



# Interim condensed financial report of the Alior Bank Spółka Akcyjna Group

for the 1st half of 2013

## Selected financial data in the consolidated financial statements

	in PLN'000			
	1.01.2013 - 30.06.2013	1.01.2012- 30.06.2012	%% (A-B)/B	1.01.2012- 31.12.2012
	A	B	C	F
Net interest income	417 766	325 733	28.3%	710 565
Net fee and commission income	227 018	217 114	4.6%	469 367
Trading result & other	145 758	97 943	48.8%	253 809
Impairment losses	-166 354	-119 309	39.4%	-282 252
General administrative expenses	-409 061	-371 471	10.1%	-921 734
Gross profit	215 127	150 010	43.4%	229 755
Net profit	171 815	133 173	29.0%	174 063
Total net cash flow	-554 978	3 256	-	568 258

Loans and advances to customers	17 654 499	12 297 431	43.6%	14 535 432
Customer deposits	19 051 608	13 593 330	40.2%	17 463 353
Total equity	2 382 256	1 363 958	74.7%	2 246 352
Total assets	23 032 700	16 507 729	39.5%	21 352 348

### Ratios

Earnings/losses per share (PLN)	2.70	2.65	2.1%	3.40
Capital adequacy ratio	14.42%	12.07%	19.5%	17.00%
Tier 1	12.48%	9.23%	35.2%	14.54%

	in EUR'000			
	1.01.2013 - 30.06.2013	1.01.2012- 30.06.2012	%% (A-B)/B	1.01.2012- 31.12.2012
	A	B	C	F
Net interest income	99 139	77 104	28.6%	170 252
Net fee and commission income	53 873	51 393	4.8%	112 461
Trading result & other	34 589	23 184	49.2%	60 813
Impairment losses	-39 477	-28 241	39.8%	-67 628
General administrative expenses	-97 073	-87 930	10.4%	-220 849
Gross profit	51 051	35 509	43.8%	55 050
Net profit	40 773	31 523	29.3%	41 706
Total net cash flow	-131 700	771	-	136 155

Loans and advances to customers	4 078 005	2 885 840	41.3%	3 555 460
Customer deposits	4 400 723	3 189 949	38.0%	4 271 648
Total equity	550 276	320 080	71.9%	549 472
Total assets	5 320 313	3 873 872	37.3%	5 222 922

### Ratios

Earnings/losses per share (EUR)	0.64	0.63	2.3%	0.81
Capital adequacy ratio	14.42%	12.07%	19.5%	17.00%
Tier 1	12.48%	9.23%	35.2%	14.54%

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

a) as at 30.06.2013

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 30.06.2013 – 4.3292;

- income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.2140.

b) as at 30.06.2012

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 30.06.2012 – 4.2613; - income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.2246;
- 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 the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.1736.

## Contents

Selected financial data in the consolidated financial statements.....	2
Interim condensed consolidated financial statements .....	6
Consolidated income statement.....	6
Consolidated statement of comprehensive income .....	6
Consolidated statement of financial position .....	7
Consolidated statement of changes in equity .....	8
Consolidated cash flow statement.....	9
Notes to the consolidated financial statements .....	10
1. Corporate information.....	10
2. Accounting policies .....	13
3. Operating segments .....	18
Results and volumes by segments for the 1st half of 2012.....	20
Notes to the income statement .....	22
4. Net interest income .....	22
5. Net fee and commission income .....	22
6. Trading result .....	23
7. Net gain realized on other financial instruments .....	23
8. Net other operating income .....	24
9. General administrative expenses.....	24
10. Net impairment losses .....	25
11. Income tax expense .....	25
12. Earnings per share .....	26
Notes to the statement of financial position .....	27
13. Cash and balances with the central bank.....	27
15. Amounts due from customers .....	29
16. Amounts due from banks .....	32
17. Other assets.....	33
18. Financial liabilities measured at amortized cost .....	34
19. Provisions .....	37
20. Other liabilities .....	38
21. Financial assets and financial liabilities held for trading .....	38
22. Cash flow statement – additional information .....	41
23. Hedge accounting .....	43
24. Subordinated liabilities.....	43
25. Equity.....	44
26. Fair value.....	45
27. Capital adequacy ratio and Tier 1 ratio.....	46
28. Off-balance sheet items .....	47
29. Assets pledged as collateral.....	47
30. Related party transactions.....	48
31. Management option plan.....	49
32. Litigation.....	50
33. Notes relating to the Brokerage Office .....	50

34.	Distribution on the financial result for year 2012 .....	51
35.	Significant events after the balance sheet date .....	51
36.	Establishing the Bond Issue Scheme.....	52
37.	Plan to sell a significant block of shares .....	53
38.	Rating .....	53
39.	Factors affecting the Bank's results in the six-month perspective .....	53
40.	Registered audit company .....	54
	Interim condensed separate financial statements .....	56
	Separate income statement .....	56
	Separate statement of comprehensive income .....	56
	Separate statement of financial position .....	57
	Separate statement of changes in equity .....	58
	Separate cash flow statement .....	59
1.	Basis of preparation .....	60
2.	Accounting policies .....	61
	Notes to the separate income statement .....	65
3.	Separate net interest income .....	65
4.	Separate net fee and commission income.....	65
5.	Separate trading result .....	66
6.	Separate net gain realized on other financial instruments.....	66
7.	Separate net other operating income.....	66
8.	Separate general administrative expenses.....	67
9.	Separate net impairment losses .....	67
10.	Income tax expense .....	68
	Notes to the separate statement of financial position .....	69
20.	Subordinated liabilities.....	79
23.	Off-balance sheet items .....	82
24.	Related party transactions.....	82
25.	Significant events after the balance sheet date .....	84
26.	Distribution on the financial result for year 2012 .....	84
27.	Management option plan .....	84
28.	Establishing the Bond Issue Programme.....	85

## Interim condensed consolidated financial statements

### Consolidated income statement

	Note	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
Interest income		702 168	582 297
Interest expense		-284 402	-256 564
<b>Net interest income</b>	<b>4</b>	<b>417 766</b>	<b>325 733</b>
<b>Dividend income</b>		<b>5</b>	<b>18</b>
Fee and commission income		342 382	300 502
Fee and commission expense		-115 364	-83 388
<b>Net fee and commission income</b>	<b>5</b>	<b>227 018</b>	<b>217 114</b>
<b>Trading result</b>	<b>6</b>	<b>127 233</b>	<b>81 288</b>
<b>Net gain (realized) on other financial instruments</b>	<b>7</b>	<b>6 961</b>	<b>3 219</b>
Other operating income		24 820	22 319
Other operating costs		-13 261	-8 901
<b>Net other operating income</b>	<b>8</b>	<b>11 559</b>	<b>13 418</b>
<b>General administrative expenses</b>	<b>9</b>	<b>-409 061</b>	<b>-371 471</b>
<i>share-based payments – equity component</i>		-6 561	-2 100
<b>Impairment losses</b>	<b>10</b>	<b>-166 354</b>	<b>-119 309</b>
<b>Gross profit</b>		<b>215 127</b>	<b>150 010</b>
Income tax	<b>11</b>	-43 312	-16 837
<b>Net profit</b>		<b>171 815</b>	<b>133 173</b>
Net profit attributable to equity holders of the parent		171 815	133 173
<b>Net profit</b>		<b>171 815</b>	<b>133 173</b>
<b>Weighted average number of ordinary shares</b>		<b>63 582 965</b>	<b>50 309 066</b>
<b>Net profit per share (in PLN)</b>	<b>12</b>	<b>2,70</b>	<b>2,65</b>
<b>Diluted earnings per share (in PLN)</b>	<b>12</b>	<b>2,57</b>	<b>2,65</b>

### Consolidated statement of comprehensive income

	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
<b>Net profit</b>	<b>171 815</b>	<b>133 173</b>
<b>Other taxable comprehensive income</b>	<b>-42 470</b>	<b>16 278</b>
Net gains/losses on financial assets available for sale	-33 727	16 278
Profit/loss on valuation of financial assets available for sale	-41 638	20 096
Deferred tax	7 911	-3 818
Net gains/losses on hedging instruments	-8 743	0
Profit/loss on valuation of hedging instruments	-10 794	0
Deferred tax	2 051	0
<b>Total comprehensive income, net</b>	<b>129 345</b>	<b>149 451</b>
holders of the parent	129 345	149 451

## Consolidated statement of financial position

ASSETS	Note	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Cash and balances with the Central Bank	13	721 980	1 029 968	590 173
Financial assets held for trading	21	265 384	173 706	204 629
Financial assets available for sale	14	3 446 706	4 320 747	2 344 583
Hedging derivatives	23	476	0	0
Amounts due from banks	16	170 021	413 528	433 464
Loans and advances to customers	15	17 654 499	14 535 432	12 297 431
Property, plant and equipment		206 866	214 887	217 407
Intangible assets		167 406	157 940	136 816
Non-current asset held for sale		62 298	62 298	0
Income tax asset		54 724	78 755	63 055
<i>Current</i>		4 120	0	2 784
<i>Deferred</i>		50 604	78 755	60 271
Other assets	17	282 340	365 087	220 171
<b>TOTAL ASSETS</b>		<b>23 032 700</b>	<b>21 352 348</b>	<b>16 507 729</b>

LIABILITIES AND EQUITY	Note	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Financial liabilities held for trading	21	156 717	129 107	167 135
Financial liabilities measured at amortized cost	18	19 590 714	18 092 194	14 181 944
Hedging derivatives	23	11 300	0	0
Provisions	19	5 251	12 549	10 896
Other liabilities	20	531 298	490 105	430 911
Income tax liabilities		2 761	31 463	0
<i>Current</i>		2 761	31 463	0
Subordinated loans	24	352 403	350 578	352 885
<b>Total liabilities</b>		<b>20 650 444</b>	<b>19 105 996</b>	<b>15 143 771</b>
<b>Equity</b>	25	<b>2 382 256</b>	<b>2 246 352</b>	<b>1 363 958</b>
Share capital		635 830	635 830	512 500
Supplementary capital		1 434 713	1 276 611	714 631
Revaluation reserve		-31 694	10 776	3 259
Other capital		169 938	163 377	14 700
<i>Share-based payments – equity component</i>		169 938	163 377	14 700
Undistributed result from previous years		1 654	-14 305	-14 305
Current year profit/loss		171 815	174 063	133 173
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>23 032 700</b>	<b>21 352 348</b>	<b>16 507 729</b>



(in PLN'000)

## Consolidated statement of changes in equity

1.01.2013- 30.06.2013	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	159 758		2 246 352
Comprehensive income	-	-	-	-42 470		171 815	129 345
Share-based payments	-	-	6 561	-			6 561
Distribution of prior year result	-	158 102			-158 102		0
Other changes in equity					-2		-2
As at 30 June 2013	635 830	1 434 713	169 938	-31 694	1 654	171 815	2 382 256

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	110 331	-	1 112 481
Increase in equity	135 830	664 096	-	-	-	-	799 926
Comprehensive income	-	-	-	23 795	-	174 063	197 858
Share-based payments	-	-	150 777	-	-	-	150 777
IPO costs		-14 690	-	-	-		-14 690
Distribution of prior year result	-	124 636	-	-	-124 636	-	0
As at 31 December 2012	635 830	1 276 611	163 377	10 776	-14 305	174 063	2 246 352

1.01.2012- 30.06.2012	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	110 331	-	1 112 481
Comprehensive income	12 500	87 426		16 278		133 173	249 377
Share-based payments			2 100				2 100
Coverage of previous years' losses		124 636			-124 636		0
As at 30 June 2012	512 500	714 631	14 700	3 259	-14 305	133 173	1 363 958



## Consolidated cash flow statement

	Note	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
<b>Operating activities</b>			
<b>Net profit</b>		<b>171 815</b>	<b>133 173</b>
<b>Adjustments:</b>		<b>-678 075</b>	<b>-475 897</b>
Unrealized foreign exchange gains/losses		7 164	-3 771
Change in income tax assets		5 290	5 084
Amortization/depreciation of tangible and intangible assets		36 929	35 396
Change in tangible and intangible assets impairment write-down		-25	-377
Change in provisions		-7 298	-21 755
Interest (financial activity)	22.2	14 537	13 082
Share-based payments		6 561	2 100
Other adjustments		-2	0
Change in loans and receivables	22.3	-3 122 550	-1 630 151
Change in financial assets available for sale		874 041	562 392
Change in financial assets held for trading		-91 678	107 395
Change in hedging asset derivatives		-476	0
Change in other assets	22.5	82 747	-50 412
Change in deposits		1 306 472	148 575
Change in issued debt		202 183	70 953
Change in financial liabilities held for trading		27 610	-76 595
Change in hedging liability derivatives		11 300	0
Change in other liabilities	22.4	-30 880	362 187
<b>Net cash flow from operating activities</b>		<b>-506 260</b>	<b>-342 724</b>
<b>Investing activities</b>			
<b>Outflows:</b>		<b>-32 454</b>	<b>-50 754</b>
Purchase of property, plant and equipment	22.6	-11 833	-25 185
Purchase of intangible assets	22.7	-20 621	-25 569
<b>Net cash flow from investing activities</b>		<b>-32 454</b>	<b>-50 754</b>
<b>Financing activities</b>			
<b>Outflows:</b>		<b>-16 264</b>	<b>-2 214</b>
Repayment of long-term liabilities		-16 264	-2 214
<b>Inflows:</b>		<b>0</b>	<b>398 948</b>
Subordinated liabilities incurred		0	299 022
Inflows from share issue		0	99 926
<b>Net cash flow from financing activities</b>		<b>-16 264</b>	<b>396 734</b>
<b>Total net cash flow</b>		<b>-554 978</b>	<b>3 256</b>
<b>Balance sheet change in cash and cash equivalents</b>		<b>-554 978</b>	<b>3 256</b>
Cash and cash equivalents, opening balance		<b>1 352 685</b>	<b>784 427</b>
Cash and cash equivalents, closing balance	22.1	<b>797 707</b>	<b>787 683</b>
<b>Additional disclosures on operating cash flows</b>			
Interest income received		<b>674 448</b>	<b>544 980</b>
Interest expense paid		<b>-287 960</b>	<b>-208 093</b>

## Notes to the consolidated financial statements

### 1. Corporate information

#### 1.1 General information

Alior Bank Spółka Akcyjna ("the Bank", "the parent company") is the parent company of the Alior Bank Spółka Akcyjna Group ("the Group"). The Bank, with its seat in Warsaw at Al. Jerozolimskie 94, was entered in the register of businesses maintained by the District Court for the Capital City of Warsaw, 12th 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 a statistical number REGON: 141387142. From 1 July 2013 the Bank has moved to a new seat in Warsaw, 38d Łopuszańska Street.

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

#### 1.2 Duration and scope of business activities

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

Alior Bank SA is a universal lending and deposit-taking bank which renders services to individuals, legal persons and other entities which are Polish and foreign persons. The Bank's core activities include maintaining bank accounts, granting loans and advances, issuing banking securities and 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 Information on the composition of the Bank's Management and Supervisory Boards

As at 1 January 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 |
| • Niels Lundorff    | Vice-President of the Management Board |
| • Artur Maliszewski | Vice-President of the Management Board |
| • Witold Skrok      | Vice-President of the Management Board |

- |                        |  |
|------------------------|--|
| • Cezary Smorszczewski | Vice-President of the Management Board |
| • Katarzyna Sułkowska  | Vice-President of the Management Board |

On 10 February 2013, Mr Cezary Smorszczewski resigned as Vice-President and Member of the Bank's Management Board.

The Bank's Supervisory Board appointed Mr Michał Hucal as Vice-President of the Bank's Management Board on 10 February 2013.

As at 30 June 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 |

As at 1 January 2013, the composition of the Bank's Supervisory Board was as follows:

- |                                 |  |
|---------------------------------|--|
| • Helene Zaleski                | Chair of the Supervisory Board           |
| • Józef Wancer                  | Deputy Chairman 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          |

By Resolution no. 23 of the Extraordinary General Shareholders' Meeting of Alior Bank S.A. of 19 June 2013, Ms Lucyna Stańczak-Wuczyńska was appointed member of Alior Bank S.A.'s Supervisory Board.

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

- |                                 |  |
|---------------------------------|--|
| • Helene Zaleski                | Chair of the Supervisory Board           |
| • Józef Wancer                  | Deputy Chairman 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          |

## 1.4 Information about the Alior Bank S.A. Group

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. On 18 April 2013 The Investors' Meeting of the Fund "PAGO Pierwszy Fundusz Inwestycyjny Zamknięty Niestandaryzowany Fundusz Sekurytyzacyjny" with its seat in Wrocław ("the Fund") passed a resolution on dissolving the Fund pursuant to and on terms and

conditions specified in the Fund's Memorandum of Association, the Act of 27 May 2004 on investment funds and the Decree of the Council of Ministers of 21 June 2005 on investment fund liquidation procedures. The Bank holds 100% investment certificates issued by the Fund.

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 customer needs) and open training. Alior Instytut Szkoleń additionally acts as a strategic partner in the organization of conferences with renowned authorities from 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 June, the Bank holds a 50% stake in POLBITA – Spółka z ograniczoną odpowiedzialnością, which deals with retail trading. The Bank classified the shares as assets held for sale and recorded in accordance with the requirements of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

## 1.5 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 consolidated financial statements of the Alior Bank Spółka Akcyjna Group were approved for publication by the Bank's Management Board on 7 August 2013.

## 2. Accounting policies

### 2.1 Basis of preparation

#### **Scope and comparatives**

The interim condensed consolidated financial statements of the Alior Bank S.A. Group contain data relating to the Bank and its subsidiaries and cover the 6-month period ended 30 June 2013 (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 statement of cash flows) and comprise comparatives as at 31 December 2012 (in the scope of consolidated statement of financial position and consolidated statement of changes in equity). They have been prepared in Polish zloty (PLN) and all amounts in the consolidated financial statements are presented in PLN thousand, unless otherwise stated.

#### **Statement of compliance**

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the first half of 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 2013, and in accordance with the requirements of the Decree 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 consolidated financial statements comply with the requirements of the International Accounting Standard 34 as regards interim financial reporting. These consolidated 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 June 2013, and interim condensed statement of financial position as at 30 June 2013, including the comparatives, have been prepared in accordance with the same accounting policies as those applied in the last annual financial statements, except for the changes in IFRS regulations which are in force 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 June 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 Alior Bank S.A.'s website.

Presented below are the hedge accounting principles which the Group first started to apply in the 1st half of 2013., the bancassurance revenue recognition principles and changes in LGD estimation model.

### **Hedge accounting**

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

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 of 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 the 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 had been designated.

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 cash flow 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; and
- a 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 expected to occur.

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

### **Bancassurance revenue recognition**

In previous years the Bank used to recognize commission for insurers sold to its Customers sharing the fee for two parts. 87.5% of the received amount was credited on a one-off basis to the income statement (recognition of revenue from insurance agent services) and 12.5% of the commission (included in credit valuation with effective interest rate) was deferred in time (on the basis of proportion between unit sale price of both products). At the same time the Bank used to create provision for early withdrawals from insurance.

On 7 March 2013, the Polish Financial Supervision Authority (the PFSA) sent a letter (Sign: DRB/DRB\_III/732/13/1/2013 to Bank Presidents concerning the accounting treatment of income from bancassurance. The letter indicates that institutions acting as

insurers providing financial services are obliged to recognize income in accordance with revenue and costs matching principle and reflect economic nature of the transaction.

In relation to letters of concerning bancassurance and PFSA inspection the Bank has analyzed again agreements with Insurance Companies for receiving commission for insurance (including group insurance) offered with banking products, in particular cash loans. The Bank has analyzed also costs of services connected with insurance agreements and has taken steps to eliminate the risk resulting from service of insurance contracts.

On 1 July 2013 the Bank has entered into new agreements with key insurers cooperating with the Bank under which:

- the Bank is no longer the provider of insurance services - the services are provided by insurers and they are obligated to potential compensations;
- the Bank does not provide any additional paid services under the insurance contract.

As a result of the elimination of the above described the risk ratio of the Bank's remuneration in insurance commission decreased significantly.

Based on comparison of parameters and conditions in current and previous insurance agreements the Bank estimated parts of commission concerning sales service. Other part of the commission is deferred.

On 30 June 2013 the Bank deferred the part of remuneration in the amount of PLN 45 067 thousand.

### **Changes in LGD estimation model**

In the first half of 2013 the Bank has implemented a new LGD estimation model for loans. The model is used for calculation of IBNR impairment and impairment estimated for groups. Details of the changes were described in note 10.

### **Changes in accounting standards**

The accounting policies adopted in the preparation of the interim condensed 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 starting 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 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 adoption of the above-mentioned amendments did not have a significant impact on the Group's 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 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;
- IFRS 12 "Disclosures 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 it 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 IAS 32, Financial Instruments: Presentation”: Offsetting of Financial Assets and Financial Liabilities – applicable 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 12 and IAS 27 – Investment Entities (published in October 2012) – applicable to annual periods starting on or after 1 January 2014 – by the date of approving these financial statements, not 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;
- Changes to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* (published on May 29, 2013) - applicable to annual periods starting on or after 1 January 2014 - the Company plans to apply it from 1 January 2014;
- Changes to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (published on June 27, 2013) - applicable to annual periods starting on or after 1 January 2014 - the Company plans to apply it from 1 January 2014.

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

According to the Bank implementing of IFRIC 21 should not affect balance of recognized costs in financial year. However, its impact on these costs in individual quarters is possible.

### 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 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 sale of car loans.

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 accrued on the balance of allowances for loans;
- reconciliation of the presentation of incremental costs for management reporting purposes by deducting the amount relating to incremental costs from the commission income presented in business segments;
- commission costs not allocated to business units (including cash management fees, ATM sharing commission, domestic and foreign transfers);
- other operating income and expenses not related directly to operating segments.

## Results and volumes by segments for the 1st half of 2013

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
<b>External interest income</b>	<b>170 567</b>	<b>175 602</b>	<b>71 550</b>	<b>47</b>	<b>417 766</b>
external income	373 617	245 209	83 341	1	702 168
external expense	-203 050	-69 607	-11 791	46	-284 402
<b>Internal interest income</b>	<b>85 972</b>	<b>-37 031</b>	<b>-55 716</b>	<b>6 775</b>	<b>0</b>
internal income	261 859	106 010	498 327	7 008	873 204
internal expense	-175 887	-143 041	-554 043	-233	-873 204
<b>Net interest income</b>	<b>256 539</b>	<b>138 571</b>	<b>15 834</b>	<b>6 822</b>	<b>417 766</b>
Fee and commission income	263 213	81 809	0	-2 640	342 382
Fee and commission expense	-39 307	-1 488	-159	-74 410	-115 364
<b>Net fee and commission income</b>	<b>223 906</b>	<b>80 321</b>	<b>-159</b>	<b>-77 050</b>	<b>227 018</b>
<b>Dividend income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>
<b>Trading result</b>	<b>307</b>	<b>14 479</b>	<b>112 431</b>	<b>16</b>	<b>127 233</b>
<b>Net gain (realized) on other financial instruments</b>	<b>26 033</b>	<b>52 895</b>	<b>-71 976</b>	<b>9</b>	<b>6 961</b>
Other operating income	15 759	3 377	-432	6 116	24 820

Other operating expenses	-1 921	-101	0	-11 239	-13 261
<b>Net other operating income</b>	<b>13 838</b>	<b>3 276</b>	<b>-432</b>	<b>-5 123</b>	<b>11 559</b>
<b>Total result before impairment losses</b>	<b>520 623</b>	<b>289 542</b>	<b>55 698</b>	<b>-75 321</b>	<b>790 542</b>
<b>Impairment losses</b>	<b>-79 958</b>	<b>-86 853</b>	<b>0</b>	<b>457</b>	<b>-166 354</b>
<b>Total result after impairment losses</b>	<b>440 665</b>	<b>202 689</b>	<b>55 698</b>	<b>-74 864</b>	<b>624 188</b>
<b>General administrative expenses</b>	<b>-301 809</b>	<b>-105 798</b>	<b>-1 156</b>	<b>-298</b>	<b>-409 061</b>
<b>Gross profit (loss)</b>	<b>138 856</b>	<b>96 891</b>	<b>54 542</b>	<b>-75 162</b>	<b>215 127</b>
Income tax	0	0	0	-43 312	-43 312
<b>Net profit (loss)</b>	<b>138 856</b>	<b>96 891</b>	<b>54 542</b>	<b>-118 474</b>	<b>171 815</b>

Investment expenditure (asset purchase costs)	<b>18 010</b>
Amortization/ depreciation	<b>-36 929</b>

Assets	9 337 489	8 317 010	5 378 201	<b>23 032 700</b>
Liabilities and equity	13 073 067	5 978 541	3 981 092	<b>23 032 700</b>

<b>Total result before impairment losses by products</b>	<b>Retail customers</b>	<b>Corporate customers</b>
Term deposits and current accounts	97 005	59 001
Loan products	381 655	138 085
Brokerage products, investment funds, structured products	35 677	367
Treasury products	26 128	68 696
Other	-7 241	23 393
<b>Total</b>	<b>533 224</b>	<b>289 542</b>

## Results and volumes by segments for the 1st half of 2012

<b>Segment report</b>	<b>Retail customers</b>	<b>Corporate customers</b>	<b>Treasury</b>	<b>Other</b>	<b>Total Bank</b>
<b>External interest income</b>	<b>94 342</b>	<b>174 055</b>	<b>57 297</b>	<b>39</b>	<b>325 733</b>
external income	280 245	231 292	70 721	39	582 297
external expense	-185 903	-57 237	-13 424	0	-256 564
<b>Internal interest income</b>	<b>97 605</b>	<b>-55 792</b>	<b>-47 720</b>	<b>5 907</b>	<b>0</b>
internal income	247 235	85 295	493 640	6 083	832 253
internal expense	-149 630	-141 087	-541 360	-176	-832 253
<b>Net interest income</b>	<b>191 947</b>	<b>118 263</b>	<b>9 577</b>	<b>5 946</b>	<b>325 733</b>
Fee and commission income	227 857	64 590	0	8 055	300 502
Fee and commission expense	-24 835	-1 586	-161	-56 806	-83 388
<b>Net fee and commission income</b>	<b>203 022</b>	<b>63 004</b>	<b>-161</b>	<b>-48 751</b>	<b>217 114</b>
<b>Dividend income</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>
<b>Trading result</b>	<b>15 055</b>	<b>51 560</b>	<b>14 858</b>	<b>-185</b>	<b>81 288</b>
<b>Net gain (realized) on other financial instruments</b>	<b>-78</b>	<b>15 345</b>	<b>-12 039</b>	<b>-9</b>	<b>3 219</b>
Other operating income	10 159	1 010	-761	11 911	22 319
Other operating expenses	-2 324	-76	0	-6 501	-8 901
<b>Net other operating income</b>	<b>7 835</b>	<b>934</b>	<b>-761</b>	<b>5 410</b>	<b>13 418</b>
<b>Total result before impairment losses</b>	<b>417 799</b>	<b>249 106</b>	<b>11 474</b>	<b>-37 589</b>	<b>640 790</b>

<b>Impairment losses</b>	<b>-73 487</b>	<b>-46 075</b>		<b>253</b>	<b>-119 309</b>
<b>Total result after impairment losses</b>	<b>344 312</b>	<b>203 031</b>	<b>11 474</b>	<b>-37 336</b>	<b>521 481</b>
<b>General administrative expenses</b>	<b>-246 149</b>	<b>-124 346</b>	<b>-551</b>	<b>-425</b>	<b>-371 471</b>
<b>Gross profit (loss)</b>	<b>98 163</b>	<b>78 685</b>	<b>10 923</b>	<b>-37 761</b>	<b>150 010</b>
Income tax				-16 837	-16 837
<b>Net profit (loss)</b>	<b>98 163</b>	<b>78 685</b>	<b>10 923</b>	<b>-54 598</b>	<b>133 173</b>

Investment expenditure (asset purchase costs)				54 283	54 283
Amortization/ depreciation				-35 396	-35 396

Assets	6 303 292	5 994 139	4 210 298		16 507 729
Liabilities and equity	10 039 609	3 553 721	2 914 399		16 507 729

<b>Total result before impairment losses by products</b>	<b>Retail customers</b>	<b>Corporate customers</b>
Term deposits and current accounts	88 864	59 085
Loan products	279 360	116 505
Brokerage products, investment funds, structured products	34 230	18
Treasury products	15 123	67 447
Other	222	6 051
<b>Total</b>	<b>417 799</b>	<b>249 106</b>

## Notes to the income statement

### 4. Net interest income

<b>4.1 Net interest income by entity</b>	<b>1.01.2013 - 30.06.2013</b>	<b>1.01.2012 - 30.06.2012</b>
<b>Interest income</b>	<b>702 168</b>	<b>582 297</b>
financial sector	46 923	53 799
non-financial sector	610 456	492 729
central and local government institutions	44 789	35 769
<b>Interest expense</b>	<b>-284 402</b>	<b>-256 564</b>
financial sector	-48 388	-41 069
non-financial sector	-235 204	-214 751
central and local government institutions	-810	-744
<b>Net interest income</b>	<b>417 766</b>	<b>325 733</b>

<b>4.2 Net interest income by product</b>	<b>1.01.2013 - 30.06.2013</b>	<b>1.01.2012 - 30.06.2012</b>
<b>Interest income</b>	<b>702 168</b>	<b>582 297</b>
current accounts	9 850	9 813
overnight deposits	491	613
term deposits	902	4 421
loans	605 155	484 298
debt instruments	64 773	60 370
receivables acquired	18 732	17 198
hedging derivatives	1 775	0
other	490	5 584
<b>Interest expense</b>	<b>-284 402</b>	<b>-256 564</b>
current deposits	-27 901	-16 061
term deposits	-212 923	-198 302
repo transactions in securities	-7 952	-10 061
cash deposits	-3 450	-3 254
own issue	-28 697	-26 691
hedging derivatives	-1 798	0
other	-1 681	-2 195
<b>Net interest income</b>	<b>417 766</b>	<b>325 733</b>

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

	<b>1.01.2013 - 30.06.2013</b>	<b>1.01.2012 - 30.06.2012</b>
<b>Fee and commission income</b>	<b>342 382</b>	<b>300 502</b>
granted loans	27 757	10 132
revenue from bankassurance activity	180 267	176 946

settlements	37 059	32 541
guarantee liabilities	4 517	5 905
other banking activities	60 591	47 452
brokerage commissions	19 930	20 922
financial service	4 000	0
other commissions	8 261	6 604
<b>Fee and commission expense</b>	<b>-115 364</b>	<b>-83 388</b>
commissions paid to agents	-26 874	-21 244
custody services	-55	-45
settlements	-25 619	-19 423
compensation and awards to customers	-15 423	-4 818
payment card issue	-4 264	-4 425
costs of customers acquisition	-313	-576
commissions for ATM sharing	-8 401	-8 602
fees for reports (BIK, KRS, KRD)	-506	-810
assistance services	-5 950	-1 471
fees paid under service agreements	-14 049	-11 158
brokerage commissions	-2 835	-4 123
financial service	0	0
other commissions	-11 075	-6 693
<b>Net fee and commission income</b>	<b>227 018</b>	<b>217 114</b>

## 6. Trading result

	<b>1.01.2013 - 30.06.2013</b>	<b>1.01.2012 - 30.06.2012</b>
Foreign exchange transactions result	70 020	56 063
Interest rate transactions result	54 369	23 923
Other financial instruments result	2 844	1 302
<b>Trading result</b>	<b>127 233</b>	<b>81 288</b>

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

	<b>1.01.2013 - 30.06.2013</b>	<b>1.01.2012 - 30.06.2012</b>
Financial assets available for sale	7 131	2 909
Own issue	-170	310
income from re-purchase	27	315
losses on repurchase	-197	-5
<b>Net gain realized on other financial instruments</b>	<b>6 961</b>	<b>3 219</b>

## 8. Net other operating income

	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
<b>Other operating income from:</b>	<b>24 820</b>	<b>22 319</b>
management of third party assets	5 138	5 508
received compensations, fines and penalties	58	87
fees paid by counterparts	2 855	3 681
acquisition of receivables	1 956	1 841
reimbursement of litigation costs	6 220	2 784
accrued income from reimbursement of tax from the tax office	5 383	5 733
other	3 210	2 685
<b>Other operating expenses due to:</b>	<b>-13 261</b>	<b>-8 901</b>
management of third party assets	-1 121	-1 476
paid compensations, fines and penalties	-258	-3
awards given to customers	-805	-786
operating risk	-2 070	-1 739
litigation costs	-3 672	-1 207
lump sum reimbursement of costs incurred by the insurer in connection with the Bank exercising insurance actions	-1 556	-2 263
acquisition of receivables	-2 014	0
other	-1 765	-1 427
<b>Net other operating income and expense</b>	<b>11 559</b>	<b>13 418</b>

## 9. General administrative expenses

	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
<b>Payroll costs</b>	<b>-224 129</b>	<b>-191 936</b>
remuneration due to employment contracts	-181 277	-159 675
remuneration surcharges	-33 814	-27 203
share-based payments	-6 561	-2 100
other	-2 477	-2 958
<b>General and administrative costs</b>	<b>-144 535</b>	<b>-141 819</b>
IT costs	-15 280	-12 392
lease and building maintenance expenses	-67 271	-67 270
marketing costs	-21 847	-26 889
training costs	-5 855	-4 105
cost of advisory services	-4 637	-4 845
costs of Banking Guarantee Fund	-7 141	-4 854
lease of property, plant and equipment and intangible assets	-3 465	-4 404
costs of telecommunications services	-6 690	-6 610
external services	-6 020	-4 598
other	-6 329	-5 852
<b>Amortization and depreciation</b>	<b>-36 929</b>	<b>-35 396</b>
property, plant and equipment	-24 255	-22 978
intangible assets	-12 674	-12 418
<b>Taxes and fees</b>	<b>-3 468</b>	<b>-2 320</b>
<b>Total general administrative expenses</b>	<b>-409 061</b>	<b>-371 471</b>



## 10. Net impairment losses

	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
Impairment losses on impaired loans and advances to customers	-173 985	-104 519
financial sector	-510	25
non-financial sector	-173 475	-104 544
retail customers	-82 346	-63 701
business customers	-91 129	-40 843
Debt securities	-181	-2 125
IBNR for customers without impairment losses	8 519	-12 625
financial sector	567	-279
non-financial sector	7 952	-12 346
retail customers	3 767	-10 513
business customers	4 185	-1 833
Off-balance reserve	-732	0
Property, plant and equipment and intangible assets	25	-40
<b>Net impairment losses</b>	<b>-166 354</b>	<b>-119 309</b>

In the first half of 2013 the Bank has implemented a new LGD estimation model for loans. The model is used for calculation of IBNR losses and impairment estimated for groups. As a result of the new model implementation the amount of these impairment losses decreased by about PLN 9.4 million and PLN 16 million respectively.

In the current model all identified default cases (including cases without completed recovery process – “incomplete workout” cases) are included in the calculation and LGD parameter is weighted not by credit exposures but by default cases. The model is based on current recovery processes in the Bank, including return of exposures to normal situation, exposure sale and vindication of debt securities. Parameters are estimated on the basis of historical data for the Bank’s Customers, including cash flows.

## 11. Income tax expense

11.1 Presented in the income statement	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
Current tax	5 199	8 969
current year	5 199	8 969
Deferred tax	38 113	7 868
origination and reversal of temporary differences	38 113	7 868
<b>Accounting tax recognized in the income statement</b>	<b>43 312</b>	<b>16 837</b>

11.2 Effective tax rate calculation	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
<b>Profit before tax</b>	<b>215 127</b>	<b>150 010</b>
<b>Income tax at 19%</b>	<b>40 873</b>	<b>28 502</b>
<b>Non-tax deductible expenses</b>	<b>2 504</b>	<b>1 240</b>
Representation costs	223	167
State Fund for Rehabilitation of Persons with Disabilities	401	308
Impairment losses on loans in the part not covered with deferred tax	10	0
Costs of provisions for management options	1 247	399
Donations	2	0
Other	621	366
<b>Non-taxable revenues</b>	<b>-222</b>	<b>-4 188</b>
Release of loan impairment allowances in the part not covered with the deferred tax	-214	-3 487
Other	-8	-701
<b>Tax deductible expenses not being accounting expenses</b>	<b>-497</b>	<b>-597</b>
Amortization of goodwill for tax purposes	-497	-597
<b>Recognition of tax loss</b>	<b>17</b>	<b>1 899</b>
<b>Recognition of assets related to contribution of receivables to Obrót Wierzytelnościami Alior Polska sp. z o.o. S.K.A.</b>	<b>120</b>	<b>-10 019</b>
Other	517	0
<b>Accounting tax recognized in the income statement</b>	<b>43 312</b>	<b>16 837</b>
<b>Effective tax rate</b>	<b>20,13%</b>	<b>11,22%</b>

## 12. Earnings per share

	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
Net profit	171 815	133 173
Weighted average number of ordinary shares	63 582 965	50 000 000
Share options (number) - adjusting instrument	3 331 250	0
Adjusted weighted average number of shares	66 914 215	50 000 000
<b>Net earnings per ordinary share (PLN)</b>	<b>2,70</b>	<b>2,66</b>
<b>Dilluted earnings per one share</b>	<b>2,57</b>	<b>2,66</b>

## Notes to the statement of financial position

### 13. Cash and balances with the central bank

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Current account with the Central Bank	548 365	877 582	437 493
Cash	173 615	152 386	152 680
<b>Cash and balances with the central bank</b>	<b>721 980</b>	<b>1 029 968</b>	<b>590 173</b>

### 14. Financial assets available for sale

14.1 By type	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Debt instruments</b>	<b>3 445 417</b>	<b>4 320 504</b>	<b>2 344 330</b>
issued by the State Treasury	2 445 171	2 592 591	1 501 370
T-bills	0	93 762	97 850
T-bonds	2 445 171	2 416 889	1 319 296
Eurobonds	0	81 940	84 224
issued by other governmental institutions	0	0	30 237
bonds	0	0	30 237
issued by monetary institutions	774 002	1 584 555	714 226
bonds	174 185	185 256	127 784
deposit certificates	0	149 889	316 644
money bills	599 817	1 249 410	269 798
issued by other financial institutions	67 354	138 361	98 317
bonds	46 334	118 310	61 822
Eurobonds	21 020	20 051	36 495
issued by companies	158 890	4 997	180
bonds	158 890	4 997	180
<b>Equity instruments</b>	<b>1 289</b>	<b>243</b>	<b>253</b>
<b>Available-for-sale financial assets</b>	<b>3 446 706</b>	<b>4 320 747</b>	<b>2 344 583</b>

14.2 By maturity	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
without set maturity date	1 289	243	253
≤ 1M	600 098	1 374 227	309 915
> 1M ≤ 3M	39 340	248 467	157 203
≤ 6M > 3M ≤ 6M	3 925	180 744	371 313
> 6M ≤ 1Y	311 341	62 664	267 378
> 1Y ≤ 2Y	466 856	580 925	402 242
> 2Y ≤ 5Y	1 430 793	774 674	463 253
> 5Y ≤ 10Y	593 064	1 098 803	373 026
> 10Y ≤ 20Y	0	0	0
<b>Available-for-sale financial assets</b>	<b>3 446 706</b>	<b>4 320 747</b>	<b>2 344 583</b>

14.3 Impairment allowance on debt instruments	As at 30.06.2013		As at 31.12.2012		As at 30.06.2012	
	Gross amount	Impairment allowance	Gross amount	Impairment allowance	Gross amount	Impairment allowance
Bonds issued by companies	4 316	4 316	4 316	4 135	4 318	4 138

The following statements show the hierarchy of valuation methods for financial assets available for sale, measured at fair value as at 30.06.2013 and the comparatives as at 31.12.2012 and 30.06.2012.

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.

14.4 Fair value	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Level 1</b>	<b>2 611 612</b>	<b>2 656 157</b>	<b>1 612 454</b>
T-bills	0	93 762	97 850
T-bonds	2 445 171	2 416 889	1 349 535
Other bonds	166 441	145 506	165 069
<b>Level 2</b>	<b>833 805</b>	<b>1 664 347</b>	<b>731 876</b>
Money bills	599 817	1 249 410	269 798
Other bonds	233 988	265 048	145 434
Deposit certificates	0	149 889	316 644
<b>Level 3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity instruments</b>	<b>1 289</b>	<b>243</b>	<b>253</b>
<b>Valuation of available for sale financial assets by level</b>	<b>3 446 706</b>	<b>4 320 747</b>	<b>2 344 583</b>

## 15. Amounts due from customers

15.1 By type	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>9 337 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
Working capital facility	114 043	82 849	75 608
Consumer loans	5 194 838	4 146 067	3 115 080
Loans for purchase of securities	174 622	226 932	216 184
Credit card borrowings loans	177 874	166 716	148 195
Loans for residential real estate	2 846 861	2 374 997	2 041 289
Other mortgage loans	800 774	729 950	682 787
Other receivables	28 477	48 222	24 149
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
Working capital facility	4 657 396	4 087 867	3 838 561
Car loans	307 778	379 571	379 091
Investment loans	2 660 027	1 625 968	1 134 751
Credit card borrowings loans	19 395	17 112	21 673
Mortgage loans	28 101	25 473	2 598
Acquired receivables	641 934	623 095	554 939
Other receivables	2 379	613	62 526
<b>Amounts due from customers</b>	<b>17 654 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

15.2 By gross amounts and carrying amounts	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>9 337 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
Loans for residential real estate	2 846 861	2 374 997	2 041 289
unimpaired	2 822 582	2 361 802	2 031 558
impaired	36 403	22 853	17 967
IBNR	-5 475	-5 019	-3 220
Impairment allowance	-6 649	-4 639	-5 016
Other retail loans	6 490 628	5 400 736	4 262 003
unimpaired	6 308 998	5 333 222	4 225 665
impaired	566 087	375 905	300 986
IBNR	-40 947	-44 979	-38 775
Impairment allowance	-343 510	-263 412	-225 873
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
unimpaired	8 086 056	6 562 864	5 923 863
impaired	576 829	450 540	245 768
IBNR	-21 096	-22 108	-23 254
Impairment allowance	-324 779	-231 597	-152 238
<b>Amounts due from customers</b>	<b>17 654 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

15.3 Receivables from customers impaired	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Receivables from customers individually assessed</b>	<b>423 421</b>	<b>299 121</b>	<b>155 601</b>
<b>Retail segment</b>	<b>186 150</b>	<b>93 627</b>	<b>66 242</b>
Amounts due from customers	351 318	211 488	153 744
Impairment allowance	-165 168	-117 861	-87 502
<b>Corporate segment</b>	<b>237 271</b>	<b>205 494</b>	<b>89 359</b>
Amounts due from customers	500 271	386 505	209 114
Impairment allowance	-263 000	-181 011	-119 755

Receivables from customers collectively assessed	<b>80 960</b>	<b>50 529</b>	<b>25 993</b>
<b>Retail segment</b>	<b>66 181</b>	<b>37 080</b>	<b>21 822</b>
Amounts due from customers	251 172	187 270	165 209
Impairment allowance	-184 991	-150 190	-143 387
<b>Corporate segment</b>	<b>14 779</b>	<b>13 449</b>	<b>4 171</b>
Amounts due from customers	76 558	64 035	36 654
Impairment allowance	-61 779	-50 586	-32 483
<b>Receivables from customers impaired</b>	<b>504 381</b>	<b>349 650</b>	<b>181 594</b>

<b>15.4 Change in the balance of receivables impairment allowances (net of IBNR)</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Opening balance	499 648	299 009	299 009
Changes during the year:	175 290	200 639	84 118
Increases	307 549	479 358	192 868
Retail segment	179 957	282 180	124 395
Loans for residential real estate	6 190	10 466	5 424
Other loans	173 767	271 714	118 971
Corporate segment	127 592	197 178	68 473
Other loans	124 705	180 717	59 945
Acquired receivables	1 949	9 664	6 098
Other receivables	938	6 797	2 430
Decreases	-133 616	-221 247	-88 350
Retail segment	-97 662	-146 892	-60 694
Loans for residential real estate	-4 282	-7 758	-2 431
Other loans	-93 380	-139 134	-58 263
Corporate segment	-35 954	-74 355	-27 656
Other loans	-32 506	-70 961	-27 136
Acquired receivables	-2 585	-963	-344
Other receivables	-863	-2 431	-176
Other changes	1 515	-19 229	-15 294
Transfer to costs	-378	-37 760	-5 519
Foreign exchange differences	220	-483	413
<b>Impairment allowances at the end of the period</b>	<b>674 938</b>	<b>499 648</b>	<b>383 127</b>

The provision for losses incurred but not reported (IBNR) amounted to: PLN 67 518 thousand as at 30 June 2013, PLN 72 106 thousand as at 31 December 2012 and PLN 65 248 thousand as at 30 June 2012.

15.5 By maturity (as at the balance sheet date)	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>9 337 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
≤ 1M	1 219 283	1 192 005	780 299
> 1M ≤ 3M	266 996	101 558	100 523
> 3M ≤ 6M	254 218	158 692	190 178
> 6M ≤ 1Y	438 547	411 169	273 816
>1Y ≤ 2Y	736 035	523 229	474 818
>2Y ≤ 5Y	1 889 750	1 473 313	1 154 757
>5Y ≤ 10Y	1 915 182	1 620 061	1 344 068
>10Y ≤ 20Y	1 260 668	1 040 088	905 083
>20Y	1 356 810	1 255 618	1 079 750
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
≤ 1M	3 035 073	3 049 023	2 445 021
> 1M ≤ 3M	782 301	424 395	569 194
> 3M ≤ 6M	337 247	485 292	373 532
> 6M ≤ 1Y	1 029 653	771 722	607 327
>1Y ≤ 2Y	701 741	675 123	620 259
>2Y ≤ 5Y	1 442 182	800 213	774 488
>5Y ≤ 10Y	805 333	445 150	512 892
>10Y ≤ 20Y	183 480	108 781	91 426
<b>Amounts due from customers</b>	<b>17 654 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

15.6 By currency	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>9 337 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
PLN	8 218 871	6 696 255	5 180 802
Other	1 118 618	1 079 478	1 122 490
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
PLN	7 043 337	5 990 931	5 132 386
Other	1 273 673	768 768	861 753
<b>Total receivables</b>	<b>17 654 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

15.7 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

15.8 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
Natural person 1	PLN,EUR	66 546
Company 7	PLN,EUR	62 994
Company 8	PLN	57 098
Company 9	PLN	56 993

15.9 Ten largest credit exposures (all loans are performing)	Currency	As at 30.06.2012
Company 1	PLN	176 685
Company 2	PLN,EUR	98 071
Company 3	PLN,EUR	91 123
Company 4	PLN	90 557
Company 5	PLN	74 026
Company 6	PLN	59 513
Company 7	PLN	53 434
Company 8	PLN	49 110
Company 9	PLN	47 470
Company 10	PLN	46 869

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

## 16. Amounts due from banks

16.1 By type	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Current accounts	19 869	82 861	9 893
Overnight deposits (O/N)	55 863	154 624	134 746
Term deposits	0	85 131	198 991
Reverse Repo	0	0	10 690
Security deposits granted	77 407	77 367	60 793
Other	16 882	13 545	18 351
<b>Amounts due from banks</b>	<b>170 021</b>	<b>413 528</b>	<b>433 464</b>

16.2 By maturity (as at the balance sheet date)	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
≤ 1M	170 021	333 528	288 464
> 1M ≤ 3M	0	80 000	0
> 3M ≤ 6M	0	0	145 000
<b>Amounts due from banks</b>	<b>170 021</b>	<b>413 528</b>	<b>433 464</b>



16.3 By currency	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
PLN	4 028	125 244	209 793
EUR	27 360	74 680	53 989
GBP	4 762	34 445	20 949
USD	99 916	133 759	128 118
CHF	1 004	16 421	3 371
Other currencies	32 951	28 979	17 244
<b>Amounts due from banks</b>	<b>170 021</b>	<b>413 528</b>	<b>433 464</b>

Forward repo/reverse repo transactions are concluded by the Group to optimize current liquidity management; therefore, they are classified exclusively to the banking portfolio. Sporadic transactions appearing in the trading book result from risk-free arbitrage. Repo and reverse repo transactions are short-term and mature no later than within one month, they are concluded mainly in PLN, decidedly less frequently in EUR and USD. Net balances of repo and reverse repo transactions which mature within one month are included in the Group's liquidity buffer (liquid assets). As at the end of June 2013, the Group did not have any reverse repo transactions.

Security deposits granted are connected with settlements with other banks under CSA agreement.

## 17. Other assets

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Sundry debtors</b>	<b>246 130</b>	<b>344 535</b>	<b>189 688</b>
Other settlements	60 436	57 143	18 203
Receivables related to the sale of goods and services (including insurance)	131 001	165 164	112 068
Settlements from investment certificates' transactions	0	41 717	0
Guarantee deposits	13 608	17 409	17 379
Settlements of payment cards	41 085	63 102	42 038
<b>Deferred costs</b>	<b>36 210</b>	<b>20 552</b>	<b>30 483</b>
Settlements of rental charges and utilities	1 590	2 669	4 464
Reimbursement of lump sum costs incurred by the insurer in connection with the Bank's insurance activities	393	1 949	4 009
Maintenance and support of systems, servicing of plant and equipment	6 753	6 885	7 645
Mandatory costs of Banking Guarantee Fund	7 141	0	4 854
Accrued income on PCC settlements with the Tax Office	6 674	2 500	5 733
Other deferred costs	13 659	6 549	3 778
<b>Other assets</b>	<b>282 340</b>	<b>365 087</b>	<b>220 171</b>

Receivables related to the sale of goods and services concern above all remuneration for insurance services from Insurance Companies.

## 18. Financial liabilities measured at amortized cost

18.1 By type	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Due to banks</b>	<b>539 106</b>	<b>628 841</b>	<b>588 614</b>
Overnights	0	0	50 013
Term deposits	0	0	89 489
Credit received	64 954	61 342	63 938
Other liabilities	12 465	19 980	5 761
Repo	461 687	547 519	379 413
<b>Due to customers</b>	<b>19 051 608</b>	<b>17 463 353</b>	<b>13 593 330</b>
Current deposits	5 949 558	4 794 146	3 657 071
Term deposits	11 928 233	11 777 174	9 111 320
Own issue of Banking Securities	858 238	656 055	622 502
Other liabilities	315 579	235 978	202 437
<b>Total liabilities</b>	<b>19 590 714</b>	<b>18 092 194</b>	<b>14 181 944</b>

18.2 By customer type and segment	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>13 073 067</b>	<b>12 649 730</b>	<b>10 039 609</b>
Current deposits	4 132 338	3 101 359	2 358 530
Term deposits	8 773 680	9 349 927	7 463 851
Banking securities issued	62 774	113 464	140 782
Other liabilities	104 275	84 980	76 446
<b>Corporate segment</b>	<b>5 978 541</b>	<b>4 813 623</b>	<b>3 553 721</b>
Current deposits	1 817 220	1 692 787	1 298 541
Term deposits	3 154 553	2 427 247	1 647 470
Banking securities issued	795 464	542 591	481 720
Other liabilities	211 304	150 998	125 990
<b>Total amounts due to customers</b>	<b>19 051 608</b>	<b>17 463 353</b>	<b>13 593 330</b>

18.3 By maturity (as at the balance sheet date)	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>13 073 067</b>	<b>12 649 730</b>	<b>10 039 609</b>
≤ 1M	7 940 867	6 800 971	7 196 200
> 1M ≤ 3M	3 171 721	3 337 211	1 398 992
> 3M ≤ 1Y	1 903 221	2 388 378	1 383 862
> 1Y ≤ 5Y	53 644	121 036	59 350
>5Y	3 614	2 134	1 205
<b>Corporate segment</b>	<b>5 978 541</b>	<b>4 813 623</b>	<b>3 553 721</b>
≤ 1M	4 081 385	3 385 794	2 383 199
> 1M ≤ 3M	835 201	546 218	354 435
> 3M ≤ 1Y	469 372	316 291	531 231
> 1Y ≤ 5Y	590 560	563 200	282 355
>5Y	2 023	2 120	2 501
<b>Total amounts due to customers</b>	<b>19 051 608</b>	<b>17 463 353</b>	<b>13 593 330</b>

18.4 By currency	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>13 073 067</b>	<b>12 649 730</b>	<b>10 039 609</b>
PLN	11 523 858	11 076 226	8 665 906
Other	1 549 209	1 573 504	1 373 703
<b>Corporate segment</b>	<b>5 978 541</b>	<b>4 813 623</b>	<b>3 553 721</b>
PLN	4 832 976	3 669 886	2 815 250

Other	1 145 565	1 143 737	738 471
<b>Total amounts due to customers</b>	<b>19 051 608</b>	<b>17 463 353</b>	<b>13 593 330</b>

<b>18.5 Ten largest depositors (without banks)</b>	<b>Currency</b>	<b>As at 30.06.2013</b>
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
Natural person 1	PLN	57 899
Company 6	PLN	51 321
Company 7	PLN	40 180
Company 8	PLN	38 508
Natural person 2	PLN	35 864

<b>18.6 Ten largest depositors (without banks)</b>	<b>Currency</b>	<b>As at 31.12.2012</b>
Company 1	PLN, EUR, USD	355 443
Company 2	PLN, USD	222 346
Company 3	PLN	85 903
Company 4	PLN	56 772
Natural person 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

<b>18.7 Ten largest depositors (without banks)</b>	<b>Currency</b>	<b>As at 30.06.2012</b>
Company 1	PLN, USD	104 555
Company 2	PLN, EUR	67 180
Company 3	PLN	61 001
Natural person 1	PLN	55 923
Company 4	PLN, USD	49 463
Company 5	PLN	48 629
Company 6	PLN, EUR, USD	33 439
Company 7	PLN	31 323
Company 8	PLN, EUR	30 722
Company 9	PLN, EUR, USD	30 484

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.

<b>18.8 Own issues /type of security (nominal value)</b>	<b>Currency</b>	<b>Maturity date</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
PEURDD120706	PLN	06.07.2012	0	0	348
PEURDU120706	PLN	06.07.2012	0	0	1 042
PLN100AUTO20120720	PLN	20.07.2012	0	0	9 049
P90WIG120830	PLN	30.08.2012	0	0	2 728
P10WIG120830	PLN	30.08.2012	0	0	12 837
PAURUM121005	PLN	05.10.2012	0	0	18 313



(in PLN'000)

PW20TV121221	PLN	21.12.2012	0	0	17 915
PEURDD130108	PLN	08.01.2013	0	542	0
PEURDU130108	PLN	08.01.2013	0	1 132	0
P4EQIN130131	PLN	31.01.2013	0	23 493	24 273
P4EQUP130131	PLN	31.01.2013	0	1 417	1 437
FIX3M7K130322	PLN	22.03.2013	0	27 930	28 140
PF3M51130322	PLN	22.03.2013	0	1 100	26 250
PGLDTV130425	PLN	25.04.2013	0	22 664	24 322
UP345U130517	USD	17.05.2013	0	1 974	0
P4EQIN130605	PLN	05.06.2013	0	49 489	50 489
P4EQUP130605	PLN	05.06.2013	0	425	425
PGLDTV130612	PLN	12.06.2013	0	23 149	25 214
P5EQIN130621	PLN	21.06.2013	0	23 382	28 733
P5EQUP130621	PLN	21.06.2013	0	1 820	1 989
PF3M65130624	PLN	24.06.2013	0	7 660	7 660
PLN100FIX6M675K20130624	PLN	24.06.2013	0	13 510	16 210
PU6MWB130624	PLN	24.06.2013	0	15 580	15 640
P4EQIN130703	PLN	03.07.2013	28 823	30 206	30 765
P4EQUP130703	PLN	03.07.2013	293	293	293
EU134U130812	EUR	12.08.2013	4 329	0	0
EP425F130821	EUR	21.08.2013	866	0	0
PAGRUP130828	PLN	28.08.2013	37 017	37 536	38 026
EP43UP130923	EUR	23.09.2013	9 985	9 430	0
EMIXPB130924	EUR	24.09.2013	4 282	4 044	4 410
PAGRUP130924	PLN	24.09.2013	33 388	33 902	34 337
PUP3MK130924	PLN	24.09.2013	480	510	540
PUPK3M130924	PLN	24.09.2013	1 750	1 750	1 750
UP35UP130927	USD	27.09.2013	5 722	5 347	0
UP345U131129	USD	29.11.2013	2 086	0	0
UP34UP131129	USD	29.11.2013	1 389	0	0
UP340U140123A	USD	23.01.2014	1 659	0	0
PCRUI140203	PLN	03.02.2014	13 149	13 611	0
PCRUI140203	PLN	03.02.2014	43	43	0
PCRUI140310	PLN	10.03.2014	25 314	25 726	0
PCRUI140310	PLN	10.03.2014	138	138	0
PF6M60140322	PLN	22.03.2014	15 864	15 864	15 863
PPEQIN140402	PLN	02.04.2014	21 071	23 933	0
PPEQUP140402	PLN	02.04.2014	102	222	0
UP36UP140403	USD	03.04.2014	1 659	0	0
PGLDIN140407	PLN	07.04.2014	52 261	57 336	58 195
PGLDTV140407	PLN	07.04.2014	227	227	279
UP36UP140409	USD	09.04.2014	1 659	0	0
PPEQIN140430	PLN	30.04.2014	19 296	21 463	0
PPEQUP140430	PLN	30.04.2014	30	30	0
PCOMIN140618	PLN	18.06.2014	25 206	25 638	26 735
PCOMUP140618	PLN	18.06.2014	499	499	499
PAUTIN140725	PLN	25.07.2014	32 981	33 815	35 488
PAUTUP140725	PLN	25.07.2014	291	301	366
PSILIN140825	PLN	25.08.2014	18 701	19 152	19 897
PSILUP140825	PLN	25.08.2014	118	118	118
PPLAIN140915	PLN	15.09.2014	24 373	25 020	25 840
PPLAUP140915	PLN	15.09.2014	285	285	285
EMIXPB140922	EUR	22.09.2014	1 082	1 022	1 065
PBWEIN141008	PLN	08.10.2014	26 206	27 131	27 581
PBWEUP141008	PLN	08.10.2014	301	313	313
PBWEIN141105	PLN	05.11.2014	17 646	18 116	18 457
PBWEUP141105	PLN	05.11.2014	407	407	407
P4EQIN141204	PLN	04.12.2014	89 721	0	0
P4EQUP141204	PLN	04.12.2014	927	0	0
PGOLIN141205	PLN	05.12.2014	16 283	16 431	0
PGOLUP141205	PLN	05.12.2014	75	75	0

PWEQIN141205	PLN	05.12.2014	5 354	5 403	0
PWEQUP141205	PLN	05.12.2014	10	10	0
PGOLIN141219	PLN	19.12.2014	14 720	14 879	0
PGOLUP141219	PLN	19.12.2014	305	305	0
PSMAIN150225	PLN	25.02.2015	55 890	0	0
PSMAUP150225	PLN	25.02.2015	283	0	0
PSTXIN150410	PLN	10.04.2015	41 490	0	0
PSTXUP150410	PLN	10.04.2015	114	0	0
PETHIN150416	PLN	16.04.2015	8 476	0	0
PETHUP150416	PLN	16.04.2015	50	0	0
PETHIN150618	PLN	18.06.2015	9 671	0	0
ALIOR150629	PLN	29.06.2015	146 700	0	0
PCOMIN151124	PLN	24.11.2015	67 577	0	0
PCOMUP151124	PLN	24.11.2015	66	0	0
PMIX3M160622	PLN	22.06.2016	3 280	0	0
<b>Total own issues (nominal value)</b>			<b>891 970</b>	<b>685 798</b>	<b>654 523</b>

## 19. Provisions

	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
<b>As at 30 June 2013</b>	<b>386</b>	<b>4 865</b>	<b>5 251</b>

	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
<b>As at 31 December 2012</b>	<b>840</b>	<b>11 709</b>	<b>12 549</b>

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2012	1 583	31 068	32 651
Provisions recorded	220	42 250	42 470
Provisions released	-343	-1 327	-1 670
Provisions utilized	0	-62 555	-62 555
<b>As at 30 June 2012</b>	<b>1 460</b>	<b>9 436</b>	<b>10 896</b>

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.

## 20. Other liabilities

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Interbank settlements	238 647	176 975	214 904
Taxation, customs duty, social and health insurance payables and other public settlements	20 428	19 561	17 568
Liabilities in respect of payment card settlements	32 978	7 296	33 855
Other settlements	170 735	205 965	120 653
including settlements with insurers	107 651	191 926	101 384
Accruals	56 061	73 891	40 039
Other liabilities	12 449	6 417	3 892
<b>Total other liabilities</b>	<b>531 298</b>	<b>490 105</b>	<b>430 911</b>

Settlements with insurers result from insurance premiums for covering of the Bank's Customers with group insurance (group insurance contracts with insurance companies have been entered into by the Bank).

## 21. Financial assets and financial liabilities held for trading

The Group classified derivative instruments, shares and bonds to financial assets and financial liabilities held for trading as at 30 June 2013, 31 December 2012 and 30 June 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).

<b>21.1 Derivative financial instruments (nominal value)</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Interest rate transactions	12 590 048	7 174 763	5 509 652
SWAP	12 153 437	4 745 386	1 883 978
FRA	0	0	1 150 000
Cap Floor Options	436 611	2 429 377	2 475 674
Foreign exchange transactions	4 339 339	3 898 412	4 575 838
FX swap	1 157 684	810 518	471 229

FX forward	1 496 826	1 449 566	1 626 379
CIRS	1 325 499	1 274 979	1 607 283
FX options	359 330	363 349	870 947
Other options	1 483 640	1 374 746	1 245 846
Other instruments	553 178	450 969	662 434
<b>Derivative financial instruments (nominal value)</b>	<b>18 966 205</b>	<b>12 898 890</b>	<b>11 993 770</b>

<b>21.2 Financial assets held for trading</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Shares	1 996	1 393	1 130
Bonds	853	116	0
Interest rate transactions	109 167	67 021	20 145
SWAP	106 042	66 406	20 079
Cap Floor Options	3 125	615	66
Foreign exchange transactions	93 189	61 486	97 288
FX swap	11 938	4 505	6 810
FX forward	46 173	21 763	40 991
CIRS	33 304	34 000	37 408
FX options	1 774	1 218	12 079
Other options	13 301	26 669	43 254
Other instruments	46 878	17 021	42 812
<b>Financial assets held for trading</b>	<b>265 384</b>	<b>173 706</b>	<b>204 629</b>

<b>21.3 By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Without specified maturity date	1 996	1 393	1 110
≤ 1W	13 487	9 456	28 848
> 1W ≤ 1M	55 161	41 697	30 725
> 1M ≤ 3M	32 163	9 921	31 158
> 3M ≤ 6M	29 719	26 934	13 880
> 6M ≤ 1Y	41 074	20 980	52 721
> 1Y ≤ 2Y	16 643	17 258	18 163
> 2Y ≤ 5Y	60 219	39 884	27 106
> 5Y ≤ 10Y	14 922	6 183	918
<b>Financial assets held for trading</b>	<b>265 384</b>	<b>173 706</b>	<b>204 629</b>

<b>21.4 Financial liabilities held for trading</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Interest rate transactions	57 213	47 654	17 215
SWAP	54 088	47 039	16 939
FRA	0	0	210
Cap Floor Options	3 125	615	66
Foreign exchange transactions	57 330	44 238	72 207
FX swap	5 759	13 791	2 073
FX forward	20 208	11 932	12 633
CIRS	29 589	17 297	46 111
FX options	1 774	1 218	11 390

Other options	13 301	26 669	43 254
Other instruments	28 873	10 546	34 459
<b>Financial liabilities held for trading</b>	<b>156 717</b>	<b>129 107</b>	<b>167 135</b>

21.5 By maturity	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Without specified maturity date	0	0	61
≤ 1W	6 889	7 330	21 217
> 1W ≤ 1M	42 156	15 556	33 564
> 1M ≤ 3M	10 209	5 212	12 662
> 3M ≤ 6M	6 232	22 548	18 084
> 6M ≤ 1Y	16 335	9 656	39 362
> 1Y ≤ 2Y	22 457	15 456	10 148
> 2Y ≤ 5Y	47 751	52 639	31 930
> 5Y ≤ 10Y	4 688	710	107
<b>Financial liabilities held for trading</b>	<b>156 717</b>	<b>129 107</b>	<b>167 135</b>

The listing below shows the hierarchy of valuation methods of financial instruments held for trading re-measured to fair value as at 30 June 2013, 31 December 2012 and as at 30 June 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 flow method is applied to the 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 fair value change of the Bank position in respect of options classified to level 3.



21.6 Valuation of financial assets	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Level 1</b>	1 996	1 393	1 130
Shares	1 996	1 393	1 130
<b>Level 2</b>	249 234	148 936	160 245
SWAP	106 042	66 406	20 079
Cap Floor Options	3 125	615	66
FX swap	11 938	4 505	6 810
FX forward	46 173	21 763	40 991
CIRS	33 304	34 000	37 408
FX options	1 774	1 218	12 079
Other options	0	3 408	0
Other instruments	46 878	17 021	42 812
<b>Level 3</b>	14 154	23 377	43 254
Bonds	853	116	0
Other options	13 301	23 261	43 254
<b>Total financial assets</b>	<b>265 384</b>	<b>173 706</b>	<b>204 629</b>

21.7 Valuation of financial liabilities	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Level 1</b>	0	0	0
<b>Level 2</b>	143 416	125 629	123 881
SWAP	54 088	47 039	16 939
FRA	0	0	210
Cap Floor Options	3 125	615	66
FX swap	5 759	13 791	2 073
FX forward	20 208	11 932	12 633
CIRS	29 589	17 297	46 111
FX options	1 774	1 218	11 390
Other options	0	23 191	0
Other instruments	28 873	10 546	34 459
<b>Level 3</b>	13 301	3 478	43 254
Other options	13 301	3 478	43 254
<b>Total financial liabilities</b>	<b>156 717</b>	<b>129 107</b>	<b>167 135</b>

## 22. Cash flow statement – additional information

22.1 Cash and cash equivalents	As at 30.06.2013	As at 30.06.2012
Cash and balances with the Central Bank	721 980	590 173
Current accounts with other banks	19 869	9 893
Term accounts with other banks	55 858	187 617
<b>Total</b>	<b>797 707</b>	<b>787 683</b>

22.2 Interest (financing activities)	As at 30.06.2013	As at 30.06.2012
Interest expense – loan received	693	994
Interest expense – own subordinated issue	12 856	10 888
Interest expense – subordinated loan	988	1 200

<b>Total adjustments</b>	<b>14 537</b>	<b>13 082</b>
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<b>22.3 Operating activities – change in the balance of loans and other receivables</b>	<b>As at 30.06.2013</b>	<b>As at 30.06.2012</b>
Change in receivables from customers – statement of financial position	-3 119 067	-2 162 645
Change in amounts due from banks – statement of financial position	201 254	672 328
Change in cash and cash equivalents in the balance sheet – nostro accounts	-62 992	-44 782
Change in cash and cash equivalents in the balance sheet – deposits up to 3 months	-141 745	-95 052
<b>Change in the balance of loans and other receivables</b>	<b>-3 122 550</b>	<b>-1 630 151</b>

<b>22.4 Operating activities – change in the balance of other liabilities</b>	<b>As at 30.06.2013</b>	<b>As at 30.06.2012</b>
Increase/(decrease) in other liabilities – statement of financial position	41 193	-16 783
Change in revaluation reserve – statement of financial position	-42 470	16 278
Change in the balance of other liabilities measured at amortized cost – statement of financial position	-10 135	359 753
Unrealized foreign exchange gains – loans received	-3 629	2 367
Change in the deferred income tax provision in the revaluation reserve	-9 961	3 818
Accrued expenses in respect of purchasing fixed assets	-4 376	-2 429
Accrued expenses in respect of purchasing intangible assets	-1 519	-814
Interest accrued – loan received	-693	-994
Financing activities – repayment of interest on loan received	710	991
Financing activities – loan drawn	0	0
<b>Change in the balance of other liabilities</b>	<b>-30 880</b>	<b>362 187</b>

<b>22.5 Operating activities – change in the balance of other assets</b>	<b>As at 30.06.2013</b>	<b>As at 30.06.2012</b>
Net increase/decrease in other assets – statement of financial position	82 747	-50 412
Provision for fixed and intangible assets	0	0
<b>Provision for other assets</b>	<b>82 747</b>	<b>-50 412</b>

<b>22.6 Investing activities – purchase of property, plant and equipment</b>	<b>As at 30.06.2013</b>	<b>As at 30.06.2012</b>
Change in balance – statement of financial position	11 833	27 602
Increase/decrease in other assets	0	-2 417
<b>Purchase of property, plant and equipment</b>	<b>11 833</b>	<b>25 185</b>

<b>22.7 Investing activities – purchase of intangible assets</b>	<b>As at 30.06.2013</b>	<b>As at 30.06.2012</b>
Change in balance – statement of financial position	20 621	26 383
Increase/decrease in other assets	0	-814
<b>Purchase of intangible assets</b>	<b>20 621</b>	<b>25 569</b>

## 23. 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.

<b>23.1 Hedging derivatives - assets</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Level 2	476	0	0
Interest rate transactions	476	0	0
SWAP	476	0	0
<b>Hedging derivatives - assets</b>	<b>476</b>	<b>0</b>	<b>0</b>

<b>23.2 By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
> 1Y ≤ 2Y	476	0	0
<b>Hedging derivatives - assets</b>	<b>476</b>	<b>0</b>	<b>0</b>

<b>23.3 Hedging derivatives - liabilities</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Level 2	11 300	0	0
Interest rate transactions	11 300	0	0
SWAP	11 300	0	0
<b>Hedging derivatives - liabilities</b>	<b>11 300</b>	<b>0</b>	<b>0</b>

<b>23.4 By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
> 6M ≤ 1Y	222	0	0
> 1Y ≤ 2Y	1 022	0	0
> 2Y ≤ 5Y	10 056	0	0
<b>Hedging derivatives - liabilities</b>	<b>11 300</b>	<b>0</b>	<b>0</b>

## 24. Subordinated liabilities

On 15 November 2011, the Polish Financial Supervision Authority granted its 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 can be repaid early provided that a written notice is submitted 30 days before the planned payment. As at 30 June 2013, 31 December 2012 and 30 June 2012, the carrying amount of the loan was PLN 43 484 thousand, PLN 41 058 thousand and PLN 42 815 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 June 2013, the carrying value of the bonds was PLN 288 932 thousand, as at 31 December 2012, it was PLN 290 612 thousand and as at 30 June 2012: PLN 290 304 thousand.

On 28 March 2012, the PFSA granted 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 June 2013, the carrying value of the bonds was PLN 19 987 thousand, as at 31 December 2012, it was PLN 18 908 thousand and as at 30 June 2012: PLN 19 766 thousand.

## 25. Equity

25.1 Equity	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Share capital	635 830	635 830	512 500
Supplementary capital	1 434 713	1 276 611	714 631
Other capital	169 938	163 377	14 700
Share-based payments – equity component	169 938	163 377	14 700
Retained earnings / (accumulated losses)	1 654	-14 305	-14 305
Revaluation reserve	-31 694	10 776	3 259
On measurement of available for sale assets	-22 951	10 776	3 259
On measurement of hedging derivatives	-8 743	0	0
Profit/(loss) for the year	171 815	174 063	133 173
<b>Total equity</b>	<b>2 382 256</b>	<b>2 246 352</b>	<b>1 363 958</b>

25.2 Revaluation reserve	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Valuation of financial assets available for sale	-22 951	10 776	4 023
treasury bills	0	6	-47
treasury bonds	-29 888	10 355	133
other bonds	1 553	2 943	3 937
Deferred tax	5 384	-2 528	-764
Valuation of hedging derivatives	-8 743	0	0
IRS	-10 794	0	0
Deferred tax	2 051	0	0
<b>Revaluation reserve</b>	<b>-31 694</b>	<b>10 776</b>	<b>3 259</b>

## 26. Fair value

Fair value is an amount for which an asset could be replaced on market terms, and a liability settled between interested and informed parties. Fair value is determined to specify what the price in a transaction concluded on an arm's length basis between independent and informed parties would be on the valuation date. The fair value of financial instruments is based on prices quoted on an active market, and is not decreased by transaction costs. If the market price is not available, the fair value of an instrument is determined using valuation models or discounted cash flow techniques.

The following techniques are used for valuation purposes:

- recent market transactions made directly between well informed and willing parties, if such information is available;
- reference to the current fair value of another instrument featuring similar characteristics;
- the discounted cash flows method.

If there are valuation techniques commonly used by market participants to measure the given instrument and it was confirmed that the given technique produces reliable estimates of prices obtained in the real market transactions, the Group will deploy such techniques. The selected valuation techniques account mainly for market data and to a lesser extent are based on the Group's specific data. Valuation techniques cover all the factors which would be taken into account by market participants in determining the price and are consistent with the valuation methods adopted for the given financial instrument. The Group verifies the correctness of fair value measurement by applying prices used in the available current market transactions for the same instrument or based on other available market data.

### Balance sheet items measured to fair value

Financial instrument	Frequency	Recognition/presentation
Available-for-sale financial assets	every day	revaluation reserve
Fx forward, fx swap, opcje fx	every day	income statement
CIRS, FRA, IRS	every day	income statement
Other derivative instruments	every day	income statement

The fair value of the Group's financial instruments presented in the statement of financial position at fair value – as at 30 June 2013, 31 December 2012 and 30 June 2012 was equal to their carrying amount.

Financial instrument	As at 30.06.2013		As at 31.12.2012		As at 30.06.2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held for trading	265 384	265 384	173 706	173 706	204 629	204 629
Available-for-sale financial assets	3 446 706	3 446 706	4 320 747	4 320 747	2 344 583	2 344 583
Financial liabilities held for trading	156 717	156 717	129 107	129 107	167 135	167 135

Presented below are the carrying amounts and fair values of the items not measured in the statement of financial position at fair value. In accordance with its loan (except for overdraft facilities) fair value measurement method, the Group compares margins earned on newly granted loans (in the last month preceding the reporting date) and those referring to the whole loan portfolio. If the margins on newly granted loans exceed those referring to the existing portfolio, the loan fair value is lower than its carrying amount. For all other financial instruments, the Group assumes that their fair value is equal to their carrying amount.

Financial instrument	As at 30.06.2013		As at 31.12.2012		As at 30.06.2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with the Central Bank	721 980	721 980	1 029 968	1 029 968	590 173	590 173
Amounts due from customers	17 661 499	17 393 572	14 535 432	14 468 794	12 297 431	12 307 211
Amounts due from banks	170 021	170 021	413 528	413 528	433 464	433 464
Financial liabilities measured at amortized cost	19 590 714	19 590 714	18 092 194	18 092 194	14 181 944	14 181 944

## 27. 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 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Total own funds for the capital adequacy ratio</b>	<b>2 560 481</b>	<b>2 427 487</b>	<b>1 474 277</b>
Share paid	635 830	635 830	512 500
Supplementary capital components	1 434 713	1 276 611	714 631
Other capital	169 938	163 377	0
Current year's reviewed by auditor	171 815	174 063	53 761
Result from previous years reviewed by auditor	1 654	-14 305	-14 305
Revaluation reserve – unrealized losses	-30 840	-354	-2 505
Intangible assets at carrying amount	-167 406	-157 940	-136 816
Revaluation reserve – unrealized gains	2 004	10 926	5 222
Subordinated liabilities	342 773	339 279	341 789
<b>Capital requirements</b>	<b>1 420 124</b>	<b>1 142 600</b>	<b>976 785</b>
Capital requirements for the following risks: credit, counterparty, dilution and delivery of instruments to be settled at a later date	1 270 731	1 050 738	894 312
Capital requirement against settlement/delivery risk	0	0	0
Total capital requirements for the following risks: equity instrument price risk, debt instrument price risk, commodity prices and FX risk	1 403	1 543	884
Capital requirement for general interest rate risks	19 112	14 842	6 112
Capital requirements for operating risk	128 878	75 477	75 477
<b>Tier 1</b>	<b>12,48%</b>	<b>14,54%</b>	<b>9,23%</b>
<b>Capital adequacy ratio</b>	<b>14,42%</b>	<b>17,00%</b>	<b>12,07%</b>

## 28. Off-balance sheet items

<b>28.1 Off-balance sheet contingent liabilities granted to customers</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Off-balance sheet liabilities granted	6 452 529	5 608 201	3 911 455
Relating to financing	5 315 750	4 398 412	2 971 039
Guarantees	1 136 779	1 209 789	940 416

<b>28.2 By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
≤ 1W	6 792	2 537	4 120
> 1W ≤ 1M	16 096	88 561	12 509
> 1M ≤ 3M	113 175	185 502	78 653
> 3M ≤ 6M	94 546	146 214	91 449
> 6M ≤ 1Y	263 871	197 706	272 468
> 1Y ≤ 2Y	172 462	198 609	114 170
> 2Y ≤ 5Y	259 080	178 648	150 984
> 5Y ≤ 10Y	193 888	198 046	128 352
> 10Y ≤ 20Y	16 869	13 966	87 711
> 20Y	0	0	940 416
<b>Off-balance sheet liabilities granted in respect of guarantees</b>	<b>1 136 779</b>	<b>1 209 789</b>	<b>1 880 832</b>

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, cash inflows to the account are closely monitored.

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 borrowings (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.

## 29. Assets pledged as collateral

On 30 June 2013, 31 December 2012 and 30 June 2012, assets in the form of T-bonds with a value of PLN 85 570 thousand, PLN 74 040 thousand and PLN 71 230 thousand respectively were pledged as collateral for the Bank's liabilities to the guaranteed funds' fund in the Banking Guarantee Fund.

## 30. Related party transactions

Balances and transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

On 30 June 2013, 31 December 2012 and 30 June 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 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Assets</b>			
Loans and advances to customers	0	0	0
Other assets	0	0	0
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities and equity</b>			
Financial liabilities held for trading	0	294	0
Financial liabilities measured at amortized cost	61 936	55 065	89 704
Other liabilities	1	2	1
<b>Total liabilities and equity</b>	<b>61 937</b>	<b>55 361</b>	<b>89 705</b>

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Off-balance sheet liabilities granted to customers</b>	1 690	1 668	1 684
Relating to financing	0	0	0
Guarantees	1 690	1 668	1 684
<b>Derivatives(nominal value)</b>	0	89 940	0
Currency transactions	0	89 940	0
FX forward	0	89 940	0

	1.01.2013 - 30.06.2013	1.01.2012 - 30.06.2012
Interest expense	-677	-2 898
Fee and commission income	10	7
Other operating income	34	0
General administrative expenses	-27 320	-31 455
<b>Total</b>	<b>-27 953</b>	<b>-34 346</b>



### Nature of related party transactions

All transactions with related entities are concluded under the bank product rules and regulations and 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. and relating to the sublease of office space were in force.

Ms. Helene Zaleski, Chair of the 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 30.06.2013	As at 31.12.2012
Helene Zaleski	186 159	123 665
Józef Wancer	53	53
Małgorzata Iwanicz- Drozdowska	1 465	1 465
<b>Total</b>	<b>187 677</b>	<b>125 183</b>

Number of shares held by the Management Board	As at 30.06.2013	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*	0	78 731
Katarzyna Sułkowska	2 851	2 851
<b>Total</b>	<b>160 642</b>	<b>235 846</b>

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

## 31. Management option plan

On 14 December 2012, as a result of a settlement of the initial management option 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 management option 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. are 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.

## 32. Litigation

In the first half of 2013, the Bank issued 5 830 bank executory titles with a total value of PLN 218 413 thousand in respect of retail customers.

In cases related to business customers, the number of executory titles issued by the Bank in the first half of 2013 was 505 and it covered the total indebtedness of PLN 94 053 thousand.

The value of litigation relating to Alior Bank liabilities or receivables pending in the reporting period did not exceed 10% of Alior Bank's equity.

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

## 33. Notes relating to the Brokerage Office

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

Cash and cash equivalents	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
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	116 877	111 156	104 089
<b>Total</b>	<b>116 877</b>	<b>111 156</b>	<b>104 089</b>

Amounts due from banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Receivables in respect of transactions concluded on the securities exchange:	967	7 094	4 635
WSE	967	7 094	4 635
<b>Total</b>	<b>967</b>	<b>7 094</b>	<b>4 635</b>

Amounts due from the National Deposit and securities exchange clearing houses	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Amounts due from the settlement fund	22 467	38 666	22 109

Amounts due from the compensation fund	27	21	10
<b>Total</b>	<b>22 494</b>	<b>38 687</b>	<b>22 119</b>

Amounts due to the National Deposit and securities exchange clearing houses	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Amounts due to the settlement fund	204	0	781
<b>Total</b>	<b>204</b>	<b>0</b>	<b>781</b>

Amounts due to entities regulated securities markets and commodity exchanges	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Amounts due to obligations of the exchanges	140	0	0
<b>Total</b>	<b>140</b>	<b>0</b>	<b>0</b>

Amounts due to banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Liabilities in respect of transactions concluded on the securities exchange:	14 853	231	6 029
WSE	14 853	231	6 029
<b>Total</b>	<b>14 853</b>	<b>231</b>	<b>6 029</b>

Customers' financial instruments recorded in securities accounts	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Dematerialized financial instruments:	5 978 404	4 893 481	2 869 444
including those admitted to trading on the regulated market	6 705 869	4 193 389	2 214 294
Financial instruments other than dematerialized	11 868	9 065	6 249
<b>Total</b>	<b>5 990 272</b>	<b>4 902 546</b>	<b>2 875 693</b>

## 34. Distribution on the financial result for year 2012

On 19 June 2013, the Ordinary General Shareholders' Meeting of Alior Bank SA adopted a resolution regarding the distribution of the profit for the financial year 2012 in the amount of PLN 172 393 165.49. The Ordinary General Shareholders' Meeting decided to earmark the net profit for offsetting prior year losses (in the amount of PLN 14 291 242.28) and increasing the Bank's supplementary capital (in the amount of PLN 158 101 923.21).

## 35. Significant events after the balance sheet date

On 18 July 2013 the Bank informed about registration by the District Court for the Capital City of Warsaw, 12th Business Department of the National Court Register a change in the Bank Statute. The change was passed by the Ordinary Shareholders' General Meeting on 19 June 2013 and concerned extension of the Bank business activity range of settlement agent function.

On 30 July 2013 the Bank entered into a next annex to credit agreement with one of its Customers increasing amount of credit to PLN 40 million and a next annex concerning guarantee products and increasing limit to PLN 196 million. As a result of these annexes the Bank's whole commitment to the customer increased to PLN 236 million and exceeds 10% equity of the Bank. Receivables are secured by, inter alia, cash deposit, assignment of customer contracts and power of attorney on bank accounts of the Customer in the Bank.

### 36. 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 ("Issue Scheme") and to draw multiple financial liabilities by Alior Bank S.A. issuing unsecured bearer bonds as part of this Issue Scheme ("Bonds") with the following key parameters:

1. the amount of the Issue Scheme shall not exceed: PLN 2 000 000 000 (two billion zloties);
2. the maximum maturity of the debt securities issued under the Issue Scheme: 10 years;
3. the bonds issued under the Issue Scheme shall not be secured;
4. 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;
5. in accordance with art. 5a of the Act on bonds, the Bonds will not be issued in the form of documents;
6. the issue terms of each Bond series may contain provisions concerning 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 set the 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 Management Board will give information in reports of the dates and detailed terms of the issue.

The Management Board of Alior Bank S.A. 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.

Setting up the Issue Scheme ensures the possibility of effective issuance of the individual bond series and guarantees promptly obtaining long-term financing for the Bank in a situation when Alior Bank S.A.'s Management Board decides to avail itself of investment opportunities in companies providing financial services in Poland, which might supplement the product and service offer of Alior Bank, if an appropriate opportunity arises. At present, the Bank has not selected specific acquisition targets and potential transactions of portfolio or company acquisitions will be considered by the Bank in the context of their positive effect on increasing revenue, diversifying the offer and increasing shareholder value.

## 37. Plan to sell a significant block of shares

The meeting initiating the project of 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 to make 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 will 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 necessary 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 would require 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 best interest of the company or if executing such a 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 action in order 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 a solution on the assessment of Carlo Tassara's financial standing, including Carlo Tassara showing the ability to ensure financial support to the Bank if such a need arises. The Carlo Tassara Group is aware of the fact that failing to sell the shares before the end of 2013 may result in the PFSA taking supervisory actions specified in art. 25n of the Banking Law.

## 38. Rating

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

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

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

As at the date of preparing the interim report, the Bank does not perceive any factors which might have a significant negative effect on the financial results achieved in the second half of this year.

Certainly, macroeconomic conditions are one of such factors affecting the entire banking sector. In planning and executing its activities, Alior Bank takes into account the effect of these factors by simulating various scenarios. The current development of the economic situation does not exceed the thresholds adopted in the pessimistic scenarios. As at the date of the report, there were no indications of dramatic changes which might occur in the macroeconomic environment over the next 6-8 months. Therefore, the effect of this factor as at the date of the report cannot be characterized as significant for the execution of the planned results.

The regulatory environment is another factor which may potentially significantly affect Alior Bank's financial standing. In this case, in the 1st quarter of 2013 we had to deal with an event which had a decidedly positive effect on the execution of the Bank's plan, namely the update of the T-Recommendation introducing greater flexibility in the method of verifying customer creditworthiness. It can be supposed that implementing these regulations will help slow down the growth dynamics of loans granted by para-banking institutions to the benefit of entities subject to the Banking Law.

In 2013 Tax Office has conducted VAT audit for January 2012 in the Bank. As of August 7, 2013 the Tax Office has not decided to institute tax proceedings. In the opinion of the Bank Management Board the risk of misstatements in VAT settlement is low. In May 2013 tax inspection office in Warsaw has started to conduct tax audit concerning calculation and settlement of corporate income tax for 2008. As of the date of publication of the report audit results are not known.

#### 40. Registered audit company

By a resolution dated 24 April 2012, the Supervisory Board elected Ernst & Young Audit sp. z o.o. with its seat in Warsaw as a registered auditor to audit the Bank's financial statements. On 13 June 2013, a contract was concluded for the review of the condensed interim financial statements for the financial period from 1 January to 30 June 2013 and for the audit of the annual financial statements for 2013. The contract was concluded for the period of performing the services related to the audit of the financial statements for 2013.

## Signatures of the Management Board

7.08.2013	Wojciech Sobieraj President of the Management Board	..... Signature
7.08.2013	Krzysztof Czuba Vice-President of the Management Board	..... Signature
7.08.2013	Michał Hucal Vice-President of the Management Board	..... Signature
7.08.2013	Niels Lunderoff Vice-President of the Management Board	..... Signature
7.08.2013	Artur Maliszewski Vice-President of the Management Board	..... Signature
7.08.2013	Witold Skrok Vice-President of the Management Board	..... Signature
7.08.2013	Katarzyna Sułkowska Vice-President of the Management Board	..... Signature

## Interim condensed separate financial statements

### Separate income statement

	Note	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
Interest income		700 380	582 278
Interest expense		-284 514	-256 584
<b>Net interest income</b>	<b>3</b>	<b>415 866</b>	<b>325 694</b>
<b>Dividend income</b>		<b>1 785</b>	<b>18</b>
Fee and commission income		323 760	300 502
Fee and commission expense		-115 364	-83 388
<b>Net fee and commission income</b>	<b>4</b>	<b>208 396</b>	<b>217 114</b>
<b>Trading result</b>	<b>5</b>	<b>127 236</b>	<b>81 288</b>
<b>Net gain (realized) on other financial instruments</b>	<b>6</b>	<b>6 961</b>	<b>3 219</b>
Other operating income		26 942	21 805
Other operating costs		-13 309	-8 739
<b>Net other operating income</b>	<b>7</b>	<b>13 633</b>	<b>13 066</b>
<b>General administrative expenses</b>	<b>8</b>	<b>-404 436</b>	<b>-371 046</b>
<i>share-based payments – equity component</i>		-6 561	-2 100
<b>Impairment losses</b>	<b>9</b>	<b>-166 302</b>	<b>-119 309</b>
<b>Gross profit</b>		<b>203 139</b>	<b>150 044</b>
Income tax	<b>10</b>	-40 627	-16 868
<b>Net profit</b>		<b>162 512</b>	<b>133 176</b>
<b>Net profit</b>		<b>162 512</b>	<b>133 176</b>
<b>Weighted average number of ordinary shares</b>		<b>63 582 965</b>	<b>50 309 066</b>
<b>Net profit per share (in PLN)</b>		<b>2,56</b>	<b>2,65</b>
<b>Diluted earnings per share (in PLN)</b>		<b>2,43</b>	<b>2,65</b>

### Separate statement of comprehensive income

	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
<b>Net profit</b>	<b>162 512</b>	<b>133 176</b>
<b>Other taxable comprehensive income</b>	<b>-42 470</b>	<b>16 278</b>
Net gains/losses on financial assets available for sale	-33 727	16 278
Profit/loss on valuation of financial assets available for sale	-41 638	20 096
Deferred tax	7 911	-3 818
Net gain on hedging derivatives	-8 743	0
Net gain on valuation of hedging derivatives	-10 794	0
Deferred tax	2 051	0
<b>Total comprehensive income, net</b>	<b>120 042</b>	<b>149 454</b>



## Separate statement of financial position

<b>ASSETS</b>	<b>Note</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Cash and balances with the Central Bank	11	721 980	1 029 968	590 173
Financial assets held for trading	19	265 384	173 706	204 629
Financial assets available for sale	12	3 446 706	4 320 747	2 344 583
Hedging derivatives financial instruments	19	476	0	0
Amounts due from banks	14	170 021	371 275	391 447
Loans and advances to customers	13	17 661 499	14 535 432	12 297 431
Property, plant and equipment		206 866	214 887	217 407
Intangible assets		167 404	157 938	136 813
Investments in subsidiaries		1 350	5 754	2 350
Non-current assets held for sale		62 298	62 298	0
Income tax asset		52 123	78 668	63 024
<i>Current</i>		4 120	0	2 784
<i>Deferred</i>		48 003	78 668	60 240
Other assets	15	262 468	405 247	261 910
<b>TOTAL ASSETS</b>		<b>23 018 575</b>	<b>21 355 920</b>	<b>16 509 767</b>

<b>LIABILITIES AND EQUITY</b>	<b>Note</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Financial liabilities held for trading	19	156 717	129 107	167 135
Financial liabilities measured at amortized cost	16	19 605 462	18 101 036	14 184 398
Hedging derivatives financial instruments	19	11 300	0	0
Provisions	17	5 207	12 549	10 896
Other liabilities	18	516 188	486 821	430 479
Income tax liabilities		0	31 134	0
<i>Current</i>		0	31 134	0
Subordinated loans	20	352 403	350 578	352 885
<b>Total liabilities</b>		<b>20 647 277</b>	<b>19 111 225</b>	<b>15 145 793</b>
<b>Equity</b>	21	<b>2 371 298</b>	<b>2 244 695</b>	<b>1 363 974</b>
Share capital		635 830	635 830	512 500
Supplementary capital		1 434 712	1 276 610	714 630
Revaluation reserve		-31 694	10 776	3 259
Other capital		169 938	163 377	14 700
<i>Share-based payments – equity component</i>		169 938	163 377	14 700
Accumulated losses		0	-14 291	-14 291
Current year profit/loss		162 512	172 393	133 176
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>23 018 575</b>	<b>21 355 920</b>	<b>16 509 767</b>



(in PLN'000)

## Separate statement of changes in equity

1.01.2013- 30.06.2013	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	158 102	0	2 244 695
Increase in equity	-	-	-	-	-	-	0
Comprehensive income	-	-	-	-42 470	-	162 512	120 042
Share-based payments	-	-	6 561	-	-	-	6 561
Distribution of prior year result	-	158 102	-	-	-158 102	-	-
As at 30 June 2013	635 830	1 434 712	169 938	-31 694	0	162 512	2 371 298

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	110 345	-	1 112 495
Increase in equity	135 830	664 095	-	-	-	-	799 925
Comprehensive income	-	-	-	23 795	-	172 393	196 188
Share-based payments	-	-	150 777	-	-	-	150 777
IPO costs	-	-14 690	-	-	-	-	-14 690
Distribution of prior year result	-	124 636	-	-	-124 636	-	0
As at 31 December 2012	635 830	1 276 610	163 377	10 776	-14 291	172 393	2 244 695

1.01.2012- 30.06.2012	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	110 345	-	1 112 495
Comprehensive income	12 500	87 425	-	16 278	-	133 176	249 379
Share-based payments	-	-	2 100	-	-	-	2 100
Coverage of previous years' losses from supplementary capital	-	124 636	-	-	-124 636	-	0
As at 30 June 2012	512 500	714 630	14 700	3 259	-14 291	133 176	1 363 974

## Separate cash flow statement

	Note	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
<b>Operating activities</b>			
<b>Net profit</b>		<b>162 512</b>	<b>133 176</b>
<b>Adjustments:</b>		<b>-630 923</b>	<b>-515 802</b>
Unrealized foreign exchange gains/losses		7 164	-3 771
Change in income tax assets		5 372	5 115
Amortization/depreciation of tangible and intangible assets		36 929	35 396
Change in tangible and intangible assets impairment write-down		-25	-377
Change in provisions		0	-21 755
Profit/loss on investments sale		-7 342	
Interest (financial activity)		14 537	13 082
Share-based payments		6 561	2 100
Change in loans and receivables		-3 129 550	-1 630 134
Change in financial assets available for sale		874 041	562 392
Change in financial assets held for trading		-91 678	31 965
Change in hedging derivatives - assets		-476	0
Change in other assets		142 779	-92 151
Change in deposits		1 312 378	150 786
Change in issued debt		202 183	70 953
Change in financial liabilities held for trading		27 610	-1 165
Change in hedging derivatives - liabilities		11 300	0
Change in other liabilities		-42 706	361 763
<b>Net cash flow from operating activities</b>		<b>-468 411</b>	<b>-382 626</b>
<b>Investing activities</b>			
<b>Outflows:</b>		<b>-32 454</b>	<b>-52 851</b>
Purchase of property, plant and equipment		-11 833	-25 185
Disposal of property, plant and equipment		0	0
Purchase of intangible assets		-20 621	-25 566
Purchase of shares in subordinated companies		0	-2 100
<b>Inflows:</b>		<b>4 404</b>	<b>0</b>
Disposal of property, subordinated companies		4 404	0
<b>Net cash flow from investing activities</b>		<b>-28 050</b>	<b>-52 851</b>
<b>Financing activities</b>			
<b>Outflows:</b>		<b>-16 264</b>	<b>-2 214</b>
Repayment of long-term liabilities		-16 264	-2 214
<b>Inflows:</b>		<b>0</b>	<b>398 947</b>
Subordinated liabilities incurred		0	299 022
Inflows from share issue		0	99 925
<b>Net cash flow from financing activities</b>		<b>-16 264</b>	<b>396 733</b>
<b>Total net cash flow</b>		<b>-512 725</b>	<b>-38 744</b>
<b>Balance sheet change in cash and cash equivalents</b>		<b>-512 725</b>	<b>-38 744</b>
Cash and cash equivalents, opening balance		<b>1 310 432</b>	<b>784 427</b>
Cash and cash equivalents, closing balance		<b>797 707</b>	<b>745 683</b>
<b>Additional disclosures on operating cash flows</b>			
Interest income received		<b>674 448</b>	<b>544 980</b>
Interest expense paid		<b>-287 960</b>	<b>-208 093</b>
Dividend received		<b>1 780</b>	<b>0</b>

## 1. Basis of preparation

### Scope and comparatives

The condensed interim financial statements of Alior Bank S.A. cover the 6-month period ended 30 June 2013 and comprise the comparatives for the 6-month period ended 30 June 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 31 December 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.

### Statement of compliance

These interim condensed separate financial statements of Alior Bank Spółka Akcyjna for the first half of 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 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 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 June 2013, and the interim condensed separate statement of financial position as at 30 June 2013, including the comparatives, have been prepared in accordance with the same accounting policies for each period, , except for the changes in IFRS regulations which are in force 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 June 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 separate financial statements of Alior Bank S.A. for the financial period from 1 January 2012 to 31 December 2012, published on 7 March 2013 and available on Alior Bank S.A. website.

Presented below are the hedge accounting principles which the Group first started to apply in the 1st half of 2013., the bancassurance revenue recognition principles and changes in LGD estimation model.

### **Hedge accounting**

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

The Bank 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 Bank applies hedge accounting if all of 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 the 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 had been designated.

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, i.e. the effective portion of the cash flow 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; and
- a 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 Bank annuls the hedging relationship;
- future cash flows are no longer expected to occur.

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 previous years the Bank used to recognize commission for insurers sold to its Customers sharing the fee for two parts. 87.5% of the received amount was credited on a one-off basis to the income statement (recognition of revenue from insurance agent services) and 12.5% of the commission (included in credit valuation with effective interest rate) was deferred in time (on the basis of proportion between unit sale price of both products). At the same time the Bank used to create provision for early withdrawals from insurance.

On 7 March 2013, the Polish Financial Supervision Authority (the PFSA) sent a letter (Sign: DRB/DRB\_III/732/13/1/2013 to Bank Presidents concerning the accounting treatment of income from bancassurance. The letter indicates that institutions acting as insurers providing financial services are obliged to recognize income in accordance with revenue and costs matching principle and reflect economic nature of the transaction.

On 30 June 2013, based on the recommendations of the Polish Financial Supervision Authority after an inspection conducted by the PFSA in 2012 and in relation to next letters concerning this issue the Bank has analyzed again agreements with Insurance Companies for receiving commission for insurance (including group insurance) offered with banking products, in particular cash loans. The Bank has analyzed also costs of services connected with insurance agreements and has taken steps to eliminate the risk resulting from service of insurance contracts.

On 1 July 2013 the Bank has entered into new agreements with key insurers cooperating with the Bank under which:

- the Bank is no longer the provider of insurance services - the services are provided by insurers and they are obligated to potential compensations;
- the Bank does not provide any additional paid services under the insurance contract.

As a result of the elimination of the above described the risk ratio of the Bank's remuneration in insurance commission decreased significantly.

Based on comparison of parameters and conditions in current and previous insurance agreements the Bank estimated parts of commission concerning sales service. Other part of the commission is deferred.

On 30 June 2013 the Bank deferred the part of remuneration for 2013 in the amount of PLN 45 067 thousand.

### **Changes in LGD estimation model**

In the first half of 2013 the Bank has implemented a new LGD estimation model for loans. The model is used for calculation of IBNR impairment and impairment estimated for groups. Details of the changes were described in note 10.

### **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 the following amendments to standards and new interpretations binding for annual periods starting 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 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 adoption of the above-mentioned amendments did not have a significant impact on the Bank's 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 2014 - the Company plans to apply it from 1 January 2014;
- IFRS 11 “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;
- IFRS 12 “Disclosures of Interests in Other Entities” – applicable 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 2014 – the Company plans to apply it from 1 January 2014;
- IFRS 27 “Separate Financial Statements” – applicable 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 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 or after 1 January 2014 – by the date of approving these financial statements, not endorsed by the EU.

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

According to the Bank implementing of IFRIC 21 should not affect balance of recognized costs in financial year. However, its impact on these costs in individual quarters is possible.



## Notes to the separate income statement

### 3. Separate net interest income

<b>3.1. Net interest income by entity</b>	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
<b>Interest income</b>	<b>700 380</b>	<b>582 278</b>
financial sector	46 922	53 780
non-financial sector	608 669	492 729
central and local government institutions	44 789	35 769
<b>Interest expense</b>	<b>-284 514</b>	<b>-256 584</b>
financial sector	-48 499	-41 089
non-financial sector	-235 205	-214 751
central and local government institutions	-810	-744
<b>Net interest income</b>	<b>415 866</b>	<b>325 694</b>

<b>3.2. Net interest income by product</b>	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
<b>Interest income</b>	<b>700 380</b>	<b>582 278</b>
current accounts	9 850	9 813
overnight deposits	491	613
term deposits	901	4 402
loans	603 368	484 298
debt instruments	64 773	60 370
receivables acquired	18 732	17 198
hedging derivatives	1 775	0
other	490	5 584
<b>Interest expense</b>	<b>-284 514</b>	<b>-256 584</b>
current deposits	-27 901	-16 061
term deposits	-213 035	-198 322
repo transactions in securities	-7 952	-10 061
cash deposits	-3 450	-3 254
own issue	-28 697	-26 691
hedging derivatives	-1 798	0
other	-1 681	-2 195
<b>Net interest income</b>	<b>415 866</b>	<b>325 694</b>

### 4. Separate net fee and commission income

	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
<b>Fee and commission income</b>	<b>323 760</b>	<b>300 502</b>
granted loans	27 757	10 132
revenue from bankassurance activity	165 644	176 946
settlements	37 059	32 541
guarantee liabilities	4 517	5 905
other banking activities	60 592	47 452
brokerage commissions	19 930	20 922
other commissions	8 261	6 604
<b>Fee and commission expense</b>	<b>-115 364</b>	<b>-83 388</b>
commissions paid to agents	-26 874	-21 244
custody services	-55	-45
settlements	-25 619	-19 423

compensation and awards to customers	-15 423	-4 818
payment card issue	-4 264	-4 425
costs of customers acquisition	-313	-576
commissions for ATM sharing	-8 401	-8 602
fees for reports (BIK, KRS, KRD)	-506	-810
assistance services	-5 950	-1 471
fees paid under service agreements	-14 049	-11 158
brokerage commissions	-2 835	-4 123
other commissions	-11 075	-6 693
<b>Net fee and commission income</b>	<b>208 396</b>	<b>217 114</b>

## 5. Separate trading result

	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
Foreign exchange transactions result	70 023	56 063
Interest rate transactions result	54 369	23 923
Other financial instruments result	2 844	1 302
<b>Trading result</b>	<b>127 236</b>	<b>81 288</b>

## 6. Separate net gain realized on other financial instruments

	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
Financial assets available for sale	7 131	2 909
Own issue	-170	310
- income from re-purchase	27	315
- losses on repurchase	-197	-5
<b>Net gain realized on other financial instruments</b>	<b>6 961</b>	<b>3 219</b>

## 7. Separate net other operating income

	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
<b>Other operating income from:</b>	<b>26 942</b>	<b>21 805</b>
management of third party assets	5 138	5 508
received compensations, fines and penalties	58	87
fees paid by counterparts	2 855	3 681
acquisition of receivables	1 956	1 841
reimbursement of litigation costs	6 220	2 784
accrued income from reimbursement of tax from the tax office	5 383	5 733
income from sales of services	2 303	0
other	3 029	2 171
<b>Other operating expenses due to:</b>	<b>-13 309</b>	<b>-8 739</b>
management of third party assets	-1 121	-1 476
paid compensations, fines and penalties	-258	-3
awards given to customers	-805	-786
operating risk	-2 070	-1 739
litigation costs	-3 672	-1 207
lump sum reimbursement of costs incurred by the insurer in connection with the Bank exercising insurance actions	-1 556	-2 263
acquisition of receivables	-2 014	0
other	-1 813	-1 265
<b>Net other operating income and expense</b>	<b>13 633</b>	<b>13 066</b>

## 8. Separate general administrative expenses

	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
<b>Payroll costs</b>	<b>-221 546</b>	<b>-191 646</b>
remuneration due to employment contracts	-179 082	-159 455
remuneration surcharges	-33 436	-27 170
share-based payments	-6 561	-2 100
other	-2 467	-2 921
<b>General and administrative costs</b>	<b>-142 527</b>	<b>-141 683</b>
IT costs	-14 384	-12 392
lease and building maintenance expenses	-67 256	-67 228
marketing costs	-21 783	-26 889
training costs	-5 978	-4 131
cost of advisory services	-4 575	-4 845
costs of Banking Guarantee Fund	-7 141	-4 854
lease of property, plant and equipment and intangible assets	-3 370	-4 404
costs of telecommunications services	-6 615	-6 610
external services	-5 377	-4 598
other	-6 048	-5 732
<b>Amortization and depreciation</b>	<b>-36 929</b>	<b>-35 396</b>
property, plant and equipment	-24 255	-22 978
intangible assets	-12 674	-12 418
<b>Taxes and fees</b>	<b>-3 434</b>	<b>-2 321</b>
<b>Total general administrative expenses</b>	<b>-404 436</b>	<b>-371 046</b>

## 9. Separate net impairment losses

	1.01.2013- 30.06.2013	1.01.2012- 30.06.2012
Impairment losses on impaired loans and advances to customers	-173 933	-104 519
financial sector	-510	25
non-financial sector	-173 423	-104 544
retail customers	-82 294	-63 701
business customers	-91 129	-40 843
Debt securities	-181	-2 125
IBNR for customers without impairment losses	8 519	-12 625
financial sector	567	-279
non-financial sector	7 952	-12 346
retail customers	3 767	-10 513
business customers	4 185	-1 833
Off-balance reserve	-732	0
Property, plant and equipment and intangible assets	25	-40
<b>Net impairment losses</b>	<b>-166 302</b>	<b>-119 309</b>

In the first half of 2013 the Bank has implemented a new LGD estimation model for loans. The model is used for calculation of IBNR losses and impairment estimated for groups. As a result of the new model implementation the amount of these impairment losses decreased by about PLN 9.4 million and PLN 16 million respectively.

In the current model all identified default cases (including cases without completed recovery process – “incomplete workout” cases) are included in the calculation and LGD parameter is weighted not by credit exposures but by default cases. The model is based on current recovery processes in the Bank, including return of exposures to normal

situation, exposure sale and vindication of debt securities. Parameters are estimated on the basis of historical data for the Bank's Customers, including cash flows.

## 10. Income tax expense

<b>10.1 Presented in the income statement</b>	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
Current tax	0	8 969
current year	0	8 969
prior year tax adjustment	40 627	7 899
Origination and reversal of temporary differences	40 627	7 899
<b>Accounting tax recognized in the income statement</b>	<b>40 627</b>	<b>16 868</b>

<b>10.2 Effective tax rate calculation</b>	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
<b>Profit before tax</b>	<b>203 139</b>	<b>150 044</b>
<b>Income tax at 19%</b>	<b>38 596</b>	<b>28 508</b>
<b>Non-tax deductible expenses</b>	<b>2 439</b>	<b>1 240</b>
Representation costs	223	167
PFRON	395	308
Costs of provisions for management options	1 247	399
Donations	2	0
Other	572	366
<b>Non-taxable revenues</b>	<b>-561</b>	<b>-4 163</b>
Release of loan impairment allowances in the part not covered with the deferred tax	-214	-3 487
Dividends received	-339	0
Other	-8	-676
<b>Tax deductible expenses not being accounting expenses</b>	<b>-497</b>	<b>-597</b>
Amortization of goodwill for tax purposes	-497	-597
<b>Recognition of tax loss</b>	<b>0</b>	<b>1 899</b>
<b>Recognition of assets related to contribution of receivables to Obrót Wierzytelnościami Alior Polska sp. z o.o. S.K.A</b>	<b>129</b>	<b>-10 019</b>
<b>Other</b>	<b>521</b>	<b>0</b>
<b>Accounting tax recognized in the income statement</b>	<b>40 627</b>	<b>16 868</b>
<b>Effective tax rate</b>	<b>20.00%</b>	<b>11.24%</b>

## Notes to the separate statement of financial position

### 11. Cash and balances with Central Bank

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Current account with the Central Bank	548 366	877 582	437 493
Cash	173 614	152 386	152 680
<b>Cash and balances with the central bank</b>	<b>721 980</b>	<b>1 029 968</b>	<b>590 173</b>

### 12. Financial assets available for sale

<b>12.1 By type</b>	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Debt instruments</b>	<b>3 445 417</b>	<b>4 320 504</b>	<b>2 344 330</b>
issued by the State Treasury	2 445 171	2 592 591	1 501 370
T-bills	0	93 762	97 850
T-bonds	2 445 171	2 416 889	1 319 296
Eurobonds	0	81 940	84 224
issued by other governmental institutions	0	0	30 237
bonds	0	0	30 237
issued by monetary institutions	774 002	1 584 555	714 226
bonds	174 185	185 256	127 784
deposit certificates	0	149 889	316 644
money bills	599 817	1 249 410	269 798
issued by other financial institutions	67 354	138 361	98 317
bonds	46 334	118 310	61 822
Eurobonds	21 020	20 051	36 495
issued by companies	158 890	4 997	180
bonds	158 890	4 997	180
<b>Equity instruments</b>	<b>1 289</b>	<b>243</b>	<b>253</b>
<b>Available-for-sale financial assets</b>	<b>3 446 706</b>	<b>4 320 747</b>	<b>2 344 583</b>

<b>12.2 By maturity</b>	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
without set maturity date	1 289	243	253
≤ 1M	600 098	1 374 227	309 915
> 1M ≤ 3M	39 340	248 467	157 203
≤ 6M > 3M ≤ 6M	3 925	180 744	371 313
> 6M ≤ 1Y	311 341	62 664	267 378
> 1Y ≤ 2Y	466 856	580 925	402 242
> 2Y ≤ 5Y	1 430 793	774 674	463 253
> 5Y ≤ 10Y	593 064	1 098 803	373 026
<b>Available-for-sale financial assets</b>	<b>3 446 706</b>	<b>4 320 747</b>	<b>2 344 583</b>

<b>12.3 Impairment allowance on debt instruments</b>	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Debt instruments	4 316	4 135	4 138
issued by companies	4 316	4 135	4 138
Bonds	4 316	4 135	4 138

The following statements show the hierarchy of valuation methods for financial assets available for sale, measured at fair value as at 31 December 2012 and the comparatives as at 31 December 2011.

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

- level 1 – all securities for which quotations are available from active financial markets;
- level 2 – instruments for which prices are not directly observable, but the prices used for measurement are based on market quotations;
- level 3 – instruments for which at least one of the factors which impact its price is not observable on the market.

<b>12.4 Fair value</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Level 1</b>	<b>2 611 612</b>	<b>2 656 157</b>	<b>1 612 454</b>
T-bills	0	93 762	97 850
T-bonds	2 445 171	2416889	1 349 535
Other bonds	166 441	145506	165 069
Deposit certificates	0	0	0
<b>Level 2</b>	<b>833 805</b>	<b>1 664 347</b>	<b>731 876</b>
T-bills	0	0	0
Money bills	599 817	1 249 410	269 798
T-bonds	0	0	0
Other bonds	233 988	265 048	145 434
Deposit certificates	0	149 889	316 644
<b>Level 3</b>	<b>0</b>	<b>0</b>	<b>0</b>
T-bills	0	0	0
T-bonds	0	0	0
Other bonds	0	0	0
Deposit certificates	0	0	0
<b>Equity instruments</b>	<b>1 289</b>	<b>243</b>	<b>253</b>
<b>Valuation of available for sale financial assets by level</b>	<b>3 446 706</b>	<b>4 320 747</b>	<b>2 344 583</b>

<b>12.5 Financial instruments exposed to credit risk</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Financial assets held for trading	265 384	173 706	204 629
Financial assets available for sale	3 446 706	4 320 747	2 344 583
Amounts due from banks	170 021	371 275	391 447
Loans and advances to customers	17 661 499	14 535 432	12 297 431
<b>Bank's maximum exposure to credit risk</b>	<b>21 543 610</b>	<b>19 401 160</b>	<b>15 238 090</b>

## 13. Loans and advances to customers

<b>13.1 By type</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Retail segment</b>	<b>9 344 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
Working capital facility	114 043	82 849	75 608
Consumer loans	5 201 838	4 146 067	3 115 080
Loans for purchase of securities	174 622	226 932	216 184
Credit card borrowings loans	177 874	166 716	148 195
Loans for residential real estate	2 846 861	2 374 997	2 041 289
Other mortgage loans	800 774	729 950	682 787

Other receivables	28 477	48 222	24 149
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
Working capital facility	4 657 396	4 087 867	3 838 561
Car loans	307 778	379 571	379 091
Investment loans	2 660 027	1 625 968	1 134 751
Credit card borrowings loans	19 395	17 112	21 673
Mortgage loans	28 101	25 473	2 598
Acquired receivables	641 934	623 095	554 939
Other receivables	2 379	613	62 526
<b>Amounts due from customers</b>	<b>17 661 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

<b>13.2 By gross amounts and carrying amounts</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Retail segment</b>	<b>9 344 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
Loans for residential real estate	2 846 861	2 374 997	2 041 289
unimpaired	2 822 582	2 361 802	2 031 558
impaired	36 403	22 853	17 967
IBNR	-5 475	-5 019	-3 220
Impairment allowance	-6 649	-4 639	-5 016
Other retail loans	6 497 628	5 400 736	4 262 003
unimpaired	6 315 998	5 333 222	4 225 665
impaired	566 087	375 905	300 986
IBNR	-40 947	-44 979	-38 775
Impairment allowance	-343 510	-263 412	-225 873
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
unimpaired	8 086 056	6 562 864	5 923 863
impaired	576 829	450 540	245 768
IBNR	-21 096	-22 108	-23 254
Impairment allowance	-324 779	-231 597	-152 238
<b>Amounts due from customers</b>	<b>17 661 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

<b>13.3 Receivables from customers impaired</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Receivables from customers individually assessed</b>	<b>423 421</b>	<b>299 121</b>	<b>155 601</b>
<b>Retail segment</b>	<b>186 150</b>	<b>93 627</b>	<b>66 242</b>
Amounts due from customers	351 318	211 488	153 744
Impairment allowance	-165 168	-117 861	-87 502
<b>Corporate segment</b>	<b>237 271</b>	<b>205 494</b>	<b>89 359</b>
Amounts due from customers	500 271	386 505	209 114
Impairment allowance	-263 000	-181 011	-119 755
<b>Receivables from customers collectively assessed</b>	<b>80 960</b>	<b>50 529</b>	<b>25 993</b>
<b>Retail segment</b>	<b>66 181</b>	<b>37 080</b>	<b>21 822</b>
Amounts due from customers	251 172	187 270	165 209
Impairment allowance	-184 991	-150 190	-143 387
<b>Corporate segment</b>	<b>14 779</b>	<b>13 449</b>	<b>4 171</b>
Amounts due from customers	76 558	64 035	36 654
Impairment allowance	-61 779	-50 586	-32 483
<b>Receivables from customers impaired</b>	<b>504 381</b>	<b>349 650</b>	<b>181 594</b>

<b>13.4 Change in the balance of receivables impairment allowances (net of IBNR)</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Opening balance	499 648	299 009	299 009
Changes during the year:	175 290	200 639	84 118
Increases	307 549	479 358	192 868
Retail segment	179 957	282 180	124 395
Loans for residential real estate	6 190	10 466	5 424
Other loans	173 767	271 714	118 971
Corporate segment	127 592	197 178	68 473
Other loans	124 705	180 717	59 945
Acquired receivables	1 949	9 664	6 098
Other receivables	938	6 797	2 430
Decreases	-133 616	-221 247	-88 350
Retail segment	-97 662	-146 892	-60 694
Loans for residential real estate	-4 282	-7 758	-2 431
Other loans	-93 380	-139 134	-58 263
Corporate segment	-35 954	-74 355	-27 656
Other loans	-32 506	-70 961	-27 136
Acquired receivables	-2 585	-963	-344
Other receivables	-863	-2 431	-176
Other changes	1 515	-19 229	-15 294
Transfer to costs	-378	-37 760	-5 519
Foreign exchange differences	220	-483	413
<b>Impairment allowances at the end of the period</b>	<b>674 938</b>	<b>499 648</b>	<b>383 127</b>

<b>13.5 By maturity (as at the balance sheet date)</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Retail segment</b>	<b>9 344 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
≤ 1M	1 226 283	1 192 005	780 299
> 1M ≤ 3M	266 996	101 558	100 523
> 3M ≤ 6M	254 218	158 692	190 178
> 6M ≤ 1Y	438 547	411 169	273 816
>1Y ≤ 2Y	736 035	523 229	474 818
>2Y ≤ 5Y	1 889 750	1 473 313	1 154 757
>5Y ≤ 10Y	1 915 182	1 620 061	1 344 068
>10Y ≤ 20Y	1 260 668	1 040 088	905 083
>20Y	1 356 810	1 255 618	1 079 750
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
≤ 1M	3 035 073	3 049 023	2 445 021
> 1M ≤ 3M	782 301	424 395	569 194
> 3M ≤ 6M	337 247	485 292	373 532
> 6M ≤ 1Y	1 029 653	771 722	607 327
>1Y ≤ 2Y	701 741	675 123	620 259
>2Y ≤ 5Y	1 442 182	800 213	774 488
>5Y ≤ 10Y	805 333	445 150	512 892
>10Y ≤ 20Y	183 480	108 781	91 426
>20Y	0	0	0
<b>Amounts due from customers</b>	<b>17 661 499</b>	<b>14 535 432</b>	<b>12 297 431</b>



<b>13.6 By currency</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Retail segment</b>	<b>9 344 489</b>	<b>7 775 733</b>	<b>6 303 292</b>
PLN	8 225 871	6 696 255	5 180 802
Other	1 118 618	1 079 478	1 122 490
<b>Corporate segment</b>	<b>8 317 010</b>	<b>6 759 699</b>	<b>5 994 139</b>
PLN	7 043 337	5 990 931	5 132 386
Other	1 273 673	768 768	861 753
<b>Total receivables</b>	<b>17 661 499</b>	<b>14 535 432</b>	<b>12 297 431</b>

## 14. Amount due to banks

<b>14.1 By type</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Current accounts	19 869	82 861	9 893
Overnight Deposits (O/N)	55 863	112 371	134 746
Term deposits	0	85 131	156 974
Reverse Repo	0	0	10 690
Security deposits granted	77 407	90 798	60 793
Other	16 882	114	18 351
<b>Amounts due from banks</b>	<b>170 021</b>	<b>371 275</b>	<b>391 447</b>

<b>14.2 By maturity (as at the balance sheet date)</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
≤ 1M	170 021	291 275	246 447
> 1M ≤ 3M	0	80 000	0
> 3M ≤ 6M	0	0	145 000
<b>Amounts due from banks</b>	<b>170 021</b>	<b>371 275</b>	<b>391 447</b>

<b>14.3 By currency</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
PLN	4 028	82 991	167 776
EUR	27 360	74 680	53 989
GBP	4 762	34 445	20 949
USD	99 916	133 759	128 118
CHF	1 004	16 421	3 371
Other currencies	32 951	28 979	17 244
<b>Amounts due from banks</b>	<b>170 021</b>	<b>371 275</b>	<b>391 447</b>

Forward repo/reverse repo transactions are concluded by the Group to optimize current liquidity management; therefore, they are classified exclusively to the banking portfolio. Sporadic transactions appearing in the trading book result from risk-free arbitrage. Repo and reverse repo transactions are short-term and mature no later than within one month, they are concluded mainly in PLN, decidedly less frequently in EUR and USD. Net balances of repo and reverse repo transactions which mature within one month are included in the Group's liquidity buffer (liquid assets). As at the end of June 2013, the Group did not have any reverse repo transactions.

Security deposits granted are connected with settlements with other banks under CSA agreement.

## 15. Other assets

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Sundry debtors</b>	<b>226 258</b>	<b>384 695</b>	<b>231 427</b>
Other settlements	40 564	97 303	59 942
Receivables related to the sale of goods and services (including insurance)	131 001	165 164	112 068
Settlements from investment certificates' transactions	0	41 717	0
Guarantee deposits	13 608	17 409	17 379
Settlements of payment cards	41 085	63 102	42 038
<b>Deferred costs</b>	<b>36 210</b>	<b>20 552</b>	<b>30 483</b>
Settlements of rental charges and utilities	1 590	2 669	4 464
Reimbursement of lump sum costs incurred by the insurer in connection with the Bank's insurance activities	393	1 949	4 009
Maintenance and support of systems, servicing of plant and equipment	6 753	6 885	7 645
koszty obowiązkowej opłaty rocznej na rzecz BFG	7 141	0	4 854
Accrued income on PCC settlements with the Tax Office	6 674	2 500	5 733
Other deferred costs	13 659	6 549	3 778
<b>Other assets</b>	<b>262 468</b>	<b>405 247</b>	<b>261 910</b>

Receivables related to the sale of goods and services concern above all remuneration for insurance services from Insurance Companies.

## 16. Financial liabilities measured at amortized cost

<b>16.1 By type</b>	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Due to banks</b>	<b>539 106</b>	<b>628 841</b>	<b>588 614</b>
Overnights	0	0	50 013
Term deposits	0	0	89 489
Credit received	64 954	61 342	63 938
Other liabilities	12 465	19 980	5 761
Repo	461 687	547 519	379 413
<b>Due to customers</b>	<b>19 066 356</b>	<b>17 472 195</b>	<b>13 595 784</b>
Current deposits	5 952 441	4 795 939	3 657 071
Term deposits	11 940 098	11 784 223	9 113 774
Own issue of Banking Securities	858 238	656 055	622 502
Other liabilities	315 579	235 978	202 437
<b>Total liabilities</b>	<b>19 605 462</b>	<b>18 101 036</b>	<b>14 184 398</b>

<b>16.2 By customer type and segment</b>	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>13 073 067</b>	<b>12 649 730</b>	<b>10 039 609</b>
Current deposits	4 132 338	3 101 359	2 358 530
Term deposits	8 773 680	9 349 927	7 463 851
Banking securities issued	62 774	113 464	140 782

Other liabilities	104 275	84 980	76 446
<b>Corporate segment</b>	<b>5 993 289</b>	<b>4 822 465</b>	<b>3 556 175</b>
Current deposits	1 820 103	1 694 580	1 298 541
Term deposits	3 166 418	2 434 296	1 649 924
Banking securities issued	795 464	542 591	481 720
Other liabilities	211 304	150 998	125 990
<b>Total amounts due to customers</b>	<b>19 066 356</b>	<b>17 472 195</b>	<b>13 595 784</b>

### 16.3 By maturity (as at the balance sheet date)

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>13 073 067</b>	<b>12 649 730</b>	<b>10 039 609</b>
≤ 1M	7 940 867	6 800 971	7 196 200
> 1M ≤ 3M	3 171 721	3 337 211	1 398 992
> 3M ≤ 1Y	1 903 221	2 388 378	1 383 862
> 1Y ≤ 5Y	53 644	121 036	59 350
>5Y	3 614	2 134	1 205
<b>Corporate segment</b>	<b>5 993 289</b>	<b>4 822 465</b>	<b>3 556 175</b>
≤ 1M	4 096 133	3 394 636	2 385 568
> 1M ≤ 3M	835 201	546 218	354 520
> 3M ≤ 1Y	469 372	316 291	531 231
> 1Y ≤ 5Y	590 560	563 200	282 355
>5Y	2 023	2 120	2 501
<b>Total amounts due to customers</b>	<b>19 066 356</b>	<b>17 472 195</b>	<b>13 595 784</b>

### 16.4 By currency

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
<b>Retail segment</b>	<b>13 073 067</b>	<b>12 649 730</b>	<b>10 039 609</b>
PLN	11 523 858	11 076 226	8 665 906
Other	1 549 209	1 573 504	1 373 703
<b>Corporate segment</b>	<b>5 993 289</b>	<b>4 822 465</b>	<b>3 556 175</b>
PLN	4 847 724	3 678 728	2 817 704
Other	1 145 565	1 143 737	738 471
<b>Total amounts due to customers</b>	<b>19 066 356</b>	<b>17 472 195</b>	<b>13 595 784</b>

## 17. Provisions

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2013	840	11 709	12 549
Provisions recorded	711	47 281	47 992
Provisions released	-493	-4 825	-5 318
Provisions utilized	-672	-49 344	-50 016
<b>As at 30 June 2013</b>	<b>386</b>	<b>4 821</b>	<b>5 207</b>

	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	-92 903	-93 390
Provisions utilized	-644	0	-644
<b>As at 31 December 2012</b>	<b>840</b>	<b>11 709</b>	<b>12 549</b>

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2012	1 583	31 068	32 651
Provisions recorded	220	42 250	42 470
Provisions released	-343	-1 327	-1 670
Provisions utilized	0	-62 555	-62 555
<b>As at 30 June 2012</b>	<b>1 460</b>	<b>9 436</b>	<b>10 896</b>

## 18. Other liabilities

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Interbank settlements	238 647	176 975	214 904
Taxation, customs duty, social and health insurance payables and other public settlements	20 253	19 561	17 568
Liabilities in respect of payment card settlements	32 978	7 296	33 855
Other settlements	168 663	202 681	120 221
including settlements with insurers	107 651	191 926	101 384
Accruals	50 148	73 891	40 039
Other liabilities	5 499	6 417	3 892
<b>Total other liabilities</b>	<b>516 188</b>	<b>486 821</b>	<b>430 479</b>

Settlements with insurers result from insurance premiums for covering of the Bank's Customers with group insurance (group insurance contracts with insurance companies have been entered into by the Bank).

## 19. Financial assets and financial liabilities held for trading

<b>19.1 Derivative financial instruments (nominal value)</b>	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Interest rate transactions	12 590 048	7 174 763	5 509 652
SWAP	12 153 437	4 745 386	1 883 978
FRA	0	0	1 150 000
Cap Floor Options	436 611	2 429 377	2 475 674
Foreign exchange transactions	4 339 339	3 898 412	4 575 838
FX swap	1 157 684	810 518	471 229
FX forward	1 496 826	1 449 566	1 626 379
CIRS	1 325 499	1 274 979	1 607 283
FX options	359 330	363 349	870 947
Other options	1 483 640	1 374 746	1 245 846
Other instruments	553 178	450 969	662 511
<b>Derivative financial instruments (nominal value)</b>	<b>18 966 205</b>	<b>12 898 890</b>	<b>11 993 847</b>

<b>19.2 Financial assets held for trading</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Shares	1 996	1 393	1 130
Bonds	853	116	0
Interest rate transactions	109 167	67 021	20 145
SWAP	106 042	66 406	20 079
Cap Floor Options	3 125	615	66
Foreign exchange transactions	93 189	61 486	97 288
FX swap	11 938	4 505	6 810
FX forward	46 173	21 763	40 991
CIRS	33 304	34 000	37 408
FX options	1 774	1 218	12 079
Other options	13 301	26 669	43 254
Other instruments	46 878	17 021	42 812
<b>Financial assets held for trading</b>	<b>265 384</b>	<b>173 706</b>	<b>204 629</b>

<b>19.3 By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Without specified maturity date	1 996	1 393	1 110
≤ 1W	13 487	9 456	28 848
> 1W ≤ 1M	55 161	41 697	30 725
> 1M ≤ 3M	32 163	9 921	31 158
> 3M ≤ 6M	29 719	26 934	13 880
> 6M ≤ 1Y	41 074	20 980	52 721
> 1Y ≤ 2Y	16 643	17 258	18 163
> 2Y ≤ 5Y	60 219	39 884	27 106
> 5Y ≤ 10Y	14 922	6 183	918
<b>Financial assets held for trading</b>	<b>265 384</b>	<b>173 706</b>	<b>204 629</b>

<b>19.4 Financial liabilities held for trading</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Interest rate transactions	57 213	47 654	17 215
SWAP	54 088	47 039	16 939
FRA	0	0	210
Cap Floor Options	3 125	615	66
Foreign exchange transactions	57 330	44 238	72 207
FX swap	5 759	13 791	2 073
FX forward	20 208	11 932	12 633
CIRS	29 589	17 297	46 111
FX options	1 774	1 218	11 390
Other options	13 301	26 669	43 254
Other instruments	28 873	10 546	34 459
<b>Financial liabilities held for trading</b>	<b>156 717</b>	<b>129 107</b>	<b>167 135</b>

<b>19.5 By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
without defined timeframe	0	0	61
≤ 1W	6 889	7 330	21 217

> 1W ≤ 1M	42 156	15 556	33 564
> 1M ≤ 3M	10 209	5 212	12 662
> 3M ≤ 6M	6 232	22 548	18 084
> 6M ≤ 1Y	16 335	9 656	39 362
> 1Y ≤ 2Y	22 457	15 456	10 148
> 2Y ≤ 5Y	47 751	52 639	31 930
> 5Y ≤ 10Y	4 688	710	107
<b>Financial liabilities held for trading</b>	<b>156 717</b>	<b>129 107</b>	<b>167 135</b>

<b>19.6 Valuation of financial assets</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Level 1</b>	<b>1 996</b>	<b>1 393</b>	<b>1 130</b>
Shares	1 996	1 393	1 130
<b>Level 2</b>	<b>249 234</b>	<b>148 936</b>	<b>160 245</b>
SWAP	106 042	66 406	20 079
Cap Floor Options	3 125	615	66
FX swap	11 938	4 505	6 810
FX forward	46 173	21 763	40 991
CIRS	33 304	34 000	37 408
FX options	1 774	1 218	12 079
Other options	0	3 408	0
Other instruments	46 878	17 021	42 812
<b>Level 3</b>	<b>14 154</b>	<b>23 377</b>	<b>43 254</b>
Obligacje	853	116	0
Other options	13 301	23 261	43 254
<b>Total financial assets</b>	<b>265 384</b>	<b>173 706</b>	<b>204 629</b>

<b>19.7 Valuation of financial liabilities</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Level 1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Level 2</b>	<b>143 416</b>	<b>125 629</b>	<b>123 881</b>
SWAP	54 088	47 039	16 939
FRA	0	0	210
Cap Floor Options	3 125	615	66
FX swap	5 759	13 791	2 073
FX forward	20 208	11 932	12 633
CIRS	29 589	17 297	46 111
FX options	1 774	1 218	11 390
Other options	0	23 191	0
Other instruments	28 873	10 546	34 459
<b>Level 3</b>	<b>13 301</b>	<b>3 478</b>	<b>43 254</b>
Other options	13 301	3 478	43 254
<b>Total financial liabilities</b>	<b>156 717</b>	<b>129 107</b>	<b>167 135</b>

<b>19.8. Financial assets held for trading-hedging instruments</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Level 2	476	0	0
Interest rate transactions	476	0	0
SWAP	476	0	0

<b>Financial assets held for trading-hedging instruments</b>	<b>476</b>	<b>0</b>	<b>0</b>
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<b>19.9. By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
> 1Y ≤ 2Y	476	0	0
<b>Financial assets held for trading-hedging instruments</b>	<b>476</b>	<b>0</b>	<b>0</b>

<b>19.10. Financial liabilities held for trading-hedging instruments</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Level 2	11 300	0	0
Interest rate transactions	11 300	0	0
SWAP	11 300	0	0
<b>Financial liabilities held for trading-hedging instruments</b>	<b>11 300</b>	<b>0</b>	<b>0</b>

<b>19.11. By maturity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
> 6M ≤ 1Y	222	0	0
> 1Y ≤ 2Y	1 022	0	0
> 2Y ≤ 5Y	10 056	0	0
<b>Financial liabilities held for trading-hedging instruments</b>	<b>11 300</b>	<b>0</b>	<b>0</b>

## 20. Subordinated liabilities

On 15 November 2011, the Polish Financial Supervision Authority granted its 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 can be repaid early provided that a written notice is submitted 30 days before the planned payment. As at 30 June 2013, 31 December 2012 and 30 June 2012, the carrying amount of the loan was PLN 43 484 thousand, PLN 41 058 thousand and PLN 42 815 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 June 2013, the carrying value of the bonds was PLN 288 932 thousand, as at 31 December 2012, it was PLN 290 612 thousand and as at 30 June 2012: PLN 290 304 thousand.

On 28 March 2012, the PFSA granted 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 June 2013, the carrying value of the bonds was PLN 19 987 thousand, as at 31 December 2012, it was PLN 18 908 thousand and as at 30 June 2012: PLN 19 766 thousand.

## 21. Equity

<b>21.1 Equity</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Share capital	635 830	635 830	512 500
Supplementary capital	1 434 712	1 276 610	714 630
Other capital	169 938	163 377	14 700
Share-based payments – equity component	169 938	163 377	14 700
Retained earnings / (accumulated losses)	0	-14 291	-14 291
Revaluation reserve	-31 694	10 776	3 259
On measurement of available for sale assets	-22 951	10 776	3 259
On measurement of hedging derivatives	-8 743	0	0
Profit/(loss) for the year	162 512	172 393	133 176
<b>Total equity</b>	<b>2 371 298</b>	<b>2 244 695</b>	<b>1 363 974</b>

<b>21.2 Revaluation reserve</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
Valuation of financial assets available for sale	-22 951	13 304	4 023
treasury bills	0	6	-47
treasury bonds	-29 888	10 355	133
other bonds	1 553	2 943	3 937
deferred tax	5 384	-2 528	-764
Valuation of hedging instruments	-8 743	0	0
IRS	-10 794	0	0
deferred tax	2 051	0	0
<b>Revaluation reserve</b>	<b>-31 694</b>	<b>10 776</b>	<b>3 259</b>

## 22. Fair value

Fair value is an amount for which an asset could be replaced on market terms, and a liability settled between interested and informed parties. Fair value is determined to specify what the price in a transaction concluded on an arm's length basis between independent and informed parties would be on the valuation date. The fair value of financial instruments is based on prices quoted on an active market, and is not decreased by transaction costs. If the market price is not available, the fair value of an instrument is determined using valuation models or discounted cash flow techniques.

The following techniques are used for valuation purposes:



- recent market transactions made directly between well informed and willing parties, if such information is available;
- reference to the current fair value of another instrument featuring similar characteristics;
- the discounted cash flows method.

If there are valuation techniques commonly used by market participants to measure the given instrument and it was confirmed that the given technique produces reliable estimates of prices obtained in the real market transactions, the Group will deploy such techniques. The selected valuation techniques account mainly for market data and to a lesser extent are based on the Group's specific data. Valuation techniques cover all the factors which would be taken into account by market participants in determining the price and are consistent with the valuation methods adopted for the given financial instrument. The Group verifies the correctness of fair value measurement by applying prices used in the available current market transactions for the same instrument or based on other available market data.

#### Balance sheet items measured to fair value

Financial instrument	Frequency	Recognition/presentation
Available-for-sale financial assets	every day	revaluation reserve
Fx forward, fx swap, opcje fx	every day	income statement
CIRS, FRA, IRS	every day	income statement
Other derivative instruments	every day	income statement

The fair value of the Group's financial instruments presented in the statement of financial position at fair value – as at 30 June 2013, 31 December 2012 and 30 June 2012 was equal to their carrying amount.

Financial instrument	As at 30.06.2013		As at 31.12.2012		As at 30.06.2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held for trading	265 384	265 384	173 706	173 706	204 629	204 629
Available-for-sale financial assets	3 446 706	3 446 706	4 320 747	4 320 747	2 344 583	2 344 583
Financial liabilities held for trading	156 717	156 717	129 107	129 107	167 135	167 135

Presented below are the carrying amounts and fair values of the items not measured in the statement of financial position at fair value. In accordance with its loan (except for overdraft facilities) fair value measurement method, the Group compares margins earned on newly granted loans (in the last month preceding the reporting date) and those referring to the whole loan portfolio. If the margins on newly granted loans exceed those referring to the existing portfolio, the loan fair value is lower than its carrying amount. For all other financial instruments, the Group assumes that their fair value is equal to their carrying amount.

Financial instrument	As at 30.06.2013		As at 31.12.2012		As at 30.06.2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with the Central Bank	721 980	721 980	1 029 968	1 029 968	590 173	590 173

Amounts due from customers	17 661 499	17 393 572	14 535 432	14 468 794	12 297 431	12 307 211
Amounts due from banks	170 021	170 021	371 275	371 275	391 447	391 447
Financial liabilities measured at amortized cost	19 605 462	19 605 462	18 101 036	18 101 036	14 184 398	14 184 398

## 23. Off-balance sheet items

### 23.1 Off-balance sheet contingent liabilities granted to customers

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
Off-balance sheet liabilities granted	6 452 529	5 608 201	3 911 455
Relating to financing	5 315 750	4 398 412	2 971 039
Guarantees	1 136 779	1 209 789	940 416

### 23.2 By maturity

	As at 30.06.2013	As at 31.12.2012	As at 30.06.2012
≤ 1W	6 792	2 537	4 120
> 1W ≤ 1M	16 096	88 561	12 509
> 1M ≤ 3M	113 175	185 502	78 653
> 3M ≤ 6M	94 546	146 214	91 449
> 6M ≤ 1Y	263 871	197 706	272 468
> 1Y ≤ 2Y	172 462	198 609	114 170
> 2Y ≤ 5Y	259 080	178 648	150 984
> 5Y ≤ 10Y	193 888	198 046	128 352
> 10Y ≤ 20Y	16 869	13 966	87 711
<b>Off-balance sheet liabilities granted in respect of guarantees</b>	<b>1 136 779</b>	<b>1 209 789</b>	<b>940 416</b>

The Bank 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 corporate customers include:

- current account limits (for a period of 12 months);
- guarantees (for a maximum period of 6 years);
- credit cards borrowings (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.

## 24. Related party transactions

The following tables present the type and value of transactions with related entities and subsidiaries.

As subsidiaries the Bank treats its three subsidiaries included in the Group Alior Bank SA:

- Alior Instytut Szkoleń Sp. z o.o.;
- Obrót Wierzytelnościami Alior Polska Sp. z o.o. S.K.A.;
- Alior Raty Sp. z o.o.

On 30 June 2013, 31 December 2012 and 30 June 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);
- affiliates.

<b>Subsidiaries</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Assets</b>			
Other assets	4 399	41 968	30
<b>Total assets</b>	<b>4 399</b>	<b>41 968</b>	<b>30</b>
<b>Liabilities and equity</b>			
Financial liabilities measured at amortized cost	14 748	8 842	2 455
<b>Total liabilities and equity</b>	<b>14 748</b>	<b>8 842</b>	<b>2 455</b>

<b>Affiliates</b>	<b>As at 30.06.2013</b>	<b>As at 31.12.2012</b>	<b>As at 30.06.2012</b>
<b>Liabilities and equity</b>			
Financial liabilities held for trading	0	294	0
Financial liabilities measured at amortized cost	61 936	55 065	89 704
Other liabilities	1	2	1
<b>Total liabilities and equity</b>	<b>61 937</b>	<b>55 361</b>	<b>89 705</b>

<b>Subsidiaries</b>	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
Interest expense	-113	-21
Fee and commission income	25	0
Other operating income	2 312	12
Other operating costs	-48	0
General administrative expenses	20	-30
<b>Total</b>	<b>2 196</b>	<b>-39</b>

<b>Affiliates</b>	<b>1.01.2013- 30.06.2013</b>	<b>1.01.2012- 30.06.2012</b>
Interest expense	-677	-2 898
Fee and commission income	10	7
Other operating income	34	0
General administrative expenses	-27 320	-31 455
<b>Total</b>	<b>-27 953</b>	<b>-34 346</b>

## Nature of related party transactions

All transactions with related entities are concluded under the bank product rules and regulations and 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. and relating to the sublease of office space were in force.

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

## 25. Significant events after the balance sheet date

On 18 July 2013 the Bank informed about registration by the District Court for the Capital City of Warsaw, 12th Business Department of the National Court Register a change in the Bank Statute. The change was passed by the Ordinary Shareholders' General Meeting on 19 June 2013 and concerned extension of the Bank business activity range of settlement agent function.

On 30 July 2013 the Bank entered into a next annex to credit agreement with one of its Customers increasing amount of credit to PLN 40 million and a next annex concerning guarantee products and increasing limit to PLN 196 million. As a result of these annexes the Bank's whole commitment to the customer increased to PLN 236 million and exceeds 10% equity of the Bank. Receivables are secured by, inter alia, cash deposit, assignment of customer contracts and power of attorney on bank accounts of the Customer in the Bank.

## 26. Distribution on the financial result for year 2012

On 19 June 2013, the Ordinary General Shareholders' Meeting of Alior Bank SA adopted a resolution regarding the distribution of the profit for the financial year 2012 in the amount of PLN 172 393 165.49. The Ordinary General Shareholders' Meeting decided to earmark the net profit for offsetting prior year losses (in the amount of PLN 14 291 242.28) and increasing the Bank's supplementary capital (in the amount of PLN 158 101 923.21).

## 27. Management option plan

On 14 December 2012, as a result of a settlement of the initial management option 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 management option 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. are 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.

## 28. Establishing the Bond Issue Programme

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 ("Issue Scheme") and to draw multiple financial liabilities by Alior Bank S.A. issuing unsecured bearer bonds as part of this Issue Scheme ("Bonds") 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 concerning 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 set the 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 Management Board will give information in reports of the dates and detailed terms of the issue.

The Management Board of Alior Bank S.A. 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.

Setting up the Issue Scheme ensures the possibility of effective issuance of the individual bond series and guarantees promptly obtaining long-term financing for the Bank in a situation when Alior Bank S.A.'s Management Board decides to avail itself of investment opportunities in companies providing financial services in Poland, which might supplement the product and service offer of Alior Bank, if an appropriate opportunity arises. At present, the Bank has not selected specific acquisition targets and potential transactions of portfolio or company acquisitions will be considered by the Bank in the

context of their positive effect on increasing revenue, diversifying the offer and increasing shareholder value.

Signatures of the Management Board

7.08.2013	Wojciech Sobieraj President of the Management Board	..... Signature
7.08.2013	Krzysztof Czuba Vice-President of the Management Board	..... Signature
7.08.2013	Michał Hucal Vice-President of the Management Board	..... Signature
7.08.2013	Niels Lundorff Vice-President of the Management Board	..... Signature
7.08.2013	Artur Maliszewski Vice-President of the Management Board	..... Signature
7.08.2013	Witold Skrok Vice-President of the Management Board	..... Signature
7.08.2013	Katarzyna Sułkowska Vice-President of the Management Board	..... Signature