54 201
PSMAUP150826	PLN	26.08.2015	49	49	49
PF6M40150922	PLN	22.09.2015	12 049	12 079	12 079
PF6M41150922	PLN	22.09.2015	4 060	4 060	4 060
PE10IN150930	PLN	30.09.2015	73 035	75 439	75 575
PE10UP150930	PLN	30.09.2015	95	95	95
PBCOIN151006	PLN	06.10.2015	3 599	3 799	3 799
P4EQIN151119	PLN	19.11.2015	88 332	89 784	0
P4EQUP151119	PLN	19.11.2015	225	234	0
PCOMIN151124	PLN	24.11.2015	64 718	66 813	67 502
PCOMUP151124	PLN	24.11.2015	61	66	66
PISHIN151217	PLN	17.12.2015	52 280	53 729	0
PISHUP151217	PLN	17.12.2015	949	949	0
P2Y15F151222	PLN	22.12.2015	5 163	5 271	0
P2YF15151222	PLN	22.12.2015	84 292	0	0
PMEQIN160317	PLN	17.03.2016	10 020	0	0
ALIOR110416	PLN	11.04.2016	180 000	0	0
POEQIN160412	PLN	12.04.2016	52 095	0	0
PMEQIN160516	PLN	16.05.2016	63 492	0	0
PMIX3M160622	PLN	22.06.2016	3 280	3 280	3 280
PEEQIN161110	PLN	10.11.2016	98 750	0	0
PDEQIN161205	PLN	05.12.2016	2 673	0	0
PLEQIN161212	PLN	12.12.2016	79 047	0	0
PF1Y40161222	PLN	22.12.2016	25 000	25 000	0
PSTXIN170118	PLN	18.01.2017	97 746	0	0
P4EQIN170203	PLN	03.02.2017	87 282	0	0
PNEQIN170308	PLN	08.03.2017	98 552	0	0
P4Y20F171222	PLN	22.12.2017	283	283	0
P4YF20171222	PLN	22.12.2017	3 271	0	0
18.8 Own issues total (nominal value)			1 712 086	1 189 601	1 022 896

20. Provisions

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2014	258	10 316	10 574
Provisions recorded	1 582	89 087	90 669
Provisions released	-127	-11	-138
Provisions utilized	-1 499	-86 906	-88 405
Other changes	0	207	207
As at 30 September 2014	214	12 693	12 907

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2013	840	11 709	12 549
Provisions recorded	1 221	104 940	106 161
Provisions released	-818	-4 978	-5 796
Provisions utilized	-985	-101 431	-102 416
Other changes	0	76	76
As at 31 December 2013	258	10 316	10 574

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2013	840	11 709	12 549
Provisions recorded	737	74 541	75 278
Provisions released	-673	-4 830	-5 503
Provisions utilized	-713	-78 117	-78 830
Other changes	0	76	76
As at 30 September 2013	191	3 379	3 570

The provisions for employee benefits cover mainly:

- the provision for retirement benefits and disability allowance;
- the provision for unused holiday;
- the provision for bonuses and awards.

The provision for retirement benefits and disability allowance is recognized for each employee based on an actuarial valuation prepared by an independent actuarial company. The basis for determining the value of the provision is the expected value of the old age or disability allowance which the Group commits to paying based on the Remuneration Regulations. The provision for unused holiday is created individually for each employee based on the number of days of unused leave attributable to employees.

In accordance with IAS 19, the financial discount rate to calculate the provision was determined based on the market rate of return on Treasury bonds, whose currency and maturity dates are similar to those prevailing for the Bank's liabilities under employee benefits.

21. Other liabilities

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Interbank settlements	206 704	181 057	199 353
Taxation, customs duty, social and health insurance payables and other public settlements	23 889	20 577	26 356
Liabilities in respect of payment card settlements	7 160	5 310	4 731
Other settlements	194 918	163 759	113 671
including settlements with insurers	71 498	127 581	94 005
Accruals	194 751	174 649	81 641
Provision related to anticipated bancassurance withdrawals or resignations	163 225	114 638	119 421
Unregistered capital	0	464 156	0
Other liabilities	39 686	5 124	14 592
Total other liabilities	830 333	1 129 270	559 765

Settlements with insurers comprise insurance premiums relating to the cover granted by the Group to its Customers under one of the group insurance contracts (concluded by the Group with insurers and offered to its Customers).

As at 31 December 2013, – as a result of the Bank's data recorded in escrow accounts – other liabilities comprise capital reported for registration. The capital was registered on 2 January 2014.

22. Financial assets and financial liabilities held for trading

The Group classified derivative instruments and securities (shares, bonds) to financial assets and financial liabilities held for trading as at 30 September 2014, 31 December 2013 and 30 September 2013. Derivative transactions are concluded for trading purposes and for the purpose of managing market risk. The Group concludes the following types of derivative transactions: FX-Forward, FX-Swap, IRS, CIRS, FRA, Commodity Futures, Commodity Forwards and Forward security transactions. Derivative financial instruments are measured on a daily basis using the discounted cash flow method. The Group also enters into option transactions. In accordance with the binding laws, in concluding option transactions, the Group executes them in a manner ensuring the simultaneous (each time and immediate) conclusion of an opposite option transaction with the same transaction parameters (back to back).

22.1 Derivative financial instruments (nominal value)	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Interest rate transactions	17 027 482	14 702 308	13 144 901
SWAP	13 407 468	13 534 516	12 585 230
FRA	400 000	0	0
Cap Floor Options	3 220 014	1 167 792	559 671
Foreign exchange transactions	7 009 379	4 966 064	4 266 050
FX swap	3 789 684	2 490 943	1 397 458
FX forward	1 673 903	966 688	1 166 417
CIRS	1 169 453	1 219 714	1 306 654
FX options	376 339	288 719	395 521
Other options	2 852 439	2 091 796	1 771 428
Other instruments	337 922	353 894	363 900
Derivative financial instruments (nominal value)	27 227 222	22 114 062	19 546 279

22.2 Financial assets held for trading	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Shares	3 095	1 971	2 086
Bonds	737	418	358
Interest rate transactions	231 931	120 294	125 425
SWAP	219 178	116 229	121 900
FRA	1 136	0	0
Cap Floor Options	11 617	4 065	3 525
Foreign exchange transactions	99 304	57 842	54 833
FX swap	40 645	13 121	7 485
FX forward	20 525	20 294	20 342
CIRS	37 137	23 883	25 511
FX options	997	544	1 495
Other options	78 081	46 618	28 949
Other instruments	7 700	16 148	22 610
Financial assets held for trading	420 848	243 291	234 261

22.3 By maturity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Without specified maturity date	3 095	1 971	2 086
≤ 1W	13 992	10 783	17 186
> 1W ≤ 1M	35 742	20 221	34 075
> 1M ≤ 3M	24 825	57 215	18 314
> 3M ≤ 6M	44 177	20 757	41 092
> 6M ≤ 1Y	53 141	28 281	23 105
> 1Y ≤ 2Y	49 314	43 088	31 301
> 2Y ≤ 5Y	176 188	46 895	48 834
> 5Y ≤ 10Y	20 374	14 080	18 268
Financial assets held for trading	420 848	243 291	234 261

22.4 Financial liabilities held for trading	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Interest rate transactions	171 921	78 002	61 544
SWAP	160 273	73 937	58 020
Cap Floor Options	11 648	4 065	3 524
Foreign exchange transactions	39 793	49 499	50 198
FX swap	19 134	20 997	19 603
FX forward	8 461	8 137	8 909
CIRS	11 201	19 377	20 190
FX options	997	988	1 496
Other options	78 081	46 618	28 949
Other instruments	6 426	9 971	13 062
Financial liabilities held for trading	296 221	184 090	153 753

22.5 By maturity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Without specified maturity date	3	0	0
≤ 1W	7 753	5 017	8 018
> 1W ≤ 1M	20 129	15 550	18 237
> 1M ≤ 3M	6 898	16 477	10 913
> 3M ≤ 6M	23 890	31 756	6 960
> 6M ≤ 1Y	32 796	10 739	24 823
> 1Y ≤ 2Y	47 591	45 855	36 046
> 2Y ≤ 5Y	145 742	53 900	43 350
> 5Y ≤ 10Y	11 419	4 796	5 406
Financial liabilities held for trading	296 221	184 090	153 753

The listing below shows the hierarchy of measurement methods of financial instruments held for trading re-measured to fair value as at 30 September 2014 and comparative data as at 31 December 2013 and as at 30 September 2013.

In accordance with IFRS 13, the Group classified:

- to level 1 – all instruments for which price quotations on active financial markets are available;
- to level 2 – instruments whose prices cannot be observed directly, but the valuation is based on market quotations;

The discounted cash flows method is used to measure instruments of this level, on the assumption that profitability curves are based on interbank market quotations (including: deposit rates, rates from transactions such as: FRA, OIS, IRS, basis swap, fx swap; forex transactions).

- to level 3 – instruments for which at least one factor affecting the price is not based on observable market data.

Instruments of this level include options embedded in deposit certificates issued by the Group and options concluded on the interbank market to hedge embedded option positions. The fair value is determined on the basis of an internal model in consideration of both observable parameters (e.g. price of the base instrument, quotations from the

secondary option market), and non-observable parameters (e.g. fluctuations, correlations between base instruments in options based on baskets of instruments). Model parameters are set on the basis of statistical analysis. Due to the fact that the market risk position in respect of the said options is exactly opposite, changing the model assumptions adopted does not result in fair value change of the Bank's position in respect of options classified to level 3. As at 31 December 2013, The Group classified other options to level 3 (financial assets of PLN 3,703 thousand and financial liabilities of PLN 42,915 thousand were transferred from level 2) to better reflect the essence of the valuation.

22.6 Valuation of financial assets	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Level 1	8 908	10 976	15 228
Shares	3 095	1 971	2 086
Bonds	737	418	358
Other instruments	5 076	8 587	12 784
Level 2	333 859	185 697	190 085
SWAP	219 178	116 229	121 900
FRA	1 136	0	0
Cap Floor Options	11 616	4 065	3 525
FX swap	40 645	13 121	7 485
FX forward	20 525	20 294	20 342
CIRS	37 137	23 883	25 511
FX options	997	544	1 496
Other instruments	2 625	7 561	9 826
Level 3	78 081	46 618	28 948
Other options	78 081	46 618	28 948
Total financial assets	420 848	243 291	234 261

22.7 Movements on financial assets classified as level 3	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Opening balance	46 618	26 669	26 669
Increases, including	82 953	65 792	48 161
Derivatives revaluation of previous year	16 778	22 552	22 552
Derivatives transactions	26 606	24 567	18 245
Positive valuation of derivatives	39 569	18 673	7 364
Decreases, including	-51 490	-45 843	-45 882
Derivatives revaluation of previous year	-18 673	-4 884	-4 884
Settlement/redemption	-17 640	-24 181	-24 181
Negative valuation of derivatives	-15 177	-16 778	-16 817
Financial assets classified as level 3 at the end of the period	78 081	46 618	28 948

22.8 Valuation of financial liabilities	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Level 1	4 800	7 064	10 025
Other instruments	4 800	7 064	10 025
Level 2	213 340	130 408	114 780
SWAP	160 273	73 937	58 020
Cap Floor Options	11 648	4 065	3 525
FX swap	19 134	20 997	19 603
FX forward	8 461	8 137	8 909
CIRS	11 201	19 377	20 190
FX options	997	988	1 496
Other instruments	1 626	2 907	3 037
Level 3	78 081	46 618	28 948
Other options	78 081	46 618	28 948
Total financial liabilities	296 221	184 090	153 753

22.9 Movements on financial liabilities classified as level 3	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Opening balance	46 618	26 669	26 669
Increases, including	82 953	65 792	48 161
Derivatives revaluation of previous year	16 778	22 552	22 552
Derivatives transactions	26 606	24 567	18 245
Positive valuation of derivatives	39 569	18 673	7 364
Decreases, including	-51 490	-45 843	-45 882
Derivatives revaluation of previous year	-18 673	-4 884	-4 884
Settlement/redemption	-17 640	-24 181	-24 181
Negative valuation of derivatives	-15 177	-16 778	-16 817
Financial liabilities classified as level 3 at the end of the period	78 081	46 618	28 948

23. Hedge accounting

The Group has been applying cash flow hedges. The hedging strategy is aimed at securing interest rate risk resulting from fluctuations in cash flows from assets with a variable interest rate, using PLN IRS transactions. In the hedge relationships set up hedged items constitute cash flows on PLN loans and advances portfolio bearing a fluctuating interest rate, and hedging instruments are IRS transactions, where the Group receives interest based on a fixed interest rate and pays interest based on a variable interest rate. Hedged items are measured at amortized cost, and hedging instruments at fair value.

23.1 Hedging instruments	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Interest rate transactions	2 500 000	1 150 000	1 150 000
SWAP	2 500 000	1 150 000	1 150 000
Financial assets held for trading-hedging instruments	2 500 000	1 150 000	1 150 000

23.2 Hedging derivatives - assets	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Level 2	53 036	12 099	3 463
Interest rate transactions	53 036	12 099	3 463
SWAP	53 036	12 099	3 463
Hedging derivatives - assets	53 036	12 099	3 463

23.3 By maturity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
> 3M ≤ 6M	0	1 868	0
> 6M ≤ 1Y	6 330	0	776
> 1Y ≤ 2Y	30 997	7 579	2 687
> 2Y ≤ 5Y	15 709	2 652	0
Hedging derivatives - assets	53 036	12 099	3 463

23.4 Hedging derivatives - liabilities	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Level 2	0	0	5 040
Interest rate transactions	0	0	5 040
SWAP	0	0	5 040
Hedging derivatives - liabilities	0	0	5 040

23.5 By maturity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
> 2Y ≤ 5Y	0	0	5 040
Hedging derivatives - liabilities	0	0	5 040

24. Subordinated liabilities

On 15 November 2011, the Polish Financial Supervision Authority gave permission to include a subordinated loan of EUR 10 million, drawn on 12 October 2011 by Alior Bank S.A. with Erste Group Bank AG in the supplementary own funds of Alior Bank S.A. The loan was taken out for a period of 8 years, and the interest rate is based on 3M EURIBOR. The loan may be repaid early, if written notification is submitted 30 days before the planned payment. As at 30 September 2014, 31 December 2013 and 30 September 2013, the carrying amounts of the borrowing were PLN 42,018 thousand, PLN 41,657 thousand and PLN 42,351 thousand respectively.

On 3 February 2012 the subscription period for C-series bonds issued by Alior Bank S.A. ended. The total nominal value of the bonds is PLN 280 million. The bonds were purchased by open pension funds (OFE), investment fund management companies (TFI) and insurance companies. The bonds were issued for a period of 8 years (the redemption date is 14 February 2020), and the interest rate is based on 6M WIBOR. On 20 March 2012, PFSA gave its consent to including the bonds in supplementary own funds. In accordance with the current communication 43/2014 and 44/2014, in September 2014 the bonds with

a nominal value of PLN 115 million were redeemed. The carrying amount of the bonds as at 30 September 2014 was PLN 165,705 thousand, as at 31 December 2013: PLN 288,008 thousand and at 30 September 2013, PLN 282,744 thousand. These bonds are not included in the Bank's supplementary funds.

On 28 March 2012, PFSA gave its consent to include the subordinated bonds issued for a period of 8 years (to be redeemed on 31 January 2020), in the amount of EUR 4,500,000, bearing an interest rate of 6M LIBOR for 6-month EUR deposits, in the Bank's own supplementary funds. As of 31 January 2015 the Issuer is entitled to early redemption of Series B bonds after obtaining the consent of the Polish Financial Supervision Authority. The carrying amount of the bonds as at 30 September 2014 was PLN 18,990 thousand, as at 31 December 2013: PLN 19,156 thousand and at 30 September 2013, PLN 19,175 thousand

On 26 September 2014, the Bank issued F series bonds in the total nominal value of PLN 321,700 thousand. The bonds were issued for a period of 10 years (the redemption date is 26 September 2024), and the interest rate is based on 6M WIBOR. In accordance with the CRR Regulation, the bonds meet the conditions for including them in the Bank's supplementary own funds. The carrying amount of the bonds as at 30 September 2014 was PLN 321,944 thousand. On 28 October 2014, the Bank obtained the approval from the Polish Financial Supervision Authority to include bonds for the calculation of Tier II capital.

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Liabilities included in own funds	382 952	348 821	344 270
Subordinated loan	42 018	41 657	42 351
B series bonds	18 990	19 156	19 175
C series bonds	0	288 008	282 744
F series bonds	321 944	0	0
Liabilities not included in own funds	165 705	0	0
C series bonds	165 705	0	0
Subordinated liabilities	548 657	348 821	344 270

25. Equity

25.1 Equity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Equity attributable to equity holders of the parent	2 916 463	2 184 732	2 117 516
Share capital*	699 413	635 830	635 830
Supplementary capital	1 773 494	1 434 713	1 434 713
Other reserves	182 318	176 792	173 612
Share-based payments – equity component	182 477	176 792	173 612
Retained earnings / (accumulated losses)	9 804	-273 728	-273 728
Revaluation reserve	29 728	-16 777	-22 810
On measurement of available for sale assets	2 554	-13 757	-15 035
On measurement of hedging derivatives	27 174	-3 020	-7 775
Profit/(loss) for the year	221 706	227 902	169 899
Non-controlling interests	2 071	0	0
Total equity	2 918 534	2 184 732	2 117 516

*after the registration of the share capital increase on 15 October 2014 the share capital of the Bank is PLN 699,614 thousand.

25.2 Revaluation reserve	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Valuation of financial assets available for sale	2 554	-13 757	-15 035
treasury bills	0	0	0
treasury bonds	2 753	-17 701	-20 889
other bonds	400	717	2 328
Deferred tax	-599	3 227	3 526
Valuation of hedging derivatives	27 174	-3 020	-7 775
IRS	33 548	-3 728	-9 599
Deferred tax	-6 374	708	1 824
Revaluation reserve	29 728	-16 777	-22 810

26. Fair value

The fair value is the price which would be received for the sale of an asset or paid for transferring a liability in a transaction concluded on an arm's length on the main (or most favourable) market as at the measurement date in prevailing market conditions (i.e. the selling price irrespective of whether it is directly observable or estimated using another measurement technique).

The fair value of financial instruments is based on prices quoted on an active main (or most favourable) market, and is not decreased by transaction costs. If the market price is not available, the fair value of an instrument is determined using valuation models or discounted cash flow techniques.

The following are used in valuation techniques:

- latest market transactions concluded directly between well informed and interested parties, if such information is available;
- references to present fair value of another instrument with nearly identical characteristics;
- the discounted cash flow method.

If there is a measurement technique universally used by market participants for measuring instruments and it was shown to deliver a reliable estimate of prices in actual market transactions, the Group uses that method. Selected measurement techniques mainly use market data. Only to a small extent are they based on data specific for the Group. The measurement technique covers all the factors which would be taken into consideration by market participants when determining the price, and complies with the economically accepted methods of valuation of financial instruments. The Group verifies the correctness of measurement using the prices used in available current market transactions for the same instrument or based on other available market data.

Balance-sheet items measured at fair value

Financial instrument	Frequency	Recognition/presentation
Available-for-sale financial assets	Every day	Other comprehensive income
Fx forward, fx swap, fx options	Every day	income statement
CIRS, FRA, IRS	Every day	income statement
Other derivative instruments	Every day	income statement

The fair value of the Group's financial instruments presented in the statement of financial position at fair value as at 30 September 2014, 31 December 2013 and 30 September 2013 was equal to their carrying amounts.

As of 2013 Alior Bank SA adjusts the measurement of its assets by counterparty credit risk. The amount of the adjustment is equivalent to the change in the measurement of derivatives resulting from any party's default (the Bilateral Credit Value Adjustment). As at 30 September 2014, the BCVA adjustment amounted to PLN (1,008 thousand). The total BCVA amount comprises the CVA adjustment (reflecting exclusively counterparty default risk) amounting to PLN (1,053 thousand) and DVA adjustment (reflecting the risk of the Bank's insolvency) of PLN 45 thousand. The amount of the adjustment is calculated based on estimates of the following parameters: bilateral probability of default (PD), the LGD ratio (Loss Given Default), the expected exposure or negative exposure on the transaction (EE and NEE).

The PD and LGD ratios are assessed using internal models used by the Bank, and with the use of market quotations of credit risk. Counterparty exposure is calculated in consideration of the current measurement and its projection calculated based on expected changes in market conditions. Additionally, in assessing the credit risk adjustment mutual liabilities are taken into consideration following from hedging contracts regulating the relations between the parties to the transaction.

Fair value measurement for disclosure purposes

The carrying amounts and fair values of assets and liabilities which are not shown in the statement of financial position at fair value are presented below. Estimations show that except for the amounts due from customers the fair value of other financial instruments approximates their carrying amounts. In the method for calculating the fair value of loans (with the exception of overdraft facilities) the Group compares the margins earned on newly extended loans (in the month preceding the reporting date) with the margins in the whole loan portfolio. The fair value is calculated by adjusting the carrying amounts of credit products by the difference between the margin on the whole Group's portfolio and the margin on newly extended loans during the last reporting period, broken down by products and currencies. The aggregated fair value is translated into PLN at the mid NBP rate as at the reporting date. If the margins on newly extended loans are higher than the margins on the previous portfolio, the fair value of the loan is lower than its carrying amount.

For the remaining financial instruments, the Group adopts a fair value equal to their carrying amounts.

Financial instrument	As at 30.09.2014		As at 31.12.2013		As at 30.09.2013 Restated amounts	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with the Central Bank	1 018 716	1 018 716	1 067 227	1 067 227	755 303	755 303
Amounts due from customers	22 789 454	22 565 501	19 657 900	19 413 520	18 309 688	18 022 083
Amounts due from banks	297 497	297 497	254 199	254 199	181 380	181 380
Other assets	209 827	209 827	307 808	307 808	268 983	268 983
Non-current asset held for sale	37	37	38 335	38 335	62 298	62 298
Financial liabilities measured at amortized cost	24 549 799	24 549 799	21 660 435	21 660 435	20 084 391	20 084 391
Subordinated loans	548 656	548 656	348 821	348 821	344 270	348 821
Other liabilities	408 782	408 782	350 126	350 126	317 755	317 755

All the items presented below were classified to level 3 measured at fair value.

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Level 3			
Cash and balances with the Central Bank	1 018 716	1 067 227	755 303
Amounts due from customers	22 565 501	19 413 520	18 022 083
Amounts due from banks	297 497	254 199	181 380
Other assets	209 827	307 808	268 983
Non-current asset held for sale	37	38 335	62 298
Financial liabilities measured at amortized cost	24 549 799	21 660 435	20 084 391
Subordinated loans	548 656	348 821	348 821
Other liabilities	408 782	350 126	317 755

27. Capital adequacy and the Tier 1 ratio

Calculation of funds and capital adequacy ratio	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Total own funds for the capital adequacy ratio	2 993 571	2 336 315	2 277 955
Common equity Tier I capital	2 611 326	1 995 004	1 934 326
Tier II capital	382 245	341 311	343 629
Capital requirements	1 739 903	1 543 375	1 428 469
Capital requirements for the following risks: credit, counterparty, credit valuation adjustment, dilution and delivery of instruments to be settled at a later date	1 552 101	1 398 915	1 274 520
Total capital requirements for the following risks: equity instrument price risk, debt instrument price risk, commodity prices and FX risk	2 594	2 431	1 713
Capital requirement for general interest rate risks	26 596	25 766	23 358
Capital requirements for operating risk	158 612	116 263	128 878
Tier 1	12,01%	10,34%	10,83%
Capital adequacy ratio	13,76%	12,11%	12,76%

As at 30 September 2014 the capital adequacy ratio and the Tier 1 ratio were calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No. 575/2013 dated 26 June 2013 on prudential requirements for credit institutions and

investment firms and amending Regulation (EU) No 648/2012 ("CRR Regulation"). Until the date of these financial statements, part of the regulations relating to the determination of own funds and capital requirements (so-called national options) have not been used or published by a Polish authority or public entity authorized to supervise credit institutions and investment companies. A conservative approach was adopted for calculating the capital adequacy ratio in an unregulated scope, which related – among other things – to percentage amounts in the transitional period and to risk weights in respect of mortgage-secured foreign currency exposures for which this assumption was recommended by the PFSA as potentially "national options". It should be emphasized that with reference to the determination and publication of "national options" the Group's capital adequacy ratio as at 30 September 2014 could differ from that published in these financial statements.

As at 31 December 2013 and as at 30 September 2013 equity and capital requirements were calculated in accordance with Art. 128 of the Banking Law of 29 August 1997, as amended.

28. Off-balance sheet items

28.1 Off-balance sheet contingent liabilities granted to customers	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Off-balance sheet liabilities granted	7 682 418	7 078 830	6 942 817
Relating to financing	6 185 911	5 735 711	5 653 255
Guarantees	1 496 507	1 343 119	1 289 562

28.2 By maturity	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
≤ 1W	1 634	1 570	8 840
> 1W ≤ 1M	22 732	43 322	13 607
> 1M ≤ 3M	117 530	71 822	91 779
> 3M ≤ 6M	141 045	166 456	124 293
> 6M ≤ 1Y	242 046	231 507	305 498
> 1Y ≤ 2Y	241 779	162 171	148 265
> 2Y ≤ 5Y	219 487	299 313	273 790
> 5Y ≤ 10Y	502 774	362 684	318 107
> 10Y ≤ 20Y	7 480	4 274	5 383
Off-balance sheet liabilities granted in respect of guarantees	1 496 507	1 343 119	1 289 562

The Group grants contingent liabilities to its retail customers in respect of renewable limits in checking (ROR) accounts and credit cards. These liabilities are granted for an unspecified period, but at the same time, the adequacy of inflows of funds to the accounts is monitored.

The Group grants contingent liabilities to business customers in respect of:

- current account limits for a period of 12 months;
- guarantees, for a maximum period of 6 years;
- credit cards, for an unspecified period (with simultaneous monitoring of the adequacy of inflows of funds and portfolio or individual monitoring);

- loans launched in tranches for a period of up to 2 years.

The guarantee amounts shown in the table above reflect the maximum possible loss which would be disclosed as at the reporting date had all customers defaulted.

29. Business combinations and transactions with non-controlling interests

Business combinations

On 26 February 2014, Alior Bank S.A. concluded an agreement with Makers S.A. for taking up 3,550,000 new registered F-series shares, at the same time paying the issue price of PLN 4,047,000. As a result of taking up the shares Alior Bank S.A.'s interest in Money Makers S.A. exceeded 50% of the total number of voting rights at the General Shareholders' Meeting of that company. After assessing control issues in the light of IFRS 10 the Bank determined that it assumed control over Money Makers S.A. Acquisition of Money Makers S.A. is aimed at increasing the value of the Bank. It also enables the Bank to expand its offer for the Customers in respect of investment products and to react more flexibly to potential business requirements of the Bank's particular entities in respect of the customers' investment requirements.

Moreover, on 1.04.2014, Two representatives of Alior Bank became members of the Supervisory Board of Money Makers S.A., which comprises three persons. As a result, the Bank now had the majority of votes in the Supervisory Board.

Below, we present the identifiable acquired assets and liabilities:

Assets	in PLN'000
Amounts due from banks	6 128
Other assets	260
Total assets	6 388
Equity and liabilities	
in PLN'000	
Other liabilities	267
Total equity and liabilities	267
Total net identifiable assets	6 121

The fair value of the acquired net assets is equal to their carrying amount.

The Group measured the non-controlling interests in Money Makers S.A. at the proportion of the non-controlling interests in total net identifiable assets of the acquired company. As at the date of acquisition, the value of non-controlling interests in Money Makers S.A. amounted to PLN 3,048 thousand.

As a result of the merger transaction the Group recognized goodwill of PLN 974 thousand, determined as follows:

Measurement of goodwill	in PLN'000
+ Fair value of the consideration paid	4 047
+ Non-controlling interests	3 048
+ Fair value of previously acquired shares in the acquired entity	0
- Fair value of net assets of the acquired entity	6 121
Total assets	974

Goodwill on acquisition arises from the expected synergies resulting from joint operations which are made possible due to the use of Money Makers' long-term asset management experience and developing appropriate organizational, IT and competence solutions.

In the consolidated financial statements as at 30 September 2014 the Group accounted for the revenues and losses of the subsidiary in the amount of PLN 1,094 thousand and PLN 1,235 thousand respectively. Had the acquisition date been the beginning of the annual reporting period, the revenues and the losses in the consolidated financial statements for the three quarters of 2014 would have amounted to PLN 1,317 thousand and PLN 1,511 thousand respectively.

Transactions with non-controlling interests

On 14 March 2014 the terms and conditions for acquiring one of the former shareholders in Money Makers S.A. were met. As a result of the transaction the Bank acquired 57.6% of the total number of voting rights at the General Shareholders' Meeting of Money Makers S.A.

The share acquisition was recognized by the Group as an equity transaction, in accordance with IFRS 3. As a result of the transaction the value of non-controlling interests decreased by PLN 438 thousand. The negative change in the parent company's equity amounted to PLN 159 thousand.

Acquisition of Spółdzielcza Kasa Oszczędnościowo – Kredytowa im. Św Jana z Kęt

On 14 August 2014, the Polish Financial Supervision Authority (PFSA) decided to allow Alior Bank SA to take over the credit cooperative Spółdzielcza Kasa Oszczędnościowo – Kredytowa im. Św. Jana z Kęt (SKOK).

On 18 August 2014, the Management Board of Alior Bank S.A. began administering the assets of SKOK. As of 1 September 2014, Alior Bank S.A. (as the acquiring bank) acquired SKOK. Pursuant to art. 74 and clause 2 of the Act on cooperativesavings and loan associations (Ustawa o spółdzielczych kasach oszczędnościowo-kredytowych) as of the acquisition date the acquiring Polish bank or association acquires all the assets and liabilities of the acquired association. Until the date of taking over SKOK by Alior Bank S.A. it operated and provided the full scope of services to its members.

The acquisition of SKOK by Alior Bank SA will ensure full safety of the funds accumulated in the acquired credit cooperative Spółdzielcza Kasa Oszczędnościowo – Kredytowa im. Św. Jana z Kęt and will provide its members with a wider offer of Alior Bank SA. As at 30 September 2014 the balance sheet and net profit of SKOK have been presented together with the financial results of the Bank.

Below, we present the identifiable acquired assets and liabilities:

Assets	in PLN'000
Amounts due from customers	25 900
Amounts due from banks (including Kasa Krajowa)	21 402
Other financial instruments designated at fair value through profit or loss	3 593
Other assets	2 226
Total assets	53 121

Equity and liabilities	in PLN'000
Financial liabilities to customers stated at amortized cost	65 387
Other liabilities	1 651
Total equity and liabilities	67 038
Total net identifiable assets	- 13 917

As a result of the acquisition of SKOK the Group initially recognized goodwill in the amount of PLN 13 917 thousand.

30. Related-party transactions

The following tables present the type and value of transactions with related entities. Transactions between the Bank and its subsidiaries which are the Bank's related entities were eliminated during consolidation and have not been shown in this Note.

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Assets			
Loans and advances to customers	63 652	58 697	56 365
Non-current asset held for sale	0	38 298	62 298
Total assets	63 652	96 995	118 663
Liabilities and equity			
Financial liabilities measured at amortized cost	195 040	130 471	153 295
Other liabilities	39	65	32
Total liabilities and equity	195 079	130 536	153 327

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Off-balance sheet liabilities granted to customers	21 555	20 039	28 802
Relating to financing	5 293	10 363	12 345
Guarantees	16 262	9 676	16 457

	1.01.2014 - 30.09.2014	1.01.2013 - 30.09.2013
Interest income	2 354	2 300
Interest expense	-1 901	-1 629
Fee and commission income	838	251
Trading result	0	26
Other operating income	88	55
General administrative expenses	-43 525	-48 461
Impairment losses	0	2 578
Impairment losses on non-current asset held for sale	-38 298	0
Total	-80 444	-44 880

Nature of related party transactions

All transactions with related entities are conducted in accordance with the regulations relating to banking products, on an arm's length basis.

In the reporting period, agreements between the Group and Alior Polska Sp. z o.o. relating to the sublease of office space were in force.

Ms. Helene Zaleski, Chair of Alior Bank S.A.'s Supervisory Board, also holds the position of Chair of the Management Board of Alior Polska Sp. z o.o.

Number of shares held by the Supervisory Board	As at 30.09.2014	As at 31.12.2013
Helene Zaleski	210 774	186 159
Małgorzata Iwanicz- Drozdowska	1 465	1 465
Total	212 239	187 624

Number of shares held by the Management Board	As at 30.09.2014	As at 31.12.2013
Wojciech Sobieraj	71 322	71 322
Krzysztof Czuba	168	168
Michał Hucal	70	70
Niels Lunderoff*	n.a.	83 021
Artur Maliszewski*	n.a.	3 042
Witold Skrok	168	168
Katarzyna Sułkowska	2 851	2 851
Total	74 579	160 642

*On 9 April 2014 Mr. Niels Lunderoff and Artur Maliszewski resigned to run for the election to the Management Board for another three-year term, which began on 21 April 2014.

31. Management option plan

On 13 December 2012, based on a power of attorney granted in the Resolution of the Supervisory Board of Alior Bank S.A. of 10 December 2012, A, B and C series Subscription Warrants were allocated on a preliminary basis. The said Subscription Warrants entitle their holders to acquire the Bank's shares, in accordance with the Resolution of the Extraordinary General Shareholders' Meeting of Alior Bank S.A. no. 28/2012 of 19 October

2012 on the conditional increase of the Bank's share capital and issue of subscription warrants. The Warrants were allocated as follows:

- Wojciech Sobieraj – 666,257 Warrants;
- Niels Lundorff – 366,437 Warrants;
- Krzysztof Czuba – 266,500 Warrants;
- Artur Maliszewski – 266,500 Warrants;
- Katarzyna Sułkowska – 266,500 Warrants;
- Witold Skrok – 266,500 Warrants.

The new incentive plan is also addressed to a group of the Bank's key managers who are not Management Board members. The principles of the incentive plan were determined in the Incentive Plan Regulations adopted by a Resolution of the Supervisory Board of Alior Bank S.A.

The assumptions of the new incentive plan stipulate issuing three tranches of subscription warrants (A, B and C series) and three respective tranches of the Bank's new shares (D, E and F series) with a total nominal value not exceeding PLN 33,312,500 thousand, including:

- up to 1,110,417 A series subscription warrants which will entitle their holders to take up no more than 1,110,417 of the Bank's D series shares within 5 years of the date of the first anniversary of quotation of the Bank's shares on the WSE;
- up to 1,110,416 B series subscription warrants which will entitle their holders to take up no more than 1,110,416 of the Bank's E-series shares within 5 years of the date of the second anniversary of the date of the first quotation of the Bank's shares on the WSE;
- up to 1,110,417 C series subscription warrants which will entitle their holders to take up no more than 1,110,417 of the Bank's F series shares within 5 years of the date of the third anniversary of the date of the first quotation of the Bank's shares on the WSE.

The subscription warrants will be taken up by the vested persons on condition that the change in the Bank's share price on the WSE in the reference period – calculated as the difference between the final price of the offered shares and the average closing share price during the 30 session days preceding, respectively, the date of the first (with reference to A series subscription warrants), the second (with reference to B series subscription warrants) or third (with reference to C series subscription warrants) anniversary of the date of the Bank's first quotation on the WSE) – exceeds the change in the value of the WIG-Banki (WIG – Banks) index in the same period (calculated as the difference between the value of the WIG-Banki index on the first day of the Bank's shares quotation on the WSE and the average closing value of the WIG-Banki index from the 30 session days preceding the date, respectively, of the first, second or third anniversary of the date of the first quotation of the Bank's shares on the WSE).

The issue price of the shares will be equal to the average price of the Bank's shares in the Public Offering calculated by dividing the net proceeds from the Public Offering by the total number of offered shares allotted in the offering, plus 10%, 15% and 17.5% per each D series, E series and F series shares respectively.

The Bank's new management option plan will be settled identically to the Bank's original incentive plan (described below), i.e. it will have an impact on the Bank's financial result

being a component of payroll costs and will be recognized at the same amount as an increase in the value of equity included in other capital – share-based payments – equity component. As at the date of launching the plan its value amounted to PLN 24,692 thousand. In the third quarter of 2014, costs of PLN 5,526 thousand were recognized.

On 9 April 2014 the Bank's Supervisory Board passed a resolution on approving the final allotment of the subscription warrants under the Alior Bank S.A. Incentive Plan for the first period of assessment. Pursuant to the provisions of the resolution, 677,607 A series warrants were allotted and the allotment of 298,147 further warrants was deferred and depends on the achievement of goals by the vested persons in the current year.

As at the date of publication of the report the bank's Management Board finalized the procedure for increasing the Bank's share capital by issuing D series ordinary bearer shares in the total nominal value of PLN 201,000, comprising 0.6% of all exercisable rights granted to the participants of the Subscription Warrant Plan. The new issue constitutes 0.03% of all outstanding shares and relates to the Bank's managers who are not members of the Management Board. The representations on exercising the rights from the A Series Subscription Warrants awarded by the Bank and taking up 20,100 (two hundred thousand one hundred) ordinary D series bearer shares, each with a nominal value of PLN 10.00 (ten zloties), in the total nominal value of PLN 201,000 (two hundred and one thousand zloties), at an issue price of PLN 61.84 (sixty-one zloties and 84/100) per one D series share were submitted on 29 August 2014. On 15 October 2014 the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register in Warsaw, registered the increase of the share capital by means of issuance of ordinary series D bearer shares and the amendment to the Bank's Statute.

The original Incentive Plan

As a result of the settlement of the original incentive plan (determined on the basis of the agreement dated 25 August 2008), on 14 December 2012, 105 Alior Bank managers, including Members of the Bank's Management Board, received (indirectly, through LuxCo 82 s.a.r.l.) 2,414,118 shares of Alior Bank. The remaining 1,299,909 of the Bank's shares resulting from settling the previous incentive plan will be transferred by the Carlo Tassara Group to LuxCo 82 s.a.r.l. at the earlier of the sale of at least 30% of the Bank's shares by the Carlo Tassara Group, or on 30 June 2014. LuxCo 82 S.a.r.l. is a company operating under the Luxembourg law, controlled by the management of Alior Bank and representing the interests of participants of the management incentive plan. The whole incentive plan realized by Luxco 82 covered 3,714,027 shares of Alior Bank S.A.

Members of the Management Board of Alior Bank S.A. are bound by a contractual lock-up in respect of up to 30% of the incentive shares over a period of 9 months, and in respect of 70% of the incentive shares by contractual lock-up over a period of 24 months as of 14 December 2012. Incentive shares vested in other plan participants who are not members of the Management Board, were subject to contractual lock-up, in respect of up to 30% of the incentive shares, until the end of January 2013, and to contractual lock-up over a period of 12 months as of 14 December 2012 in respect of up to 70% of the incentive shares.

Due to the partial expiry of the lock-ups, on 14 May 2013 LuxCo 82 s.a.r.l. sold another block of 405,683 of the Bank's shares, on 1 October 2013 it sold a block of 678,856 shares, and on 31 March 2014 a block of 1,171,474 of the Bank's shares.

After the transactions were completed, as at 30 June 2014 the shareholdings amounted to 1,458,012 shares representing 2.084% of the total number of votes at the General Shareholders' Meeting.

32. Disputed claims

As at 30 September 2014 the Bank had no pending court proceedings, proceedings before competent arbitration or public administration authorities in respect of the Bank's or its subsidiaries' liabilities or receivables with a value no lower than 10% of the Bank's equity. In the Bank's opinion, no single court, arbitration court or public administration body proceeding in progress in Q3 2014, and no proceedings jointly could threaten the Bank's financial liquidity.

33. Notes relating to the Brokerage Office

In accordance with the Decree of the Minister of Finance dated 1 October 2010 on the detailed principles of reporting for banks, the notes below relate to the operations of the Brokerage Office of Alior Bank S.A.

Cash and cash equivalents	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Cash and cash equivalents deposited in cash accounts with the brokerage office and paid in for purchasing securities in Initial Public Offerings or in public trading in the primary market	158 400	140 493	155 540
Total	158 400	140 493	155 540

Amounts due from banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Receivables in respect of transactions concluded on the securities exchange:			
WSE	2 557	819	3 951
Total	2 557	819	3 951

Amounts due from the National Deposit and securities exchange clearing houses	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Amounts due from the settlement fund	27 583	24 663	24 662
Amounts due from the compensation fund	49	35	31
Total	27 633	24 698	24 693

Amounts due to the National Deposit and securities exchange clearing houses	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Amounts due to the settlement fund	426	12	350
Amounts due to the compensation fund	0	0	132
Total	426	12	482

Amounts due to banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Liabilities in respect of transactions concluded on the securities exchange:	1 189	4 569	6 007
WSE	1 189	4 569	6 007
Total	1 189	4 569	6 007

Customers' financial instruments recorded in securities accounts	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013
Dematerialized financial instruments:	7 122 854	6 757 613	6 626 976
including those admitted to trading on the regulated market	5 679 088	5 685 514	5 721 583
Financial instruments other than dematerialized	49 811	35 659	35 659
Total	7 172 665	6 793 272	6 662 636

34. Purchases and sales of property, plant and equipment and intangible assets

During the three quarters of 2014 the Group concluded no material transactions for the sale or purchase of property, plant and equipment or intangible assets.

35. Events and agreements significant to the operations of the Bank's Group

35.1 Significant events

- The Management Board of the Bank (acting on its own behalf and as security agent Erste Group Bank AG) has entered into a conditional agreement to dispose of 100% of the shares of the company Polbita Sp. z o.o. with a CEPD N.V., a wholly owned subsidiary of Pelion S.A., on 26 August 2014. A condition for the transfer of shares in the company Polbita Sp. z o.o. were among others obtaining by the CEPD N.V. consent of the Head of the Office of Competition and Consumer Protection on this transaction (consent to concentration). As a consequence the Management Board of the Bank informed that a write-off provision related to valuation of fixed assets for sale at the amount of 38 M PLN gross value will be created. Above mentioned write-off will have an impact on the Bank's net profit for the third quarter of 2014 of a value of approximately 31 M PLN. Simultaneously the Management Board informed that the event mentioned above does not influence the level of operating income generated by the Bank as well as the level of its administrative expenses. Moreover the Management Board is satisfied with the current growth of loans, deposits and profitability. The Management Board of Alior Bank S.A. informed on 24 October 2014 that, the last condition of performance of the contract suspension on the disposal of 100% of the Polbita's shares had been fulfilled. In accordance with the agreement, the title to the shares were transferred to the CEPD N. V. on 31 October 2014.

- On 19 September 2014, 22 September 2014 and 13 October 2014 the Bank had entered into a purchase transaction of 131 600 series C bonds issued by the Issuer on 14th February 2012 with the purpose of redemption. The total nominal value of the purchased bonds amounted to PLN 131 600 000 (one hundred and thirty one million six hundred thousand zloty). Redemption of the purchased series C bonds results in definitive expiration of all rights and obligations under those rules.
- On 26 September 2014, the Bank's Management Board informed in its current report no. 49/2014 about issue of 321 700 F-series unsecured, dematerialized, coupon bearer subordinated bonds, in the total nominal amount of PLN 1 000 (one thousand zloty) each („the Bonds”), in the total nominal amount of PLN 321 700 000 (three hundred and twenty one million seven hundred thousand zloty). Issue price of one series-F bond is equal to its nominal value. The Bonds were issued under the Bonds Issue Scheme of Alior Bank S.A., denominated in PLN, about which the Bank gave information in its current report no 16/2013 of 19 March 2013. The issue has been made in accordance with Art. 9 (3) The Bonds Act. The Bonds bear an interest rate of WIBOR 6M plus a fixed margin at a level of 3.14%, and interest will be payable semi-annually. The Bonds will be redeemed according to the Bonds nominal value on 26 September 2024. The Bank intends to introduce the Bonds to the Alternative Trading System (Alternatywny System Obrotu – ASO) on Catalyst conducted in accordance with the Act on trading in financial instruments by BondSpot S.A. or GPW w Warszawie S.A. The value of liabilities incurred as at June 30, 2014 according to the Issuers' consolidated statement for the period between 1 January 2014 and 30 June 2014, amounted to PLN 24 302 008 thousand. Perspectives for liabilities fluctuations to the redemption date of the bonds: total liabilities of the Issuer to the redemption date will not exceed the amount of PLN 55 000 000 thousand. Decision of the Polish Financial Supervision Authority the proceeds from the issue of F-series subordinated bonds have been included on account of the Tier II capital.

35.2 Significant contracts

The Management Board of Alior Bank S.A. (the “Bank”) announced that on October 20, 2014: (i) negotiations on the terms of the acquisition by the Bank of shares in Meritum Bank ICB S.A. with its registered office in Gdańsk (“Meritum”) from Innova Financial Holdings S.à r.l, WCP Coöperatief U.A. and the European Bank for Reconstruction and Development (the “Sellers”) were completed, (ii) the Bank and the Sellers entered into a preliminary agreement for the purchase of shares in Meritum (the “Preliminary Share Purchase Agreement”); and (iii) the Bank and Innova Financial Holdings S.à r.l and WCP Coöperatief U.A. entered into a subscription agreement (the “Subscription Agreement”). The Transaction will involve: (i) the acquisition by the Bank from the Sellers of 12,382,746 shares in Meritum representing 97.9% of the share capital of Meritum and 95.0% of the total number of votes at the General Meeting of Meritum in exchange for a total price of PLN 352,541,731.72 (the “Purchase Price”); subject to the terms set forth in the Preliminary Share Purchase Agreement (the “Purchase of Shares”) and (ii) the subscription

by Innova Financial Holdings S.à r.l and WCP Coöperatief U.A. for 2,355,498 newly-issued shares in the Bank in exchange for a cash contribution in the aggregate amount of PLN 172,658,003.40, being a portion of the Purchase Price, subject to the terms of the Subscription Agreement (the "Subscription for Shares"; collectively with the Purchase of Shares hereinafter referred to as the "Transaction"). Pursuant to the Subscription Agreement, the issue price of one new share of the Bank was fixed at PLN 73,30.

The Subscription for Shares will take place by way of exercising subscription warrants which the Bank will offer to Innova Financial Holdings S.à r.l and WCP Coöperatief U.A. The relevant resolution on the conditional increase in the share capital of the Bank through the issuance of Series H ordinary bearer shares, with the existing shareholders of the Bank being deprived of all their pre-emptive rights, the issuance of Series D subscription warrants, with the existing shareholders of the Bank being deprived of all their pre-emptive rights and on amendments to the the Bank'd Charter (the "Share Capital Increase Resolution").

The completion of the Transaction will be subject to the satisfaction of certain conditions precedent, which include: (i) obtaining the relevant antitrust consent, (ii) receiving the PFSA's decision confirming that there are no grounds for an objection to the Bank's planned Purchase of Shares in Meritum, and (iii) the General Meeting of the Bank adopting the Share Capital Increase Resolution, (iv) obtaining the PFSA's consent to amendments to the Articles of Association of the Bank, to be introduced as a result of the adoption of the Share Capital Increase Resolution and (v) the relevant registry court registering the amendments to the Bank's Articles of Association and the increase in the share capital of the Bank as provided in the Share Capital Increase Resolution.

The Transaction will be completed using the proceeds of the issuance of the new shares in the Bank and will be partly financed with the proceeds of the issuance of subordinated bonds of the Bank.

On 31 October 2014 the Resolution no 8/2014 of the Extraordinary General Meeting of Alior Bank S.A. of 31 October 2014 on: conditional increase in the share capital of the Bank through issue of series H ordinary bearer shares with the deprivation of the pre-emptive right of current shareholders of the Bank in entirety, issue of series D subscription warrants with the deprivation of the pre-emptive right of current shareholders of the Bank in entirety and on amendments to the Bank's Charter (the "Resolution") has not been adopted due to obtaining less than 4/5 of the votes required as majority.

Total number of valid votes in the conducted open voting on the abovementioned resolution amounted to 42,708,675, out of which 33,875,943 votes were cast in favour of the resolution, representing 79.32% of the total votes entitled to vote, 1,394,965 were "against", and 7,437,767 were "abstained".

The Management of the Company informed that the Extraordinary General Meeting of the Bank did not waive to consider any of the points out of the planned agenda, and that there were no objections to the protocol during the meeting.

In connection with the fact that the Extraordinary General Meeting of the Bank did not adopt the Resolution, the Management Board of the Bank hereby gives notice that on October 31, 2014 one of the conditions precedent of the preliminary share purchase agreement for the purchase of shares in Meritum Bank ICB S.A., entered into by the Bank with Innova Financial Holdings S.à r.l, WCP Coöperatief U.A. and the European Bank for Reconstruction and Development (the "Sellers") on September 20, 2014 (the

"Agreement"), execution of which was announced by the Bank in the current report No. 56/2014 of September 21, 2014, was not satisfied.

According to the Bank's information the Extraordinary General Meeting of the Bank did not adopt the Resolution due to a misunderstanding between one of the shareholders and his/her proxy which had a direct impact on the outcome of the vote. Due to the uproar, an Extraordinary General Meeting had been convened on 2 December 2014 by the Bank's Management Board.

In the reporting period the Bank had liabilities resulting from the debt securities issued, including in particular subordinated bonds and Bank Securities, as well as other financial instruments.

In the third quarter of 2014, the Bank did not conclude or terminate any loan or borrowing agreements outside its usual scope of business.

The Bank's Group entities did not grant any loan warranties or guarantees jointly to one entity or subsidiary of the entity, the value of which would exceed 10% of the Bank's equity.

36. Significant non-adjusting events after the balance sheet date

The Management Board of the Bank informed on 26 October 2014 in its current report no. 60/2014 about a notification received on 25 October 2014 from the Polish Financial Supervision Authority (the „PFSA”) concerning the results of Stress Tests and European Asset Quality Review.

Stress Test conducted in line with most strict guidelines of European Banking Authority (EBA) confirmed Alior Bank's strong capital position. It was the most serious test so far for the Bank. It confirmed that the Bank Capital Adequacy Ratio (CAR) not only meets the norms foreseen by banking law, but even under shock scenario (economic crisis) it exceeds the minimum threshold by 1,27 percentage points. Thus providing for stable base for future development as well as assuring safety of deposits and bringing further value for Bank's shareholders.

The outcome of the European Asset Quality Review revealed differences in assumptions between Bank's advanced and tailored to internal credit processes provisioning models and general EBA models used for the review. In Management opinion models determining level of impairment applied by Alior Bank are adequate for Bank's scale and business specific. Two reputable audit firms have also verified them.

Presented differences concern:

- identification of impairment on one of the corporate clients;
- group impairment write-offs model.

No evidence of impairment has been detected concerning this corporate client as of 31 December 2013. According to publically available financial statements the Bank provisioned for this exposure as of 31 March 2014. The client is in restructuring process and complies with it fully thus the exposure does not require further provisioning.

The Management Board of the Bank having considered the results of the European Asset Quality Review has planned an additional overview of internal methodologies for calculation of write-offs and provisions. At the same time given the prudent approach towards managing risk the Management considers recognition of provision in the amount of around PLN 10 million to be recognized in quarter IV 2014. It is also considered to

allocate PLN 30 million for internal capital adequacy calculation within a so called Pillar II - New Capital Agreement (NCA) – Basel II for model risk. However this will not impact the level of equity but only the way it is allocated. The Management plans also for active dialog with PFSA to fully conform to regulator's recommendations.

In Management opinion the result of European Asset Quality Review is satisfactory and will not materially impact Bank's financial position in quarter IV 2014

37. Financial forecasts

Alior Bank's Group did not publish forecasts relating to financial results.

38. Plan to sell a significant portion of shares

The start-up meeting on the planned sale of 34% of the Bank's shares held by the Carlo Tassara Group was held in the second half of March 2013.

Carlo Tassara began making efforts to sell its block of shares to a regulated entity (a bank or an insurance company) which meets the criteria specified in art. 25h of the Banking Law. Carlo Tassara was informed by PFSA that PFSA will evaluate such a new investor, among other things, in terms of its financial standing and stability, as well as long-term credit rating, both of the investor and of its country of origin.

Ultimately, Carlo Tassara's exit from the investment in the Bank will take into consideration the timeframe necessary to find a new investor and gain its approval by PFSA. Carlo Tassara made every effort to sell the shares to an appropriate investor before the end of 2013.

On 15 September 2014, the Bank's Management Board received a notification from Carlo Tassara S.p.A. indicating that the PFSA gave its permission to extend the period indicated in the Bank's prospectus, during which the shareholder was obliged to sell the shares held in the Bank, to 30 June 2016. In this period Carlo Tassara cannot hold less than 25% of the Bank's shares.

39. Rating

As part of preparing the Initial Public Offering Alior Bank S.A. committed itself, vis-à-vis the Polish Financial Supervision Authority, to immediately undertake actions aimed at acquiring a rating from a renowned international rating agency at the beginning of 2013.

On 5 September 2013 Fitch Ratings Ltd. granted a BB rating with a stable outlook to Alior Bank S.A. The rating was maintained at an unchanged level, in accordance with the appraisal from 19 May 2014.

The Bank's full rating granted by Fitch is as follows:

1. Long-Term Foreign Currency IDR: BB stable outlook.
2. Short-Term Foreign Currency IDR: B.
3. National Long-Term Rating: BBB+(pol), stable outlook.
4. National Short-Term Rating: F2(pol).
5. Viability Rating (VR): bb.
6. Support Rating: 5.

7. Support Rating Floor: 'No Floor'

Fitch rating definitions are available on the Agency's site, under www.fitchratings.com, where ratings, criteria and methodologies are also published.

40. Factors affecting the Bank's results in the six-month perspective

Basic factors which may have an impact on the results achieved in the following months, include:

- The decline in interest rates. At its meeting on October 8, 2014 Monetary Policy Council lowered both the reference rate from 2.5% to 2% and the lombard rate from 4% to 3%. The reduction of the lombard rate translates into a significant decrease of the maximum interest rate of consumer loans - from 16% to 12%. Moreover, the expectation of the market is that another interest rate can't be ruled out. The said reduction of interest rates (despite taking comprehensive steps aimed at protecting the level of interest margin) can negatively affect the level of interest income in the coming quarter, resulting from the decline in revenues from customer loan portfolio.
- Meritum Bank acquisition. Acquisition of Meritum Bank will result in: a) Alior market share increase by 11%, (i.e., up to 3% as of Q2'14), b) 10-percent increase of loan portfolio. Takeover of Meritum Bank is conditional upon obtaining the necessary approvals from the Polish Financial Supervision Authority as well as the Office of Competition and Consumer Protection. Closing of the Meritum Bank purchase transaction will take place immediately after obtaining the approvals mentioned above. It is estimated that the merger of banks will take place within 6 – 9 months since closing of the Meritum Bank purchase transaction.

41. Risk management

Risk management is one of the key internal processes in the Alior Bank S.A. Group. The ultimate goal of the risk management policy is to ensure early recognition and appropriate management of all material risks in the Bank's operations. The Group isolated the following types of risks resulting from the operations conducted.

- market risk, also covering the banking book interest risk and liquidity risk;
- credit risk;
- operating risk.

The detailed accounting policies have been presented in the annual consolidated financial statements of the Alior Bank S.A. Group for the financial year from 1 January 2013 to 31 December 2013, published on 6 March 2014 and available on Alior Bank S.A.'s website.

In 2014, – in connection with the letter received from PFSA on 20 September 2013, in which the expectations relating to the Bank’s impairment analysis process were detailed, the Bank started working on implementing changes. The following two changes had the largest impact on the Group’s results:

- Implementation of the waiting period mechanism for impairment due to the “exceeded 90 DPD” premise – it was implemented as of 1 January 2014;
- Basing the LIP parameter on the results of the quantitative analysis – this was implemented as of 30 May 2014.

The waiting period mechanism consists of waiting 90 days from the latest appearance of the premise. Due to the fact that the full cycle of the waiting period lasts one quarter of the year, the Bank does not stipulate any negative effects of the change in consecutive quarters. The impact of implementing the change on the Group’s results after third quarter of 2014 is PLN 11.2 million (additional allowance).

For the purpose of the LIP analysis (loss incubation period analysis conducted to measure the impairment premise due to the late identification with regard to the event which caused the premise to arise) the Bank identified an event outside the catalogue of the impairment premises used, which could in a universal manner attest to customer problems arising. The data used in the analysis came from the period from 1 January 2012 to 28 February 2014. The analysis showed consistent or similar levels of the parameter to the parameters used by the Bank. As a result of the analysis, the Bank updated the LIP values used. In respect of the portfolio of mortgage loans, due to the small number in the sample (51 observations, divided into four baskets) and the less conservative results than the parameters used to-date, the Bank retained the LIP level without updating it. The change caused an increase in the IBNR level of PLN 7.8 million as at 30 June 2014.

The following tables show a comparison of the results of the analysis.

Parameters used before implementing the results of the analysis

Portfolio/Basket	0 DPD	1-30 DPD	31-60 DPD	61-90 DPD
Credit cards	5	3	2	1
Mortgages	6	3	2	1
Loans/Instalment loans	4	3	2	1
Accounts/LOR	5	3	2	1
Other	4	3	2	1

Parameters used after implementing the results of the analysis

Portfolio/Basket	0 DPD	1-30 DPD	31-60 DPD	61-90 DPD
Credit cards	5	4	2	1
Mortgages	6	3	2	1
Loans/Instalment loans	5	3	2	1
Accounts/LOR	4	4	3	2
Other	5	4	3	1

Condensed separate interim financial statements

Separate income statement

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Interest income	452 831	1 264 439	356 330	1 099 526
Interest expense	-134 578	-381 074	-117 944	-402 458
Net interest income	318 253	883 365	238 386	697 068
Dividend income	9	25 549	15	1 800
Fee and commission income	134 966	398 888	107 077	320 340
Fee and commission expense	-49 723	-146 251	-45 205	-148 458
Net fee and commission income	85 243	252 637	61 872	171 882
Trading result	77 363	198 330	53 159	180 395
Net gain (realized) on other financial instruments	-1 779	391	280	7 241
Other operating income	12 316	38 000	10 396	37 338
Other operating costs	-5 224	-13 272	-3 362	-16 671
Net other operating income	7 092	24 728	7 034	20 667
General administrative expenses	-234 562	-682 259	-210 121	-606 884
Impairment losses	-166 553	-413 704	-102 236	-262 435
Gross profit	85 066	289 037	48 389	209 734
Income tax	-17 146	-51 528	-11 115	-43 801
Net profit	67 920	237 509	37 274	165 933
Net profit	67 920	237 509	37 274	165 933
Weighted average number of ordinary shares	69 941 261	69 941 261	63 582 965	63 582 965
Net profit per share (in PLN)	0,97	3,40	0,59	2,61
Diluted earnings per share (in PLN)	0,93	3,24	0,56	2,48

Separate statement of comprehensive income

	1.07.2014 - 30.09.2014	1.01.2014 - 30.09.2014	1.07.2013 - 30.09.2013 Restated amounts	1.01.2013 - 30.09.2013 Restated amounts
Net profit	67 920	237 509	37 274	165 933
Other taxable comprehensive income	23 646	46 505	8 884	-33 586
Net gains/losses on financial assets available for sale	8 699	16 311	7 916	-25 811
Profit/loss on valuation of financial assets available for sale	10 740	20 137	9 773	-31 865
Deferred tax	-2 041	-3 826	-1 857	6 054
Net gain on hedging derivatives	14 947	30 194	968	-7 775
Net gain on valuation of hedging derivatives	18 453	37 276	1 195	-9 599
Deferred tax	-3 506	-7 082	-227	1 824
Total comprehensive income, net	91 566	284 014	46 158	132 347

Separate statement of financial position

ASSETS	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Cash and balances with the Central Bank	1 018 716	1 067 227	755 303
Financial assets held for trading	420 848	243 291	234 261
Financial assets available for sale	3 795 708	3 388 525	2 929 182
Other financial instruments at fair value through profit or loss	3 601	0	0
Hedging derivatives financial instruments	53 036	12 099	3 463
Amounts due from banks	294 765	254 199	181 380
Loans and advances to customers	22 789 454	19 657 900	18 309 688
Property, plant and equipment	195 899	215 121	206 227
Intangible assets	207 958	188 048	169 042
Investments in subsidiaries	5 644	2 459	1 350
Non-current assets held for sale	37	38 335	62 298
Income tax asset	126 545	139 799	113 540
<i>Current</i>	2 288	0	0
<i>Deferred</i>	124 257	139 799	113 540
Other assets	244 139	337 777	283 057
TOTAL ASSETS	29 156 350	25 544 780	23 248 791

LIABILITIES AND EQUITY	As at 30.09.2014	As at 31.12.2013	As at 30.09.2013 Restated amounts
Financial liabilities held for trading	296 221	184 090	153 753
Financial liabilities measured at amortized cost	24 553 381	21 688 985	20 111 996
Hedging derivatives financial instruments	0	0	5 040
Provisions	12 907	10 574	3 506
Other liabilities	822 564	1 105 434	518 144
Income tax liabilities	0	31 949	187
<i>Current</i>	0	31 949	187
<i>Deferred</i>	0	0	0
Subordinated loans	548 656	348 821	344 270
Total liabilities	26 233 729	23 369 853	21 136 896
Equity	2 922 621	2 174 927	2 111 895
Share capital	699 413	635 830	635 830
Supplementary capital	1 773 494	1 434 712	1 434 712
Revaluation reserve	29 728	-16 777	-22 810
Other reserves	182 477	176 792	173 612
Undistributed result from previous years	0	-275 382	-275 382
Current year profit	237 509	219 752	165 933
TOTAL LIABILITIES AND EQUITY	29 156 350	25 544 780	23 248 791

Separate statement of changes in equity

1.01.2014 - 30.09.2014	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Retained earnings/ accumulated losses	Current year profit	Total equity
As at 1 January 2014	635 830	1 434 712	176 792	-16 777	-275 382	219 752	2 174 927
0	-	-	-	-	219 752	-	219 752
Comprehensive income	-	-	-	46 505	-	237 509	284 014
Share-based payments	-	-	5 685	-	-	-	5 685
Share issue	63 583	394 412	-	-	-	-	457 995
Distribution of prior year result	-	-55 630	-	-	55 630	-	0
As at 30 September 2014	699 413	1 773 494	182 477	29 728	-	237 509	2 922 621

1.01.2013 - 31.12.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Retained earnings/ accumulated losses	Current year profit	Total equity
As at 1 January 2013	635 830	1 276 610	163 377	10 776	-14 291	172 393	2 244 695
Increase in equity	635 830	1 276 610	163 377	10 776	-176 740	59 460	1 969 313
0	-	-	-	-	59 460	-59 460	0
Comprehensive income	-	-	-	-27 553	-	219 752	192 199
Share-based payments	-	-	13 415	-	-	-	13 415
Distribution of prior year result	-	158 102	-	-	-158 102	-	0
As at 31 December 2013	635 830	1 434 712	176 792	-16 777	-275 382	219 752	2 174 927

1.01.2013 - 30.09.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Retained earnings/ accumulated losses	Current year profit	Total equity
As at 1 January 2013	635 830	1 276 610	163 377	10 776	-14 291	172 393	2 244 695
0	635 830	1 276 610	163 377	10 776	-176 740	59 460	1 969 313
0	-	-	-	-	59 460	-	59 460
Comprehensive income	-	-	-	-33 586	-	165 933	132 347
Share-based payments	-	-	10 235	-	-	-	10 235
Distribution of prior year result	-	158 102	-	-	-158 102	-	-
As at 30 September 2013	635 830	1 434 712	173 612	-22 810	-275 382	165 933	2 111 895

Separate cash flow statement

	1.01.2014 - 30.09.2014	1.01.2013 - 30.09.2013 Restated amounts
Operating activities		
Net profit	237 509	165 933
Adjustments:	-835 655	-517 326
Unrealized foreign exchange gains/losses	61	3 814
Income tax presented in the income statement	51 528	43 801
Amortization/depreciation of tangible and intangible assets	57 126	55 826
Change in tangible and intangible assets impairment write-down	174	83
Change in provisions	99	-9 043
Profit/loss on investments sale	2 333	0
Interest (financial activity)	19 140	21 341
Share-based payments	5 685	10 235
Change in loans and receivables	-3 191 437	-3 980 865
Change in financial assets available for sale	-407 183	1 391 565
Change in financial assets held for trading	-177 557	-60 555
Change in hedging derivatives - assets	-40 937	-3 463
Change in assets designated at fair value through profit or loss	-3 601	0
Change in non-current assets held for sale	38 298	0
Change in other assets	94 907	122 190
Change in deposits	1 278 070	1 543 282
Change in issued debt	514 369	324 511
Change in financial liabilities held for trading	112 131	24 646
Change in hedging derivatives - liabilities	0	5 040
Change in other liabilities	892 270	27 413
Income tax paid	-81 131	-37 147
Net cash flow from operating activities	-598 146	-351 393
Investing activities		
Outflows:	-46 174	-58 354
Purchase of property, plant and equipment	-16 027	-27 928
Disposal of property, plant and equipment	2 712	0
Purchase of intangible assets	-28 215	-30 426
Purchase of shares in subordinated companies	-4 644	0
Inflows:	91	4 405
Disposal of property, subordinated companies	91	4 405
Net cash flow from investing activities	-46 083	-53 949
Financing activities		
Outflows:	-203 294	-29 545
Repayment of long-term liabilities	-203 294	-29 545
Inflows:	779 695	0
Long-term liabilities incurred	0	0
Subordinated liabilities incurred	321 700	0
Inflows from share issue	457 995	0
Net cash flow from financing activities	576 401	-29 545
Total net cash flow	-67 828	-434 887
<i>incl. foreign exchange from revaluation of cash and cash equivalents</i>	<i>4 896</i>	<i>3 235</i>
Balance sheet change in cash and cash equivalents	-67 828	-434 887
Cash and cash equivalents, opening balance	1 251 673	1 310 432
Cash and cash equivalents, closing balance	1 183 845	875 545
Additional disclosures on operating cash flows		
Interest income received	1 335 666	1 050 325
Interest expense paid	-380 377	-478 460
Dividend received		1 800

1. Basis of preparation

Scope and comparatives

The interim condensed separate financial statements of Alior Bank S.A. cover the nine-month period ended 30 September 2014 and include comparative data for the nine-month period ended 30 September 2013 (in respect of the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement) and comparative data as at 31 December 2013 (in respect of the statement of financial position and statement of changes in equity). The interim condensed separate financial statements were prepared in Polish zloties (PLN), and all amounts are shown in PLN thousands, unless specified otherwise.

Due to the change in bancassurance revenue recognition method (described in the annual financial statements of Alior Bank S.A. for the period from 1 January 2013 to 31 December 2013) comparative amounts disclosed in the condensed interim financial statements of Alior Bank S.A. were adjusted for comparability purposes.

Presented below is the effect of the changes resulting from bringing the data to comparability on the individual income statement, statement of financial position and cash flow statement items.

Separate income statement

1.01.2013 - 30.09.2013	Financial statement as at 30.09.2013	Amount of adjustments	Restated amounts as at 30.09.2013
Interest income	1 128 821	-29 295	1 099 526
Net interest income	726 363	-29 295	697 068
Fee and commission income	272 319	48 021	320 340
Fee and commission expense	-146 628	-1 830	-148 458
Net fee and commission income	125 691	46 191	171 882
General administrative expenses	-605 952	-932	-606 884
Impairment losses	-262 139	-296	-262 435
Gross profit	194 066	15 668	209 734
Income tax	-40 824	-2 977	-43 801
Net profit	153 242	12 691	165 933
Total comprehensive income, net	119 656	12 691	132 347

Separate statement of financial position

Statement of financial position line item	Financial statement as at 30.09.2013	Amount of adjustments	Restated amounts as at 30.09.2013
Loans and advances to customers	18 149 534	160 154	18 309 688
Amounts due from banks*	181 811	-431	181 380
Income tax asset	124 308	-10 768	113 540
Deferred	124 308	-10 768	113 540
TOTAL ASSETS	23 099 836	148 955	23 248 791
Other liabilities	415 097	103 047	518 144
Total liabilities	21 033 849	103 047	21 136 896
Equity	2 065 987	45 908	2 111 895
TOTAL LIABILITIES AND EQUITY	23 099 836	148 955	23 248 791

Separate cash flow statement

1.01.2013 - 30.09.2013	Financial statement as at 30.09.2013	Amount of adjustments	Restated amounts as at 30.09.2013
Net profit	153 242	12 691	165 933
Income tax presented in the income statement	3 677	40 124	43 801
Change in loans and receivables	-3 961 400	-19 465	-3 980 865
Change in other liabilities	23 616	3 797	27 413
Income tax paid*	0	-37 147	-37 147
Net cash flow from operating activities	-351 393	0	-351 393
Total net cash flow	-434 887	0	-434 887

Statement of compliance

These interim condensed financial statements of Alior Bank Spółka Akcyjna for the three quarters of 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union as at 30 June 2014, and in accordance with the requirements of the Decree of the Minister of Finance of 19 February 2009 on current and periodic information to be prepared by issuers of securities and conditions for considering equivalent the information required by the provisions of the law of a non-EU state (Journal of Laws 2009.33. 259) as amended.

The presented interim condensed financial statements meet the requirements of International Accounting Standard (IAS) 34 relating to interim financial reporting. These financial statements have been prepared in a condensed version and do not cover all disclosures required in the annual financial statements.

The interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed cash flow statement for the period from 01 January 2014 to 30 September 2014 and the interim condensed statement of financial position as at 30 September 2014 with the comparative data were prepared using the same accounting policies as in the latest annual financial statements, with the exception of those changes in accounting standards which came into force as of 1 January 2014.

Going concern

The condensed interim financial statements of Alior Bank Spółka Akcyjna have been prepared on the assumption that the Bank will continue as a going concern for a period of at least 12 months after the balance sheet date, i.e. after 30 September 2014.

On the date of approval of these financial statements the Bank's Management Board is not aware of any circumstances which for any reason would have a negative impact on the Bank's operations.

2. Accounting policies

The detailed accounting policies have been presented in the annual financial statements of Alior Bank S.A. for the financial year from 1 January 2013 to 31 December 2013, published on 6 March 2014 and available on Alior Bank S.A.'s website.

In 2014, as a result of assessing the current status and expected future rewards, amortization and depreciation periods of assets were changed. The changes in amortization and depreciation periods had an impact on the Bank's results in the three quarters ended on 30 September 2014. The estimated impact of those changes amounted to PLN 5.6 million. The description of the changes is included in the Bank's condensed interim financial statements for the first quarter of 2014.

Changes in accounting standards

The accounting policies applied in the preparation of these interim condensed separate financial statements are consistent with those used in preparing the financial statements as at and for the year ended 31 December 2013, with the exception of applying the amendments to the standards and new interpretations binding for the annual periods beginning on or after 1 January 2014, described in the interim condensed consolidated financial statements of Alior Bank S.A. in Note 2.2.

3. Off-balance sheet items

Off-balance sheet items were described in the interim condensed consolidated financial statements, in Note 28.

4. Related-party transactions

Related party transactions were described in the interim condensed consolidated financial statements, in Note 30.

5. Significant non-adjusting events after the balance sheet date

Significant post-balance sheet events were described in the interim condensed consolidated financial statements, in Note 36.

