



Consolidated quarterly report
of the Alior Bank Spółka Akcyjna Group
for the 3rd quarter of 2013

Selected financial data in the Consolidated Financial Statements

	in PLN'000			
	1.01.2013 - 30.09.2013	1.01.2012 - 31.12.2012	1.01.2012 - 30.09.2012	%% (A-C)/C
	A	B	C	D
Net interest income	731 189	858 048	622 173	17.5%
Net fee and commission income	136 390	146 351	122 971	10.9%
Trading result & other	204 032	253 809	173 335	17.7%
Net operating income*	1 071 611	1 258 208	918 479	16.7%
General administrative expenses before IPO expenses**	-613 122	-762 610	-560 389	9.4%
Impairment losses	-262 199	-277 841	-189 099	38.7%
Gross profit before IPO expenses**	196 290	233 828	168 991	16.2%
Net profit before IPO expenses**	154 621	205 838	148 680	4.0%
General administrative expenses	-613 122	-906 928	-560 389	9.4%
Gross profit	196 290	73 439	168 991	16.2%
Net profit	154 621	47 447	148 680	4.0%
Total net cash flow	-477 140	568 258	214 281	0.0%
Loans and advances to customers	18 149 534	14 158 892	13 227 255	37.2%
Customer deposits	19 156 303	17 463 353	15 169 685	26.3%
Total equity	2 069 021	1 937 753	1 194 703	73.2%
Total assets	23 120 144	21 048 195	17 556 062	31.7%

Ratios (before IPO expenses**)

Earnings/losses per share (PLN)	2.43	3.24	2.90	-16.2%
ROE	10.29%	14.35%	18.66%	-44.8%
ROA	0.93%	1.13%	1.21%	-22.7%
C/I	57.21%	60.61%	61.01%	-6.2%
CoR	2.08%	2.22%	2.10%	-1.3%
L/D	0.95	0.81	0.87	8.7%
NPL ratio	6.88%	5.77%	4.42%	55.6%
NPL coverage ratio	56.64%	58.31%	70.26%	-19.4%
Capital adequacy ratio	12.42%	15.16%	10.80%	15.1%
Tier 1	10.52%	12.65%	8.15%	29.1%
Book value per ordinary share (PLN)	32.54	30.48	23.31	39.6%

Other data

Number of shares (in thousand)	63 583	63 583	51 250	24.1%
Number of employees	6 154	4 873	4 715	30.5%

*) 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

**)/for 1.01.2012-31.12.2012

	in EUR'000			
	1.01.2013 - 30.09.2013	1.01.2012- 31.12.2012	1.01.2012 - 30.09.2012	%% (A-C)/C
	A	B	C	D
Net interest income	173 139	205 589	148 318	16.7%
Net fee and commission income	32 296	35 066	29 315	10.2%
Trading result & other	48 313	60 813	41 321	16.9%
Net operating income*	253 749	301 468	218 954	15.9%
General administrative expenses before IPO expenses**	-145 182	-182 722	-133 590	8.7%
Impairment losses	-62 087	-66 571	-45 079	37.7%
Gross profit before IPO expenses**	46 480	56 025	40 285	15.4%
Net profit before IPO expenses**	36 613	49 319	35 444	3.3%
General administrative expenses	-145 182	-217 301	-133 590	8.7%
Gross profit	46 480	17 596	40 285	15.4%
Net profit	36 613	11 368	35 444	3.3%
Total net cash flow	-112 983	136 155	51 082	0.0%
Loans and advances to customers	4 304 612	3 463 356	3 215 337	33.9%
Customer deposits	4 543 392	4 271 648	3 687 512	23.2%
Total equity	490 720	473 987	290 413	69.0%
Total assets	5 483 515	5 148 524	4 267 602	28.5%
Ratios (before IPO expenses**)				
Earnings/losses per share (EUR)	0.58	0.78	0.69	-16.7%
ROE	10.29%	14.35%	18.66%	-44.8%
ROA	0.93%	1.13%	1.21%	-22.7%
C/I	57.21%	60.61%	61.01%	-6.2%
CoR	2.08%	2.22%	2.10%	-1.3%
L/D	0.95	0.81	0.87	8.7%
NPL ratio	6.88%	5.77%	4.42%	55.6%
NPL coverage ratio	56.64%	58.31%	70.26%	-19.4%
Capital adequacy ratio	12.42%	15.16%	10.80%	15.1%
Tier 1	10.52%	12.65%	8.15%	29.1%
Book value per ordinary share (EUR)	7.72	7.45	5.67	36.2%
Other data				
Number of shares (in thousand)	63 583	63 583	51 250	24.1%
Number of employees	6 154	4 873	4 715	10.1%

*) 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

***)for 1.01.2012-31.12.2012

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

a) 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 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;

b) as at 30.09.2012

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 30.09.2012 – 4.1138;

- income statement and 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 – 4.1948;

c) as at 31.12.2012

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 31.12.2012 – 4.0882;

- income statement and 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 – 4.1736.

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Consolidated income statement

	Note	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Interest income		366 974	1 133 476	370 513	1 024 425
Interest expense		-117 885	-402 287	-145 688	-402 252
Net interest income	4	249 089	731 189	224 825	622 173
Dividend income		15	20	2	20
Fee and commission income		99 366	283 018	82 897	229 928
Fee and commission expense		-44 945	-146 628	-39 489	-106 957
Net fee and commission income	5	54 421	136 390	43 408	122 971
Trading result	6	53 160	180 393	50 199	131 487
Net gain (realized) on other financial instruments	7	280	7 241	13 750	16 969
Other operating income		8 181	33 001	15 940	38 259
Other operating costs		-3 362	-16 623	-4 499	-13 400
Net other operating income	8	4 819	16 378	11 441	24 859
General administrative expenses	9	-212 356	-613 122	-196 321	-560 389
<i>share-based payments – equity component</i>		<i>-3 674</i>	<i>-10 235</i>	<i>-1 050</i>	<i>-3 150</i>
Impairment losses	10	-102 146	-262 199	-72 741	-189 099
Gross profit		47 282	196 290	74 563	168 991
Income tax	11	-10 920	-41 669	-14 035	-20 311
Net profit		36 362	154 621	60 528	148 680
Net profit attributable to equity holders of the parent		36 362	154 621	60 528	148 680
Net profit		36 362	154 621	60 528	148 680
Weighted average number of ordinary shares		63 582 965	63 582 965	51 250 000	50 620 438
Net profit per share (in PLN)	12	0.57	2.43	1.18	2.94
Diluted earnings per share (in PLN)	12	0.54	2.31	1.18	2.94

Consolidated statement of comprehensive income

	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Net profit	36 362	154 621	60 528	148 680
Other taxable comprehensive income	8 884	-33 586	-3 829	12 449
Net gains/losses on financial assets available for sale	7 916	-25 811	-3 829	12 449
Profit/loss on valuation of financial assets available for sale	9 773	-31 865	-4 727	15 369
Deferred tax	-1 857	6 054	898	-2 920
Net gains/losses on hedging instruments	968	-7 775	0	0
Profit/loss on valuation of hedging instruments	1 195	-9 599	0	0
Deferred tax	-227	1 824	0	0
Total comprehensive income, net	45 246	121 035	56 699	161 129
- attributable to holders of the parent	45 246	121 035	56 699	161 129
- attributable to non-controlling shareholders	0	0	0	0

Consolidated statement of financial position

ASSETS	Note	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Cash and balances with the Central Bank		755 303	721 980	1 029 968	701 002
Financial assets held for trading	20	234 261	265 384	173 706	174 251
Financial assets available for sale	13	2 929 182	3 446 706	4 320 747	2 327 851
Hedging derivatives	21	3 463	476	0	0
Amounts due from banks	15	181 811	170 021	413 528	379 698
Loans and advances to customers	14	18 149 534	17 206 083	14 158 892	13 227 255
Property, plant and equipment		206 227	206 866	214 887	233 353
Intangible assets		169 044	167 406	157 940	123 275
Non-current asset held for sale		62 298	62 298	62 298	0
Income tax asset		129 576	139 675	151 142	117 933
<i>Current</i>		0	4 120	0	0
<i>Deferred</i>		129 576	135 555	151 142	117 933
Other assets	16	299 445	282 340	365 087	271 444
TOTAL ASSETS		23 120 144	22 669 235	21 048 195	17 556 062

LIABILITIES AND EQUITY	Note	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Financial liabilities held for trading	20	153 753	156 717	129 107	127 892
Financial liabilities measured at amortized cost	17	20 084 391	19 590 714	18 092 194	15 427 155
Hedging derivatives	21	5 040	11 300	0	0
Provisions	18	3 570	5 251	12 549	12 564
Other liabilities	19	459 912	529 988	494 551	442 052
Income tax liabilities		187	2 761	31 463	8 018
<i>Current</i>		187	2 761	31 463	8 018
Subordinated loans	22	344 270	352 403	350 578	343 678
Total liabilities		21 051 123	20 649 134	19 110 442	16 361 359
Equity	23	2 069 021	2 020 101	1 937 753	1 194 703
Share capital		635 830	635 830	635 830	512 500
Supplementary capital		1 434 713	1 434 713	1 276 611	714 631
Revaluation reserve		-22 810	-31 694	10 776	-570
Other capital		173 612	169 938	163 377	15 750
<i>Share-based payments – equity component</i>		173 612	169 938	163 377	15 750
Undistributed result from previous years		-306 945	-306 945	-196 288	-196 288
Current year profit/loss		154 621	118 259	47 447	148 680
TOTAL LIABILITIES AND EQUITY		23 120 144	22 669 235	21 048 195	17 556 062



(in PLN'000)

Consolidated statement of changes in equity

1.01.2013- 30.09.2013	Share capital	Supplementary capital	Other capital - Share-based payments	Revaluation reserve	Retained earnings/ accumulated losses	Net profit/loss for the year	Total equity
As at 1 January 2013	635 830	1 276 611	163 377	10 776	-148 841	0	1 937 753
Comprehensive income	0	0	0	-33 586	0	154 621	121 035
Share-based payments	0	0	10 235	0	0	0	10 235
Distribution of prior year result	0	158 102	0	0	-158 102	0	0
Dividend payout	0	0	0	0	0	0	0
Other changes in equity	0	0	0	0	-2	0	-2
As at 30 September 2013	635 830	1 434 713	173 612	-22 810	-306 945	154 621	2 069 021

1.01.2012- 31.12.2012	Share capital	Supplementary capital	Other capital - Share-based payments	Revaluation reserve	Retained earnings/ accumulated losses	Net profit/loss for the year	Total equity
As at 1 January 2012	500 000	502 569	12 600	-13 019	-71 652	0	930 498
Increase in equity	135 830	664 096	0	0	0	0	799 926
Comprehensive income	0	0	0	23 795	0	47 447	71 242
Share-based payments	0	0	150 777	0	0	0	150 777
IPO costs	0	-14 690	0	0	0	0	-14 690
Distribution of prior year result	0	124 636	0	0	-124 636	0	0
As at 31 December 2012	635 830	1 276 611	163 377	10 776	-196 288	47 447	1 937 753

1.01.2012- 30.09.2012	Share capital	Supplementary capital	Other capital - Share-based payments	Revaluation reserve	Retained earnings/ accumulated losses	Net profit/loss for the year	Total equity
As at 1 January 2012	500 000	502 569	12 600	-13 019	-71 652	0	930 498
Comprehensive income	12 500	87 426	0	12 449	0	148 680	261 055
Share-based payments	0	0	3 150	0	0	0	3 150
Podział wyniku roku ubiegłego	0	124 636	0	0	-124 636	0	0
As at 30 September 2012	512 500	714 631	15 750	-570	-196 288	148 680	1 194 703

Consolidated cash flow statement

	1.01.2013 - 30.09.2013	1.01.2012 - 30.09.2012
Operating activities		
Net profit	154 621	148 680
Adjustments:	-543 862	-242 237
Unrealized foreign exchange gains/losses	3 814	-8 131
Change in income tax assets	-1 833	-6 208
Amortization/depreciation of tangible and intangible assets	55 827	53 454
Change in tangible and intangible assets impairment write-down	83	-1 067
Change in provisions	-8 979	-20 087
Interest (financial activity)	21 341	21 290
Share-based payments	10 235	3 150
Other adjustments	-2	0
Change in loans and receivables	-3 961 400	-2 643 106
Change in financial assets available for sale	1 391 565	579 124
Change in financial assets held for trading	-60 555	137 773
Change in hedging asset derivatives	-3 463	0
Change in other assets	65 642	-101 685
Change in deposits	1 524 519	1 742 458
Change in issued debt	324 511	116 359
Change in financial liabilities held for trading	24 646	-115 838
Change in hedging liabilities derivatives	5 040	0
Change in other liabilities	65 147	277
Net cash flow from operating activities	-389 241	-93 557
Investing activities		
Outflows:	-58 354	-73 644
Purchase of property, plant and equipment	-27 928	-54 746
Purchase of intangible assets	-30 426	-18 898
Net cash flow from investing activities	-58 354	-73 644
Financing activities		
Outflows:	-29 545	-17 466
Repayment of long-term liabilities	-29 545	-17 466
Inflows:	0	398 948
Subordinated liabilities incurred	0	299 022
Inflows from share issue	0	99 926
Net cash flow from financing activities	-29 545	381 482
Total net cash flow	-477 140	214 281
Balance sheet change in cash and cash equivalents	-477 140	214 281
Cash and cash equivalents, opening balance	1 352 685	784 427
Cash and cash equivalents, closing balance	875 545	998 708
Additional disclosures on operating cash flows		
Interest income received	1 050 325	964 248
Interest expense paid	-478 460	-328 512

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 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 the 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 the purchase and sale of foreign currency. The Group also conducts brokerage activities, consulting and financial agency services and renders other financial services. The information on companies belonging to the Group is presented in point 1.4. of this Note. The Bank operates in the territory of the Republic of Poland and the European Economic Area.

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 14 November 2013:

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

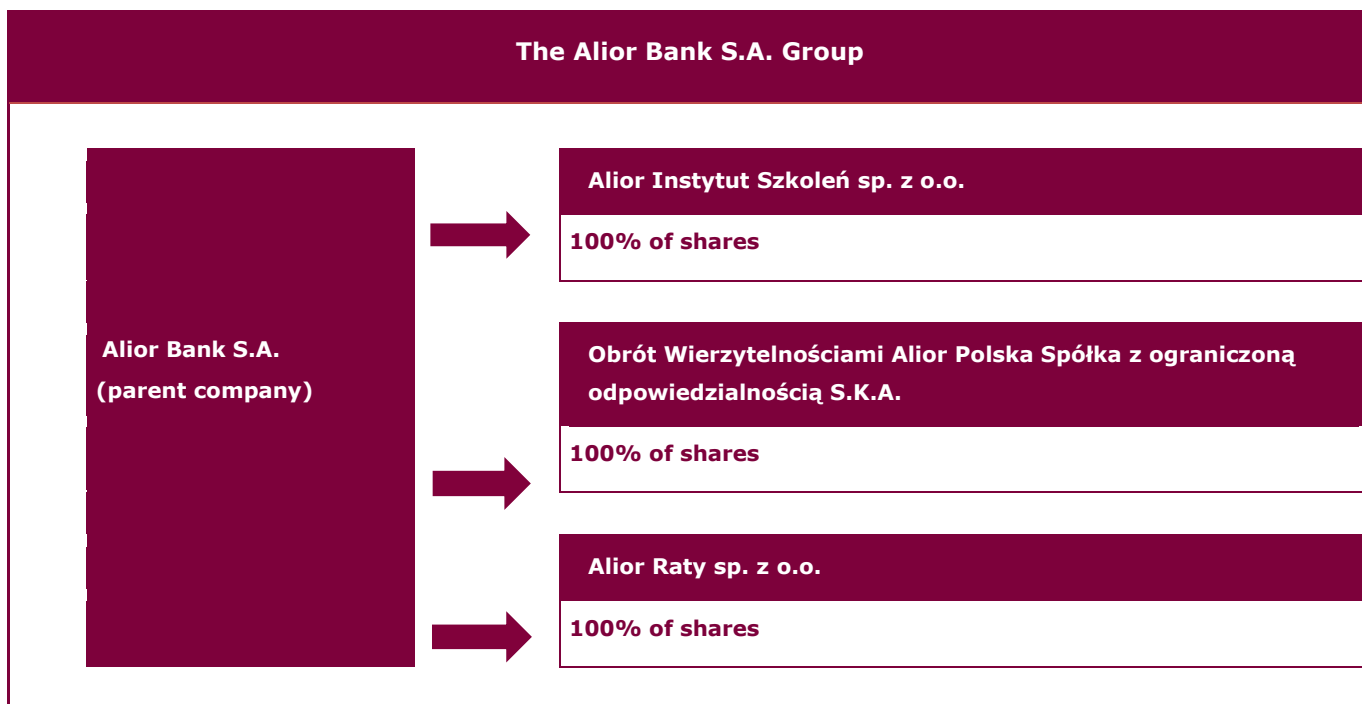


Shareholders holding more than 5% of the Bank's shares as at 14 November 2013

Shareholder	Number of shares /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.)	22 918 382	229 183 820	36.045%	36.045%
European Bank for Reconstruction and Development	5 614 035	56 140 350	8.829%	8.829%
Genesis Asset Managers, LLP	3 874 561	38 745 610	6.094%	6.094%
Other shares	31 175 987	311 759 870	49.032%	49.032%
Total	63 582 965	635 829 650	100%	100%

In the period since the date of the previous interim report, the Bank's Management Board did not receive any notifications of changes in the number of shares held by shareholders holding more than 5% of the Bank's shares.

1.4 Information about the Alior Bank S.A. Group



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

The Alior Bank S.A. Group is composed of the following companies: Alior Bank S.A. as the parent company and 3 subsidiaries in which the Bank holds majority interests. In the reporting period, there were no changes in the structure of the Alior Bank S.A. Group. The consolidated financial statements comprise the financial statements of the Bank and the financial statements of the following entities.

1. Alior Instytut Szkoleń Sp. z o.o. is a company dealing with the organization of dedicated training (tailored to meet customer needs) and open training. Alior Instytut Szkoleń additionally acts as a strategic partner in organizing conferences with renowned authorities among business circles.
2. Obrót Wierzytelnościami Alior Polska spółka z ograniczoną odpowiedzialnością S.K.A. is an entity whose core business activities include trading in receivables purchased from the Bank. The entity was formed in order to optimize the Bank's receivables sales process.
3. Alior Raty Sp. z o.o. was formed in order to provide agency services in the scope of granting loans from the Consumer Finance segment.

Scope of the Company's activities:

- gaining Business Partners who offer purchases with a retail loan option in the following segments:

- internet sales;
- direct and mobile sales;
- traditional sales;
- providing financial agency services to Lending Partners (lenders);
- maintaining and handling the IT system supporting the loan application process;
- conducting settlements with Business Partners, Lending Partners, the Insurer and Service Providers;
- gaining customers ready to purchase Alior Bank services (under cross-selling).

As at 30 September 2013, the Bank holds shares in a joint venture under the name POLBITA – Spółka z ograniczoną odpowiedzialnością, which deals with retail trading. Due to the planned sale of 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.

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

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

- | | |
|-----------------------|--|
| ● Wojciech Sobieraj | President of the Management Board |
| ● Krzysztof Czuba | Vice-President of the Management Board |
| ● Michał Hucal | Vice-President of the Management Board |
| ● Niels Lundorff | Vice-President of the Management Board |
| ● Artur Maliszewski | Vice-President of the Management Board |
| ● Witold Skrok | Vice-President of the Management Board |
| ● Katarzyna Sułkowska | Vice-President of the Management Board |

Members of the Bank's Management Board who held shares in the Bank as at 14 November 2013

Shareholder	Number of shares /votes	Par value of shares held	% share in share capital	Share in total number of votes
Niels Lundorff	83 021	830 210	0.13%	0.13%
Wojciech Sobieraj	71 322	713 220	0.11%	0.11%
Artur Maliszewski	3 042	30 420	0.00%	0.00%
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.

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

- Helene Zaleski Chair of the Supervisory Board
- Małgorzata Iwanicz-Drozdowska Member of the Supervisory Board
- Marek Michalski Member of the Supervisory Board
- Krzysztof Obłój Member of the Supervisory Board
- Lucyna Stańczak-Wuczyńska Member of the Supervisory Board

On 5 September 2013, Mr Józef Wancer resigned as a member of the Bank's Supervisory Board as of 5 September 2013. On 23 October 2013, the Bank's Supervisory Board passed a resolution on the election of the Deputy Chairman of the Supervisory Board and appointed Ms Małgorzata Iwanicz-Drozdowska in this position.

Members of the Bank's Supervisory Board who held shares in the Bank as at 14 November 2013

Shareholder	Number of shares /votes	Par value of shares held	% share in share capital	Share in total number of votes
Helene Zaleski	186 159	1 861 590	0.29%	0.29%
Małgorzata Iwanicz - Drozdowska	1 465	14 650	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 Supervisory Board. As of 8 August 2013, Mr Józef Wancer held 53 shares in the Bank.

1.6 Approval of the consolidated financial statements

The consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the financial year ended 31 December 2012 were approved for publication by the Bank's Management Board on 6 March 2013.

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group were approved by the Bank's Management Board on 13 November 2013.

2. Accounting policies

2.1 Basis of preparation

Scope and comparatives

The condensed interim consolidated financial statements of the Alior Bank S.A. Group comprise the data of the Bank and its subsidiaries and cover the 9-month period ended 30 September 2013 and comprise the comparatives for the 9-month period ended 30 September 2012 (in the scope of consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement) and the comparatives as at 30 June 2013, 31 December 2012 and 30 September 2012 (in the scope of consolidated statement of financial position and consolidated statement of changes in equity). The consolidated financial statements have been prepared in Polish zloty (PLN) and all amounts are presented in PLN thousand, unless otherwise stated.

Due to the change in bancassurance revenue recognition method (described in point 2.2 "Accounting policies) comparative amounts disclosed for prior periods presented in the condensed interim consolidated financial statements of the Alior Bank S.A. Group were adjusted.

Impact of the changes on the amounts of consolidated income statement for the 9-month period ended 30 September 2012 and consolidated statement of financial position as at 30 June 2013, 31 December 2012 and 30 September 2012 is as follows:

Consolidated income statement

1.01.2012 - 30.09.2012	Financial statement as at 30 September 2012	Amount of adjustments	Adjusted amount for 30.09.2013
Interest income	920 061	104 364	1 024 425
Net interest income	517 809	104 364	622 173
Fee and commission income	463 995	-234 067	229 928
Fee and commission expense	-130 421	23 464	-106 957
Net fee and commission income	333 574	-210 603	122 971
General administrative expenses	-571 493	11 104	-560 389
Impairment losses	-192 612	3 513	-189 099
Gross profit	260 613	-91 622	168 991
Income tax	-37 719	17 408	-20 311
Net profit	222 894	-74 214	148 680
Total comprehensive income, net	235 343	-74 214	161 129



(in PLN'000)

Consolidated statement of financial position

Statement of financial position line item	Financial statement as at 30.06.2013	Amount of adjustments	Adjusted amount for 30.06.2013	Financial statement as at 31.12.2012	Amount of adjustments	Adjusted amount for 31.12.2012	Financial statement as at 30.09.2012	Amount of adjustments	Adjusted amount for 30.09.2012
Loans and advances to customers	17 654 499	-448 416	17 206 083	14 535 432	-376 540	14 158 892	13 537 150	-309 895	13 227 255
Income tax asset	54 724	84 951	139 675	78 755	72 387	151 142	57 837	60 096	117 933
<i>Deferred</i>	<i>50 604</i>	<i>84 951</i>	<i>135 555</i>	<i>78 755</i>	<i>72 387</i>	<i>151 142</i>	<i>57 837</i>	<i>60 096</i>	<i>117 933</i>
TOTAL ASSETS	23 032 700	-363 465	22 669 235	21 352 348	-304 153	21 048 195	17 805 861	-249 799	17 556 062
Other liabilities	531 298	-1 310	529 988	490 105	4 446	494 551	435 654	6 398	442 052
Total liabilities	20 650 444	-1 310	20 649 134	19 105 996	4 446	19 110 442	16 354 961	6 398	16 361 359
Equity	2 382 256	-362 155	2 020 101	2 246 352	-308 599	1 937 753	1 450 900	-256 197	1 194 703
Undistributed result from previous years	1 654	-308 599	-306 945	-14 305	-181 983	-196 288	-14 305	-181 983	-196 288
Current year profit/loss	171 815	-53 556	118 259	174 063	-126 616	47 447	222 894	-74 214	148 680
TOTAL LIABILITIES AND EQUITY	23 032 700	-363 465	22 669 235	21 352 348	-304 153	21 048 195	17 805 861	-249 799	17 556 062
Tier 1	12,48%	-1,83%	10,65%	14,54%	-1,89%	12,65%	9,94%	-1,79%	8,15%
Capital adequacy ratio	14,42%	-1,79%	12,63%	17,00%	-1,84%	15,16%	12,54%	-1,74%	10,80%

Statement of compliance

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the third quarter of 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 September 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).

These interim condensed consolidated financial statements comply with the requirements of the International Accounting Standard 34 as regards interim financial reporting. These financial statements have been prepared in a condensed form and do not include all disclosures required in the annual financial statements.

The interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the financial period from 1 January 2013 to 30 September 2013, and interim condensed statement of financial position as at 30 September 2013, including the comparatives, have been prepared in accordance with the same accounting policies as those applied in the last annual financial statements, with the exception of amendments to standards which are binding from 1 January 2013.

Going concern

The 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 2013.

As of 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 2012 to 31 December 2012, published on 6 March 2013 and available on the Alior Bank S.A. website.

Presented below are hedge accounting principles which the Group first began applying in 2013, accounting policies for bancassurance revenue recognition and changes to the model for estimating the LGD parameter.

Hedge accounting

Hedge accounting is applied in order to match changes in the fair value of hedging instruments, which are offset against the hedged item, in the income statement.

The Group designates hedging instruments for hedge accounting purposes, so that the change in their fair value or cash flows covers in full or in part the change in fair value or future cash flows of the hedged item.

The Group applies hedge accounting if all the following conditions specified in IAS 39 have been satisfied:

- at the moment of establishing the hedge, formal documentation of the hedging relationship has been prepared, which specifies the goal and strategy of the hedge, type and identification of both the hedged and hedging instrument, type of risk being hedged and the method of assessing the hedge effectiveness;
- the effectiveness of the hedge is expected to be high, i.e. high effectiveness in offsetting fair value or cash flow changes, in line with the documented risk management strategy related to the specific hedging relationship;
- it is possible to reliably evaluate the hedge effectiveness, i.e. to reliably measure fair value or cash flows related to both the hedged and hedging item;
- in the case of cash flows, it is highly probable that a hedged transaction may occur which is exposed to cash flow risk affecting the income statement;
- the hedge is regularly assessed and its high effectiveness is evaluated in all the reporting periods for which the hedge was designated.

As part of hedge accounting, the Group applies cash flow hedge accounting.

A cash flow hedge means a hedge against changes in future cash flows which can be attributed to a specific type of risk related to a recorded asset or liability, or a highly probable projected transaction, affecting the income statement.

A cash flow hedge is recorded as follows in the books of account:

a) the portion of gains or losses related to a hedging instrument constituting an effective hedge is recorded in other comprehensive income.

The effective portion of the hedge is recorded in the revaluation reserve at the lower of (in absolute amounts):

- gains or losses on the hedging instrument accumulated from the moment of establishing the hedge;
- change in fair value (present value) of expected future cash flows arising from the hedged item, accumulated from the moment of establishing the hedge;

and

b) the ineffective portion of gains or losses related to a hedging instrument is recorded in the income statement.

The effective portion of the hedge is transferred to profit or loss in the same period or periods in which the planned hedged transaction affects the income statement.

The Bank ceases to apply hedge accounting when at least one of the following events occurs:

- the hedging instrument is sold, expires, is terminated or exercised;
- the hedge accounting conditions referred to above have not been satisfied;
- the Group annuls the hedging relationship;
- future cash flows are no longer considered probable.

If any of the above events occurs, the result on a hedging instrument when the hedge was effective is still recorded in the revaluation reserve, until the projected transaction is concluded and recognized in the income statement.

Bancassurance revenue recognition

In order to fully implement Polish Financial Supervision Authority guidance regarding bancassurance revenue recognition the Bank decided to introduce full periodization of bancassurance income (from assurance connected with cash loans, car loans and mortgage loans) generated by the Bank without any upfront recognition of this revenue. Under the previous model the Bank used to recognize revenue sharing the fee for two parts, according to IFRS. A part of remuneration was credited on a one-off basis to the income statement and the other part was deferred in time.

As a consequence of the above decision net profit of Alior Bank S.A. Group for the period 1.01.2013-30.09.2013 was adjusted about 105 million PLN and equity as at 31 December 2012 about 309 million PLN. The adjustment was calculated on the basis of estimates and related to net interest income and net fee and commission income.

Changing the model for estimating the LGD parameter

In the first half of 2013, the Bank implemented a new model for estimating the LGD parameter for the portfolio of cash loans. The model is implemented for the purpose of calculating allowances for losses incurred but not reported (IBNR) and allowances estimated under the group method. Details of the changes in the model are discussed in Note 10 concerning net impairment losses.

Changes in accounting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with the accounting policies applied in the preparation of the financial statements for the financial year ended 31 December 2012, except for the following amendments to standards and new interpretations binding for annual periods commencing on or after 1 January 2013:

- Amendments to IAS 19 "Employee Benefits" – applicable to annual periods starting on or after 1 January 2013;

- Amendments to IAS 1 "Presentation of Financial Statements": Presentation of other comprehensive income items – applicable to annual periods starting on or after 1 July 2012;
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters – applicable to annual periods starting on or after 1 January 2013;
- Amendments to IAS 12 "Income Taxes" – Deferred tax: Recovery of Underlying Assets – applicable to annual periods starting on or after 1 January 2013;
- IFRS 13 "Fair Value Measurement" – applicable to annual periods starting on or after 1 January 2013;
- Amendments to IFRS 7 "Financial Instruments: Disclosures": Offsetting of Financial Assets and Financial Liabilities – applicable to annual periods starting on or after 1 January 2013.

The Group concluded that the 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 have been published 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 – applicable to annual periods starting on or after 1 January 2015, by the date of approving these financial statements, not endorsed by the EU;
- IFRS 10 "Consolidated Financial Statements" – 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 – the Company plans to apply it from 1 January 2014;
- IFRS 11 "Joint Arrangements" – 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 – the Company plans to apply it from 1 January 2014;
- 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 – the Company plans to apply it from 1 January 2014;
- Amendments to IFRS 10, IFRS 11 and IFRS 12, *Transitional provisions* – 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 – the Company plans to apply them from 1 January 2014;
- IAS 27 "Separate Financial Statements" – 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 – the Company plans to apply it from 1 January 2014;

- IAS 28 "Investments in Associates and Joint Ventures" – 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 – the Company plans to apply it from 1 January 2014;
- Amendments to IFRS 32 "Financial Instruments: Presentation": Offsetting of Financial Assets and Financial Liabilities – applicable to annual periods starting on or after 1 January 2014;
- Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment Entities* (published in October 2012) – applicable to annual periods starting on 1 January 2014 – by the date of these financial statements not yet endorsed by the EU;
- IFRIC 21 "Levies" – applicable to annual periods starting on or after 1 January 2014 – the Company plans to apply it from 1 January 2014;
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets* (published on 29 May 2013) – applicable to annual periods starting on or after 1 January 2014 – the Company will apply them from 1 January 2014;
- Amendments to IAS 39, *Novation of Derivatives and Continuation of Hedge Accounting* (published on 27 June 2013) – applicable to annual periods starting on or after 1 January 2014 – the Company plans to apply them from 1 January 2014.

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

The Bank believes that the application of IFRIC 21 will not have an effect on the aggregate level of recognized costs of levies in a financial year but may have an effect on the level of such costs recognized in the individual quarters of a financial year.

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 at a set date), derivatives.

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 (a 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.

The segment Other includes:

- internal net interest income 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.

Cumulative results and volumes by segments for the quarter ended 30 September 2013

1.01.2013-30.09.2013

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	374 834	243 772	112 583	0	731 189
External income	647 450	349 019	137 007	0	1 133 476
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	478 158	210 512	30 880	11 639	731 189
Fee and commission income	124 952	165 120	0	-7 054	283 018
Fee and commission expense	-30 127	-1 594	-242	-114 665	-146 628
Net fee and commission income	94 825	163 526	-242	-121 719	136 390
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	640 785	482 380	69 858	-121 412	1 071 611
Impairment losses	-131 234	-131 348	0	383	-262 199
Total result after impairment losses	509 551	351 032	69 858	-121 029	809 412
General administrative expenses	-452 899	-158 253	-1 570	-400	-613 122
Gross profit (loss)	56 652	192 779	68 288	-121 429	196 290
Income tax	0	0	0	-41 669	-41 669
Net profit (loss)	56 652	192 779	68 288	-163 098	154 621
Investment expenditure (asset purchase costs)	0	0	0	29 691	29 691
Amortization/ depreciation	0	0	0	-55 826	-55 826
Assets	9 600 668	8 548 866	4 970 610	0	23 120 144
Liabilities and equity	12 622 301	6 534 002	3 963 841	0	23 120 144

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	149 632	99 026
Loan products	380 007	210 657
Brokerage products, investment funds, structured products	61 245	549
Treasury products	43 070	106 119
Other	6 831	66 029
Total	640 785	482 380

Results and volumes by segments for the third quarter of 2013 1.07.2013-30.09.2013

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	139 933	68 170	41 033	-47	249 089
External income	209 499	103 810	53 666	-1	366 974
External expense	-69 566	-35 640	-12 633	-46	-117 885
Internal interest income	17 352	3 771	-25 987	4 864	0
Internal income	100 053	68 762	204 430	5 182	378 427
Internal expense	-82 701	-64 991	-230 417	-318	-378 427
Net interest income	157 285	71 941	15 046	4 817	249 089
Fee and commission income	20 469	83 311	0	-4 414	99 366
Fee and commission expense	-4 501	-106	-83	-40 255	-44 945
Net fee and commission income	15 968	83 205	-83	-44 669	54 421
Dividend income	0	0	0	15	15
Trading result	-62	7 706	45 522	-6	53 160
Net gain (realized) on other financial instruments	16 915	28 693	-45 325	-3	280
Other operating income	11 518	1 370	-1	-4 706	8 181
Other operating expenses	-747	-77	-999	-1 539	-3 362
Net other operating income	10 771	1 293	-1 000	-6 245	4 819
Total result before impairment losses	200 877	192 838	14 160	-46 091	361 784
Impairment losses	-57 577	-44 495	0	-74	-102 146
Total result after impairment losses	143 300	148 343	14 160	-46 165	259 638
General administrative expenses	-159 385	-52 455	-414	-102	-212 356
Gross profit (loss)	-16 085	95 888	13 746	-46 267	47 282
Income tax	0	0	0	-10 920	-10 920
Net profit (loss)	-16 085	95 888	13 746	-57 187	36 362
Investment expenditure (asset purchase costs)	0	0	0	11 681	11 681
Amortization/ depreciation	0	0	0	-18 897	-18 897
Assets	708 408	235 043	-492 542	0	450 909
Liabilities and equity	-450 766	555 461	346 214	0	450 909

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	52 627	40 025
Loan products	91 668	72 572
Brokerage products, investment funds, structured products	25 568	182
Treasury products	16 942	37 423
Other	14 072	42 636
Total	200 877	192 838

Cumulative results and volumes by segments for the quarter ended 30 September 2012

1.01.2012 - 30.09.2012

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	260 560	277 611	84 002	0	622 173
External income	557 306	364 402	102 717	0	1 024 425
External expense	-296 746	-86 791	-18 715	0	-402 252
Internal interest income	146 930	-95 197	-60 964	9 231	0
Internal income	368 594	145 673	777 531	9 672	1 301 470
Internal expense	-221 664	-240 870	-838 495	-441	-1 301 470
Net interest income	407 490	182 414	23 038	9 231	622 173
Fee and commission income	79 853	104 369	11	45 695	229 928
Fee and commission expense	-17 124	-2 399	-250	-87 184	-106 957
Net fee and commission income	62 729	101 970	-239	-41 489	122 971
Dividend income	0	0	0	20	20
Trading result	24 960	86 462	20 247	-182	131 487
Net gain (realized) on other financial instruments	-102	22 351	-2 746	-2 534	16 969
Other operating income	47 713	1 044	-772	-9 726	38 259
Other operating expenses	-2 720	-120	0	-10 560	-13 400
Net other operating income	44 993	924	-772	-20 286	24 859
Total result before impairment losses	540 070	394 121	39 528	-55 240	918 479
Impairment losses	-111 016	-77 633	0	-450	-189 099
Total result after impairment losses	429 054	316 488	39 528	-55 690	729 380
General administrative expenses	-366 883	-191 062	-913	-1 531	-560 389
Gross profit (loss)	62 171	125 426	38 615	-57 221	168 991
Income tax	0	0	0	-20 311	-20 311
Net profit (loss)	62 171	125 426	38 615	-77 532	148 680
Investment expenditure (asset purchase costs)	0	0	0	73 641	73 641
Amortization/ depreciation	0	0	0	-53 454	-53 454
Assets	6 666 689	6 560 566	4 328 807	0	17 556 062
Liabilities and equity	11 211 383	3 958 302	2 386 377	0	17 556 062

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	136 720	90 419
Loan products	329 024	182 013
Brokerage products, investment funds, structured products	47 845	47
Treasury products	25 168	109 157
Other	1 313	12 485
Total	540 070	394 121

Results and volumes by segments for the third quarter of 2012
1.07.2012-30.09.2012

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	94 603	103 556	26 705	-39	224 825
External income	205 446	133 110	31 996	-39	370 513
External expense	-110 843	-29 554	-5 291	0	-145 688
Internal interest income	49 325	-39 405	-13 244	3 324	0
Internal income	121 359	60 378	283 891	3 589	469 217
Internal expense	-72 034	-99 783	-297 135	-265	-469 217
Net interest income	143 928	64 151	13 461	3 285	224 825
Fee and commission income	5 467	39 779	11	37 640	82 897
Fee and commission expense	-8 209	-813	-89	-30 378	-39 489
Net fee and commission income	-2 742	38 966	-78	7 262	43 408
Dividend income	-18	0	0	20	2
Trading result	9 905	34 902	5 389	3	50 199
Net gain (realized) on other financial instruments	-24	7 006	9 293	-2 525	13 750
Other operating income	37 554	34	-11	-21 637	15 940
Other operating expenses	-396	-44	0	-4 059	-4 499
Net other operating income	37 158	-10	-11	-25 696	11 441
Total result before impairment losses	188 207	145 015	28 054	-17 651	343 625
Impairment losses	-40 480	-31 558	0	-703	-72 741
Total result after impairment losses	147 727	113 457	28 054	-18 354	270 884
General administrative expenses	-128 137	-66 716	-362	-1 106	-196 321
Gross profit (loss)	19 590	46 741	27 692	-19 460	74 563
Income tax	0	0	0	-14 035	-14 035
Net profit (loss)	19 590	46 741	27 692	-33 495	60 528
Investment expenditure (asset purchase costs)	0	0	0	19 358	19 358
Amortization/ depreciation	0	0	0	-18 058	-18 058
Assets	639 033	571 067	65 261	0	1 275 361
Liabilities and equity	1 171 774	404 581	-300 994	0	1 275 361

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	47 856	31 334
Loan products	115 600	65 508
Brokerage products, investment funds, structured products	13 615	29
Treasury products	10 045	41 710
Other	1 091	6 434
Total	188 207	145 015

Notes to the income statement

4. Net interest income

4.1 Net interest income by entity	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Interest income	366 974	1 133 476	370 513	1 024 425
financial sector	22 314	69 237	26 179	79 978
non-financial sector	326 904	1 001 694	326 964	891 308
central and local government institutions	17 756	62 545	17 370	53 139
Interest expense	-117 885	-402 287	-145 688	-402 252
financial sector	-32 156	-80 544	-20 586	-61 655
non-financial sector	-85 323	-320 527	-124 880	-339 631
central and local government institutions	-406	-1 216	-222	-966
Net interest income	249 089	731 189	224 825	622 173

4.2 Net interest income by product	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Interest income	366 974	1 133 476	370 513	1 024 425
current accounts	4 035	13 885	5 455	15 268
overnight deposits	221	712	265	878
term deposits	27	929	2 440	6 861
loans	321 368	990 857	323 170	879 083
debt instruments	24 227	89 000	29 437	89 807
receivables acquired	8 700	27 432	9 520	26 718
hedging derivatives	8 083	9 858	0	0
other	313	803	226	5 810
Interest expense	-117 885	-402 287	-145 688	-402 252
current deposits	-13 996	-41 897	-9 796	-25 857
term deposits	-74 662	-287 585	-114 020	-312 322
repo transactions in securities	-3 648	-11 600	-4 176	-14 237
cash deposits	-1 317	-4 767	-3 008	-6 262
own issue	-15 471	-44 168	-13 738	-40 429
hedging derivatives	-7 918	-9 716	0	0
other	-873	-2 554	-950	-3 145
Net interest income	249 089	731 189	224 825	622 173

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

5. Net fee and commission income

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Fee and commission income	99 366	283 018	82 897	229 928
granted loans	9 193	25 218	1 985	8 593
revenue from bankassurance activity	11 645	44 914	22 929	49 928
settlements	22 863	59 922	23 460	56 001
guarantee liabilities	2 542	7 059	3 683	9 588
other banking activities	29 832	90 423	19 016	66 468
brokerage commissions	12 606	32 536	8 561	29 483
other commissions	10 685	22 946	3 263	9 867
Fee and commission expense	-44 945	-146 628	-39 489	-106 957
commissions paid to agents	-1 935	-15 128	-4 664	-9 988
custody services	-65	-120	-31	-76
settlements	-13 979	-39 598	-10 202	-29 625
compensation and awards to customers	-3 708	-19 131	-3 656	-8 474
payment card issue	-3 035	-7 299	-3 490	-7 915
costs of customers acquisition	-80	-393	-324	-900
commissions for ATM sharing	-6 532	-14 933	-4 774	-13 376
fees for reports (BIK, KRS, KRD)	-258	-764	-448	-1 258
assistance services	-2 733	-8 683	0	-1 471
fees paid under service agreements	-6 842	-20 891	-5 711	-16 869
brokerage commissions	-1 219	-4 054	-1 760	-5 883
other commissions	-4 559	-15 634	-4 429	-11 122
Net fee and commission income	54 421	136 390	43 408	122 971

6. Trading result

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Foreign exchange transactions result	45 757	115 777	38 259	94 322
Interest rate transactions result	7 275	61 644	11 317	35 240
Other financial instruments result	128	2 972	623	1 925
Trading result	53 160	180 393	50 199	131 487

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 expressed in foreign currencies.

The result on interest rate transactions includes the results on: interest rate swaps, FRA, net interest income on CIRS transactions and result on 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

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Financial assets available for sale	353	7 484	13 655	16 564
Own issue	-73	-243	95	405
income from re-purchase	3	30	129	444
losses on repurchase	-76	-273	-34	-39
Net gain realized on other financial instruments	280	7 241	13 750	16 969

8. Net other operating income

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Other operating income from:	8 181	33 001	15 940	38 259
management of third party assets	2 080	7 218	3 326	8 834
received compensations, fines and penalties	582	640	74	161
fees paid by counterparts	1 396	4 251	1 060	4 741
acquisition of receivables	31	1 987	1 022	2 863
reimbursement of litigation costs	2 491	8 711	1 744	4 528
accrued income from reimbursement of tax from the tax office	0	5 383	5 642	11 375
income from sales of services	0	0	0	0
other	1 601	4 811	3 072	5 757
Other operating expenses due to:	-3 362	-16 623	-4 499	-13 400
management of third party assets	-376	-1 497	-554	-2 030
paid compensations, fines and penalties	-80	-338	0	-3
awards given to customers	-411	-1 216	-760	-1 546
operating risk	-302	-2 372	-288	-2 027
litigation costs	-1 092	-4 764	-712	-1 919
lump sum reimbursement of costs incurred by the insurer in connection with the Bank exercising insurance actions	-393	-1 949	-1 107	-3 370
acquisition of receivables	-58	-2 072	0	0
expenses due from sales of services	0	0	0	0
other	-650	-2 415	-1 078	-2 505
Net other operating income and expense	4 819	16 378	11 441	24 859

9. General administrative expenses

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Payroll costs	-120 858	-336 692	-92 388	-276 921
remuneration due to employment contracts	-98 959	-273 293	-77 452	-230 853
remuneration surcharges	-16 891	-49 353	-12 898	-38 972
share-based payments	-3 674	-10 235	-1 050	-3 150



(in PLN'000)

other	-1 334	-3 811	-988	-3 946
General and administrative costs	-68 987	-213 522	-83 334	-225 153
IT costs	-7 678	-22 958	-7 251	-19 643
lease and building maintenance expenses	-32 342	-99 613	-35 100	-102 370
marketing costs	-5 140	-26 987	-21 332	-48 221
training costs	-2 549	-8 404	-2 121	-6 226
cost of advisory services	-4 303	-8 940	-4 020	-8 865
costs of Banking Guarantee Fund	-3 570	-10 711	-2 427	-7 281
lease of property, plant and equipment and intangible assets	-2 009	-5 474	-2 069	-6 473
costs of telecommunications services	-4 302	-10 992	-2 999	-9 609
external services	-3 414	-9 434	-2 637	-7 235
other	-3 680	-10 009	-3 378	-9 230
Amortization and depreciation	-18 897	-55 826	-18 058	-53 454
property, plant and equipment	-12 249	-36 504	-11 540	-34 518
intangible assets	-6 648	-19 322	-6 518	-18 936
Taxes and fees	-3 614	-7 082	-2 541	-4 861
Total general administrative expenses	-212 356	-613 122	-196 321	-560 389

10. Net impairment losses

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Impairment losses on impaired loans and advances to customers	-104 871	-272 555	-60 677	-162 245
financial sector	-169	-679	-141	-116
non-financial sector	-104 702	-271 876	-60 536	-162 129
retail customers	-55 893	-131 938	-29 338	-90 088
business customers	-48 809	-139 938	-31 198	-72 041
Debt securities	0	-181	3	-2 122
IBNR for customers without impairment losses	3 508	12 027	-12 056	-24 681
financial sector	748	1 315	-116	-395
non-financial sector	2 760	10 712	-11 940	-24 286
retail customers	-2 099	1 668	-10 960	-21 473
business customers	4 859	9 044	-968	-2 801
Off-balance reserve	-675	-1 407	-12	-12
Property, plant and equipment and intangible assets	-108	-83	-11	-51
Net impairment losses	-102 146	-262 199	-72 741	-189 099

In 2013, the Bank implemented a new model for estimating the LGD parameter for the portfolio of cash loans. The model is implemented to calculate allowances for losses incurred but not reported (IBNR) and allowances estimated under the group method, which resulted in releasing these allowances, amounting to PLN 17.2 million and PLN 28.8 million respectively.

In the currently implemented model, all events of default observed historically are taken into account – also including incomplete workout cases (for exposures with incomplete debt collection process) – and the LGD parameter is weighted with the events of default and not with the loan exposure level. The model is based on the debt collection processes in place at the Bank, taking into account the exposures return to a regular situation, sale of exposures and recovery of collateral. The parameters are estimated based on the historical data of the Bank's customers, including for example transaction data related to

cash flows. The updated model was implemented for the portfolio of cash loans due to a material number of observations and the longest history of recoveries.

11. Income tax

11.1 Presented in the income statement	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Current tax	7 026	12 225	17 549	26 518
current year	7 026	12 225	17 549	26 518
Deferred tax	3 894	29 444	-3 514	-6 207
origination and reversal of temporary differences	3 894	29 444	-3 514	-6 207
Accounting tax recognized in the income statement	10 920	41 669	14 035	20 311

11.2 Effective tax rate calculation	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Profit before tax	47 282	196 290	74 563	168 991
Income tax at 19%	8 984	37 296	14 167	32 108
Non-tax deductible expenses	2 187	4 689	971	2 211
Representation costs	24	247	9	176
State Fund for Rehabilitation of Persons with Disabilities	225	626	173	481
Impairment losses on loans in the part not covered with deferred tax	620	630	332	332
Costs of provisions for management options	698	1 945	200	599
Donations	0	2	0	0
Other	620	1 239	257	623
Non-taxable revenues	-240	-462	-805	-4 993
Release of loan impairment allowances in the part not covered with the deferred tax	185	-29	-874	-4 361
Other	-425	-433	69	-632
Tax deductible expenses not being accounting expenses	0	-497	-298	-895
Amortization of goodwill for tax purposes	0	-497	-298	-895
Recognition of tax loss	-17	0	0	1 899
Recognition of assets related to contribution of receivables to Obrót Wierzytelnościami Alior Polska sp. z o.o. S.K.A.	4	124	0	-10 019
Other	2	519	0	0
Accounting tax recognized in the income statement	10 920	41 669	14 035	20 311
Effective tax rate	23.10%	21.23%	18.82%	12.02%

12. Earnings per share

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Net profit	36 362	154 621	60 528	148 680
Weighted average number of ordinary shares	63 582 965	63 582 965	51 250 000	50 620 438
Share options (number) - adjusting instrument	3 331 250	3 331 250	0	0
Adjusted weighted average number of shares	66 914 215	66 914 215	51 250 000	50 620 438



(in PLN'000)

Net earnings per ordinary share (PLN)	0.57	2.43	1.18	2.94
Diluted earnings per one share	0.54	2.31	1.18	2.94

Notes to the statement of financial position

13. Available-for-sale financial assets

13.1 By type	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Debt instruments	2 927 887	3 445 417	4 320 504	2 327 607
issued by the State Treasury	2 430 372	2 445 171	2 592 591	1 548 970
T-bills	0	0	93 762	98 875
T-bonds	2 430 372	2 445 171	2 416 889	1 368 286
Eurobonds	0	0	81 940	81 809
issued by other governmental institutions	0	0	0	29 093
bonds	0	0	0	29 093
issued by monetary institutions	219 960	774 002	1 584 555	605 259
bonds	139 982	174 185	185 256	104 942
deposit certificates	0	0	149 889	330 448
money bills	79 978	599 817	1 249 410	169 869
issued by other financial institutions	66 931	67 354	138 361	131 463
bonds	45 789	46 334	118 310	94 569
Eurobonds	21 142	21 020	20 051	36 894
issued by companies	210 624	158 890	4 997	12 822
bonds	210 624	158 890	4 997	12 822
Equity instruments	1 295	1 289	243	244
Available-for-sale financial assets	2 929 182	3 446 706	4 320 747	2 327 851

13.2 By maturity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
without set maturity date	1 295	1 289	243	244
≤ 1M	79 978	600 098	1 374 227	304 781
> 1M ≤ 3M	2 963	39 340	248 467	425 329
≤ 6M > 3M ≤ 6M	124 116	3 925	180 744	1 980
> 6M ≤ 1Y	195 275	311 341	62 664	261 187
> 1Y ≤ 2Y	561 159	466 856	580 925	498 496
> 2Y ≤ 5Y	1 370 241	1 430 793	774 674	466 211
> 5Y ≤ 10Y	594 155	593 064	1 098 803	369 623
> 10Y ≤ 20Y	0	0	0	0
Available-for-sale financial assets	2 929 182	3 446 706	4 320 747	2 327 851

13.3 Impairment allowance on debt instruments	As at 30.09.2013		As at 30.06.2013		As at 31.12.2012		As at 30.09.2012	
	Amount receivable	Impairment allowance	Amount receivable	Impairment allowance	Amount receivable	Impairment allowance	Amount receivable	Impairment allowance
Bonds issued by companies	4 316	4 316	4 316	4 316	4 316	4 135	4 316	4 135

The following statements show the hierarchy of valuation methods for financial assets available for sale, measured at fair value as at 30.09.2013 and the comparatives as at 30.06.2013, 31.12.2012 and 30.09.2012.

In accordance with IFRS 7, the Group introduced the following classification:

- level 1 – all securities for which quotations are available from active financial markets;

The group includes mainly treasury debt securities. Fair value is determined based on the buying price from the quotations on the interbank market, brokerage quotations and BondSpot quotations.

- level 2 – instruments for which prices are not directly observable, but the prices used for measurement are based on market quotations;

The group includes NBP bills and commercial debt securities.

Fair value is determined based on the discounted cash flows method which assumes the structure of yield curves based on quotations of profitabilities of securities from the interbank market.

In the case of commercial debt securities, the valuation is determined based on spread-adjusted yield curves. Spread is determined based on the primary market price or from the moment of concluding the transaction. Spread is periodically updated in the periods of reliable market quotations or obtaining prices from comparable volume transactions. The spread level is also adjusted based on the information on changes in financial standing of the securities issuers. Moreover, credit spread is estimated based on quotations of credit swap transactions if reliable quotations are available.

- level 3 – instruments for which at least one of the factors which impact its price is not observable on the market.

13.4 Fair value	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Level 1	2 597 037	2 611 612	2 656 157	1 578 063
T-bills	0	0	93 762	98 875
T-bonds	2 430 372	2 445 171	2 416 889	1 397 379
Other bonds	166 665	166 441	145 506	81 809
Level 2	273 931	833 805	1 664 347	549 465
Money bills	79 978	599 817	1 249 410	169 869
Other bonds	193 953	233 988	265 048	49 148
Deposit certificates	0	0	149 889	330 448
Level 3	58 214	0	0	200 079
Other bonds	56 919	0	0	0
Equity instruments	1 295	1 289	243	244
Valuation of available for sale financial assets by level	2 929 182	3 446 706	4 320 747	2 327 851

14. Amounts due from customers

14.1 By type	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	9 600 668	8 892 260	7 403 554	6 666 689
Working capital facility	124 711	114 043	82 849	77 687
Consumer loans	5 280 860	4 848 647	3 837 056	3 343 467
Loans for purchase of securities	178 741	174 622	226 932	224 268
Credit card borrowings loans	181 950	177 874	166 716	158 126
Loans for residential real estate	3 008 404	2 747 823	2 311 829	2 122 823
Other mortgage loans	796 736	800 774	729 950	706 002
Other receivables	29 266	28 477	48 222	34 316
Corporate segment	8 548 866	8 313 823	6 755 338	6 560 566
Working capital facility	4 635 195	4 657 396	4 087 867	4 113 123
Car loans	266 397	304 591	375 210	387 739
Investment loans	2 982 524	2 660 027	1 625 968	1 364 872
Acquired receivables	607 559	641 934	623 095	608 476
Other receivables	57 191	49 875	43 198	86 356
Amounts due from customers	18 149 534	17 206 083	14 158 892	13 227 255

14.2 By gross amounts and carrying amounts	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	9 600 668	8 892 260	7 403 554	6 666 689
Loans for residential real estate	3 008 405	2 760 197	2 311 829	2 122 823
unimpaired	2 972 372	2 735 918	2 298 634	2 114 994
impaired	46 521	36 403	22 853	15 118
IBNR	-2 579	-5 475	-5 019	-4 029
Impairment allowance	-7 909	-6 649	-4 639	-3 260
Other retail loans	6 592 263	6 132 063	5 091 725	4 543 866
unimpaired	6 368 139	5 939 721	5 019 800	4 506 835
impaired	642 110	566 087	375 905	326 484
IBNR	-46 082	-40 947	-44 979	-48 742
Impairment allowance	-371 904	-332 798	-259 001	-240 711
Corporate segment	8 548 866	8 313 823	6 755 338	6 560 566
unimpaired	8 306 826	8 082 869	6 558 503	6 500 321
impaired	615 528	576 829	450 540	265 669
IBNR	-14 659	-21 096	-22 108	-22 715
Impairment allowance	-358 829	-324 779	-231 597	-182 709
Amounts due from customers	18 149 534	17 206 083	14 158 892	13 227 255

The provision for losses incurred but not reported (IBNR) amounted to: PLN 63 320 thousand as at 30 September 2013, PLN 67 518 thousand as at 30 June 2013, PLN 72 106 thousand as at 31 December 2012 and PLN 75 486 thousand as at 30 September 2012.

14.3 Receivables from customers impaired	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Receivables from customers individually assessed	456 528	423 421	299 121	141 117
Retail segment	215 073	186 150	93 627	70 780
Amounts due from customers	412 197	351 318	211 488	164 921
Impairment allowance	-197 124	-165 168	-117 861	-94 141
Corporate segment	241 455	237 271	205 494	70 337
Amounts due from customers	542 486	500 271	386 505	207 255
Impairment allowance	-301 031	-263 000	-181 011	-136 918
Receivables from customers collectively assessed	108 989	91 672	54 940	39 474
Retail segment	93 745	76 893	41 491	26 851
Amounts due from customers	276 434	251 172	187 270	176 680
Impairment allowance	-182 689	-174 279	-145 779	-149 829
Corporate segment	15 244	14 779	13 449	12 623
Amounts due from customers	73 042	76 558	64 035	58 414
Impairment allowance	-57 798	-61 779	-50 586	-45 791
Receivables from customers impaired	565 517	515 093	354 061	180 591

14.4 Change in the balance of receivables impairment allowances (net of IBNR)	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Opening balance	495 237	495 237	299 009	299 009
Changes during the year:	243 405	168 989	196 228	127 671
Increases	505 194	307 601	479 358	323 826
Retail segment	299 821	180 009	282 180	193 953
Loans for residential real estate	10 565	6 190	10 466	7 555
Other loans	289 256	173 819	271 714	186 398
Corporate segment	205 373	127 592	197 178	129 873
Other loans	195 262	124 705	180 717	116 323
Acquired receivables	7 257	1 949	9 664	7 184
Other receivables	2 854	938	6 797	6 366
Decreases	-232 639	-139 917	-225 658	-161 581
Retail segment	-167 883	-103 963	-151 303	-103 865
Loans for residential real estate	-7 355	-4 282	-7 758	-6 233
Other loans	-160 528	-99 681	-143 545	-97 632
Corporate segment	-64 756	-35 954	-74 355	-57 716
Other loans	-60 871	-32 506	-70 961	-54 598
Acquired receivables	-2 758	-2 585	-963	-687
Other receivables	-1 127	-863	-2 431	-2 431
Other changes	-13 123	1 515	-19 229	-18 743
Transfer to costs	-15 956	-430	-37 760	-15 472
Foreign exchange differences	-71	220	-483	-359
Impairment allowances at the end of the period	738 642	664 226	495 237	426 680

14.5 By maturity (as at the balance sheet date)	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	9 600 668	8 892 260	7 403 554	6 666 689
≤ 1M	1 228 836	774 054	819 826	570 646
> 1M ≤ 3M	182 763	266 996	101 558	93 027
> 3M ≤ 6M	251 906	254 218	158 692	147 912
> 6M ≤ 1Y	539 975	438 547	411 169	378 488
>1Y ≤ 2Y	801 645	736 035	523 229	468 767
>2Y ≤ 5Y	1 939 951	1 889 750	1 473 313	1 294 317
>5Y ≤ 10Y	1 929 858	1 915 182	1 620 061	1 492 453
>10Y ≤ 20Y	1 338 753	1 260 668	1 040 088	974 390
>20Y	1 386 981	1 356 810	1 255 618	1 246 689
Corporate segment	8 548 866	8 313 823	6 755 338	6 560 566
≤ 1M	3 710 510	3 031 886	3 044 662	2 479 591
> 1M ≤ 3M	504 468	782 301	424 395	529 653
> 3M ≤ 6M	505 437	337 247	485 292	447 485
> 6M ≤ 1Y	756 505	1 029 653	771 722	780 665
>1Y ≤ 2Y	652 511	701 741	675 123	704 959
>2Y ≤ 5Y	1 342 105	1 442 182	800 213	905 608
>5Y ≤ 10Y	815 424	805 333	445 150	579 256
>10Y ≤ 20Y	261 906	183 480	108 781	133 330
>20Y				19
Amounts due from customers	18 149 534	17 206 083	14 158 892	13 227 255

14.6 By currency	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	9 600 668	8 892 260	7 403 554	6 666 689
PLN	8 547 919	7 773 642	6 324 076	5 573 973
Other	1 052 749	1 118 618	1 079 478	1 092 716
Corporate segment	8 548 866	8 313 823	6 755 338	6 560 566
PLN	7 051 439	7 040 150	5 986 570	5 710 377
Other	1 497 427	1 273 673	768 768	850 189
Total receivables	18 149 534	17 206 083	14 158 892	13 227 255

14.7 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

14.8 Ten largest credit exposures (all loans are performing)	Currency	As at 30.06.2013
Company 1	PLN	395 450
Company 2	PLN, EUR, USD, GBP	184 345
Company 3	PLN, EUR	165 673
Company 4	EUR	123 207
Company 5	PLN	123 204
Company 6	PLN	118 558
Company 7	PLN	111 726
Company 8	PLN	95 686
Company 9	PLN, EUR	90 025
Company 10	PLN, EUR	77 335

14.9 Ten largest credit exposures (all loans are performing)	Currency	As at 31.12.2012
Company 1	PLN, EUR	155 756
Company 2	PLN, EUR	152 978
Company 3	PLN	119 150
Company 4	PLN	99 775
Company 5	PLN, EUR	84 188
Company 6	PLN	73 521
Individual 1	PLN, EUR	66 546
Company 7	PLN, EUR	62 994
Company 8	PLN	57 098
Company 9	PLN	56 993

14.10 Ten largest credit exposures (all loans are performing)	Currency	As at 30.09.2012
Company 1	PLN	167 097
Company 2	PLN, EUR	104 355
Company 3	PLN, EUR	88 215
Company 4	PLN	77 257
Company 5	PLN	76 312
Company 6	PLN	74 592
Individual 1	PLN	70 921
Company 7	PLN	67 706
Company 8	PLN	60 009
Company 9	PLN	46 093

The above four tables present the loan balances at the nominal value.

15. Amounts due from banks

15.1 By type	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Current accounts	26 068	19 869	82 861	11 132
Overnight deposits (O/N)	87 818	55 863	154 624	144 387
Term deposits	6 374	0	85 131	158 507
Reverse Repo	0	0	0	0
Security deposits granted	47 957	77 407	77 367	50 798
Other	13 594	16 882	13 545	14 874
Amounts due from banks	181 811	170 021	413 528	379 698

15.2 By maturity (as at the balance sheet date)	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
≤ 1M	181 811	170 021	333 528	284 698
> 1M ≤ 3M	0	0	80 000	95 000
> 3M ≤ 6M	0	0	0	0
Amounts due from banks	181 811	170 021	413 528	379 698

15.3 By currency	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
PLN	2 486	4 028	125 244	215 666
EUR	38 977	27 360	74 680	13 865
GBP	19 304	4 762	34 445	10 286
USD	90 938	99 916	133 759	116 433
CHF	3 945	1 004	16 421	332
Other currencies	26 162	32 951	28 979	23 116
Amounts due from banks	181 811	170 021	413 528	379 698

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). At the end of September 2013, the Group did not have any reverse repo transactions.

Guarantee deposits placed are related to collateral granted to other banks as part of settlements related to CSA agreements (Credit Support Annex).

16. Other assets

	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Sundry debtors	268 983	246 130	344 535	239 970
Other settlements	55 109	60 436	57 143	144 970
Receivables related to the sale of goods and services (including insurance)	118 972	131 001	165 164	50 246
Settlements from investment certificates' transactions	0	0	41 717	0
Guarantee deposits	13 230	13 608	17 409	0
Settlements of payment cards	81 672	41 085	63 102	44 754
Deferred costs	30 462	36 210	20 552	31 474
Settlements of rental charges and utilities	790	1 590	2 669	3 760
Reimbursement of lump sum costs incurred by the insurer in connection with the Bank's insurance activities	0	393	1 949	2 902
Maintenance and support of systems, servicing of plant and equipment	7 455	6 753	6 885	6 594
Mandatory costs of Banking Guarantee Fund	3 570	7 141	0	2 427
Accrued income on PCC settlements with the Tax Office	6 674	6 674	2 500	8 873
Other deferred costs	11 973	13 659	6 549	6 918
Other assets	299 445	282 340	365 087	271 444

Receivables related to sale of services and goods for resale comprise mainly the fee from Insurance Companies in respect of insurance handling.

17. Financial liabilities measured at amortized cost

17.1 By type	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Due to banks	928 088	539 106	628 841	257 470
Current deposits	11 019	0	0	0
Overnights	206 211	0	0	0
Term deposits	0	0	0	0
Credit received	63 260	64 954	61 342	61 722
Other liabilities	18 143	12 465	19 980	7 895
Repo	629 455	461 687	547 519	187 853
Due to customers	19 156 303	19 051 608	17 463 353	15 169 685
Current deposits	7 699 924	5 949 558	4 794 146	4 132 253
Term deposits	10 178 684	11 928 233	11 777 174	10 125 076
Own issue of Banking Securities	980 566	858 238	656 055	667 907
Other liabilities	297 129	315 579	235 978	244 449
Total liabilities	20 084 391	19 590 714	18 092 194	15 427 155

17.2 By customer type and segment	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	12 622 301	13 073 067	12 649 730	11 211 383
Current deposits	5 728 870	4 132 338	3 101 359	2 667 537



(in PLN'000)

Term deposits	6 708 882	8 773 680	9 349 927	8 317 996
Banking securities issued	61 065	62 774	113 464	141 597
Other liabilities	123 484	104 275	84 980	84 253
Corporate segment	6 534 002	5 978 541	4 813 623	3 958 302
Current deposits	1 971 054	1 817 220	1 692 787	1 464 790
Term deposits	3 469 802	3 154 553	2 427 247	1 807 005
Banking securities issued	919 501	795 464	542 591	526 311
Other liabilities	173 645	211 304	150 998	160 196
Total amounts due to customers	19 156 303	19 051 608	17 463 353	15 169 685

17.3 By maturity (as at the balance sheet date)	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	12 622 301	13 073 067	12 649 730	11 211 383
≤ 1M	7 814 010	7 940 867	6 800 971	6 422 336
> 1M ≤ 3M	1 111 906	3 171 721	3 337 211	1 290 511
> 3M ≤ 1Y	3 608 635	1 903 221	2 388 378	3 342 887
> 1Y ≤ 5Y	83 467	53 644	121 036	154 014
>5Y	4 283	3 614	2 134	1 635
Corporate segment	6 534 002	5 978 541	4 813 623	3 958 302
≤ 1M	4 002 237	4 081 385	3 385 794	2 635 083
> 1M ≤ 3M	1 138 408	835 201	546 218	439 346
> 3M ≤ 1Y	556 830	469 372	316 291	332 937
> 1Y ≤ 5Y	829 408	590 560	563 200	548 445
>5Y	7 119	2 023	2 120	2 491
Total amounts due to customers	19 156 303	19 051 608	17 463 353	15 169 685

17.4 By currency	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Retail segment	12 622 301	13 073 067	12 649 730	11 211 383
PLN	10 900 506	11 523 858	11 076 226	9 736 507
Other	1 721 795	1 549 209	1 573 504	1 474 876
Corporate segment	6 534 002	5 978 541	4 813 623	3 958 302
PLN	5 299 044	4 832 976	3 669 886	3 090 879
Other	1 234 958	1 145 565	1 143 737	867 423
Total amounts due to customers	19 156 303	19 051 608	17 463 353	15 169 685

17.5 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
Individual 1	PLN	43 022
Company 8	PLN	42 175
Company 9	PLN	40 104

17.6 Ten largest depositors (without banks)	Currency	As at 30.06.2013
Company 1	USD	319 696

Company 2	PLN	156 126
Company 3	PLN	98 206
Company 4	PLN	75 124
Company 5	PLN	60 582
Individual 1	PLN	57 899
Company 6	PLN	51 321
Company 7	PLN	40 180
Company 8	PLN	38 508
Individual 2	PLN	35 864

17.7 Ten largest depositors (without banks)	Currency	As at 31.12.2012
Company 1	PLN, EUR, USD	355 443
Company 2	PLN, USD	222 346
Company 3	PLN	85 903
Company 4	PLN	56 772
Individual 1	PLN, EUR	56 301
Company 5	PLN, EUR	53 824
Company 6	PLN	50 308
Company 7	PLN	40 930
Company 8	PLN	39 191
Company 9	PLN	32 728

17.8 Ten largest depositors (without banks)	Currency	As at 30.09.2012
Company 1	PLN,USD	99 744
Company 2	PLN	88 558
Company 3	PLN,EUR,GBP,USD	64 132
Company 4	PLN,EUR	60 744
Individual 1	PLN	55 858
Company 5	PLN,EUR	47 909
Company 6	PLN	40 373
Company 7	PLN,USD	36 239
Individual 2	PLN,EUR,GBP,USD	29 314
Company 8	PLN	28 172

In 2009, the Group issued banking securities for the first time. This activity was also continued in 2011, 2012 and 2013. The following note presents basic information on each issue of those securities.

17.9 Own issues/type of security (nominal amount)	Currency	Redemption date	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
PAURUM121005	PLN	05.10.2012	0	0	0	17 950
PEURDD121008	PLN	08.10.2012	0	0	0	418
PEURDD121008	PLN	08.10.2012	0	0	0	926
PW20TV121221	PLN	21.12.2012	0	0	0	17 748
PEURDD130108	PLN	08.01.2013	0	0	542	542
PEURDU130108	PLN	08.01.2013	0	0	1 132	1 132
P4EQIN130131	PLN	31.01.2013	0	0	23 493	24 012
P4EQUP130131	PLN	31.01.2013	0	0	1 417	1 437
FIX3M7K130322	PLN	22.03.2013	0	0	27 930	27 990
PF3M51130322	PLN	22.03.2013	0	0	1 100	26 250
PGLDTV130425	PLN	25.04.2013	0	0	22 664	23 009
UP345U130517	USD	17.05.2013	0	0	1 974	0
P4EQIN130605	PLN	05.06.2013	0	0	49 489	50 089
P4EQUP130605	PLN	05.06.2013	0	0	425	425
PGLDTV130612	PLN	12.06.2013	0	0	23 149	24 020
P5EQIN130621	PLN	21.06.2013	0	0	23 382	26 854
P5EQUP130621	PLN	21.06.2013	0	0	1 820	1 985
PF3M65130624	PLN	24.06.2013	0	0	7 660	7 660
PLN100FIX6M675K20130624	PLN	24.06.2013	0	0	13 510	13 510
PUGMWB130624	PLN	24.06.2013	0	0	15 580	15 580
P4EQIN130703	PLN	03.07.2013	0	28 823	30 206	30 677
P4EQUP130703	PLN	03.07.2013	0	293	293	293
EU134U130812	EUR	12.08.2013	0	4 329	0	0
EP425F130821	EUR	21.08.2013	0	866	0	0
PAGRUP130828	PLN	28.08.2013	0	37 017	37 536	37 783
EP43UP130923	EUR	23.09.2013	0	9 985	9 430	9 489
EMIXPB130924	EUR	24.09.2013	0	4 282	4 044	4 257
PAGRUP130924	PLN	24.09.2013	0	33 388	33 902	34 247
PUP3MK130924	PLN	24.09.2013	0	480	510	510
PUPK3M130924	PLN	24.09.2013	0	1 750	1 750	1 750
UP35UP130927	USD	27.09.2013	0	5 722	5 347	5 482
UP345U131129	USD	29.11.2013	1 963	2 086	0	0
UP34UP131129	USD	29.11.2013	1 308	1 389	0	0
EU137U131219	EUR	19.12.2013	4 216	0	0	0
UP340U140123A	USD	23.01.2014	1 561	1 659	0	0
PCRUIIN140203	PLN	03.02.2014	12 958	13 149	13 611	13 716
PCRUP140203	PLN	03.02.2014	43	43	43	43
EP431F140224	EUR	24.02.2014	843	0	0	0
PCRUIIN140310	PLN	10.03.2014	25 228	25 314	25 726	26 025
PCRUP140310	PLN	10.03.2014	138	138	138	138
PF6M60140322	PLN	22.03.2014	15 864	15 864	15 864	15 864
EP431U140325	EUR	25.03.2014	1 320	0	0	0
EP435U140325	EUR	25.03.2014	7 095	0	0	0
UP325U140327	USD	27.03.2014	2 375	0	0	0
PPEQIN140402	PLN	02.04.2014	19 130	21 071	23 933	23 971
PPEQUP140402	PLN	02.04.2014	102	102	222	222
UP36UP140403	USD	03.04.2014	1 561	1 659	0	0
PGLDIN140407	PLN	07.04.2014	48 819	52 261	57 336	57 680
PGLDTV140407	PLN	07.04.2014	227	227	227	279
UP36UP140409	USD	09.04.2014	1 561	1 659	0	0
PPEQIN140430	PLN	30.04.2014	19 184	19 296	21 463	0
PPEQUP140430	PLN	30.04.2014	30	30	30	0



(in PLN'000)

PCOMIN140618	PLN	18.06.2014	24 962	25 206	25 638	26 240
PCOMUP140618	PLN	18.06.2014	499	499	499	499
PAUTIN140725	PLN	25.07.2014	32 727	32 981	33 815	35 199
PAUTUP140725	PLN	25.07.2014	291	291	301	366
PSILIN140825	PLN	25.08.2014	18 640	18 701	19 152	19 608
PSILUP140825	PLN	25.08.2014	118	118	118	118
PPLAIN140915	PLN	15.09.2014	23 830	24 373	25 020	25 630
PPLAUP140915	PLN	15.09.2014	285	285	285	285
EMIXPB140922	EUR	22.09.2014	1 054	1 082	1 022	1 028
PBWEIN141008	PLN	08.10.2014	25 853	26 206	27 131	27 300
PBWEUP141008	PLN	08.10.2014	301	301	313	313
PBWEIN141105	PLN	05.11.2014	17 358	17 646	18 116	18 364
PBWEUP141105	PLN	05.11.2014	407	407	407	407
P4EQIN141204	PLN	04.12.2014	89 506	89 721	0	0
P4EQUP141204	PLN	04.12.2014	917	927	0	0
PGOLIN141205	PLN	05.12.2014	16 068	16 283	16 431	0
PGOLUP141205	PLN	05.12.2014	75	75	75	0
PWEQIN141205	PLN	05.12.2014	5 350	5 354	5 403	0
PWEQUP141205	PLN	05.12.2014	10	10	10	0
PGOLIN141219	PLN	19.12.2014	14 672	14 720	14 879	0
PGOLUP141219	PLN	19.12.2014	305	305	305	0
PSMAIN150225	PLN	25.02.2015	55 632	55 890	0	0
PSMAUP150225	PLN	25.02.2015	283	283	0	0
PSTXIN150410	PLN	10.04.2015	40 657	41 490	0	0
PSTXUP150410	PLN	10.04.2015	114	114	0	0
PETHIN150416	PLN	16.04.2015	8 476	8 476	0	0
PETHUP150416	PLN	16.04.2015	50	50	0	0
PETHIN150618	PLN	18.06.2015	9 671	9 671	0	0
ALIOR150629	PLN	29.06.2015	146 700	146 700	0	0
PD10IN150805	PLN	05.08.2015	92 529	0	0	0
PD10UP150805	PLN	05.08.2015	282	0	0	0
PD95IN150805	PLN	05.08.2015	8 592	0	0	0
PD95UP150805	PLN	05.08.2015	450	0	0	0
PSMAIN150826	PLN	26.08.2015	54 201	0	0	0
PSMAUP150826	PLN	26.08.2015	49	0	0	0
PF6M40150922	PLN	22.09.2015	12 079	0	0	0
PF6M41150922	PLN	22.09.2015	4 060	0	0	0
PE10IN150930	PLN	30.09.2015	75 575	0	0	0
PE10UP150930	PLN	30.09.2015	95	0	0	0
PBCOIN151006	PLN	06.10.2015	3 799	0	0	0
PCOMIN151124	PLN	24.11.2015	67 502	67 577	0	0
PCOMUP151124	PLN	24.11.2015	66	66	0	0
PMIX3M160622	PLN	22.06.2016	3 280	3 280	0	0
Own issues (nominal amount)			1 022 896	891 970	685 798	699 320

18. Provisions

	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

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2013	840	11 709	12 549
Provisions recorded	711	47 596	48 307
Provisions released	-493	-4 825	-5 318
Provisions utilized	-672	-49 692	-50 364
Other changes	0	77	77
As at 30 June 2013	386	4 865	5 251

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2012	1 583	31 068	32 651
Provisions recorded	388	73 544	73 932
Provisions released	-487	-488	-975
Provisions utilized	-644	-92 415	-93 059
As at 31 December 2012	840	11 709	12 549

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2012	1 583	31 068	32 651
Provisions recorded	279	52 422	52 701
Provisions released	-469	-367	-836
Provisions utilized	-29	-71 923	-71 952
As at 30 September 2012	1 364	11 200	12 564

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 retirement or disability allowance which the Group commits to paying based on the Remuneration Regulations. The provision for unused holidays is recognized for each employee based on the number of unused holiday days which an employee is allowed.

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.

19. Other liabilities

	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Interbank settlements	199 353	238 647	176 975	219 517
Taxation, customs duty, social and health insurance payables and other public settlements	26 356	20 428	19 561	22 884
Liabilities in respect of payment card settlements	4 731	32 978	7 296	29 240
Other settlements	114 102	127 413	189 265	113 663

including settlements with insurers	94 005	64 329	175 226	99 592
Accruals	100 778	98 073	95 037	50 834
Other liabilities	14 592	12 449	6 417	5 914
Total other liabilities	459 912	529 988	494 551	442 052

Settlements with insurers comprise contributions for insurance cover which the Group grants to its Customers by entering into one of the group insurance contracts (concluded by the Group with insurers and offered to its Customers).

20. 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 2013, 30 June 2013, 31 December 2012, and 30 September 2012. 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. Apart from the transactions listed above, the Group 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).

20.1 Derivative financial instruments (nominal value)	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Interest rate transactions	13 144 901	12 590 048	7 174 763	5 161 065
SWAP	12 585 230	12 153 437	4 745 386	2 372 200
FRA	0	0	0	250 000
Cap Floor Options	559 671	436 611	2 429 377	2 538 865
Foreign exchange transactions	4 266 050	4 339 339	3 898 412	3 872 305
FX swap	1 397 458	1 157 684	810 518	384 376
FX forward	1 166 417	1 496 826	1 449 566	1 448 340
CIRS	1 306 654	1 325 499	1 274 979	1 478 134
FX Options	395 521	359 330	363 349	561 455
Other options	1 771 428	1 483 640	1 374 746	1 810 334
Other instruments	363 900	553 178	450 969	0
Derivative financial instruments (nominal value)	19 546 279	18 966 205	12 898 890	10 843 704

20.2 Financial assets held for trading	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Shares	2 086	1 996	1 393	1 564
Bonds	358	853	116	0
Interest rate transactions	125 425	109 167	67 021	44 115
SWAP	121 900	106 042	66 406	43 972
Cap Floor Options	3 525	3 125	615	143
Foreign exchange transactions	54 833	93 189	61 486	70 103

FX swap	7 485	11 938	4 505	2 591
FX forward	20 342	46 173	21 763	22 773
CIRS	25 511	33 304	34 000	39 650
FX options	1 495	1 774	1 218	5 089
Other options	28 949	13 301	26 669	35 989
Other instruments	22 610	46 878	17 021	22 480
Financial assets held for trading	234 261	265 384	173 706	174 251

20.3 By maturity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Without specified maturity date	2 086	1 996	1 393	1 524
≤ 1W	17 186	13 487	9 456	11 210
> 1W ≤ 1M	34 075	55 161	41 697	25 298
> 1M ≤ 3M	18 314	32 163	9 921	19 988
> 3M ≤ 6M	41 092	29 719	26 934	29 453
> 6M ≤ 1Y	23 105	41 074	20 980	41 603
> 1Y ≤ 2Y	31 301	16 643	17 258	12 027
> 2Y ≤ 5Y	48 834	60 219	39 884	29 560
> 5Y ≤ 10Y	18 268	14 922	6 183	3 588
Financial assets held for trading	234 261	265 384	173 706	174 251

20.4 Financial liabilities held for trading	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Interest rate transactions	61 544	57 213	47 654	25 212
SWAP	58 020	54 088	47 039	24 647
FRA	0	0	0	422
Cap Floor Options	3 524	3 125	615	143
Foreign exchange transactions	50 198	57 330	44 238	49 274
FX swap	19 603	5 759	13 791	1 983
FX forward	8 909	20 208	11 932	20 877
CIRS	20 190	29 589	17 297	21 786
FX options	1 496	1 774	1 218	4 628
Other options	28 949	13 301	26 669	35 989
Other instruments	13 062	28 873	10 546	17 417
Financial liabilities held for trading	153 753	156 717	129 107	127 892

20.5 By maturity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Without specified maturity date	0	0	0	57
≤ 1W	8 018	6 889	7 330	7 127
> 1W ≤ 1M	18 237	42 156	15 556	11 973
> 1M ≤ 3M	10 913	10 209	5 212	21 949
> 3M ≤ 6M	6 960	6 232	22 548	5 334
> 6M ≤ 1Y	24 823	16 335	9 656	34 616
> 1Y ≤ 2Y	36 046	22 457	15 456	10 538
> 2Y ≤ 5Y	43 350	47 751	52 639	35 927

> 5Y ≤ 10Y	5 406	4 688	710	371
Financial liabilities held for trading	153 753	156 717	129 107	127 892

The listing below shows the hierarchy of valuation methods of financial instruments held for trading re-measured to fair value as at 30 September 2013 and the comparatives as at 30 June 2013, 31 December 2012 and as at 30 September 2012.

In accordance with IFRS 7, the Group introduced the following classification:

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

The discounted cash flows method is applied to instruments on this level, which assumes the structure of yield curves based on interbank market quotations (including: deposit rates, rates from: FRA, OIS, IRS, basis swap, fx swap transactions; foreign exchange rates).

- level 3 – instruments for which at least one of the factors which impact its price is not observable on the market.

The instruments on this level include options embedded in certificates of deposit issued by the Group and options concluded on the interbank market to hedge the instruments related to embedded options. Fair value is determined based on the internal model, taking into account both the observable parameters (e.g. underlying instrument price, quotations on the secondary option market) and unobservable (e.g. volatility, correlation between underlying instruments in options based on securities baskets). Model parameters are set based on statistical analyses. 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 the fair value change of the Group's position in respect of options classified to level 3.

20.6 Valuation of financial assets	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Level 1	14 871	1 996	1 393	1 467
Shares	2 086	1 996	1 393	1 467
Other instruments	12 785	0	0	0
Level 2	191 620	249 234	148 936	146 256
SWAP	121 900	106 042	66 406	43 972
Cap Floor Options	3 525	3 125	615	143
FX swap	7 485	11 938	4 505	2 591
FX forward	20 342	46 173	21 763	22 773

CIRS	25 511	33 304	34 000	39 649
FX options	1 495	1 774	1 218	5 089
Other options	1 537	0	3 408	9 559
Other instruments	9 825	46 878	17 021	22 480
Level 3	27 770	14 154	23 377	26 528
Bonds	358	853	116	97
Other options	27 412	13 301	23 261	26 431
Total financial assets	234 261	265 384	173 706	174 251

20.7 Valuation of financial liabilities	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Level 1	10 025	0	0	0
Other instruments	10 025	0	0	0
Level 2	139 883	143 416	125 629	124 560
SWAP	58 020	54 088	47 039	24 647
FRA	0	0	0	422
Cap Floor Options	3 524	3 125	615	143
FX swap	19 603	5 759	13 791	1 983
FX forward	8 909	20 208	11 932	20 877
CIRS	20 190	29 589	17 297	21 786
FX options	1 496	1 774	1 218	4 628
Other options	25 104	0	23 191	32 657
Other instruments	3 037	28 873	10 546	17 417
Level 3	3 845	13 301	3 478	3 332
Other options	3 845	13 301	3 478	3 332
Total financial liabilities	153 753	156 717	129 107	127 892

21. Hedge accounting

Since 28 May 2013, the Group has applied cash flow hedge accounting. The objective of the hedging strategy is to hedge against interest rate risk arising from the volatility of cash flows from floating interest rate assets, using IRS transactions in PLN. Under the established hedge relationships, the hedged items are cash flows from the portfolio of PLN loans bearing floating interest rates, and the hedging items are IRS transactions under which the Group receives fixed rate interest and pays floating rate interest. The hedged items are measured under amortized cost and the hedging items are measured at fair value.

21.1 Hedging derivatives - assets	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Level 2	3 463	476	0	0
Interest rate transactions	3 463	476	0	0
SWAP	3 463	476	0	0
Hedging derivatives - assets	3 463	476	0	0



21.2 By maturity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
> 6M ≤ 1Y	776		0	
> 1Y ≤ 2Y	2 687	476	0	0
Hedging derivatives - assets	3 463	476	0	0

21.3 Hedging derivatives - liabilities	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Level 2	5 040	11 300	0	0
Interest rate transactions	5 040	11 300	0	0
SWAP	5 040	11 300	0	0
Hedging derivatives - liabilities	5 040	11 300	0	0

21.4 By maturity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
> 6M ≤ 1Y	0	222	0	0
> 1Y ≤ 2Y	0	1 022	0	0
> 2Y ≤ 5Y	5 040	10 056	0	0
Hedging derivatives - liabilities	5 040	11 300	0	0

22. Subordinated liabilities

On 15 November 2011, the Polish Financial Supervision Authority gave permission to include the subordinated loan of EUR 10 million, concluded on 12 October 2011 by and between Alior Bank S.A. and Erste Group Bank AG in the supplementary 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 can be repaid early provided that a written notice is submitted 30 days before the planned payment. As at 30 September 2013, 30 June 2013, 31 December 2012 and 30 September 2012, the carrying amount of the loan was PLN 42 351 thousand, PLN 43 484 thousand, PLN 41 058 thousand and PLN 41 319 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 subordinated funds. From 14 February 2015, the Issuer will be entitled to early redemption of the C-series bonds on obtaining consent from the Polish Financial Supervision Authority. As at 30 September 2013, the carrying value of the bonds was PLN 282 744 thousand, as at 30 June 2013, PLN 288 932 thousand, as at 31 December 2012, PLN 290 612 thousand, as at 30 September 2012, it was PLN 283 640 thousand.

On 28 March 2012, the PFSA gave its consent to including the subordinated bonds issued for a period of 8 years (the redemption date is 31 January 2020), in the amount of EUR 4 500 000 and interest rate based on 6M LIBOR for 6-month deposits in EUR, in the Bank's own subordinated funds. From 31 January 2015 the Issuer will be entitled to early redemption of the B-series bonds on obtaining consent from the Polish Financial Supervision Authority. As at 30 September 2013, the carrying value of the bonds was PLN 19 175 thousand, as at 30 June 2013, PLN 19 987 thousand, as at 31 December 2012, PLN 18 908 thousand, as at 30 September 2012 and it was PLN 18 719 thousand.

23. Equity

23.1 Equity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Share capital	635 830	635 830	635 830	512 500
Supplementary capital	1 434 713	1 434 713	1 276 611	714 631
Other capital	173 612	169 938	163 377	15 750
Share-based payments – equity component	173 612	169 938	163 377	15 750
Retained earnings / (accumulated losses)	-306 945	-306 945	-196 288	-196 288
Revaluation reserve	-22 810	-31 694	10 776	-570
On measurement of available for sale assets	-15 035	-22 951	10 776	-570
On measurement of hedging derivatives	-7 775	-8 743	0	0
Profit/(loss) for the year	154 621	118 259	47 447	148 680
Total equity	2 069 021	2 020 101	1 937 753	1 194 703

23.2 Revaluation reserve	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Valuation of financial assets available for sale	-15 035	-22 951	10 776	-570
treasury bills	0	0	6	-143
treasury bonds	-20 889	-29 888	10 355	-1 899
other bonds	2 328	1 553	2 943	1 338
Deferred tax	3 526	5 384	-2 528	134
Valuation of hedging derivatives	-7 775	-8 743	0	0
IRS	-9 599	-10 794	0	0
Deferred tax	1 824	2 051	0	0
Revaluation reserve	-22 810	-31 694	10 776	-570

24. Capital adequacy ratio and Tier 1 ratio

The capital adequacy ratio is calculated under Resolution no. 76/2010 of the Polish Financial Supervision Authority of 10 March 2010 on the scope and detailed principles for setting capital requirements in connection with the individual risk types.

The minimum level of the capital adequacy ratio required by the Banking Law is 8%.

Calculation of funds and capital adequacy ratio	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Total own funds for the capital adequacy ratio	2 244 738	2 198 326	2 118 888	1 394 612
Share paid	635 830	635 830	635 830	512 500
Supplementary capital components	1 434 713	1 434 713	1 276 611	714 631
Other capital	173 612	169 938	163 377	0
Current year's profit in the amount not exceeding profit reviewed by auditor	154 621	118 259	47 447	148 680
Result from previous years	-306 945	-306 945	-196 288	-196 288
Revaluation reserve – unrealized losses	-21 678	-30 840	-354	-3 616
Intangible assets at carrying amount	-169 044	-167 406	-157 940	-123 275
Revaluation reserve – unrealized gains	2 493	2 004	10 926	2 330
Subordinated liabilities	341 136	342 773	339 279	339 650
Capital requirements	1 445 370	1 392 043	1 118 104	1 033 193
Capital requirements for the following risks: credit, counterparty, dilution and delivery of instruments to be settled at a later date	1 291 421	1 242 650	1 026 242	948 466
Capital requirement against settlement/delivery risk	0	0	0	34
Total capital requirements for the following risks: equity instrument price risk, debt instrument price risk, commodity prices and FX risk	1 713	1 403	1 543	1 614
Capital requirement for general interest rate risks	23 358	19 112	14 842	7 602
Capital requirements for operating risk	128 878	128 878	75 477	75 477
Tier 1	10.52%	10.65%	12.65%	8.15%
Capital adequacy ratio	12.42%	12.63%	15.16%	10.80%

25. Off-balance sheet items

25.1 Off-balance sheet contingent liabilities granted to customers	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Off-balance sheet liabilities granted	6 942 817	6 452 529	5 608 201	5 353 939
Relating to financing	5 653 255	5 315 750	4 398 412	4 345 189
Guarantees	1 289 562	1 136 779	1 209 789	1 008 750

25.2 By maturity	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
≤ 1W	8 840	6 792	2 537	1 332
> 1W ≤ 1M	13 607	16 096	88 561	17 820
> 1M ≤ 3M	91 779	113 175	185 502	88 659
> 3M ≤ 6M	124 293	94 546	146 214	295 369
> 6M ≤ 1Y	305 498	263 871	197 706	188 922
> 1Y ≤ 2Y	148 265	172 462	198 609	90 420
> 2Y ≤ 5Y	273 790	259 080	178 648	170 215
> 5Y ≤ 10Y	318 107	193 888	198 046	127 054
> 10Y ≤ 20Y	5 383	16 869	13 966	28 959
> 20Y	0	0	0	0
Off-balance sheet liabilities granted in respect of guarantees	1 289 562	1 136 779	1 209 789	1 008 750

The Group offers its individual customers contingent liabilities in respect of renewable overdraft facilities which are granted for an indefinite period of time; at the same time, close monitoring of cash inflows to the account is conducted.

Contingent liabilities in respect of credit cards are granted to individual customers for a period of three years.

Contingent liabilities for business customers include:

- current account limits (for a period of 12 months);
- guarantees, for a maximum period of 6 years;
- credit cards for a period of up to 3 years;
- tranche loans 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.

26. Assets pledged as collateral

On 30 September 2013, 30 June 2013, 31 December 2012 and 30 September 2012, assets in the form of T-bonds with a value of 97 724, PLN 85 570 thousand, PLN 74 040 thousand and PLN 74 040 thousand respectively were pledged as collateral for the Bank's liabilities to the guaranteed funds' fund in the Banking Guarantee Fund.

27. Related party transactions

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

As at 30 September 2013, 30 June 2013, 31 December 2012 and 30 September 2012 there were active transactions with the following related entities:

- Alior Polska Sp. z o.o.;
- Alior Lux Sarl & Co S.C.A.;
- Alior Lux Sarl Sp. z o.o. (equity related company);
- Z. Zaleski STICHTING (personal relationship);
- Algora Societe Anonyme (personal relationship).

	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Liabilities and equity				
Financial liabilities held for trading	0	0	294	
Financial liabilities measured at amortized cost	61 694	61 936	55 065	84 598
Other liabilities	1	1	2	1
Total liabilities and equity	61 695	61 937	55 361	84 599

	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Off-balance sheet liabilities granted to customers	1 679	1 690	1 668	1 670
Guarantees	1 679	1 690	1 668	1 670
Derivatives(nominal value)	0	0	89 940	0
Currency transactions	0	0	89 940	0
FX forward	0	0	89 940	0

	1.01.2013 - 30.09.2013	1.01.2012 - 30.09.2012
Interest expense	-935	-3 590
Fee and commission income	15	13
Other operating income	55	0
General administrative expenses	-48 475	-45 657
Total	-49 340	-49 234

Nature of related party transactions

All transactions with related entities are concluded under the bank product rules and regulations, on an arm's length basis.

In the reporting period covered by these financial statements, the 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. Supervisory Board, also holds the position of President of the Management Board of Alior Polska Sp. z o.o.

Number of shares held by the Supervisory Board	As at 30.09.2013	As at 31.12.2012
Helene Zaleski	186 159	190 159
Józef Wancer	non applicable*	53
Małgorzata Iwanicz- Drozdowska	1 465	1 465
Total	187 624	191 677

*On 10 February 2013, Mr Cezary Smorszczewski resigned as Member of the Bank's Supervisory Board

Number of shares held by the Management Board	As at 30.09.2013	As at 31.12.2012
Wojciech Sobieraj	71 322	70 865
Krzysztof Czuba	168	168
Michał Hucal	70	0
Niels Lundorff	83 021	80 021
Artur Maliszewski	3 042	3 042
Witold Skrok	168	168
Cezary Smorszczewski	non applicable*	78 731
Katarzyna Sułkowska	2 851	2 851
Total	160 642	235 846

*On 10 February 2013, Mr Cezary Smorszczewski resigned as Member of the Bank's Management Board

28. Management option scheme

On 13 December 2012, based on the authorization contained in the Resolution of the Supervisory Board of Alior Bank S.A. dated 10 December 2012, the initial allocation of A, B and C Subscription Warrants was performed, which entitle their holders to take up shares in the Bank, in accordance with Resolution No. 28/2012 of the Extraordinary General Shareholders' Meeting of Alior Bank S.A. of 19 October 2012 concerning the conditional increase of the Bank's share capital and issue of subscription warrants, in the following order:

- 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 scheme will also cover a group of key managers at the Bank who are not members of the Management Board.

The new incentive scheme assumes an issue of three tranches of subscription warrants (A, B and C-series) and the corresponding three tranches of new Bank shares (D, E and F-series) with a total nominal value not exceeding PLN 33 312 500, including:

- up to 1 110 417 A-series subscription warrants which will entitle their holders to take up 1 110 417 D-series shares in the Bank over a period of 5 years from the day of the first anniversary of the first 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 1 110 416 E-series shares in the Bank over a period of 5 years from the day of the second anniversary 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 1 110 417 F-series shares in the Bank over a period of 5 years from the day of the third anniversary of the first quotation of the Bank's shares on the WSE.

The eligible persons will be able to take up the subscription warrants provided that the price change in the Bank's shares on the WSE in the reference period – calculated as the difference between the Ultimate Price of the Offered Shares and the average closing price from 30 session days preceding, respectively, the day of the first (with reference to A-series subscription warrants), second (with reference to B-series subscription warrants) or third (with reference to C-series subscription warrants) anniversary of the first quotation of the Bank's shares on the WSE – exceeds the movement of the WIG-Banki index over the same period (calculated as the difference between the value of the WIG-Banki index on the date of the first quotation of the Bank's shares on the WSE and the average closing value of the WIG-Banki index from 30 session days preceding the date of, respectively, the first, second or third anniversary 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 net proceeds from the Public Offering by the total number of Offered Shares allocated in the Public Offering plus, respectively, 10% with reference to D-series shares, 15% with reference to E-series shares and 17.5% with reference to F-series shares.

The new management option scheme will be settled similarly to the Bank's original incentive scheme (discussed below), i.e. it will affect the Bank's results as a component of employee expenses and will be recorded in the same amount as an increase in equity classified as Other capital – Share-based payments – equity component. Alior Bank anticipates that about one half of the total costs arising from the settlement of the Bank's New Option Scheme will be settled in 2013, and the remaining parts will be settled in 2014 and 2015. As at the Date of the Report, it is impossible to establish the ultimate amount of the Bank's costs which will be incurred in connection with the settlement of the new Management Option Scheme .

The detailed principles of the plan will be established in the Incentive Scheme Rules and Regulations, the adoption of which will be entrusted to the Supervisory Board.

The original incentive scheme

On 14 December 2012, as a result of the settlement of the original incentive scheme (established based on the contract dated 25 August 2008), 105 managers of Alior Bank, including the Management Board Members received (indirectly via LuxCo 82 s.a.r.l.) 2 414 118 shares in Alior Bank. The remaining 1 299 909 shares in the Bank resulting from the settlement of the current incentive scheme will be transferred by the Carlo Tassara Group to LuxCo 82 s.a.r.l. on the Carlo Tassara Group selling at least 30% of the Bank's shares or on 30 June 2014, depending on which of these dates is earlier. LuxCo 82 S.a.r.l. is a Luxembourg law company controlled by the management of Alior Bank and representing the interests of the participants in the management incentive scheme.

The Management Board Members of Alior Bank S.A. were bound by a lock-up in respect of 30% of the incentive shares over a period of 9 months and in respect of 70% of the incentive shares over 24 months counted from 14 December 2012. The incentive shares reserved to the remaining plan participants who are not Management Board Members are covered by a lock-up until the end of January 2013 in respect of 30% of the shares; and over 12 months counted from 14 December 2012 in respect of 70% of the shares.

In connection with the partial expiry of the lock-ups, on 1 October, LuxCo 82 s.a.r.l. sold another block of 678 856 of the Bank's shares. After the said transaction, the Company holds 1 329 579 shares. The Management Board gave information about the said transaction in current report no. 40/2013.

29. Litigation

As at 30 September 2013, the Bank was not involved in any proceedings before a court, arbitration body, or public administration authority concerning liabilities or receivables of the Bank or its subsidiaries, which represent at least 10% of the Bank's equity.

In the Bank's opinion, none of the individual proceedings pending in the third quarter of 2013 before a court, arbitration body or public administration body, nor all the proceedings in aggregate pose a threat to the Bank's financial liquidity.

30. 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 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
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	155 540	116 877	111 156	111 774
Total	155 540	116 877	111 156	111 774

Amounts due from banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Receivables in respect of transactions concluded on the securities exchange:	3 951	967	7 094	894
WSE	3 951	967	7 094	894
Total	3 951	967	7 094	894

Amounts due from the National Deposit and securities exchange clearing houses	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Amounts due from the settlement fund	24 662	22 467	38 666	28 513
Amounts due from the compensation fund	31	27	21	16
Total	24 693	22 494	38 687	28 529

Amounts due to the National Deposit and securities exchange clearing houses	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Amounts due to the settlement fund	350	204	0	2 921
Amounts due to the compensation fund	132	0	0	0
Total	482	204	0	2 921

Amounts due from entities running regulated markets of securities and commodity exchanges	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Amounts due from individual exchanges	0	140	0	0
Total	0	140	0	0

Amounts due to banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Liabilities in respect of transactions concluded on the securities exchange:	6 007	14 853	231	2 269
WSE	6 007	14 853	231	2 269
Total	6 007	14 853	231	2 269

Customers' financial instruments recorded in securities accounts	As at 30.09.2013	As at 30.06.2013	As at 31.12.2012	As at 30.09.2012
Dematerialized financial instruments:	6 611 262	5 978 404	4 893 481	3 027 372
including those admitted to trading on the regulated market	5 721 583	6 705 869	4 193 389	2 317 979
Financial instruments other than dematerialized	35 659	11 868	9 065	465
Total	6 646 922	5 990 272	4 902 546	3 027 837

31. Appropriation of profit for 2012

On 19 June 2013, The Annual General Meeting of Alior Bank Spółka Akcyjna passed a resolution on appropriating the profit for 2012 amounting to PLN 172 393 165.49. The Annual General Meeting decided to earmark part of the Bank's net profit of PLN 14 291 242.28 for offsetting prior year losses and earmark the remaining amount of PLN 158 101 923.21 for supplementary capital.

32. Events and contracts significant to the business operations of the Bank's Group

1. Significant events

- On 18 July 2013, the District Court for the Capital City of Warsaw in Warsaw, 12th Business Department of the National Court Register issued a decision on registering a change in the Bank's Memorandum of Association passed by the Annual General Meeting of the Bank on 19 June 2013, and registering the consolidated text of the Memorandum of Association enacted by the Bank's Supervisory Board by resolution no. 52/2013, based on the authorization included in Resolution no. 24/2013 of the Bank's Annual General Meeting. The change in the Memorandum of Association comprised adding point 10) in § 7 clause 2, as follows: "10) acting as a settlement agent." Moreover, the Court registered a change in the address of the Bank's seat valid from 1 July 2013 in accordance with a resolution of the Bank's Management Board no. 204/2013 of 29 May 2013. From 1 July 2013, Alior Bank S.A.'s seat is located in Warsaw, 02-232, at 38D Łopuszańska Street.
- On 30 July 2013, by resolution of the Bank's Supervisory Board no. 60/2013, an Audit Committee was appointed composed of the following persons: Ms Helene Zaleski, Ms Małgorzata Iwanicz-Drozdowska and Ms Lucyna Stańczak-Wuczyńska. The Bank's Supervisory Board also adopted the Rules and Regulations of the Audit Committee of Alior Bank S.A. Supervisory Board.

2. Significant contracts

- On 30 July 2013, a new annex was concluded with one of the Bank's customers to a bank overdraft agreement dated 20 October 2010, which increased the contractual amount to PLN 40 000 000 and another annex to a guarantee limit agreement dated 12 July 2010, which increased the contractual amount to PLN 196 000 000 ("the Annexes"), about which the Bank gave information in current report no. 37/2013. As a result of signing the Annexes, the Bank's total exposure to the customer in respect of the aforementioned agreements increased to PLN 236 000 000, thus exceeding the significant contract threshold. In accordance with the agreement dated 12 July 2010, annexed on 30 July 2013, which is the highest value agreement, the limit comprises three guarantee-related sublimits which are utilized by the customer in connection with the customer's ongoing business operations. The maximum validity period of the guarantees, granted under the limit is 72 months. The amount of the commission related to utilization of the aforementioned limits was established on an arm's length basis. The amount due in respect of the granted financing was secured by setting up, among others, a guarantee deposit in the form of cash, cession of contracts executed by the customer and authorization to use the resources on the customer's bank accounts at the Bank. The remaining contractual terms do not deviate from what is commonly applied to such agreements.

During the reporting period, Alior Bank had contractual commitments following from debt securities issued, including specifically subordinated Bank Securities and other financial instruments.

In the III quarter of 2013 Alior Bank did not conclude or terminate any loan or borrowing contracts outside the normal scope of its business activities.

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

33. Significant events after the balance sheet date

- On 1 October 2013, LuxCo 82 s.a.r.l. with its seat in Luxembourg sold 678 856 of the Bank's shares. The block of 678 856 shares offered by Luxco 82 was sold in connection with the expiry of their lock-up on 15 September 2013. The sales transaction covered less than 10% of the total number of shares allocated under incentive schemes, and just over 1% of all of the Bank's shares. Luxco 82 is a company controlled by 105 current and former managers of Alior Bank. The entire incentive scheme carried out as part of Luxco 82 covers 3 714 027 shares (2 414 118 shares transferred on 14 December 2014, and the remaining part will be transferred by the Carlo Tassara Group by 30 June 2014). Another incentive scheme covering the Bank's Management Board and key management (implemented by Resolution no. 28/2012 of the Extraordinary General Meeting of Alior Bank S.A. of 19 October 2012) entitles the holders to take up 3 331 250 of the Bank's shares through subscription warrants. Detailed principles of the incentive schemes for the management of Alior

Bank are discussed in Note 28. The Bank gave information about the aforementioned transaction in current report no. 40/2013 in connection with receiving notices from the persons obliged to do so in accordance with art. 160 clause 4 of the Act on trading in financial instruments.

- On 17 October 2013, the Bank's Management Board published preliminary information on the Bank's results in the 3rd quarter of 2013 in current report no. 42/2013. Based on the meetings held and letters exchanged with the Polish Financial Supervision Authority on the subject of executing the PFSA's recommendations as to the accounting treatment of income from bancassurance, the Bank's Management Board decided to fully implement the PFSA's expectations concerning the method of recognizing income from bancassurance and thus decided to introduce full periodization of this income without recognizing any income upfront. At the same time, the Bank's Management Board stressed the fact that changing the method of recognizing income from bancassurance will not affect the business model executed by the Bank or the growth potential.
- In current report no. 43/2013 dated on 29 October 2013, the Bank's Management Board convened an Extraordinary General Meeting of the Bank for 28 November 2013. Draft resolutions of the EGM provide for the vote on the resolution regarding the increase of the Bank's share capital through the issuance of ordinary series G bearer shares, the exclusion of all of the pre-emptive rights of the existing shareholders to all the series G shares, the amendment of the Bank's statute, the application for the admission and introduction of the series G shares and/or rights to series G shares to trading on the regulated market operated by the Warsaw Stock Exchange, the dematerialisation of the series G shares and/or rights to series G shares

34. Financial forecasts

Alior Bank S.A. did not publish any forecasts of its results.

35. Establishing the Bond Issue Scheme

On 18 March 2013, the Supervisory Board of Alior Bank S.A. granted its consent for the Management Board to set up the Bond Issue Scheme related to Alior Bank S.A. bonds denominated in PLN and for Alior Bank S.A. to draw multiple financial liabilities through issuing unsecured bearer bonds as part of this Issue Scheme with the following key parameters:

the amount of the Issue Scheme shall not exceed: PLN 2 000 000 000 (two billion zloties);
the maximum maturity of the debt securities issued under the Issue Scheme: 10 years;
the bonds issued under the Issue Scheme shall not be secured;

The bonds will be issued pursuant to art. 9.1 (public offering) or art. 9.2 (public offering) or art. 9.3 (private offering) of the Act on bonds;

In accordance with Art. 5a of the Act on bonds, the Bonds will not be issued in the form of documents;

the issue terms of each Bond series may contain provisions on introducing the Bonds to trading on the CATALYST market maintained as an alternative trading system by the Warsaw Stock Exchange or BondSpot S.A.

At the same time, the Supervisory Board of Alior Bank S.A. authorized the Management Board of Alior Bank S.A. to establish detailed issuance terms for the individual bond series issued under the Issue Scheme, to allot the bonds to investors and to perform all other activities in order to execute the Issue Scheme.

The Bank's Management Board does not intend to obtain funds from the bonds issuance to finance the Bank's continued organic growth. In order to execute the adopted strategy aimed at doubling the Bank's market share, the organic growth will be financed with funds obtained from customer deposits.

As part of the Bond Issue Scheme, on 28 June 2013, Alior Bank issued 146 700 unsecured, dematerialized, coupon bearer D-series bonds with a nominal value of PLN 1 000 (one thousand) each, and a total nominal value of PLN 146 700 000.

36. Plan to sell a significant block of shares

The meeting initiating the project for selling 34% of the Bank's shares belonging to 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 the PFSA that an assessment of such a new investor by the PFSA would take into account, among other things, its financial standing and stability as well as the long-term credit rating of both the investor and its country of origin. The final exit of Carlo Tassara from its investment in the Bank will be carried out within the time frame which takes into account the time needed to find a new investor and the time for the investor to obtain PFSA approval. Carlo Tassara will make every effort to sell the shares to an appropriate investor before the end of 2013.

If however selling the Bank's shares before the end of 2013 requires Carlo Tassara to take action which does not comply with the statutory requirement for the Carlo Tassara management and supervisory bodies to act in the Company's best interests or if executing such transaction before the end of 2013 proves impossible for other objective reasons (e.g. the PFSA not having closed the procedure related to the intention of acquiring a significant block of shares and exceeding a specified level of votes at the General Meeting), Carlo Tassara will immediately take measures to work out an alternative solution, in agreement with the PFSA, and the schedule of its execution. Moreover, Carlo Tassara will resume actions aimed at selling the remaining block of shares immediately after the obstacles having been removed, although the PFSA may condition such solution on an assessment of Carlo Tassara's financial standing, including Carlo Tassara showing its ability to ensure financial support for the Bank if such need arises. The Carlo Tassara Group is aware of the fact that failure to sell the shares before the end of 2013 may result in the PFSA taking the supervisory actions specified in art. 25n of the Banking Law.

37. Rating

As part of the preparations for the initial public offering, Alior Bank S.A. promised the Polish Financial Supervision Authority to take immediate action from the start of 2013 to obtain a rating awarded by a renowned international rating agency.

In the 1st quarter of 2013, the Bank took action to obtain such rating. On 27 March 2013 a contract was signed between Alior Bank S.A. and Fitch Polska S.A.

On 5 September 2013, Fitch Ratings Ltd. granted a BB rating with a stable perspective to Alior Bank S.A.

The full rating granted to the Bank by Fitch is as follows:

1. Long-Term Foreign Currency IDR: BB with a stable perspective;
2. Short-Term Foreign Currency IDR: B;
3. National Long-Term Rating: BBB+(pol), stable perspective;
4. National Short-Term Rating: F2(pol);
5. Viability Rating (VR): bb;
6. Support Rating: 5;
7. Support Rating Floor: 'No Floor'.

Definitions of the Fitch ratings are available on the Agency's website: www.fitchratings.com, where the ratings, criteria and methodologies are also published.

38. Factors affecting the Bank's results in the next quarter perspective

The factors which may affect Alior Bank's results in the coming months include:

- Moderate revival of the Polish economy measured by an increase in the GDP. In the first quarter of 2013, the Gross Domestic Product increased by 0.5% in y/y terms. The estimates relating to the second quarter of 2013 indicate an increase of 0.8% in y/y terms. Coming out of low GDP increases may have a positive effect on the level of demand for bank products and services, with regard to both retail and business customers.
- The low level of inflation and maintaining low interest rates by the Monetary Policy Council, which in the longer perspective results in a growing interest in bank loans but on the other hand encourages customers to look for alternative forms of saving (other than bank deposits) thus creating not only price competition between banks but also pressure on the costs of financing banking activities.
- No prospects for a visible drop in unemployment, confirmed by the data from the Central Statistical Office (GUS) for September 2013. The registered unemployment rate at the end of September 2013 did not change compared with August 2013 and amounted to 13.0% (up 0.6 p.p. y/y). Continuing uncertainty among entrepreneurs, despite the first signs of improvement in the economic situation

(mainly with regard to internal demand) not only prevents entrepreneurs from creating new jobs but still results in reducing the number of employees, especially in the SME sector.

- Still ambiguous effect of the Polish economy recovery on the improvement of the financial standing of many companies (despite the quarter-on-quarter stabilization, the number of bankrupt companies is being maintained at levels higher than in the corresponding period of the previous year - according to the information of KUKE dated October 8, 2013, there were by 16.9% more companies which declared bankrupt in Q3'13 vs. Q3'12), which in the coming months may increase the probability of creating impairment write-offs necessity by the Bank.
- The risk connected with the introduction by the institutions supervising the financial markets of the new regulations which may increase the pressure on the financial results of banks, in particular the possibility of introduction by the Banking Guarantee Fund an additional annual fee, so called prudential charge equal to the not more than 0.2% of the total capital requirement amount multiplied by 12,5. The information on the actual rate of prudential fee (including the fee for the year 2013) until the publication date of this report has not been made publicly known.
- Planned changes in the operation of Open Pension Funds which could significantly affect the trends and liquidity on the markets of shares and debt securities in Poland.

After a tax audit carried out at the Bank in respect of VAT settlements with the State Budget for January 2012, as at 9 October 2013, the Tax Office had made a decision to initiate tax proceedings against the Bank. The Bank's Management Board assesses the risk of questioning the methodology for VAT settlements adopted by the Bank as low.

In May 2013, the Tax Inspection Office in Warsaw initiated audit proceedings in respect of the fairness of the declared tax bases and the correctness of the calculation and payment of corporate income tax for 2008. As at the date of the financial statements, the audit results are not yet known.

Interim condensed separate financial statements

Separate income statement

	Okres 1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	Okres 1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Interest income	365 686	1 128 821	370 221	1 024 114
Interest expense	-117 944	-402 458	-145 704	-402 288
Net interest income	247 742	726 363	224 517	621 826
Dividend income	15	1 800	2	20
Fee and commission income	92 666	272 319	82 898	229 929
Fee and commission expense	-44 945	-146 628	-39 489	-106 957
Net fee and commission income	47 721	125 691	43 409	122 972
Trading result	53 159	180 395	50 199	131 487
Net gain (realized) on other financial instruments	280	7 241	13 750	16 969
Other operating income	10 396	37 338	13 785	35 590
Other operating costs	-3 362	-16 671	-3 771	-12 510
Net other operating income	7 034	20 667	10 014	23 080
General administrative expenses	-209 811	-605 952	-195 215	-558 858
<i>share-based payments - equity component</i>	-3 674	-10 235	-1 050	-3 150
Impairment losses	-102 138	-262 139	-72 741	-189 099
Gross profit	44 002	194 066	73 935	168 397
Income tax	-10 281	-40 824	-13 861	-20 168
Net profit	33 721	153 242	60 074	148 229
Net profit	33 721	153 242	60 074	148 229
Weighted average number of ordinary shares	63 582 965	63 582 965	51 250 000	50 620 438
Net profit per share (in PLN)	0.53	2.41	1.17	2.93
Diluted earnings per share (in PLN)	0.53	2.41	1.17	2.93

Separate statement of comprehensive income

	1.07.2013 - 30.09.2013	1.01.2013 - 30.09.2013	1.07.2012 - 30.09.2012	1.01.2012 - 30.09.2012
Net profit	33 721	153 242	60 074	148 229
Other taxable comprehensive income	8 884	-33 586	-3 829	12 449
Net gains/losses on financial assets available for sale	7 916	-25 811	-3 829	12 449
Profit/loss on valuation of financial assets available for sale	9 773	-31 865	-4 727	15 369
Deferred tax	-1 857	6 054	898	-2 920
Net gain on hedging derivatives	968	-7 775	0	0
<i>Net gain on valuation of hedging derivatives</i>	1 195	-9 599	0	0
<i>Deferred tax</i>	-227	1 824	0	0
Total comprehensive income, net	42 605	119 656	56 245	160 678

Separate statement of financial position

ASSETS	Stan 30.09.2013	As at 30.06.2013	As at 31.12.2012	Stan 30.09.2012
Cash and balances with the Central Bank	755 303	721 980	1 029 968	701 002
Financial assets held for trading	234 261	265 384	173 706	174 251
Financial assets available for sale	2 929 182	3 446 706	4 320 747	2 327 851
Hedging derivatives financial instruments	3 463	476	0	0
Amounts due from banks	181 811	170 021	371 275	366 474
Loans and advances to customers	18 149 534	17 213 083	14 158 892	13 227 255
Property, plant and equipment	206 227	206 866	214 887	233 353
Intangible assets	169 042	167 404	157 938	123 272
Investments in subsidiaries	1 350	1 350	5 754	2 350
Non-current assets held for sale	62 298	62 298	62 298	0
Income tax asset	124 308	134 595	151 055	117 867
<i>Current</i>	0	4 120	0	0
<i>Deferred</i>	124 308	130 475	151 055	117 867
Other assets	283 057	262 468	405 247	282 126
TOTAL ASSETS	23 099 836	22 652 631	21 051 767	17 555 801

LIABILITIES AND EQUITY	Stan 30.09.2013	As at 30.06.2013	As at 31.12.2012	Stan 30.09.2012
Financial liabilities held for trading	153 753	156 717	129 107	127 892
Financial liabilities measured at amortized cost	20 111 996	19 605 462	18 101 036	15 430 860
Hedging derivatives financial instruments	5 040	11 300	0	0
Provisions	3 506	5 207	12 549	12 564
Other liabilities	415 097	501 834	491 267	438 524
Income tax liabilities	187	0	31 134	8 018
<i>Current</i>	187	0	31 134	8 018
Subordinated loans	344 270	352 403	350 578	343 678
Total liabilities	21 033 849	20 632 923	19 115 671	16 361 536
Equity	2 065 987	2 019 708	1 936 096	1 194 265
Share capital	635 830	635 830	635 830	512 500
Supplementary capital	1 434 712	1 434 712	1 276 610	714 630
Revaluation reserve	-22 810	-31 694	10 776	-570
Other capital	173 612	169 938	163 377	15 750
<i>Share-based payments – equity component</i>	173 612	169 938	163 377	15 750
Accumulated losses	-308 599	-308 599	-196 274	-196 274
Current year profit/loss	153 242	119 521	45 777	148 229
TOTAL LIABILITIES AND EQUITY	23 099 836	22 652 631	21 051 767	17 555 801



(in PLN'000)

Separate statement of changes in equity

1.01.2013 - 30.09.2013	Share capital	Supplementary capital	Other capital - Share-based payments	Revaluation reserve	Retained earnings/ accumulated losses	Net profit/loss for the year	Total equity
As at 1 January 2013	635 830	1 276 610	163 377	10 776	-150 497	0	1 936 096
Increase in equity	0	0	0	0	0	0	0
Comprehensive income	0	0	0	-33 586	0	153 242	119 656
Share-based payments	0	0	10 235	0	0	0	10 235
Distribution of prior year result	0	158 102	0	0	-158 102	0	0
As at 30 September 2013	635 830	1 434 712	173 612	-22 810	-308 599	153 242	2 065 987

1.01.2012 - 31.12.2012	Share capital	Supplementary capital	Other capital - Share-based payments	Revaluation reserve	Retained earnings/ accumulated losses	Net profit/loss for the year	Total equity
As at 1 January 2012	500 000	502 569	12 600	-13 019	-71 638	0	930 512
Increase in equity	135 830	664 095	0	0	0	0	799 925
Comprehensive income	0	0	0	23 795	0	45 777	69 572
Share-based payments	0	0	150 777	0	0	0	150 777
IPO costs	0	-14 690	0	0	0	0	-14 690
Distribution of prior year result	0	124 636	0	0	-124 636	0	0
As at 31 December 2012	635 830	1 276 610	163 377	10 776	-196 274	45 777	1 936 096

1.01.2012 - 30.09.2012	Share capital	Supplementary capital	Other capital - Share-based payments	Revaluation reserve	Retained earnings/ accumulated losses	Net profit/loss for the year	Total equity
As at 1 January 2012	500 000	502 569	12 600	-13 019	-71 638	0	930 512
Increase in equity	12 500	87 425	0	-	0	0	99 925
Comprehensive income	0	0	0	12 449	0	148 229	160 678
Share-based payments	0	0	3 150	0	0	0	3 150
Coverage of previous years' losses from supplementary capital	0	124 636	0	0	-124 636	0	0
As at 30 September 2012	512 500	714 630	15 750	-570	-196 274	148 229	1 194 265

Separate cash flow statement

	1.01.2013 - 30.09.2013	1.01.2012 - 30.09.2012
Operating activities		
Net profit	153 242	148 229
Adjustments:	-504 635	-197 688
Unrealized foreign exchange gains/losses	3 814	-8 131
Change in income tax assets	3 677	-6 142
Amortization/depreciation of tangible and intangible assets	55 826	53 454
Change in tangible and intangible assets impairment write-down	83	-1 067
Change in provisions	-9 043	-20 087
Interest (financial activity)	21 341	21 290
Share-based payments	10 235	3 150
Change in loans and receivables	-3 961 400	-2 629 882
Change in financial assets available for sale	1 391 565	579 124
Change in financial assets held for trading	-60 555	62 343
Change in hedging derivatives - assets	-3 463	0
Change in other assets	122 190	-70 367
Change in deposits	1 543 282	1 745 921
Change in issued debt	324 511	116 359
Change in financial liabilities held for trading	24 646	-40 408
Change in hedging derivatives - liabilities	5 040	0
Change in other liabilities	23 616	-3 245
Net cash flow from operating activities	-351 393	-49 459
Investing activities		
Outflows:	-53 950	-117 741
Purchase of property, plant and equipment	-27 928	-54 746
Purchase of intangible assets	-30 426	-18 895
Purchase of shares in subordinated companies	4 404	-44 100
Inflows:	0	0
Net cash flow from investing activities	-53 950	-117 741
Financing activities		
Outflows:	-29 545	-17 466
Repayment of long-term liabilities	-29 545	-17 466
Inflows:	0	398 947
Subordinated liabilities incurred	0	299 022
Inflows from share issue	0	99 925
Net cash flow from financing activities	-29 545	381 481
Total net cash flow	-434 887	214 281
Balance sheet change in cash and cash equivalents	-434 887	214 281
Cash and cash equivalents, opening balance	1 310 432	784 427
Cash and cash equivalents, closing balance	875 545	998 708
Additional disclosures on operating cash flows		
Interest income received	1 050 325	964 248
Interest expense paid	-478 460	-328 512
Dividend received	1 800	0

1. Basis of preparation

Scope and comparatives

The condensed interim separate financial statements of Alior Bank S.A. cover the 9-month period ended 30 September 2013 and comprise the comparatives for the 9-month period ended 30 September 2012 (as regards the separate income statement, separate statement of comprehensive income, separate statement of financial position, separate statement of changes in equity and separate cash flow statement) and the comparatives as at 30 June 2013, 31 December 2012 and 30 September 2012 (as regards the separate statement of financial position and separate statement of changes in equity). The separate financial statements have been prepared in Polish zloty (PLN) and all amounts are presented in PLN thousand, unless otherwise stated.

Due to the change in bancassurance revenue recognition method (described in point 2.2 "Accounting policies) comparative amounts disclosed for prior periods presented in the condensed interim financial statements of the Alior Bank S.A. were adjusted.

Impact of the changes on the amounts of separate income statement for the 9-month period ended 30 September 2012 and separate statement of financial position as at 30 June 2013, 31 December 2012 and 30 September 2012 is as follows:

Separate income statement

1.01.2012 - 30.09.2012	Financial statement as at 30.09.2012	Amount of adjustments	Adjusted amount for 30.09.2012
Interest income	919 750	104 364	1 024 114
Net interest income	517 462	104 364	621 826
Fee and commission income	463 996	-234 067	229 929
Fee and commission expense	-130 421	23 464	-106 957
Net fee and commission income	333 575	-210 603	122 972
General administrative expenses	-569 962	11 104	-558 858
Impairment losses	-192 612	3 513	-189 099
Gross profit	260 019	-91 622	168 397
Income tax	-37 576	17 408	-20 168
Net profit	222 443	-74 214	148 229
Total comprehensive income, net	234 892	-74 214	160 678



(in PLN'000)

Separate statement of financial position

Statement of financial position line item	Financial statement as at 30.06.2013	Amount of adjustments	Adjusted amount for 30.06.2013	Financial statement as at 31.12.2012	Amount of adjustments	Adjusted amount for 31.12.2012	Financial statement as at 30.09.2012	Amount of adjustments	Adjusted amount for 30.09.2012
Loans and advances to customers	17 661 499	-448 416	17 213 083	14 535 432	-376 540	14 158 892	13 537 150	-309 895	13 227 255
Income tax asset	52 123	82 472	134 595	78 668	72 387	151 055	57 771	60 096	117 867
<i>Deferred</i>	48 003	82 472	130 475	78 668	72 387	151 055	57 771	60 096	117 867
TOTAL ASSETS	23 018 575	-365 944	22 652 631	21 355 920	-304 153	21 051 767	17 805 600	-249 799	17 555 801
Other liabilities	516 188	-14 354	501 834	486 821	4 446	491 267	432 126	6 398	438 524
Total liabilities	20 647 277	-14 354	20 632 923	19 111 225	4 446	19 115 671	16 355 138	6 398	16 361 536
Equity	2 371 298	-351 590	2 019 708	2 244 695	-308 599	1 936 096	1 450 462	-256 197	1 194 265
Undistributed result from previous years	0	-308 599	-308 599	-14 291	-181 983	-196 274	-14 291	-181 983	-196 274
Current year profit/loss	162 512	-42 991	119 521	172 393	-126 616	45 777	222 443	-74 214	148 229
TOTAL LIABILITIES AND EQUITY	23 018 575	-365 944	22 652 631	21 355 920	-304 153	21 051 767	17 805 600	-249 799	17 555 801

Statement of compliance

These interim condensed separate financial statements of Alior Bank S.A. for the third quarter of 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 September 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 as 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).

These interim condensed separate financial statements comply with the requirements of the International Accounting Standard 34 as regards interim financial reporting. These financial statements have been prepared in a condensed form and do not include all the disclosures required in the annual financial statements.

The interim condensed separate income statement, interim condensed separate statement of comprehensive income, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the financial period from 1 January 2013 to 30 September 2013, and the interim condensed separate statement of financial position as at 30 September 2013, including the comparatives, have been prepared in accordance with the same accounting policies for each period, which are binding from 1 January 2013.

Going concern

The separate financial statements of Alior Bank S.A. 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 2013.

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

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 2012 to 31 December 2012, published on 7 March 2013 and available on the Alior Bank S.A. website.

The adoption of new accounting policies was discussed in Note 2.2 of the interim condensed consolidated financial statements of the Alior Bank S.A. Group.

Changes in accounting standards

The accounting policies adopted in the preparation of the interim condensed separate financial statements are consistent with the accounting policies applied in the preparation of the financial statements for the financial year ended 31 December 2012, except for adopting amendments to standards and new interpretations binding for annual periods starting on or after 1 January 2013, as discussed in Note 2.2 of the interim condensed consolidated financial statements of the Alior Bank S.A. Group.

3. Off-balance sheet items

Off-balance sheet items were discussed in Note 25 of the interim condensed consolidated financial statements.

4. Related party transactions

Related party transactions were discussed in Note 27 of the interim condensed consolidated financial statements.

5. Significant events after the balance sheet date

Significant events after the balance sheet date were discussed in Note 33 of the interim condensed consolidated financial statements.

