

Condensed
Unconsolidated Interim
Financial Statements of
Bank Pekao S.A.
for the period from
1 January 2013
to 30 June 2013

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Unconsolidated income statement

(In PLN thousand)

	NOTE	II QUARTER 2013 PERIOD FROM	I HALF 2013 PERIOD FROM	II QUARTER 2012 PERIOD FROM	I HALF 2012 PERIOD FROM
	NOIE	01.04.2013 TO 30.06.2013	01.01.2013 TO 30.06.2013	01.04.2012 TO 30.06.2012	01.01.2012 TO 30.06.2012
Interest income	6	1 606 297	3 378 168	1 990 559	3 943 478
Interest expense	6	(584 597)	(1 286 573)	(873 192)	(1 700 593)
Net interest income		1 021 700	2 091 595	1 117 367	2 242 885
Fee and commission income	7	646 160	1 252 223	655 238	1 267 527
Fee and commission expense	7	(131 343)	(243 202)	(132 847)	(252 516)
Net fee and commission income		514 817	1 009 021	522 391	1 015 011
Dividend income	8	99 493	143 779	137 770	168 534
Result on financial assets and liabilities held for trading	9	117 442	225 036	117 886	232 150
Result on fair value hedge accounting	23	(2 381)	(7 035)	(5 597)	(8 737)
Net result on other financial instruments at fair value through profit and loss		-	-	-	-
Gains (losses) on disposal of:	10	152 801	206 956	37 044	80 162
loans and other financial receivables		-	(81)	-	-
available for sale financial assets and held to maturity investments		152 922	210 487	36 929	80 138
financial liabilities		(121)	(3 450)	115	24
Operating income		1 903 872	3 669 352	1 926 861	3 730 005
Net impairment losses on financial assets and off-balance sheet commitments:	13	(152 318)	(291 438)	(149 403)	(263 273)
loans and other financial receivables		(151 757)	(299 430)	(134 913)	(263 774)
available for sale financial assets and held to maturity investments		-	-	-	-
off-balance sheet commitments		(561)	7 992	(14 490)	501
Net result on financial activity		1 751 554	3 377 914	1 777 458	3 466 732
Administrative expenses	11	(749 625)	(1 468 483)	(767 752)	(1 515 623)
personnel expenses		(433 743)	(848 973)	(436 271)	(858 336)
other administrative expenses		(315 882)	(619 510)	(331 481)	(657 287)
Depreciation and amortization		(82 362)	(164 235)	(86 736)	(173 281)
Net result on other provisions		(1 444)	(2 087)	(1 217)	(1 733)
Net other operating income and expenses	12	10 765	29 480	25 866	36 942
Operating costs		(822 666)	(1 605 325)	(829 839)	(1 653 695)
Gains (losses) on associated and subsidiaries		-	-	-	613
Gains (losses) on disposal of property, plant and equipment, and intangible assets	14	17 741	17 700	1 096	2 250
Profit before income tax		946 629	1 790 289	948 715	1 815 900
Income tax expense	15	(160 248)	(319 522)	(157 716)	(319 062)
Net profit		786 381	1 470 767	790 999	1 496 838
Earnings per share (in PLN per share)	16				
basic for the period		2.99	5.60	3.01	5.70
diluted for the period		2.99	5.60	3.01	5.70

Notes to the financial statements presented on pages 10-67 and annexes to the financial statements presented on pages 1-VII constitute an integral part of the unconsolidated financial statements.

Unconsolidated statement of comprehensive income

(In PLN thousand)

	NOTE	II QUARTER 2013 PERIOD FROM 01.04.2013 TO 30.06.2013	I HALF 2013 PERIOD FROM 01.01.2013 TO 30.06.2013	II QUARTER 2012 PERIOD FROM 01.04.2012 TO 30.06.2012	I HALF 2012 PERIOD FROM 01.01.2012 TO 30.06.2012
Net profit		786 381	1 470 767	790 999	1 496 838
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		335	333	(45)	(38)
Change in fair value of available-for-sale financial assets		(313 441)	(465 785)	119 728	349 700
Change in fair value of cash flow hedges		(48 395)	(31 174)	(26 320)	(86 320)
Income tax expenses on other comprehensive income	15	68 748	94 422	(17 747)	(50 042)
Other comprehensive income (net)		(292 753)	(402 204)	75 616	213 300
Total comprehensive income		493 628	1 068 563	866 615	1 710 138

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Unconsolidated statement of financial position

(In PLN thousand)

	NOTE	30.06.2013	31.12.2012
ASSETS			
Cash and due from Central Bank	18	5 286 842	9 207 268
Debt securities eligible for rediscounting at Central Bank		212	159
Loans and advances to banks	19	5 291 383	4 096 454
Financial assets held for trading	20	1 342 127	614 719
Derivative financial instruments (held for trading)	21	2 408 829	2 650 577
Other financial instruments at fair value through profit and loss		-	-
Loans and advances to customers	22	96 561 303	94 847 780
Hedging instruments	23	225 347	367 890
Investment securities	24	29 363 744	28 587 056
1. Available for sale		27 142 916	25 808 501
2. Held to maturity		2 220 828	2 778 555
Assets held for sale	25	610 302	1 564 477
Investments in subsidiaries		793 113	793 113
Investments in associates		29 428	29 427
Intangible assets	26	608 564	644 445
Property, plant and equipment	27	1 570 522	1 642 140
Investment properties		27 477	28 071
Income tax assets		701 645	574 969
Current tax receivable		8 507	4 981
2. Deferred tax assets		693 138	569 988
Other assets		1 847 953	1 613 509
TOTAL ASSETS		146 668 791	147 262 054
EQUITY AND LIABILITIES			
Liabilities			
Amounts due to Central Bank	18	965	-
Amounts due to other banks	29	3 769 307	6 305 678
Financial liabilities held for trading	20	413 561	246 578
Derivative financial instruments (held for trading)	21	2 385 303	2 629 496
Amounts due to customers	30	108 806 170	108 104 514
Hedging instruments	23	1 482 086	1 226 781
Fair value hedge adjustments of hedged items due to interest rate risk	23	6 188	11 328
Debt securities issued	31	3 477 816	3 966 148
Income tax liabilities		34 778	74 508
Current income tax payable		34 778	74 508
2. Deferred tax liabilities		-	-
Provisions	32	353 626	373 490
Other liabilities		4 157 660	1 411 793
TOTAL LIABILITIES		124 887 460	124 350 314
Equity			
Share capital		262 470	262 470
Other capital and reserves		20 048 094	19 711 115
Retained earnings and profit for the period		1 470 767	2 938 155
TOTAL EQUITY		21 781 331	22 911 740
TOTAL EQUITY AND LIABILITIES		146 668 791	147 262 054

Notes to the financial statements presented on pages 10-67 and annexes to the financial statements presented on pages 1-VII constitute an integral part of the unconsolidated financial statements.

Unconsolidated statement of changes in equity

(In PLN thousand)

For the period from 1 January 2013 to 30 June 2013

		OTHER CAPITAL AND RESERVES					RETAINED			
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY EXCHANGE RATES TRANSLATION DIFFERENCES	OTHER	EARNINGS AND PROFIT FOR THE PERIOD	TOTAL EQUITY
Equity as at 1 January 2013	262 470	19 711 115	9 137 221	1 737 850	8 073 570	518 137	1 388	242 949	2 938 155	22 911 740
Management options	-	3 152	-	-	-	-	-	3 152	-	3 152
Options exercised (share issue)	-	-	-	-	-	-	-	-	-	-
Revaluation of management share options	-	3 152	-	-	-	-	-	3 152	-	3 152
Comprehensive income	-	(402 204)	-	-	-	(402 537)	333	-	1 470 767	1 068 563
Revaluation of available-for-sale investments net of tax	-	(377 286)	-	-	-	(377 286)	-	-	-	(377 286)
Revaluation of hedging financial instruments net of tax	-	(25 251)	-	-	-	(25 251)	-	-	-	(25 251)
Foreign currency translation differences	-	333	-	-	-	-	333	-	-	333
Net profit for the period	-	-	-	-	-	-	-	-	1 470 767	1 470 767
Appropriation of retained earnings	-	736 031	-	200 000	536 031	-	-	-	(1 467 388)	(731 357)
Dividend paid	-	-	-	-	-	-	-	-	(2 202 124)	(2 202 124)
Profit appropriation	-	736 031	-	200 000	536 031	-	•	-	(736 031)	-
Equity as at 30 June 2013	262 470	20 048 094	9 137 221	1 937 850	8 609 601	115 600	1 721	246 101	1 470 767	21 781 331

Notes to the financial statements presented on pages 10 – 67 and annexes to the financial statements presented on pages I - VII constitute an integral part of the unconsolidated financial statements.

Unconsolidated statement of changes in equity (cont)

(In PLN thousand)

For the period from 1 January 2012 to 30 June 2012

		OTHER CAPITAL AND RESERVES							RETAINED	
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY EXCHANGE RATES TRANSLATION DIFFERENCES	OTHER	EARNINGS AND PROFIT FOR THE PERIOD	TOTAL EQUITY
Equity as at 1 January 2012	262 382	17 709 907	9 126 501	1 537 850	6 859 286	(65 446)	1 523	250 193	2 826 373	20 798 662
Management options	1	(1 847)	119	•	-	•	-	(1 966)	-	(1 846)
Options exercised (share issue)	1	119	119	-	-	-	-	-	-	120
Revaluation of management share options	-	(1 966)	-	-	-	-	-	(1 966)	-	(1 966)
Comprehensive income	-	213 301	-	-	-	213 339	(38)	•	1 496 838	1 710 139
Revaluation of available-for-sale investments net of tax	-	283 257	-	-	-	283 257	-	-	-	283 257
Revaluation of hedging financial instruments net of tax	-	(69 918)	-	-	-	(69 918)	-	-	-	(69 918)
Foreign currency translation differences	-	(38)	-	-	-	-	(38)	-	-	(38)
Net profit for the period	-	-	-	-	-	-	-	-	1 496 838	1 496 838
Appropriation of retained earnings	-	1 414 284	-	200 000	1 214 284	-	-	-	(1 329 535)	84 749
Dividend paid	-	-	-	-	-	-	-	-	(1 412 089)	(1 412 089)
Profit appropriation	-	1 414 284	-	200 000	1 214 284	-	-	-	(1 414 284)	-
Equity as at 30 June 2012	262 383	19 335 645	9 126 620	1 737 850	8 073 570	147 893	1 485	248 227	1 496 838	21 094 866

Notes to the financial statements presented on pages 10 – 67 and annexes to the financial statements presented on pages I - VII constitute an integral part of the unconsolidated financial statements.

Unconsolidated cash flow statement

(In PLN thousand)

	I HALF 2013 PERIOD FROM 01.01.2013 TO 30.06.2013	I HALF 2012 PERIOD FROM 01.01.2012 TO 30.06.2012
Cash flow from operating activities – indirect method		
Net profit for the period	1 470 767	1 496 838
Adjustments:	(1 598 124)	(1 165 890)
Depreciation expense	164 235	173 281
(Gains) losses on investing activities	(228 187)	(82 388)
Dividend received	(137 029)	(159 785)
Interests received	(2 954 587)	(3 328 267)
Interests expense	1 353 558	1 612 557
Income tax	315 995	319 062
Income tax expense	(389 105)	(483 933)
Change in loans and advances to banks	(185 996)	294 734
Change in financial assets held for trading and other financial instruments at fair value through profit and loss	(721 430)	(202 852)
Change in derivative financial instruments (assets)	241 748	188 056
Change in loans and advances to customers and debt securities eligible for rediscounting at Central Bank	567 124	1 056 857
Change in investment securities	(202 368)	(232 271)
Change in other assets	852 882	1 504
Change in amounts due to banks	(2 585 841)	2 355 167
Change in liabilities held for trading	166 983	110 780
Change in derivative financial instruments (liabilities) and other financial instruments at fair value	(244 193)	(454 034)
Change in amounts due to customers	(526 699)	(3 216 046)
Change in debt securities issued	(60 134)	(32 938)
Change in provisions	(19 864)	12 955
Change in other liabilities	2 994 784	901 671
Net cash flows from operating activities	(127 357)	330 948
Cash flow from investing activities		
Investing activity inflows	223 653 141	133 592 621
Sale of investment securities	223 092 344	133 132 272
Sale of intangible assets and property, plant and equipment	1 755	2 710
Other investing inflows	559 042	457 639
Investing activity outflows	(223 976 701)	(129 831 185)
Acquisition of investment securities	(223 920 580)	(129 761 043)
Acquisition of intangible assets and property, plant and equipment	(56 121)	(70 142)
Net cash flows from investing activities	(323 560)	3 761 436

Notes to the financial statements presented on pages 10 – 67 and annexes to the financial statements presented on pages I - VII constitute an integral part of the unconsolidated financial statements.

Unconsolidated cash flow statement (cont)

(In PLN thousand)

	I HALF 2013 PERIOD FROM 01.01.2013 TO 30.06.2013	I HALF 2012 PERIOD FROM 01.01.2012 TO 30.06.2012
Cash flows from financing activities		
Financing activity inflows	1 722 400	2 026 564
Issue of debt securities	1 722 400	2 026 444
Issue of shares	-	120
Financing activity outflows	(4 427 490)	(3 050 509)
Redemption of debt securities	(2 225 366)	(1 638 420)
Dividends and other payments to shareholders	(2 202 124)	(1 412 089)
Net cash flows from financing activities	(2 705 090)	(1 023 945)
Total net cash flows	(3 156 007)	3 068 439
including: effect of exchange rate fluctuations on cash and cash equivalents held	99 924	(55 245)
Net change in cash and cash equivalents	(3 156 007)	3 068 439
Cash and cash equivalents at the beginning of the period	12 819 480	10 261 144
Cash and cash equivalents at the end of the period	9 663 473	13 329 583

Notes to the financial statements presented on pages 10-67 and annexes to the financial statements presented on pages I-VII constitute an integral part of the unconsolidated financial statements.

Notes to financial statements

(In PLN thousand)

The accompanying notes to the financial statement constitute an integral part of the unconsolidated financial statements.

1. General information

Bank Polska Kasa Opieki Spółka Akcyjna (hereafter 'Bank Pekao S.A.' or 'the Bank'), with its headquarters in Warsaw 00-950, Grzybowska Street 53/57, was incorporated on 29 October 1929 in the Commercial Register of the District Court in Warsaw and has been continuously operating since its incorporation.

Bank Pekao S.A. is registered in the National Court Registry – Enterprise Registry of the Warsaw District Court XII Economic Division of the National Court Registry in Warsaw under the reference number KRS 0000014843.

Bank Pekao S.A. is part of the UniCredit S.p.A. Group with its seat in Roma, Italy.

The condensed unconsolidated interim Financial Statements of Bank Pekao S.A. for the period from 1 January 2013 to 30 June 2013 contain financial information of all of the activities performed by the Bank.

The Bank also prepares Consolidated Financial Statements of Bank Pekao S.A. Capital Group.

2. Statement of compliance

The condensed unconsolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union and other applicable regulations.

These financial statements do not include all information required for full annual financial statements, and shall be construed and interpreted in conjunction with the unconsolidated financial statements of the Bank as at and for the year ended 31 December 2012.

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2012 are available upon request at the Bank's registered office at the Local Court for the Capital City of Warsaw, XII Business Division of the National Court Register KRS, Warsaw, at 100 Czerniakowska Street or at the Bank's website, www.pekao.com.pl

In accordance with the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal, No 33, item 259 with amendments) the Bank is required to publish the financial report for the six months ended 30 June 2013, i.e. current interim period.

The condensed unconsolidated interim financial statements have been prepared in Polish Zloty, and all amounts are stated in PLN thousand, unless indicated otherwise.

The financial data, presented in Condensed Unconsolidated Interim Financial Statements of Bank were prepared in the way ensuring their comparability.

These condensed unconsolidated interim financial statements were approved by the Management Board on 2 August 2013.

(In PLN thousand)

3. Significant accounting policies

The condensed unconsolidated financial statements of the Bank have been prepared based on the following valuation principles:

- at fair value for: derivatives, financial assets and liabilities held for trading, financial assets recognized at fair value through profit or loss and available-for-sale financial assets, except for those for which fair value cannot be reliably measured.
- at amortized cost for other financial assets, including loans and advances and other financial liabilities,
- at historical cost for non-financial assets and liabilities,
- non-current assets (or disposal groups) classified as held for sale are recognized at the lower of the carrying amout or fair value less costs to sell.

In the first half of 2013 did not change the accounting rules regarding the valuation of assets and liabilities and the financial result and adopted in this report, the accounting policies are consistent with those used in preparing the Unconsolidated Financial Statements of Bank Pekao S.A. for the year ended 31 December 2012.

Changes in published standards and interpretations, which became effective from 1 January 2013, had no impact on the Condensed Unconsolidated Interim Financial Statements (Annex 1 to the Financial Statements).

However, European Committee Resolution establishes IFRS 13 included a change to IAS 34 'Interim Financial Reporting' which requires from entity an additional disclosures in scope of fair value, a disclosure are presented in the Note 5 'Risk management'.

The report does not take into account amendments to standards and interpretations that are awaiting approval by the European Union or have been approved by the European Union and which will take effect only after the balance sheet (Annex 2 and Annex 3 to the Financial Statements).

In the Bank's opinion amendments to standards and interpretations will not have significant influence on unconsolidated financial statement, with the exception of a new IFRS 9 "Financial Instruments", described in the 2012 Bank's Unconsolidated Financial Statement.

4. Accounting estimates

The preparation of interim financial statements in accordance with IFRS requires Management of the Bank to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Balance sheet estimates reflect market conditions on that date (e.g. market prices, interest rates, exchange rates).

Whilst, the estimates are based on the best knowledge concerning current conditions and activities of the Bank, actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Bank's accounting policies were the same as those that applied to the unconsolidated financial statements as at and for the year ended 31 December 2012 taking into account causes and sources of uncertainty expected at the balance day, except credit valuation adjustment (CVA) in the fair value of derivatives.

Starting from the first quarter 2013 Bank includes credit valuation adjustment (CVA) in the fair value of derivatives. The adjustment is calculated as the expected loss the Bank would incur on a transaction due to counterparty default. The calculation of this amount is based on two main components – the first is transaction-dependent current and potential exposure to the counterparty, the second ones are counterparty credit-worthiness parameters - PD (*Probability-of-Default*) and LGD (*Loss-Given-Default*). The exposure equals to the fair value calculated on the basis of market data under the assumption of lack of credit risk, including potential future market changes, while PD and LGD parameters are estimated by

(In PLN thousand)

internal models. Additionally, collateral posted by the counterparty is taken into account. During the six months period ended 30 June 2013 management reassessed the following estimates:

- impairment of financial assets and off-balance sheet commitments,
- fair value valuation for derivative financial instruments,
- impairment of other assets.

5. Risks management

Credit risk

The credit risk management process and measurement methods have not changed in relation to those described in the unconsolidated financial statements of the Bank Pekao S.A. as at 31 December 2012.

The tables below present the loan portfolio quality depending on percentage distribution of rating classes for exposures encompassed by internal rating models.

The distribution of rated portfolio for individual client segment (excluding impairment provisions)

		CONSUMER CREDIT				NOT INSTALLMENT LOAN						
CREDIT	PD RANGI	_	NOMINAL	VALUE	PD RAN	NOM		L VALUE	PD RANG	·E	NOMINAL VALUE	
IVATINO	PD RANGI	-	30.06.2013	31.12.2012	PURAN	GE	30.06.2013	31.12.2012	PD RANG	IE	30.06.2013	31.12.2012
1	0.00% <= PD	< 0.19%	4.1%	4.5%	0.00% <= PD	< 0.30%	5.0%	4.6%	0.00% <= PD	< 0.01%	0.6%	0.6%
2	0.19% <= PD	< 0.24%	11.3%	10.0%	0.30% <= PD	< 0.50%	6.9%	6.9%	0.01% <= PD	< 0.03%	8.9%	9.8%
3	0.24% <= PD	< 0.31%	30.5%	26.9%	0.50% <= PD	< 0.60%	5.3%	4.8%	0.03% <= PD	< 0.04%	2.5%	2.7%
4	0.31% <= PD	< 0.40%	40.8%	38.2%	0.60% <= PD	< 0.80%	12.8%	12.1%	0.04% <= PD	< 0.07%	7.2%	7.4%
5	0.40% <= PD	< 0.61%	4.7%	6.5%	0.80% <= PD	< 1.30%	16.9%	16.4%	0.07% <= PD	< 0.15%	16.5%	16.5%
6	0.61% <= PD	< 1.02%	1.3%	5.2%	1.30% <= PD	< 2.10%	19.9%	19.7%	0.15% <= PD	< 0.25%	19.2%	17.6%
7	1.02% <= PD	< 2.20%	1.8%	2.9%	2.10% <= PD	< 3.70%	16.3%	16.9%	0.25% <= PD	< 0.59%	10.1%	10.0%
8	2.20% <= PD	< 6.81%	1.9%	2.2%	3.70% <= PD	< 7.20%	6.3%	7.6%	0.59% <= PD	< 1.20%	12.5%	13.0%
9	6.81% <= PD <	14.10%	1.1%	1.1%	7.20% <= PD	< 15.40%	3.1%	3.2%	1.20% <= PD	< 2.58%	4.3%	5.1%
10	14.10% <= PD < 1	100.00%	2.5%	2.5%	15.40% <= PD	<100.00%	7.5%	7.8%	2.58% <= PD <	< 100.00%	18.2%	17.3%
Total			100.0%	100.0%			100.0%	100.0%			100.0%	100.0%

The distribution of rated portfolio for the SME clients (excluding impairment provisions)

CREDIT RATING	DD DANCE	NOMINAL VALUE		
CREDIT RATING	PD RANGE ——————	30.06.2013	31.12.2012	
1	0.00% <= PD < 0.11%	1.2%	1.7%	
2	0.11% <= PD < 0.22%	3.6%	4.3%	
3	0.22% <= PD < 0.45%	8.1%	10.0%	
4	0.45% <= PD < 1.00%	15.0%	16.8%	
5	1.00% <= PD < 2.10%	16.0%	19.0%	
6	2.10% <= PD < 4.00%	15.4%	15.1%	
7	4.00% <= PD < 7.00%	14.7%	12.8%	
8	7.00% <= PD < 12.00%	10.3%	8.5%	
9	12.00% <= PD < 22.00%	8.9%	6.3%	
10	22.00% <= PD < 100.00%	6.8%	5.5%	
Total		100.0%	100.0%	

(In PLN thousand)

The distribution of rated portfolio for the corporate clients (excluding impairment provisions)

CREDIT RATING	PD RANGE	NOMINAL VALUE		
CREDIT RATING	PD RANGE	30.06.2013	31.12.2012	
1	0.00% <= PD < 0.15%	4.5%	7.5%	
2	0.15% <= PD < 0.27%	9.2%	5.9%	
3	0.27% <= PD < 0.45%	18.7%	8.3%	
4	0.45% <= PD < 0.75%	15.8%	7.4%	
5	0.75% <= PD < 1.27%	11.7%	9.8%	
6	1.27% <= PD < 2.25%	11.6%	15.8%	
7	2.25% <= PD < 4.00%	6.1%	14.1%	
8	4.00% <= PD < 8.50%	18.3%	20.5%	
9	8.50% <= PD < 100.00%	4.1%	10.7%	
Total		100.0%	100.0%	

For special-purpose loans, the Bank adopts slotting criteria approach within internal rating method which uses supervisory categories in the process of assigning risk weigh category.

The table below presents percentage distribution of the portfolio exposure to specialized lending (no impairment)

		NOMINAL VALUE
SUPERVISORY CATEGORY	30.06.2013	31.12.2012
High	16.3%	20.6%
Good	76.9%	73.0%
Satisfactory	4.0%	5.2%
Poor	2.8%	1.2%
Total	100.0%	100.0%

(In PLN thousand)

The quality analysis of the Bank's financial assets

The Bank's exposures to credit risk with impairment recognized, broken down by delays in repayment

	LOANS AND ADVA	LOANS AND ADVANCES TO BANKS		ANCES TO RS
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
GROSS CARRYING VALUE OF EXPOSURE INDIVIDUALLY IMPAIR	RED			
not past due	-	-	658 154	893 197
up to 1 month	-	-	494 370	35 781
between 1 month and 3 months	-	-	105 190	38 386
between 3 months and 1 year	-	-	764 627	1 444 525
between 1 year and 5 years	62 964	62 964	1 833 268	1 206 543
above 5 years	-	-	847 722	835 537
Total gross carrying value	62 964	62 964	4 703 331	4 453 969
ALLOWANCE FOR IMPAIRMENT				
not past due	-	-	(132 798)	(175 253)
up to 1 month	-	-	(160 512)	(11 636)
between 1 month and 3 months	-	-	(11 684)	(19 002)
between 3 months and 1 year	-	-	(315 297)	(412 768)
between 1 year and 5 years	(25 300)	(54 000)	(1 002 891)	(779 281)
above 5 years	-	-	(764 998)	(732 087)
Total allowance for impairment	(25 300)	(54 000)	(2 388 180)	(2 130 027)
Net carrying value of exposure individually impaired	37 664	8 964	2 315 151	2 323 942
GROSS CARRYING VALUE OFEXPOSURE COLLECTIVELY IMPA	IRED			
not past due	-	-	59 473	60 904
up to 1 month	-	-	22 431	31 489
between 1 month and 3 months	-	-	56 764	33 577
between 3 months and 1 year	-	10	468 112	454 184
between 1 year and 5 years	-	-	1 394 305	1 355 645
above 5 years	16 258	15 833	624 741	589 311
Total gross carrying value	16 258	15 843	2 625 826	2 525 110
ALLOWANCE FOR IMPAIRMENT				
not past due	-	-	(37 689)	(30 931)
up to 1 month	-	-	(11 485)	(16 294)
between 1 month and 3 months	-	-	(29 703)	(18 012)
between 3 months and 1 year	-	(10)	(279 490)	(273 714)
between 1 year and 5 years	-	-	(1 077 049)	(1 048 893)
above 5 years	(16 258)	(15 833)	(604 179)	(575 742)
Total allowance for impairment	(16 258)	(15 843)	(2 039 595)	(1 963 586)
Net carrying value of exposure collectively impaired	-	-	586 231	561 524

(In PLN thousand)

The table below presents the Bank's exposure to credit risk with no impairment recognized by ageing

	LOANS AND ADVANCES TO BANKS		LOANS	AND ADVANCE	S TO CUSTOMERS(*)	
			CORPO	RATE	RETAIL	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
GROSS CARRYING VALUE OF EXPOSURE WITH NO IMP	PAIRMENT					
not past due	5 254 010	4 087 779	54 154 044	54 431 685	37 872 452	36 197 385
up to 30 days	-	-	490 311	175 123	948 326	1 336 766
between 30 days and 60 days	-	-	70 837	21 910	217 623	200 850
above 60 days	-	-	108 170	13 234	291 684	108 840
Total gross carrying value	5 254 010	4 087 779	54 823 362	54 641 952	39 330 085	37 843 841
IBNR PROVISION						
not past due	(291)	(289)	(227 206)	(255 957)	(155 595)	(133 645)
up to 30 days	-	-	(4 315)	(2 598)	(60 152)	(88 192)
between 30 days and 60 days	-	-	(2 149)	(689)	(27 879)	(23 276)
above 60 days	-	-	(1 042)	(424)	(14 976)	(18 539)
Total IBNR provision	(291)	(289)	(234 712)	(259 668)	(258 602)	(263 652)
Net carrying value of exposure with no impairment	5 253 719	4 087 490	54 588 650	54 382 284	39 071 483	37 580 189

^(*) Receivables from customers include bills eligible for rediscounting at the Central Bank.

The Bank exposures to credit risk, broken down by impairment triggers criteria

	LOANS AND ADVANCES TO BANKS		LOANS AND ADV CUSTOMER	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
IMPAIRED EXPOSURE				
Gross carrying amount	79 222	78 807	7 329 157	6 979 079
Allowance for impairment	(41 558)	(69 843)	(4 427 775)	(4 093 613)
Total net carrying amount	37 664	8 964	2 901 382	2 885 466
EXPOSURES WITH IMPAIRMENT TRIGGERS FOR WHICH NO IMPAIRMENT HAS BEEN ID	NTIFIED			
Gross carrying amount, in this:	-	-	21 452	37 019
Exposure with collateral value included in expected discounted cash flow, in this:	-	-	21 452	37 019
Past due exposures	-	-	4 758	4 300
IBNR provision	-	-	(2 057)	(4 288)
Total net carrying amount	-	-	19 395	32 731
EXPOSURES WITH NO IMPAIRMENT TRIGGERS				
Gross carrying amount	5 254 010	4 087 779	94 131 995	92 448 774
IBNR provision	(291)	(289)	(491 257)	(519 032)
Total net carrying amount	5 253 719	4 087 490	93 640 738	91 929 742

 $^{(\}mbox{\ensuremath{^{\star}}})$ Receivables from customers include bills eligible for rediscounting at the Central Bank.

(In PLN thousand)

Classification of exposures to debt securities according to Standard & Poor's ratings as at 30 June 2013

		DEBT SECURITIES							
RATING	HELD FOR TRADING	DESIGNATED TO FAIR VALUE THROUGH PROFIT & LOSS	AVAILABLE FOR SALE	HELD TO MATURITY	REPO TRANSACTIONS (***)	TOTAL			
AA+ to AA-	-	-	298 596	-	-	298 596			
A+ to A-	1 342 127	-	17 179 932	1 458 919	3 760 259	23 741 237			
BBB+ to BBB-	-	-	248 752	-	-	248 752			
no rating	-	-	9 406 627 (*)	761 909 (**)	-	10 168 536			
Total	1 342 127	-	27 133 907	2 220 828	3 760 259	34 457 121			

^(*) including NBP bills in an amount of PLN 8 733 360 thousand

Classification of exposures to debt securities according to Standard & Poor's ratings as at 31 December 2012

	DEBT SECURITIES								
RATING	HELD FOR TRADING	DESIGNATED TO FAIR VALUE THROUGH PROFIT & LOSS	AVAILABLE FOR SALE	HELD TO MATURITY	REPO TRANSACTIONS (***)	TOTAL			
A- to A+	293 566	-	15 530 743	2 103 774	2 887 530	20 815 613			
BBB+ to BBB-	-	-	248 995	-	-	248 995			
no rating	321 153	-	10 019 744 (*)	674 781 (**)	-	11 015 678			
Total	614 719	-	25 799 482	2 778 555	2 887 530	32 080 286			

^(*) including NBP bills in an amount of PLN 9 320 660 thousand

Classification of exposures to derivative instruments according to Standard & Poor's ratings as at 30 June 2013

	DERIVATIVE INSTRUMENTS						
RATING	TRADING DERIVATIVES		DERIVAT	IVE HEDGING INSTRU	IMENTS		
	BANKS	OTHET FINANCIAL INSTITUTIONS	NON-FINANCIAL ENTITIES	BANKS	OTHET FINANCIAL INSTITUTIONS	NON-FINANCIAL ENTITIES	TOTAL
AAA	140	-	-	-	-	-	140
AA+ to AA-	83 510	-	-	6 765	-	-	90 275
A+ to A-	1 181 473	42 337	-	59 558	-	-	1 283 368
BBB+ to BBB-	206 605	-	-	17 770	-	-	224 375
BB+ to BB-	25 165	-	2 012	-	-	-	27 177
B+ to B-	-	-	1 152	-	-	-	1 152
no rating	393 122	210 184	263 129	4 227	-	137 027	1 007 689
Total	1 890 015	252 521	266 293	88 320	-	137 027	2 634 176

^(**) including NBP bills in an amount of PLN 761 909 thousand

^(***)These transactions are treated as repo receivables and presented appropriately in Loans and advances to banks or Loans and advances to customers.

^(**) including NBP bills in an amount of PLN 674 781 thousand

^(***)These transactions are treated as repo receivables and presented appropriately in Loans and advances to banks or Loans and advances to customers.

(In PLN thousand)

Classification of exposures to derivative instruments according to Standard & Poor's ratings as at 31 December 2012

	DERIVATIVE INSTRUMENTS						
RATING	Т	RADING DERIVATIVES		DERIVAT	IVE HEDGING INSTRU	IMENTS	
	BANKS	OTHET FINANCIAL INSTITUTIONS	NON-FINANCIAL ENTITIES	BANKS	OTHET FINANCIAL INSTITUTIONS	NON-FINANCIAL ENTITIES	TOTAL
AAA	16	-	-	-	-	-	16
AA+ to AA-	86 386	-	-	36 970	-	-	123 356
A+ to A-	1 686 769	-	-	116 102	-	-	1 802 871
BBB+ to BBB-	234 706	-	8 550	29 712	-	-	272 968
BB+ to BB-	-	-	2 131	-	-	-	2 131
no rating	267 447	26 441	338 131	5 064	-	180 042	817 125
Total	2 275 324	26 441	348 812	187 848	-	180 042	3 018 467

Market risk of the trading book

The model of market risk measurement has not changed in relation to the one described in the unconsolidated financial statements of the Bank Pekao S.A. as at 31 December 2012.

The table below presents the market risk exposure of the trading portfolio of the Bank measured by Value at Risk in the period from 1 January to 30 June 2013 and in 2012.

	30.06.2013	MINIMUM VALUE	AVERAGE VALUE	MAXIMUM VALUE
foreign exchange risk	1 642	20	421	2 010
interest rate risk	1 354	848	1 353	2 528
Trading portfolio	2 344	762	1 401	2 749

	31.12.2012	MINIMUM VALUE	AVERAGE VALUE	MAXIMUM VALUE
foreign exchange risk	55	17	590	2 080
interest rate risk	1 480	616	1 362	5 278
Trading portfolio	1 391	736	1 437	5 268

Interest rate risk of the banking book

There have been no changes in the interest rate risk management process in relation to those presented in the unconsolidated financial statements of the Bank Pekao S.A. as at 31 December 2012.

The following table shows the distribution of sensitivity level of interest income (NII) to the change of the interest rate by 100 basis points and the sensitivity of the economic capital of the Bank (EVE), calculated according to the new method, to the change of interest rates by 200 basis points as at 30 June 2013 and at the end of December 2012.

SENSITIVITY IN %	30.06.2013	31.12.2012
NII	(9.04)	(9.14)
EVE	(0.50)	(0.62)

(In PLN thousand)

Currency risk

The foreign currency exchange risk management process has not changed in relation to one described in the unconsolidated financial statements of the Bank Pekao S.A. as at 31 December 2012.

The table below presents the Bank's foreign currency risk profile by major foreign currencies measured by Value at Risk.

CURRENCY	30.06.2013	31.12.2012
Currencies total (*)	1 744	841

^(*) VaR presented in 'Currencies total' is VaR for the whole portfolio. and includes correlations among currencies. The VAR in 'Currencies total' is mainly generated by USD and EUR.

Liquidity risk

The liquidity risk management process has not changed in relation to one described in the unconsolidated financial statements of the Bank Pekao S.A. as at 31 December 2012.

Adjusted liquidity gap

30.06.2013	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
Assets	43 865 411	5 699 764	21 607 712	38 747 334	36 748 570	146 668 791
Liabilities	30 401 255	9 220 006	13 340 336	24 190 475	69 516 719	146 668 791
Net off-balance sheet items	(5 984 156)	(757 987)	2 191 786	2 585 354	1 054 915	(910 088)
Periodic gap	7 480 000	(4 278 229)	10 459 162	17 142 213	(31 713 234)	(910 088)
Cumulative gap		3 201 771	13 660 933	30 803 146	(910 088)	

31.12.2012	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
Assets	46 473 399	4 564 022	24 347 390	37 199 852	34 677 391	147 262 054
Liabilities	31 805 757	10 845 790	14 031 910	20 082 025	70 496 572	147 262 054
Net off-balance sheet items	(6 614 789)	(49 838)	2 999 569	2 357 493	754 425	(553 140)
Periodic gap	8 052 853	(6 331 606)	13 315 049	19 475 320	(35 064 756)	(553 140)
Cumulative gap		1 721 247	15 036 296	34 511 616	(553 140)	

(In PLN thousand)

Structure of financial liabilities by contractual maturities

30.06.2013	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
BALANCE SHEET LIABILITIES						
Amounts due to banks (*)	1 225 509	772 773	338 161	118 897	1 314 932	3 770 272
Amounts due to customers	84 533 532	11 746 945	12 087 567	425 885	12 241	108 806 170
Debt securities issued	-	2 038 564	1 390 843	48 409	-	3 477 816
Financial liabilities held for trading	-	-	95 851	179 640	138 070	413 561
Total	85 759 041	14 558 282	13 912 422	772 831	1 465 243	116 467 819
OFF-BALANCE SHEET COMMITMENTS (**)						
Off- balance sheet commitments Financial liabilities granted	25 783 354	-	-	-	-	25 783 354
Off- balance sheet commitments Guarantees liabilities granted	11 580 961	-	-	-	-	11 580 961
Total	37 364 315	-	-	-	-	37 364 315

31.12.2012	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
BALANCE SHEET LIABILITIES						
Amounts due to banks (*)	3 662 578	1 185 034	320 829	26 595	1 110 642	6 305 678
Amounts due to customers	82 678 846	12 553 612	12 525 433	331 308	15 315	108 104 514
Debt securities issued	-	805 335	2 826 292	334 521	-	3 966 148
Financial liabilities held for trading	-	-	37 496	131 160	77 922	246 578
Total	86 341 424	14 543 981	15 710 050	823 584	1 203 879	118 622 918
OFF-BALANCE SHEET COMMITMENTS (**)						
Off- balance sheet commitments Financial liabilities granted	23 559 633	-	-	-	-	23 559 633
Off- balance sheet commitments Guarantees liabilities granted	10 956 451	-	-	-	-	10 956 451
Total	34 516 084	-	-	-	-	34 516 084

^(*) Including Central Bank

^(**) Exposure amounts from financing-related off-balance sheet commitments granted and guarantee liabilities granted have been allocated to earliest tenors, for which an outflow of assets from the Bank is possible based on contracts entered into by the Bank. However, the expected by the Bank flows from off-balance exposures are actually significantly lower and are differently distributed in time than those indicated from the specification presented above. The above is a consequence of considerable diversification of amounts due to customers and stages of life of individual contracts. Risk monitoring and management in relation to the outflow of assets from off-balance exposures are provided by the Bank on continuous basis. The Bank estimates also more probable flows that are presented in Tables 'Adjusted liquidity gap'.

(In PLN thousand)

The tables below present the financial flows associated with off-balance derivative transactions.

According to Bank's policy, off-balance derivative transactions settled in net amounts include:

- Interest Rate Swaps (IRS),
- Forward Rate Agreements (FRA),
- Foreign currency options and options for gold,
- Interest rate options (Cap/Floor),
- Transactions based on commodities and equity securities,

Off-balance derivative transactions settled by the Bank in gross amounts include:

- Cross-Currency Interest Rate Swaps (CIRS),
- Foreign currency forward contracts,
- Foreign currency swaps (FX-swap),
- Forward contracts based on securities.

Liabilities from off-balance transactions on derivatives recognized in net amounts

	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
30.06.2013	27 035	95 671	259 897	1 393 800	598 736	2 375 139
31.12.2012	25 853	123 149	246 296	1 522 061	878 871	2 796 230

Flows related to off-balance derivative transactions settled in gross amounts

	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
30.06.2013						
Inflows	16 667 924	6 680 169	11 750 445	4 335 484	5 302 687	44 736 709
Outflows	16 322 559	6 741 411	11 781 413	4 739 541	5 796 684	45 381 608
31.12.2012						
Inflows	7 908 137	5 111 905	8 001 591	6 363 959	2 382 595	29 768 187
Outflows	7 763 752	5 077 752	7 941 583	6 605 418	2 814 431	30 202 936

Operational risk

Operational risk management process was not subject to significant change in relations to the one described in the unconsolidated financial statements of the Bank Pekao S.A. as at 31 December 2012.

Other risks

The management processes and methods regarding measurement of other risks identified under Pillar II (Business risk, Real estate risk, Financial investment risks, Macroeconomic risk, Model risk, Reputation risk and Compliance risk) have not changed in relation to those described in the unconsolidated financial statements of Bank Pekao S.A. as at 31 December 2012.

(In PLN thousand)

Fair value of financial assets and liabilities

Financial instruments are measured at fair value in the unconsolidated statement of financial position the Bank

The measurement of fair value of financial instruments, for which market values from active markets are available, is based on market quotations of the given instrument (mark-to-market).

The measurement of fair value of Over-the-counter ('OTC') derivatives and of instruments with limited liquidity (i.e. for which no regular market quotations are available), is made on the basis of other instruments quotations on active markets by replication thereof using a number of valuation techniques, including the estimation of present value of future cash flows (mark-to-model).

As of June 30th, 2013, the Bank classified the financial assets and liabilities measured at fair value into the following three categories based on the valuation method:

- Method 1: mark-to-market applies exclusively to quoted securities,
- Method 2: mark-to-model valuation with model parameterization, based on quotations from active markets for given
 type of instrument. This method applies to illiquid government, municipal and central bank debt securities, linear
 and non-linear derivative instruments on interest rate (including forward transactions on debt securities), capital
 instruments, commodities and foreign exchange except those cases that meet the criteria belonging to Method 3;
- Method 3: mark-to-model valuation with partial model parameterization, based on estimated risk factors. This method is applicable to corporate debt securities and for linear and non-linear derivative instruments of interest rate and foreign exchange markets for which credit risk factor (unobservable parameters) is recognized as significant.

Measurement at fair value is performed directly by a unit within Risk Management Division, independent from front-office units. Methodology of fair value measurement, including the changes of its parametrization are subject to approval of ALCO Committee. Adequacy of measurement methods is subject to on-going analysis and periodical reviews in framework of model risk management. Within the same unit, assessment of adequacy and significance of risk factors is performed, including assignment of valuation models to appropriate method class, according to established principles of classification. Principles of classification are regulated by internal procedures and subject to approval of the Board Member, responsible for the Financial Division.

30.06.2013	METHOD 1	METHOD 2	METHOD 3	TOTAL
Assets:	18 823 852	12 032 241	263 126	31 119 219
Financial assets held for trading	1 342 127	-	-	1 342 127
Derivative financial instruments, including:	-	2 400 267	8 562	2 408 829
- Banks	-	1 890 015	-	1 890 015
- Customers	-	510 252	8 562	518 814
Other financial instruments at fair value through profit and loss	-	-	-	-
Hedging instruments, including:	-	225 347	-	225 347
- Banks	-	88 320	-	88 320
- Customers	-	137 027	-	137 027
Securities available for sale	17 481 725	9 406 627	254 564	27 142 916
Liabilities:	413 561	3 867 389	-	4 280 950
Financial liabilities held for trading	413 561	-	-	413 561
Derivative financial instruments, including:	-	2 385 303	-	2 385 303
- Banks	-	2 144 453	-	2 144 453
- Customers	-	240 850	-	240 850
Hedging instruments, including:	-	1 482 086	-	1 482 086
- Banks	-	1 482 086	-	1 482 086
- Customers	-	-	-	-

(In PLN thousand)

31.12.2012	METHOD 1	METHOD 2	METHOD 3	TOTAL
Assets:	15 827 574	12 314 767	1 299 346	29 441 687
Financial assets held for trading	293 566	-	321 153	614 719
Derivative financial instruments, including:	-	2 626 217	24 360	2 650 577
- Banks	-	2 254 968	20 354	2 275 322
- Customers	-	371 249	4 006	375 255
Other financial instruments at fair value through profit and loss	-	-	-	-
Hedging instruments, including	-	367 890	-	367 890
- Banks	-	187 847	-	187 847
- Customers	-	180 043	-	180 043
Securities available for sale	15 534 008	9 320 660	953 833	25 808 501
Liabilities:	246 578	3 831 917	24 360	4 102 855
Financial liabilities held for trading	246 578	-	-	246 578
Derivative financial instruments, including:	-	2 605 136	24 360	2 629 496
- Banks	-	2 418 862	1 050	2 419 912
- Customers	-	186 274	23 310	209 584
Hedging instruments, including	-	1 226 781	-	1 226 781
- Banks	-	1 226 781	-	1 226 781
- Customers	-	-	-	-

Change in fair value of financial instruments measured by the Bank at fair value according to Method 3

30.06.2013	FINANCIAL ASSETS HELD FOR TRADING	ASSETS FROM DERIVATIVES	SECURITIES AVAILABLE FOR SALE	LIABILITIES FROM DERIVATIVES
Opening balance	321 153	24 360	953 833	24 360
Increases, including:	8 032 936	12 905	6 638	-
Reclassification	-	12 905	-	-
Acquisition	8 030 094	-	-	-
Derivatives transactions made in 2013	-	-	-	-
Revenues from financial instruments	2 842	-	6 638	-
recognized in the income statement	2 842	-	6 638	-
Decreases, including:	(8 354 089)	(28 703)	(705 907)	(24 360)
Reclassification	-	(24 360)	(699 084)	(24 360)
Settlement/redemption	(725 800)	(1 684)	(6 739)	-
Sale	(7 628 289)	-	-	-
Loss on financial instruments	-	(2 659)	(84)	-
recognized in the income statement	-	(2 659)	-	-
recognized in revaluation reserves	-	-	(84)	-
Closing balance	-	8 562	254 564	-
Unrealized income from financial instruments held in portfolio until end of period, recognized in:	-	(2 659)	6 496	-
Income statement item:				
net interest income	-	-	6 580	-
result on financial assets and liabilities held for trading	-	(2 659)	-	-
result on fair value hedge accounting	-	-	-	-
Other components of comprehensive income	-	-	(84)	-

(In PLN thousand)

2012	FINANCIAL ASSETS HELD FOR TRADING	ASSETS FROM DERIVATIVES	SECURITIES AVAILABLE FOR SALE	LIABILITIES FROM DERIVATIVES
Opening balance	247 897	26 095	874 903	26 095
Increases, including:	22 249 764	24 674	397 536	35 518
Acquisition	22 244 573	-	250 513	-
Derivatives transactions made in 2012	-	11 592	-	24 331
Revenues from financial instruments	5 191	13 082	147 023	11 187
recognized in the income statement	5 191	13 082	57 671	11 187
recognized in Revaluation reserves from financial instruments	-	-	89 352	-
Decreases, including:	(22 176 508)	(26 409)	(318 606)	(37 253)
Settlement/redemption	(1 021 666)	(15 894)	(152 064)	(24 325)
Sale	(21 154 842)	-	(166 542)	-
Loss on financial instruments	-	(10 515)	-	(12 928)
recognized in the income statement	-	(10 515)	-	(12 928)
Closing balance	321 153	24 360	953 833	24 360
Unrealized income from financial instruments held in portfolio until end of period, recognized in:	7 790	(1 461)	135 507	1 863
Income statement item:				
net interest income	6 495	-	46 141	-
result on financial assets and liabilities held for trading	1 295	(1 461)	13	1 863
result on fair value hedge accounting	-	-	52 985	-
Other components of comprehensive income	-	-	36 368	-

Transfers from Method 1 to 2 are based on availability of active market quotations as of end of the reporting period.

Transfers from Method 2 to 3 takes place if observable valuation parameter is changed to an unobservable one or if a new unobservable parameter is applied, provided the change results in significant impact on the valuation of instrument. Transfer from Method 2 to Method 3 takes place if unobservable valuation parameter is changed to an observable one, or the impact of unobservable parameter becomes insignificant. The transfers between methods take place on date and according to the state at the of reprting period.

In the period from 1 January till to 30 June 2013, there was no transfer of instruments valuated at fair value between Method 1 and Method 2.

In the period from 1 January till to 30 June 2013 linear and non-linear derivative instruments on interest rate and foreign exchange markets were transferred from Method 2 to Method 3 valuation. For transferred instruments credit risk influence (unobservable input) impact became significant at the end of reporting period.

In the period from 1 January till to 30 June 2013 derivative instruments on capital and commodity markets and municipal bonds were transferred from Method 3 to Method 2 valuation. For the transferred instruments unobservable factors were replaced with observable ones.

(In PLN thousand)

The impact of estimated parameters of measurement at fair value for which the Group applies valuation to fair value according to Method 3 as of 30 June 2013 amounts to:

			LINORSEDVARILE	ALTERNATIVE	IMPACT ON FAIR VALUE	
ASSET/LIABILITY FAIR VALUE		VALUATION TECHNIQL	UNOBSERVABLE FACTOR	FACTOR RANGE (WEIGHTED AVERAGE)	POSITIVE SCENARIO	NEGATIVE SCENARIO
Interest rate	rest rate	Discounted cash flow	PD	38% - 61%	392	(980)
derivatives 8 562	0 302	Discounted cash flow	LGD	43% - 52%	189	(189)
Corporate Bonds	254 564	Discounted cash flow	Credit spread	0,4% - 1,3%	7 862	(170)

Financial instruments are not measured at fair value in the consolidated statement of financial position the Bank

The Bank also holds financial instruments which are not presented at fair value in the financial statements. Fair value is defined as the amount, for which an asset could be exchanged or a liability transferred between counterparties in normal condition on the report date.

In case of certain groups of financial assets, recognized at the value due for payment taking impairment into consideration, fair value was assumed to be equal to carrying amount. The above applies in particular to cash, cash assets, current receivables and payables and other assets and liabilities.

In the case of credits for which no quoted market values are available, the fair values presented are roughly estimated using validation techniques and taking into consideration the assumption, that at the moment the credit is granted its fair value is equal to its carrying amount. Fair value of non-impaired loans is equal to the sum of future expected cash flows, discounted to the balance sheet date. The discount rate is defined as the sum of the appropriate market risk-free rate, increased by the credit risk margin and current sales margin (taking commission fees into consideration) for the given credit products group. Margin is computed on loans granted during last three months divided into credit products group and time to maturity. For the purpose of the fair value of foreign currency loans estimation, margin on PLN loans adjusted by the cross-currency basis swap quotes is used. The fair value of impaired loans is defined as equal to the sum of expected recoveries, discounted with the use of effective interest rate, since the average expected recovery values take the element of credit risk fully into consideration. In case of loans without repayment schedule (loans in current account, overdrafts and credit cards), fair value was assumed as equal to the carrying amount.

For exposures, for which no active market prices are available and market values are unattainable, the Bank does not measure their fair value. Such exposures include companies in the financial sector, associated with the use of the financial and banking infrastructure and payment card services and companies taken-over over as a result of debt restructuring.

Since no quoted market prices are available for deposits, their fair values have been roughly estimated using valuation techniques with the assumption that the fair value of a deposit at the moment of its receipt is equal to its carrying amount. The fair value of term deposits is equal to the sum of future expected cash flows, discounted to the relevant balance sheet date. The cash flow discount rate is defined as the relevant market risk-free rate, increased by the sales margin. Margin is computed on deposits acquired during last three months divided into deposit products group and time to maturity. In case of short term deposits (current deposits, overnights, saving accounts), fair value was assumed as equal to the carrying amount.

The fair value of deposits and loans, apart from mortgage loans denominated in PLN and CHF for whose prepayment model is used, is calculated based on contractual maturities.

(In PLN thousand)

The mark-to-model valuation of own issue debt instruments is based on the method of discounting the future cash flows. Variable cash flows are estimated based upon rates adopted for specific markets (depending upon issue specifications). Both the fixed and implied cash flows are discounted using interbank money market rates.

30.06.2013	CARRYING AMOUNT	FAIR VALUE
ASSETS		
Cash and due from Central Bank	5 286 842	5 286 789
Receivables from banks	5 291 383	5 297 603
Loans and advances to customers (*)	96 561 515	95 731 563
Debt securities held to maturity	2 220 828	2 240 948
Total assets	109 360 568	108 556 903
LIABILITIES		
Amounts due to Central Bank	965	-
Amounts due to other banks	3 769 307	3 799 972
Amounts due to customers	108 806 170	108 348 796
Debt securities issued	3 477 816	3 487 328
Total liabilities	116 054 258	115 636 096

^(*) Including bills of exchange eligible for rediscount at Central Bank.

31.12.2012	CARRYING AMOUNT	FAIR VALUE
ASSETS		
Cash and due from Central Bank	9 207 268	9 207 268
Receivables from banks	4 096 454	4 096 780
Loans and advances to customers (*)	94 847 939	93 747 621
Debt securities held to maturity	2 778 555	2 827 633
Total assets	110 930 216	109 879 302
LIABILITIES		
Amounts due to Central Bank	-	-
Amounts due to other banks	6 305 678	6 313 218
Amounts due to customers	108 104 514	108 103 980
Debt securities issued	3 966 148	3 980 784
Total liabilities	118 376 340	118 397 982

^(*) Including bills of exchange eligible for rediscount at Central Bank.

(In PLN thousand)

6. Interest income and expense

Interest income

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Loans and other receivables from customers	1 283 489	2 710 042	1 581 122	3 150 341
Placements in other banks	43 506	95 553	67 212	135 925
Reverse repo transactions	27 425	50 471	43 809	79 152
Investment securities	249 575	516 117	289 335	556 969
Financial assets held for trading	2 302	5 985	9 081	21 091
Financial assets designated to fair value through profit and loss	-	-	-	-
Total	1 606 297	3 378 168	1 990 559	3 943 478

Interest expense

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Customers' deposits	(510 030)	(1 121 183)	(776 623)	(1 525 530)
Other banks' deposits	(11 071)	(24 353)	(11 316)	(20 977)
Repo transactions	(24 209)	(53 772)	(46 412)	(79 282)
Loans from other banks	(3 974)	(8 147)	(10 048)	(21 919)
Debt securities issued	(35 313)	(79 118)	(28 793)	(52 885)
Total	(584 597)	(1 286 573)	(873 192)	(1 700 593)

7. Fee and commission income and expense

Fee and commission income

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Customer accounts maintenance, payment orders and cash transactions	175 125	353 319	202 518	398 818
Payment cards	222 663	431 290	221 382	428 802
Loans and advances	137 355	240 404	141 419	259 541
Investment products sales intermediation	56 056	117 744	42 024	92 397
Securities operations	13 285	20 586	13 451	25 769
Custody activity	13 998	26 881	13 707	27 070
Guarantees, letters of credit and similar transactions	12 264	27 180	12 836	25 761
Other	15 414	34 819	7 901	9 369
Total	646 160	1 252 223	655 238	1 267 527

Fee and commission expense

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Payment cards	(113 399)	(212 182)	(115 565)	(217 356)
Bank drafts and transfers	(5 920)	(9 695)	(7 003)	(13 867)
Securities operations and derivatives	(2 576)	(5 007)	(2 297)	(4 583)
Custody activity	(2 139)	(4 176)	(1 304)	(3 908)
Acquisition services	(2 819)	(4 707)	(2 801)	(5 672)
Accounts maintenance	(1 110)	(1 645)	(143)	(272)
Other	(3 380)	(5 790)	(3 734)	(6 858)
Total	(131 343)	(243 202)	(132 847)	(252 516)

(In PLN thousand)

8. Dividend income

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Subsidiaries	40 884	85 170	63 765	94 529
Associates	51 858	51 858	65 256	65 256
Other entities	6 751	6 751	8 749	8 749
Total	99 493	143 779	137 770	168 534

9. Result on financial assets and liabilities held for trading

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Foreign currency exchange result	100 070	194 097	122 886	240 804
Gains (losses) on derivatives	14 483	25 577	(5 428)	(15 443)
Gains (losses) on securities	2 889	5 362	428	6 789
Total	117 442	225 036	117 886	232 150

10. Gains (losses) on disposal

Realized gains

	II QUARTER 2013	I HALF 2012	II QUARTER 2012	I HALF 2012
Loans and other financial receivables	-	1	-	-
Available for sale financial assets – debt instruments	152 922	210 487	36 929	80 136
Available for sale financial assets – equity instruments	-	-	-	2
Investments held to maturity	-	-	-	-
Debt securities issued	22	71	204	282
Total	152 944	210 559	37 133	80 420

Realized losses

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Loans and other financial receivables	-	(82)	-	-
Available for sale financial assets – debt instruments	-	-	-	-
Available for sale financial assets – equity instruments	-	-	-	-
Investments held to maturity	-	-	-	-
Debt securities issued	(143)	(3 521)	(89)	(258)
Total	(143)	(3 603)	(89)	(258)
iotai	(143)	(3 603)	(69)	(2:

Net realized profit	152 801	206 956	37 044	80 162

(In PLN thousand)

11. Administrative expenses

Personnel expenses

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Wages and salaries	(361 570)	(707 957)	(367 236)	(726 114)
Insurance and other charges related to employees	(67 486)	(131 592)	(66 774)	(130 600)
Share-based payments expense	(4 687)	(9 424)	(2 261)	(1 622)
Total	(433 743)	(848 973)	(436 271)	(858 336)

Other administrative expenses

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Other administrative expenses	(275 776)	(538 305)	(291 527)	(576 442)
Taxes and charges	(8 353)	(17 536)	(8 641)	(18 261)
Bank Guarantee Fund fee	(24 157)	(48 314)	(23 768)	(47 535)
Financial supervision authority fee (KNF)	(7 596)	(15 355)	(7 545)	(15 049)
Total	(315 882)	(619 510)	(331 481)	(657 287)

Total administrative expenses	(749 625)	(1 468 483)	(767 752)	(1 515 623)

12. Net other operating income and expenses

Other operating income

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Rental income and other miscellaneous income	9 692	20 027	12 160	23 429
Credit insurance charges	6 591	11 991	8 699	15 312
Recovery of debt collection costs	4 509	9 208	5 359	10 300
Refunding of administrative costs	1 679	3 216	2 540	4 148
Income from written off liabilities	155	1 057	4 350	4 608
Compensation, penalty fees and fines received	440	456	10	20
Releases of impairment of litigation and other assets	50	124	66	110
Other	5 385	18 382	8 216	12 875
Total	28 501	64 461	41 400	70 802

Other operating expenses

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Credit insurance costs	(6 133)	(13 579)	(6 812)	(11 544)
Reimburse costs and inventory deficiencies	(3 737)	(7 096)	(2 391)	(5 120)
Customers complaints expense	(825)	(1 291)	(725)	(1 331)
Impairment of litigations receivables and other assets	(226)	(403)	(213)	(292)
Costs of litigation and claims	(1 063)	(1 615)	(603)	(1 338)
Compensation, penalty fees and fines paid	(464)	(1 369)	(153)	(339)
Losses on disposal of other assets	(4)	(4)	(4)	(4)
Other	(5 284)	(9 624)	(4 633)	(13 892)
Total	(17 736)	(34 981)	(15 534)	(33 860)

Net other operating income and expenses	10 765	29 480	25 866	36 942

(In PLN thousand)

13. Net impairment losses on financial assets and off-balance sheet commitments

		INCREASES			DECREASES			
I HALF 2013	OPENING BALANCE	IMPARIMENT CHARGES	OTHER (*)	WRITE-OFFS OF ASSETS FROM THE BALANCE SHEET	RELEASE OF IMPARIMENT CHARGES	OTHER (*)	CLOSING BALANCE	IMPACT ON PROFIT AND LOSS(**)
Impairment of financial assets and off- balance sheet commitments								
Loans and advances to banks valued at amortized cost	70 132	13	628	0	(28 728)	(196)	41 849	28 715
Loans and advances to customers valued at amortized cost	4 616 933	766 279	76 043	(62 775)	(434 941)	(40 450)	4 921 089	(331 338)
Financial assets available for sale	101	-	-	-	-	-	101	-
Impairment of off-balance sheet commitments	125 379	55 717	844	-	(63 709)	-	118 231	7 992
Total financial assets and off-balance sheet commitments	4 812 545	822 009	77 515	(62 775)	(527 378)	(40 646)	5 081 270	(294 631)
Impairment of other assets								
Investments in subsidiaries and associates	54 482	-	-	-	-	-	54 482	-
Intangible assets	10 961	-	-	-	-	-	10 961	-
Property, plant and equipment	7 394	2 283	-	(210)	-	-	9 467	(2 283)
Investment properties	2 154	-	-	-	-	-	2 154	-
Other	65 930	403	29	-	(124)	(219)	66 019	(279)
Total impairment of other assets	140 921	2 686	29	(210)	(124)	(219)	143 083	(2 562)
Total	4 953 466	824 695	77 544	(62 985)	(527 502)	(40 865)	5 224 353	(297 193)

^(*) Including foreign exchange differences and transfers between positions.

^(**) Impairment of financial assets and off-balance sheet commitments' balance includes net impairment in the amount of minus PLN 294 631 thousand and proceeds from recovered bad debt in the amount of PLN 3 193 thousand, the total is minus PLN 291 438 thousand.

(In PLN thousand)

	_	INCREASES			DECREASES		_	
I HALF 2012	OPENING BALANCE	IMPARIMENT CHARGES	OTHER (*)	WRITE-OFFS OF ASSETS FROM THE BALANCE SHEET	RELEASE OF IMPARIMENT CHARGES	OTHER (*)	CLOSING BALANCE	IMPACT ON PROFIT AND LOSS(**)
Impairment of financial assets and off- balance sheet commitments								
Loans and advances to banks valued at amortized cost	72 878	873	1 070	-	(530)	(1 310)	72 981	(343)
Loans and advances to customers valued at amortized cost	4 367 980	794 675	105 566	(84 751)	(526 477)	(133 193)	4 523 800	(268 198)
Financial assets available for sale	101	-	-	-	-	-	101	-
Impairment of off-balance sheet commitments	117 839	50 484	-	-	(50 985)	(806)	116 532	501
Total financial assets and off-balance sheet commitments	4 558 798	846 032	106 636	(84 751)	(577 992)	(135 309)	4 713 414	(268 040)
Impairment of other assets								
Investments in subsidiaries and associates	68 056	-	-	-	-	(613)	67 443	-
Intangible assets	10 961	-	-	-	-	-	10 961	-
Property, plant and equipment	7 965	612	-	-	-	(1 474)	7 103	(612)
Investment properties	550	-	-	-	-	-	550	-
Other	67 079	292	27	(70)	(110)	(228)	66 990	(182)
Total impairment of other assets	154 611	904	27	(70)	(110)	(2 315)	153 047	(794)
Total	4 713 409	846 936	106 663	(84 821)	(578 102)	(137 624)	4 866 461	(268 834)

^(*) Including foreign exchange differences and transfers between positions.

^(**) Impairment of financial assets and off-balance sheet commitments' balance includes net impairment in the amount of minus PLN 268 040 thousand and proceeds from recovered bad debt in the amount of PLN 4 767 thousand, the total is minus PLN 263 273 thousand.

(In PLN thousand)

14. Gains (losses) on disposal of property, plant and equipment and intangible assets

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Gains on disposal of tangible assets classified as assets held for sale	17 405	17 405	693	693
Gains (losses) on derecognition of tangible assets other than classified as held for sale	336	295	403	1 557
Total gains (losses) on disposal of tangible assets	17 741	17 700	1 096	2 250

15. Basic components of income tax charge presented in the income statement and equity

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
INCOME STATEMENT				
Current income tax	(194 028)	(348 250)	(213 742)	(340 434)
Current tax charge disclosed In the income statement	(192 391)	(345 420)	(212 441)	(337 717)
Adjustments related to the current tax from previous years	903	903	144	144
Other taxes (e.g. withholding tax, income tax relating to foreign branches)	(2 540)	(3 733)	(1 445)	(2 861)
Deferred income tax	33 780	28 728	56 026	21 372
Occurrence and reversal of temporary differences	33 780	28 728	56 026	21 372
Tax charge disclosed in the unconsolidated income statement	(160 248)	(319 522)	(157 716)	(319 062)
EQUITY				
Deferred income tax	68 748	94 422	(17 747)	(50 042)
Income and costs disclosed in other comprehensive income:				
revaluation of financial instruments, used as cash flows hedges	9 195	5 923	5 001	16 401
revaluation of available for sale financial assets – debt securities	59 535	88 486	(22 793)	(66 396)
revaluation of available for sale financial assets – with equity rights	18	13	45	(47)
Tax charge disclosed in other comprehensive income	68 748	94 422	(17 747)	(50 042)
Total charge	(91 500)	(225 100)	(175 463)	(369 104)

16. Earnings per share

Earnings per share

Basic earnings per share are calculated by dividing the net profit of the Bank by the weighted average number of the ordinary shares outstanding during the given period.

'	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Net profit	786 381	1 470 767	790 999	1 496 838
Weighted average number of ordinary shares in the period	262 470 034	262 470 034	262 383 129	262 382 662
Earnings per share (in PLN per share)	2.99	5.60	3.01	5.70

(In PLN thousand)

Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit of the Bank by the weighted average number of the ordinary shares outstanding during the given period adjusted for all potential dilution of ordinary shares.

On 30 June 2013 there are not diluting instruments in the Bank in the form of convertible bonds.

	II QUARTER 2013	I HALF 2013	II QUARTER 2012	I HALF 2012
Net profit	786 381	1 470 767	790 999	1 496 838
Weighted average number of ordinary shares in the period	262 470 034	262 470 034	262 383 129	262 382 662
Adjustments to the number of shares for the purpose of calculation of diluted earnings per share	-	-	86 905	86 905
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	262 470 034	262 470 034	262 470 034	262 469 567
Diluted earnings per share (in PLN per share)	2.99	5.60	3.01	5.70

17. Dividend payment

Dividends and other payments to shareholders are recognized directly in equity. The dividend payable is not recognized until the entity has no obligation to pay dividends that is until the payment is approved.

A dividend of PLN 8.39 per share from the net profit for the financial year 2012 was paid by the Bank to its shareholders in 2013.

Dividend payment day was set for 8 July 2013.

18. Cash and balance with Central Bank

CASH AND DUE FROM CENTRAL BANK	30.06.2013	31.12.2012
Cash	2 454 808	2 228 386
Current account at Central Bank	2 582 387	6 978 469
Placements	241 000	-
Interest	8 634	400
Other funds	13	13
Total	5 286 842	9 207 268

AMOUNTS DUE TO CENTRAL BANK	30.06.2013	31.12.2012
Loans	-	-
Term Deposits	946	-
Interest	19	-
Total	965	-

(In PLN thousand)

Cash and balance with Central Bank by currencies

30.06.2013	ASSETS	LIABILITIES
PLN	4 319 750	965
EUR	440 239	-
USD	338 377	-
CHF	38 634	-
Other currencies	149 842	-
Total	5 286 842	965

31.12.2012	ASSETS	LIABILITIES
PLN	8 530 289	-
EUR	336 426	-
USD	192 204	-
CHF	30 915	-
Other currencies	117 434	-
Total	9 207 268	-

19. Loans and advances to banks

Loans and advances to banks by product type

	30.06.2013	31.12.2012
Current accounts and overnight placements	1 443 032	1 964 049
Interbank placements	1 037 024	252 613
Loans and advances	112 668	104 462
Cash collateral	1 769 521	1 332 991
Repo transactions	649 326	190 028
Debt securities	86 477	86 515
Interest accrued	34 288	36 771
Receivables in transit	200 896	199 157
Total gross amount	5 333 232	4 166 586
Impairment provision	(41 849)	(70 132)
Total net amount	5 291 383	4 096 454

Loans and advances to banks by quality

	30.06.2013	31.12.2012
Loans and advances to banks, including:		
gross value of non-impaired receivables	5 254 010	4 087 779
gross value of impaired receivables	79 222	78 807
individual impairment charges	(25 300)	(54 000)
collective impairment charges (*)	(16 549)	(16 132)
Total	5 291 383	4 096 454

^(*) Including estimated impairment for losses, incurred but not reported (IBNR).

(In PLN thousand)

Loans and advances to banks by contractual maturities

	30.06.2013	31.12.2012
Loans and advances to banks, including:		
up to 1 month	4 124 286	3 025 713
between 1 and 3 months	453 241	785 656
between 3 months and 1 year	155 444	72 022
between 1 and 5 years	400 088	80 913
over 5 years	86 477	86 515
expired	79 408	78 996
Interest accrued	34 288	36 771
Total gross amount	5 333 232	4 166 586
Impairment allowances	(41 849)	(70 132)
Total net amount	5 291 383	4 096 454

Loans and advances to banks by currencies

	30.06.2013	31.12.2012
PLN	2 173 403	1 171 416
CHF	3 061	30 893
EUR	1 908 025	2 075 687
USD	1 085 078	657 106
Other currencies	121 816	161 352
Total	5 291 383	4 096 454

Changes in impairment balances in the first half of 2013 and in the first half of 2012 are presented in the Note 13.

20. Financial assets and liabilities held for trading

Financial assets and liabilities held for trading by product type

30.06.2013	ASSETS	LIABILITIES
Securities issued by State Treasury	1 342 127	413 561
T- bills	344 442	-
T- bonds	997 685	413 561
Securities issued by banks	-	-
Securities issued by business entities	-	-
Total	1 342 127	413 561

31.12.2012	ASSETS	LIABILITIES
Securities issued by State Treasury	293 566	246 578
T- bills	1 204	-
T- bonds	292 362	246 578
Securities issued by banks	161 664	-
Securities issued by business entities	159 489	-
Total	614 719	246 578

(In PLN thousand)

Financial assets and liabilities held for trading by maturities

30.06.2013	ASSETS	LIABILITIES
Debt securities, including:		
up to 1 month	153 185	-
between 1 and 3 months	344 442	-
between 3 months and 1 year	352 317	95 851
between 1 and 5 years	301 190	179 640
over 5 years	190 993	138 070
Total	1 342 127	413 561

31.12.2012	ASSETS	LIABILITIES
Debt securities, including:		
up to 1 month	161 556	-
between 1 and 3 months	975	-
between 3 months and 1 year	175 674	37 496
between 1 and 5 years	160 512	131 160
over 5 years	116 002	77 922
Total	614 719	246 578

Financial assets and liabilities held for trading by currencies

30.06.2013	ASSETS	LIABILITIES
PLN	1 323 940	413 561
EUR	5 517	-
USD	12 670	-
Total	1 342 127	413 561

31.12.2012	ASSETS	LIABILITIES
PLN	580 356	246 578
EUR	6 651	-
USD	27 712	-
Total	614 719	246 578

(In PLN thousand)

21. Derivative financial instruments held for trading

Fair value of trading derivatives

30.06.2013	ASSETS	LIABILITIES
Interest rate transactions		
Interest Rate Swaps (IRS)	2 015 921	2 039 601
Forward Rate Agreements (FRA)	28 117	19 534
Options	15 580	15 914
Other	3 525	3 906
Transactions in foreign currencies and in gold		
Cross-Currency Interest Rate Swaps (CIRS)	18 886	41 273
Currency Forward Agreements	100 807	87 217
Currency Swaps (fx-swap)	173 949	122 456
Options for currency and for gold	47 219	50 574
Transactions based on equity securities		
Options	4 825	4 828
Total	2 408 829	2 385 303

31.12.2012	ASSETS	LIABILITIES
Interest rate transactions		
Interest Rate Swaps (IRS)	2 369 206	2 345 058
Forward Rate Agreements (FRA)	10 007	13 582
Options	18 316	17 647
Other	82	48
Transactions in foreign currencies and in gold		
Cross-Currency Interest Rate Swaps (CIRS)	12 968	78 254
Currency Forward Agreements	77 351	76 746
Currency Swaps (fx–swap)	81 014	17 658
Options for currency and for gold	74 759	73 629
Transactions based on equity securities		
Options	6 874	6 874
Total	2 650 577	2 629 496

(In PLN thousand)

22. Loans and advances to customers

Loans and advances to customers by product type

	30.06.2013	31.12.2012
Mortgage	33 616 993	32 150 033
Overdrafts	11 988 030	11 204 992
Operating loans	14 941 901	16 166 162
Investment loans	19 227 117	18 599 296
Payment cards receivables	771 380	747 952
Purchased receivables	1 869 878	1 981 210
Other loans and advances	8 748 662	8 790 827
Debt securities	6 784 971	6 791 337
Repo transactions	3 118 853	2 692 280
Interest accrued	365 435	312 639
Receivables in transit	49 172	27 985
Total gross amount	101 482 392	99 464 713
Impairment allowances	(4 921 089)	(4 616 933)
Total net amount	96 561 303	94 847 780

Loans and advances to customers by customer type

	30.06.2013	31.12.2012
Receivables from corporate	49 701 782	48 467 048
Receivables from individuals	41 230 613	39 699 214
Receivables from budget entities	10 184 562	10 985 812
Interest accrued	365 435	312 639
Total gross amount	101 482 392	99 464 713
Impairment allowances	(4 921 089)	(4 616 933)
Total net amount	96 561 303	94 847 780

Loans and advances to customers by quality

	30.06.2013	31.12.2012
Loans and advances to customers, including:		
gross value of non-impaired receivables	94 153 235	92 485 634
gross value of impaired receivables	7 329 157	6 979 079
individual impairment charges	(2 407 293)	(2 152 061)
collective impairment charges (*)	(2 513 796)	(2 464 872)
Total	96 561 303	94 847 780

^(*) Including estimated impairment for losses, incurred but not reported (IBNR).

(In PLN thousand)

Loans and advances to customers by contractual maturities

	30.06.2013	31.12.2012
Loans and advances to customers, including:		
up to 1 month	16 588 397	15 898 063
between 1 and 3 months	2 726 333	4 275 897
between 3 months and 1 year	10 684 365	11 024 944
between 1 and 5 years	31 555 881	29 275 490
over 5 years	34 320 898	33 834 522
expired	5 241 083	4 843 158
Interest accrued	365 435	312 639
Total gross amount	101 482 392	99 464 713
Impairment allowances	(4 921 089)	(4 616 933)
Total net amount	96 561 303	94 847 780

Loans and advances to customers by currencies

	30.06.2013	31.12.2012
PLN	78 557 694	76 988 014
CHF	5 049 182	5 124 188
EUR	11 304 460	10 914 875
USD	1 623 654	1 790 336
Other currencies	26 313	30 367
Total	96 561 303	94 847 780

Changes in impairment balances in the first half of 2013 and in the first half of 2012 are presented in the Note 13.

23. Hedge accounting

As at 30 June 2013 the Bank applies fair value hedge accounting and cash flow hedge accounting.

In the period from 1 January to 30 June 2013 the Bank continued to apply the following hedge accounting:

- fair value hedge accounting for fixed coupon debt securities classified as available-for-sale (AFS) hedged with interest rate swap (IRS) transactions - description under 23.1,
- cash flow hedge accounting for floating-rate financial assets and liabilities hedged with cross-currency interest rate swap (CIRS) transactions - description under 23.2,
- cash flow hedge accounting for floating-rate financial assets hedged with interest rate swap (IRS) transactionsdescription under 23.3,
- fair value hedge accounting for the portfolio of deposits denominated in EUR hedge of interest rate risk with cross-currency interest rate swap (CIRS) transactions description under 23.4,
- cash flow hedge accounting for a denominated in EUR floating coupon deposits portfolio, hedged with interest rate swap (IRS) transactions – description under 23.5,
- cash flow hedge for highly probable cash flow in US dollars (Bank's long position in US dollars) secured with fx-forward type instruments (made as series of fx-spot and fx-forward transactions) description under 23.6,
- has designated hedge relationships to hedge accounting cash flow hedge of variable portfolio of loans in EUR and USD hedged with fx-swap-type instruments - description under 23.7.

(In PLN thousand)

In the first half of 2013 the Bank:

extended the performance of hedge accounting (cash flow hedge) for the highly probable cash flow in USD (Bank's long
position in US dollars) secured with fx-forward-type instruments (made as series of fx-spot and fx-swap transactions).
It is expected that the cash flows related to the hedged items will occur until 11 September 2013.

The table below presents the fair value of hedging derivatives

30.06.2013	ASSETS	LIABILITIES
Fair value hedge accounting		
Interest rate swaps (IRS)	706	189 370
Cross-currency interest rate swap (CIRS)	137 028	-
Cash flow hedge accounting		
Interest rate swaps (IRS)	49 599	55 318
Cross-currency interest rate swap (CIRS)	38 014	1 120 775
Fx-swaps	-	116 623
Total	225 347	1 482 086

31.12.2012	ASSETS	LIABILITIES
Fair value hedge accounting		
Interest rate swaps (IRS)	-	270 343
Cross-currency interest rate swaps (CIRS)	180 042	-
Cash flow hedge accounting		
Interest rate swaps (IRS)	68 317	69 097
Cross-currency interest rate swaps (CIRS)	75 036	887 341
Fx-swaps	44 495	-
Total	367 890	1 226 781

The table below presents the amounts recognized in the income statement and in revaluation reserves due to cash flow hedge accounting

	I HALF 2013	I HALF 2012
Revaluation reserves (deferral of fair value changes of hedging instruments related to portions recognized as effective hedge- gross value)	(95 492)	(110 519)
Net interest income on hedging derivatives	114 135	152 560
Ineffective portions in changes in the fair value of hedging transactions recognized in income statement	(447)	4 937

The table below presents changes in revaluation reserves during the period due to cash flow hedge accounting

	I HALF 2013	I HALF 2012
Opening balance	(64 318)	(24 199)
Deferral of fair value changes of hedging instruments related to the portion recognized as effective hedge	(31 200)	(86 346)
Amount of the deferral of fair value changes of hedging instruments of the effective hedge removed from revaluation reserves and presented in net profit or loss	26	26
Closing balance	(95 492)	(110 519)

The table below presents the amounts recognized in the income statement due to the fair value hedge

TYPE OF GAINS/LOSSES	I HALF 2013	I HALF 2012
Gains/losses from revaluation of hedging instruments to fair value	39 304	(1 181)
Gains/losses from revaluation of hedged item associated with hedged risk to fair value	(46 339)	(7 556)
Result on fair value hedge accounting	(7 035)	(8 737)
Net interest income on hedging instruments	(24 792)	(29 770)

(In PLN thousand)

23.1 Fair value hedge of fixed coupon debt securities

Description of the hedging relationship

The Bank hedges a portion of the interest rate risk resultant from the fair value changes of the hedged item related to the volatility of market swap curves with the designated IRS transactions.

Hedged item

The hedged items are fixed-coupon debt securities classified as AFS, denominated in PLN, EUR and USD.

Hedging derivative

The hedging derivatives consist of IRS transactions in PLN, EUR and USD (short position in fixed-rate) for which the Bank receives floating-rate payments, and pays fixed-rate.

Financial Statement presentation

The result of the change in the hedged items' fair value that relates to the hedged risk is presented in the income statement line item 'Result on fair value hedge accounting'. The remaining portion of the change in the hedged items' fair value (resulting from spread between swap yield curve and bond yield curve) is recognized in accordance with the accounting principles applicable to AFS (i.e. in revaluation reserve in equity). Interest accrued on AFS bonds is presented in the net interest income.

Changes in the fair value of hedging derivatives under the fair value hedge accounting are presented in the income statement line item 'Result on fair value hedge accounting'. Interest accrued on the hedging derivatives under the fair value hedge accounting is presented in net interest income.

23.2 Cash flow hedge of floating-rate loans and deposits

Description of the hedging relationship

The Bank hedges a portion of the interest rate risk and the foreign currency risk resulting from the volatility of cash flows from floating-rate assets and liabilities with the designated CIRS transactions (basis swap).

Hedged items

Cash flows from floating-rate assets and liabilities portfolio are designated as the hedged items.

Hedging derivatives

Hedging derivatives consist of a portfolio of CIRS transactions (basis swap), where the Bank pays floating-rate currency cash flows, and receives floating-rate PLN/currency cash-flows.

Financial Statement presentation

The effective portion of the change in fair value of hedging derivatives' is recognized in revaluation reserve in equity. The ineffective portion of the change in fair value of hedging derivatives is recognized in the result on financial assets and liabilities held for trading. The interest on CIRS transactions and hedged items is presented in the net interest income.

Period in which the cash flows related to the hedged items are expected to occur

It is expected that the cash flows related to the hedged items will occur until 18 September 2028.

(In PLN thousand)

23.3 Cash flow hedge of floating-rate loans

Description of hedging relationship

The Bank hedges a portion of the interest rate risk related to the volatility of cash flows on floating-rate assets with the designated IRS transactions.

Hedged items

The hedged items consist of the cash flows from floating-rate assets.

Hedging derivatives

The hedging derivatives consist of portfolio of IRS transactions (short position in floating rate – the Bank receives fixed payments and pays floating-rate).

Financial Statement presentation

The effective portion of the change in fair value of hedging derivatives is recognized in revaluation reserve in equity. The ineffective portion of change in fair value hedging derivatives is recognized in the result on financial assets and liabilities held for trading. The interest from IRS transactions and hedged items is presented in the net interest income.

Period in which the cash flows related to the hedged items are expected to occur

It is expected that the cash flows related to the hedged items will occur until 20 November 2017.

23.4 Fair value portfolio hedge of interest rate risk

Description of hedging relationship

The Bank hedges the interest rate risk component of the fair value changes of the hedged item related to the volatility of market interest rates with the designated CIRS transactions.

Hedaed item

The hedged item is a portfolio of deposits denominated in EUR with interests insensitive to interest rate changes.

Hedging derivative

The hedging items consist of CIRS transactions in which the Bank receives fixed-rate payments in EUR, and pays floating-rate payments in Polish Zloty.

Financial Statement presentation

The result of the change in the hedged items' fair value that relates to the hedged risk is presented in the income statement line item 'Result on fair value hedge accounting'. The remaining portion of change in the hedged items' fair value is recognized as a separate line in the liabilities. Interests from deposits are presented in net interest income.

Changes in the fair value of hedging derivatives under the fair value hedge accounting are presented in the income statement line item 'Result on fair value hedge accounting'. Interest accrued on the hedging derivatives under the fair value hedge accounting is presented in net interest income.

(In PLN thousand)

23.5 Cash flow hedge of floating-rate deposits

Description of hedging relationship

The Bank hedges a portion of the interest rate risk related to the volatility of cash flows on floating-rate deposits with the designated IRS transactions.

Hedged items

Cash flows from floating-rate deposits denominated in EUR are the hedged items.

Hedging derivatives

The hedging derivatives consist of portfolio of IRS transactions (short position in fix-rate – the Bank receives floating-rate payments and pays fixed-rate).

Financial Statement presentation

The effective portion of the change in fair value of hedging derivatives is recognized in revaluation reserve in equity. The ineffective portion of change in fair value hedging derivatives is recognized in the net result on financial assets and liabilities held for trading. The interest from IRS transactions and hedged items is presented in net interest income.

Period in which the cash flows related to the hedged items are expected to occur

It is expected that the cash flows related to the hedged items will occur until 5 December 2014.

23.6 Cash flow hedge of variable portfolio of loans in foreign currency

Description of hedging relationship

The Bank hedges volatility of cash flows in USD constituting the predicted revenues from expected sale with the designated fx-forward transaction. The currency risk is hedged.

Hedged items

Predicted revenues of the future sale dependent on the USD/PLN currency convert are the hedged items.

Hedging derivatives

The hedging derivatives consist of fx-forward transactions portfolio (consisting of fx-swap and fx-spot transactions, fx-swap is closing flows of the initial exchange/swap), the Bank sells USD in exchange for PLN on 11 September 2013 at the agreed rate

Financial Statement presentation

The effective portion of the change in fair value of hedging derivatives' is recognized in revaluation reserve in equity. The ineffective portion of the change in fair value of hedging derivatives is recognized in the result on financial assets and liabilities held for trading.

Period in which the cash flows related to the hedged items are expected to occur

It is expected that the cash flows related to the hedged items will occur until 11 September 2013.

(In PLN thousand)

23.7 Cash flow hedge of floating-rate currency assets hedged by fx-swap transactions against the exchange and interest rate risk

Description of hedging relationship

The Bank hedges volatility of cash flows constituting floating-rate financial assets (loans in EUR and USD) by fx-swap transactions. The currency and interest rate risk is hedged.

Hedged items

Granted loans with variable interest rate risk, denominated in EUR and USD constitute hedged items.

Hedging derivatives

Fx-swap transaction portfolio constitutes the hedging position.

Financial Statement presentation

The effective portion of the change in fair value of hedging derivatives' is recognized in revaluation reserve in equity. The ineffective portion of the change in fair value of hedging derivatives is recognized in the result on financial assets and liabilities held for trading.

Settled part of the swap points on the hedging instrument is transferred from revaluation reserve in equity and is recognized in interest income. Currency revaluation of the first leg on the hedging instrument is transferred from revaluation reserve in equity and is recognized in the result of foreign exchange position.

Period in which the cash flows related to the hedged items are expected to occur

It is expected that the cash flows related to the hedged items will occur until 15 May 2014.

24. Investment (placement) securities

	30.06.2013	31.12.2012
Debt securities available for sale (AFS)	27 133 907	25 799 482
Equity securities available for sale (AFS)	9 009	9 019
Debt securities held to maturity (HTM)	2 220 828	2 778 555
Total	29 363 744	28 587 056

Debt securities available for sale (AFS)

	30.06.2013	31.12.2012
Securities issued by State Treasury	17 478 528	15 530 743
T-bills	-	-
T-bonds	17 478 528	15 530 743
Securities issued by Central Banks	8 733 360	9 320 660
Securities issued by business entities	248 752	248 995
Securities issued by local governments	673 267	699 084
Total	27 133 907	25 799 482
including impairment of assets	-	-

(In PLN thousand)

Equity securities available for sale (AFS)

	30.06.2013	31.12.2012
Shares	9 009	9 019
Total	9 009	9 019
including impairment of assets	(101)	(101)

Debt securities held to maturity (HTM)

	30.06.2013	31.12.2012
Securities issued by State Treasury	1 458 919	2 103 774
T- bills	64 635	116 604
T- bonds	1 394 284	1 987 170
Securities issued by Central Banks	761 909	674 781
Total	2 220 828	2 778 555
including impairment of assets	-	-

Investment debt securities according to contractual maturities

	30.06.2013	31.12.2012
Debt securities, including:		
up to 1 month	9 709 839	11 014 196
between 1 and 3 months	64 635	261 787
between 3 months and 1 year	2 456 650	841 723
between 1 and 5 years	11 330 812	12 067 751
over 5 years	5 792 799	4 392 580
Total	29 354 735	28 578 037

Investment debt securities by currencies

	30.06.2013	31.12.2012
PLN	26 485 896	26 252 841
EUR	1 529 670	1 361 396
USD	1 339 169	963 800
Total	29 354 735	28 578 037

(In PLN thousand)

25. Assets held for sale and discontinued operations

According to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the Bank identified non-current assets meeting requirements of IFRS 5 (concerning classification of non-current assets as held for sale) from the item 'Assets held for sale'.

As at 30 June 2013 non-current assets classified as held for sale included following items classified as held for sale:

- exposure in subsidiary PJSC UniCredit Bank Ukraine,
- real estate,
- other property, plant and equipment owned by the Bank.

Assets held for sale:

	30.06.2013	31.12.2012
PJSC UniCredit Bank exposure	577 349	1 487 136
Property, plant and equipment	32 953	77 341
Total	610 302	1 564 477

Changes assets and liabilities held for sale and discontinued operations on the half of 2013 are:

- a) sale Paris Branch real estate
- b) withdrawal of assets item investment granted to subsidiaries PJSC UniCredit Bank Ukraine.

 An item is currently presented on loans and advance to banks .It is financing granted by the Bank to entity PJSC, existing funding will be gradually reimbursed during period not exceeding 4 years. Item has been valuated according to IFRS rules, disclosure change has no impact on result.

Information on divestment has been presented on note 35 'Subsequent events'.

Assets disposed:

	30.06.2013	31.12.2012
Sales revenues	65 236	29 584
Net carrying value of divested assets (including sale costs)	47 831	12 787
Profit/loss on sale before income tax	17 405	16 797

(In PLN thousand)

26. Intangible assets

	30.06.2013	31.12.2012
Intangible assets, including:	556 889	592 770
research and development expenditures	13 930	15 858
licenses and patents	417 372	433 688
other	1 739	2 460
expenditures on intangible assets and advances to expenditures on intangible assets	123 848	140 764
Goodwill	51 675	51 675
Total	608 564	644 445

In the first half of 2013, the Bank acquired intangible assets in the amount of PLN 33 372 thousand, (in 2012 the Bank acquired intangible assets amounting to PLN 103 482 thousand).

In the first half of 2013 and in 2012 there have been no restrictions to legal titles to intangible assets as security banking liabilities.

27. Property, plant and equipment

	30.06.2013	31.12.2012
Non-current assets, including:	1 512 225	1 551 499
land and buildings	1 142 470	1 160 061
machinery and equipment	302 374	319 703
transport vehicles	31 905	37 595
other	35 476	34 140
Non-current assets under construction and prepayments	58 297	90 641
Total	1 570 522	1 642 140

In the first half of 2013 the Bank acquired 'Property, plant and equipment' in the amount of PLN 22 749 thousand (in 2012 the value of property, plant and equipment acquired amounted to PLN 131 320 thousand), while value of property, plant and equipment sold amounted to PLN 699 thousand (PLN 794 thousand in 2012).

In the first half of 2013 and in 2012 there have been no restrictions to legal titles to property, nor pledgesin place as security for liabilities.

Contractual liabilities

As at 30 June 2013 the Bank signed agreements with contractors for the future purchase of intangible assets totaling PLN 20 054 thousand and property, plant and equipment totaling PLN 46 324 thousand.

As at 30 June 2012 the Bank signed agreements with contractors for the future purchase of intangible assets totaling PLN 59 440 thousand and property, plant and equipment totaling PLN 21 264 thousand.

(In PLN thousand)

28. Assets pledged as collateral

As at 30 June 2013 the Bank held the following financial assets pledged as collateral

TYPE OF TRANSACTION	PLEDGE INSTRUMENT	CARRYING VALUE OF ASSETS USED TO PLEDGE LIABILITIES	NOMINALVALUE OF ASSETS USED TO PLEDGE LIABILITIES	VALUE OF LIABILITIES SUBJECT TO PLEDGE
Repo transactions	bonds	1 197 358	1 163 521	1 196 573
Coverage of Fund for protection of guaranteed assets to the benefit of the Bank Guarantee Fund	bonds	621 494	560 000	-
Lombard and technical loan	bonds	7 011 236	6 720 047	-
Other loans	bonds	373 270	367 000	274 767
Deposits	bonds	201 486	204 700	192 014

As at 31 December 2012 the Bank held the following financial assets pledged as collateral

TYPE OF TRANSACTION	PLEDGE INSTRUMENT	CARRYING AMOUNT OF ASSETS USED TO PLEDGE LIABILITIES	NOMINAL VALUE OF ASSETS USED TO PLEDGE LIABILITIES	VALUE OF LIABILITIES SUBJECT TO PLEDGE
Repo transactions	bonds	5 608 203	5 249 834	5 600 698
Coverage of Fund for protection of guaranteed assets to the benefit of the Bank Guarantee Fund	bonds	613 211	560 000	-
Lombard and technical loan	bonds	7 102 603	6 656 034	-
Other loans	bonds	385 307	367 000	276 071
Deposits	bonds	147 251	152 095	142 490

29. Amounts due to other banks

Amounts due to other banks by product type

	30.06.2013	31.12.2012
Current accounts and overnight deposits	1 282 019	1 284 561
Deposits from other banks and other liabilities	603 072	1 241 498
Loans and advances received	1 436 977	1 127 892
Repo transactions	396 193	2 608 219
Interest accrued	3 125	2 646
Funds in transit	47 921	40 862
Total	3 769 307	6 305 678

Amounts due to other banks by currencies

	30.06.2013	31.12.2012
PLN	1 975 963	3 694 978
CHF	432 105	407 738
EUR	1 155 137	1 817 817
USD	128 273	271 537
Other currencies	77 829	113 608
Total	3 769 307	6 305 678

(In PLN thousand)

30. Amounts due to customers

Amounts due to customers by entity and product type

	30.06.2013	31.12.2012	
Amounts due to corporate, including:	50 678 191	49 159 989	
current accounts and overnight deposits	19 983 953	20 379 338	
term deposits and other liabilities	30 596 853	28 669 627	
interest accrued	97 385	111 024	
Amounts due to budget entities, including:	6 780 108	5 642 413	
current accounts and overnight deposits	4 511 866	4 611 350	
term deposits and other liabilities	2 262 399	1 027 635	
interest accrued	5 843	3 428	
Amounts due to individuals, including:	48 727 572	48 059 100	
current accounts and overnight deposits	27 412 331	25 723 129	
term deposits and other liabilities	21 119 424	22 084 160	
interest accrued	195 817	251 811	
Repo transactions, including:	2 355 637	5 104 425	
forward transactions	2 354 010	5 099 736	
interest accrued	1 627	4 689	
Funds in transit	264 662	138 587	
Total	108 806 170	108 104 514	

Amounts due to customers by currencies

	30.06.2013	31.12.2012
PLN	93 237 932	92 133 352
CHF	180 245	187 028
EUR	9 139 903	9 322 700
USD	5 589 498	5 871 802
Other currencies	658 592	589 632
Total	108 806 170	108 104 514

31. Debt securities issued

Debt securities issued by type

	30.06.2013	31.12.2012
Bonds	-	-
Certificates of deposit	3 414 997	3 907 679
Interest accrued	62 819	58 469
Total	3 477 816	3 966 148

There have been no instances of late discharge of redemption Bank's own securities (repayment of principal, payment of interest).

(In PLN thousand)

Debt securities issued by currency

	30.06.2013	31.12.2012
PLN	3 477 816	3 926 786
EUR	-	17 138
USD	-	22 224
Total	3 477 816	3 966 148

Changes in debt securities issued

	I HALF 2013	2012
Opening balance	3 966 148	2 402 614
Increase (issuance)	1 722 400	4 941 669
Decrease (repurchase)	(1 782 504)	(3 217 217)
Decrease (partial payment)	(442 862)	(222 870)
Foreign currency exchange differences	1 366	(3 673)
Other changes	13 268	65 625
Closing balance	3 477 816	3 966 148

32. Provisions

Roll-forward of provisions in the reporting period

I HALF 2013	PROVISIONS FOR LITIGATION AND CLAIMS	PROVISONS FOR RETIREMENT BENEFITS	PROVISIONS FOR UNDRAWN CREDIT FACILITIES AND GUARANTEES ISSUED	OTHER PROVISIONS	TOTAL
Opening balance	55 043	152 393	125 379	40 675	373 490
Provision charges/revaluation	2 761	9 290	55 717	6 491	74 259
Provision utilization	(7 422)	(6 642)	-	(15 977)	(30 041)
Provision releases	(674)	-	(63 709)	-	(64 383)
Foreign currency exchange differences	17	-	844	349	1 210
Other changes	-	-	-	(909)	(909)
Closing balance	49 725	155 041	118 231	30 629	353 626
Short term	21 214	-	50 336	11 859	83 409
Long term	28 511	155 041	67 895	18 770	270 217

2012	PROVISIONS FOR LITIGATION AND CLAIMS	PROVISONS FOR RETIREMENT BENEFITS	PROVISIONS FOR UNDRAWN CREDIT FACILITIES AND GUARANTEES ISSUED	OTHER PROVISIONS	TOTAL
Opening balance	44 796	147 638	117 839	35 095	345 368
Provision charges/revaluation	24 304	13 519	75 207	12 871	125 901
Provision utilization	(5 243)	-	-	(10 784)	(16 027)
Provision releases	(8 242)	-	(66 450)	-	(74 692)
Foreign currency exchange differences	(27)	-	(1 217)	(475)	(1 719)
Other changes	(545)	(8 764)	-	3 968	(5 341)
Closing balance	55 043	152 393	125 379	40 675	373 490
Short term	21 412	6 642	80 676	27 303	136 033
Long term	33 631	145 751	44 703	13 372	237 457

(In PLN thousand)

Litigation provision

Provision for litigation includes court, administrative and other legal proceedings. Provision for litigation was recognized in the amount of expected outflow of economic benefits.

Provisions for retirement benefits

Provision for retirement benefits is created individually for each employee based on the actuarial valuation. The basis for the determination of the provision amount is the expected benefit amount, which the Bank is obliged to pay on the basis of internal regulations concerning employee remuneration.

Other provisions

Other provisions include in particular provisions for long term employee benefits resulting from IAS 19 and provisions for employment restructuring concerning planned liquidation of the Branch in Paris.

33. Contingent liabilities

Litigation

As at 30 June 2013, there were no court or administrative proceedings held by public administration bodies in relation to liabilities or receivables of the Bank, with the claim amount (for cash payment) for at least 10% of the equity.

In the first half of 2013 the value of legal proceedings against the Bank amounted to PLN 19 056 627 thousand (in 2012 PLN 18 710 321 thousand).

The most significant, taking into account the amount in dispute, legal proceedings against the Bank entities as at 30 June 2013 are described below:

- legal proceeding resulting from minority shareholder lawsuit to repeal resolution No 8 and No 24 of the Annual General Meeting of 19 April 2011 on the approval of the Pekao Group consolidated financial statements for 2010 and acknowledgement of the fulfillment of duties by one of the members of the Management Board in 2010. Indicated by the plaintiff amount in dispute amounts to PLN 18 000 000 thousand. In the opinion of the Bank both the claim and amount in dispute are groundless,
- claim against the Bank and Centralny Dom Maklerski Pekao S.A. lodged by private individuals, which relates to the
 alleged damage arising as a result of shares purchased and execution process. The total amount in dispute is PLN
 306 622 thousand. In the opinion of the Bank the suit and amount in dispute are groundless.

As at 30 June 2013, the Bank created provisions for litigations against the Bank, which according to legal opinion are associated with a risk of outflow of funds related to the fulfillment of court rulings. The value of provisions, created as at 30 June 2013 stood at PLN 49 725 thousand (as at 31 December 2012 PLN 55 043 thousand).

Financial commitments

Financial commitments by entities

	30.06.2013	31.12.2012
Financial commitments including:		
financial entities	3 637 492	2 126 701
non- financial entities	20 724 438	20 687 992
budget entities	1 421 424	744 940
Total	25 783 354	23 559 633

(In PLN thousand)

Guarantees

Guarantees by entities

	30.06.2013	31.12.2012
Liabilities to financial entities, including:	1 946 874	1 612 457
guarantees	1 917 089	1 597 997
confirmed export letters of credit	29 785	14 460
Liabilities to non-financial entities, including:	9 154 059	9 274 400
guarantees	4 563 392	5 497 004
securities'underwriting guarantees	4 588 697	3 775 430
sureties	1 970	1 966
Liabilities to budget entities, including:	480 028	69 594
guarantees	2 978	3 094
securities'underwriting guarantees	477 050	66 500
Total	11 580 961	10 956 451

Off-balance sheet financial liabilities

Financial liabilities by entities

	30.06.2013	31.12.2012
Financial, including:	388 943	894 798
financial entities	388 943	894 798
non - financial entities	-	-
budget entities	-	-
Guarantees, including:	9 417 214	7 123 202
financial entities	681 873	476 759
non - financial entities	7 989 574	5 948 881
budget entities	745 767	697 562
Total	9 806 157	8 018 000

Additionally, the Bank can to obtain financing from the National Bank of Poland pledged on securities.

34. Related party transactions

The credit granting process applicable to the Bank's management and entities related to the Bank

According to the Banking Act, credit transactions with Members of the Bank Management Board and Supervisory Board, persons holding managerial positions at the Bank, with the entities related financially or organizationally therewith, shall be effected according to Regulation adopted by the Bank Supervisory Board.

The Regulation provide detailed decision-making procedures, applicable to transactions with such persons and entities, also defining the decision-making levels authorized to take decisions. In particular, transactions with Members of the Bank Management Board or Supervisory Board or with an entity related therewith financially or organizationally, are subject to decisions taken by the Bank Management Board and Supervisory Board.

(In PLN thousand)

Members of the Bank Management and entities related therewith financially or organizationally may take advantage of credit products offered by the Bank on standard terms and conditions of the Bank. In particular, the Bank may not offer more advantageous credit interest rates to such persons or entities.

Credit risk assessment is performed using the methodology applied by the Bank, tailored to the client's segment and type of transaction.

In case of entities related to the Bank, standard credit procedures are applied, with transaction-related decisions taken exclusively at level of the Bank Head Office.

(In PLN thousand)

Related party transactions

Related party transactions as at 30 June 2013

Bank's parent entity UniCredit S.p.A. Entities of UniCredit Group exclusive of Pekao S.A. Group entities Pekao S.A. Group entities	2 817 754 350		-	1 264	47 954		
Entities of UniCredit Group exclusive of Pekao S.A. Group entities		-	-	1 264	47.054		
	754 350	-	007.400		47 904	-	1 116 238
Pekao S.A. Group entities			307 126	356	482 687	913 742	-
Subsidiaries							
Public Joint Stock Company UniCredit Bank	674 976	-	-	-	162		1
Pekao Leasing Sp. z o.o.	1 323 854	-	784	281	33 051	35	302
Pekao Faktoring Sp. z o.o.	713 811	-	-	11	1 082		-
Centralny Dom Maklerski Pekao S.A.	3	-	25	316	626 202	2	4
Pekao Fundusz Kapitałowy Sp. z o.o.	-	-	-	-	46 832		-
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A.	-	-	-	65	9 428		-
Pekao Telecentrum Sp. z o.o.	-	-	-	-	10 367		1
Centrum Kart S.A.	9	-	-	289	22 741		14 213
Pekao Financial Services Sp. z o.o.	-	-	-	4	4 704		-
Pekao Bank Hipoteczny S.A.	6 504	87 108	9 732	=	7 544	4 038	66
Pekao Leasing Holding S.A.	-	-	-	-	742		-
Property Sp. z o.o. (in liquidation)	-	-	-	6 230	3 051		-
Pekao Property S.A.	25 384	-	-	=	2 806		-
Centrum Bankowości Bezpośredniej Sp. z o.o.	-	-	-	418	1 522		5 458
FPB - Media Sp. z o.o.	12 555	-	-	-	298		-
Associates							
Dom Inwestycyjny Xelion Sp.z o.o.	4	-	-	-	11 844		31
Pioneer Pekao Investment Management S.A.	-	-	-	46	135 652		4
Pionier Pekao TFI S.A. (subsidiary of PPIM S.A.)	4	-	-	15 366	102 631		5
Krajowa Izba Rozliczeniowa S.A.	-	-		-	515	<u> </u>	-
Pekao S.A. Group entities total	2 757 104	87 108	10 541	23 026	1 021 174	4 075	20 085
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	7 392		-	-	15 116	-	
Total	3 521 663	87 108	317 667	24 646	1 566 931	917 817	1 136 323

(In PLN thousand)

Recivables from loans and deposits by contractual maturity

30.06.2013	CURRENT (*)	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INTEREST	TOTAL
UniCredit S.p.A. –Bank 's parent entity	2 817	-	-	-	-	-	-	2 817
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	628 108	71 677	332	10 584	43 295	-	354	754 350
Pekao S.A Group entities								
Subsidiaries	242 504	31 779	351 129	748 360	1 269 036	107 911	6 377	2 757 096
Associates	-	-	-	-	8	-	-	8
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	-	-	-	6 949	419	-	24	7 392
Total	873 429	103 456	351 461	765 893	1 312 758	107 911	6 755	3 521 663

^(*) Current recivables include Nostro account and cash collateral account

Liabilities from loans and deposits by contractual maturity

30.06.2013	CURRENT (*)	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INTEREST	TOTAL
UniCredit S.p.A. –Bank 's parent entity	47 954	-	-	-	-	-	-	47 954
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	67 748	78 299	100 000	236 561	-	-	79	482 687
Pekao S.A Group entities								
Subsidiaries	582 016	138 735	22 076	3 476	22 975	-	1 254	770 532
Associates	14 929	41 300	59 845	133 500	-	-	1 068	250 642
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	6 788	3 050	4 583	649	-	-	46	15 116
Total	719 435	261 384	186 504	374 186	22 975		2 447	1 566 931

^(*)Current liabilities include Loro account and cash collateral account

(In PLN thousand)

Receivables from loans and deposits by currencies

30.06.2013	EUR	USD	CHF	PLN	OTHER	TOTAL
UniCredit S.p.A. – parent entity.	1 728	1 089	-	-	-	2 817
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	674 098	1 065	6	16 908	62 273	754 350
Bank Pekao S.A. Group entities						
Subsidiaries	452 646	679 987	10 785	1 613 677	1	2 757 096
Associates	-	-	-	8	-	8
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	-	-	-	7 392	-	7 392
Total	1 128 472	682 141	10 791	1 637 985	62 274	3 521 663

Liabilities due to loans and deposits by currencies

30.06.2013	EUR	USD	CHF	PLN	OTHER	TOTAL
UniCredit S.p.A. – parent entity	1 382	-	-	46 572	-	47 954
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	28 522	22	-	454 133	10	482 687
Bank Pekao S.A. Group entities						
Subsidiaries	16 266	16 860	390	736 372	644	770 532
Associates	-	-	-	250 642	-	250 642
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	1 387	553	3	13 173	-	15 116
Total	47 557	17 435	393	1 500 892	654	1 566 931

(In PLN thousand)

Related party transactions as at 31 December 2012

NAME OF ENTITY	RECEIVABLES FROM LOANS, ADVANCES AND PLACEMENTS	SECURITIES	RECEIVABLES FROM REVALUATION OF DERIVATIVES	OTHER RECEIVABLES	LIABILITIES FROM LOANS AND DEPOSITS	LIABILITIES FROM REVALUATION OF DERIVATIVES	OTHER LIABILITIES
Bank's parent entity	7 III I ENGLINEITIO		DEM.VIIIVEO		DEPOSITS	DEMINITED	
UniCredit S.p.A.	424 449			588	57 621		9 744
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	817 569		375 503	4 563	780 550	929 295	849
Bank Pekao S.A. Group entities	011 000		070 000	1 000	100 000	323 230	
Subsidiaries							
Public Joint Stock Company UniCredit Bank	909 787	-	-		161	-	707
Pekao Leasing Sp. z o.o.	1 277 262	-	977	477	62 784	4	296
Pekao Faktoring Sp. z o.o.	1 077 190	-		16	310 349	-	-
Centralny Dom Maklerski Pekao S.A.	-	-	-	31	839 704	-	363
Pekao Fundusz Kapitałowy Sp. z o.o.	-	-	-	1	47 587	-	
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A.	-	-	-	75	13 251	-	
Pekao Telecentrum Sp. z o.o.	-	-		-	10 275	-	-
Centrum Kart S.A.	-	-	-	211	30 374	-	9 276
Pekao Financial Services Sp. z o. o.	-	-	-	4	2 750	-	-
Pekao Bank Hipoteczny S.A.	-	101 571	517	-	86 966	8 697	65
Pekao Leasing Holding S.A.	-	-	-	-	101	-	-
Property Sp. z o.o. (in liquidation)	-	-	-	6 230	3 097	-	-
Pekao Property S.A.	-	-	-	-	577	-	3 679
Centrum Bankowości Bezpośredniej Sp. z o.o.	-	-	-	15	5 271	-	-
Jana Kazimierza Development Sp. z o.o.	24 129	-	-	416	3 108	-	-
Metropolis Sp. z o.o.	1 196	-	-	-	1 464	-	-
FPB-Media Sp. z o.o.	12 363	-	-	-	238	-	-
Associates							
Dom Inwestycyjny Xelion Sp. z o.o.	-	-	-	6	8 155	-	12
Pioneer Pekao Investment Management S.A.	-	-	-	81	142 481	-	19
Pioneer Pekao TFI S.A. (subsidiary of PPIM S.A.)	2	-	-	17 630	103 914	-	21
Krajowa Izba Rozliczeniowa S.A.	-	-	-	-	19 700	-	-
Pekao S.A. Group entities total	3 301 929	101 571	1 494	25 193	1 692 307	8 701	14 438
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	7 360	-	-	-	12 674	-	-
Total	4 551 307	101 571	376 997	30 344	2 543 152	937 996	25 031

(In PLN thousand)

Recivables from loans and deposits by contractual maturity

31.12.2012	CURRENT (*)	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INTEREST	TOTAL
UniCredit S.p.A. –Bank 's parent entity	424 449	-	-	-	-	-	-	424 449
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	772 809	1 387	671	1 497	40 882	-	323	817 569
Pekao S.A Group entities								
Subsidiaries	345 682	25 190	1 015 637	886 514	989 948	36 967	1 989	3 301 927
Associates	-	-	-	-	2	-	-	2
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	-	6 948	-	6	35	369	2	7 360
Total	1 542 940	33 525	1 016 308	888 017	1 030 867	37 336	2 314	4 551 307

^(*)Current recivables include Nostro account and cash collateral account

Liabilities from loans and deposits by contractual maturity

31.12.2012	CURRENT (*)	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	INTEREST	TOTAL
UniCredit S.p.A. –Bank 's parent entity	57 621	-	-	-	-	-	-	57 621
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	288 610	241 620	-	250 065	-	-	255	780 550
Pekao S.A Group entities								
Subsidiaries	850 435	442 294	13 931	93 234	17 407	-	756	1 418 057
Associates	7 711	81 828	43 100	140 500	-	-	1 111	274 250
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	487	10 039	34	2 054	-	-	60	12 674
Total	1 204 864	775 781	57 065	485 853	17 407	-	2 182	2 543 152

^(*)Current recivables include Nostro account and cash collateral account

(In PLN thousand)

Receivables from loans and deposits by currencies

31.12.2012	EUR	USD	CHF	PLN	OTHER	TOTAL
UniCredit S.p.A. – parent entity.	365 734	58 715	-	-	-	424 449
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	565 844	3 057	6	228 203	20 459	817 569
Bank Pekao S.A. Group entities						
Subsidiaries	810 758	721 237	19 206	1 750 725	1	3 301 927
Associates	-	-	-	2	-	2
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	-	-	-	7 360	-	7 360
Total	1 742 336	783 009	19 212	1 986 290	20 460	4 551 307

Liabilities due to loans and deposits by currencies

31.12.2012	EUR	USD	CHF	PLN	OTHER	TOTAL
UniCredit S.p.A. – parent entity	-	-	-	57 621	-	57 621
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	44 939	4	-	731 411	4 196	780 550
Bank Pekao S.A. Group entities						
Subsidiaries	13 352	35 775	745	1 367 566	619	1 418 057
Associates	-	-	-	274 250	-	274 250
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	539	515	-	11 617	3	12 674
Total	58 830	36 294	745	2 442 465	4 818	2 543 152

(In PLN thousand)

Income and expenses from transactions with related parties for the period from 1 January 2013 to 30 June 2013

NAME OF ENTITY	INTEREST INCOME	INTERES EXPENSE	FEE AND COMMISSION INCOME	FEE AND COMMISSION EXPENSE	OTHER INCOME	OTHER EXPENSES
Bank's parent entity						
UniCredit S.p.A.	74	(117)	1 110	(1 152)	914	(3 977)
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	30 936	(11 703)	3 856	(91)	21 536	(17 108)
Pekao S.A. Group entities						
Subsidiaries						
Public Joint Stock Company UniCredit Bank	15 436	-	6	(20)	-	-
Centralny Dom Maklerski Pekao S.A.	-	(5 044)	792	(7)	1 636	(1 389)
Pekao Leasing Sp. z o.o.	21 425	(3 843)	833	-	721	(79)
Pekao Faktoring Sp. z o.o.	12 237	(42)	368	-	87	-
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A	-	(252)	376	-	8	-
Pekao Fundusz Kapitałowy Sp. z o.o.	-	(803)	4	-	6	-
Centrum Kart S.A.	-	(367)	15	-	575	(31 131)
Pekao Telecentrum Sp. z o.o.	-	(163)	1	-	1	-
Pekao Financial Services Sp. z o.o.	-	(71)	48	-	42	-
Pekao Bank Hipoteczny S.A.	2 543	(1 652)	332	-	58	(2 508)
Pekao Leasing Holding S.A.	-	(5)	3	-	-	-
Centrum Bankowości Bezpośredniej Sp. z o.o.	-	(60)	2	(4 140)	2 171	(16 029)
Property Sp. z o.o. (in liquidation)	-	(52)	1	-	-	-
Pekao Property S.A.	843	(32)	76	-	36	-
FPB - Media Sp. z o.o.	220	-	2	-	-	-
Associates						
Pioneer Pekao Investment Management S.A.	-	(2 420)	256	-	-	-
Pioneer Pekao TFI S.A. (subsidiary of PPIM S.A.))	-	(1 735)	100 518	-	-	-
Dom Inwestycyjny Xelion Sp. z o.o.	-	(162)	24	(14)	83	-
Krajowa Izba Rozliczeniowa S.A.	-	(133)	25	-	-	(4 877)
Pekao S.A. Group entities total	52 704	(16 836)	103 682	(4 181)	5 424	(56 013)
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	168	(259)	1	-	-	-
Total	83 882	(28 915)	108 649	(5 424)	27 874	(77 098)

(In PLN thousand)

Income and expenses from transactions with related parties for the period from 1 January 2012 to 30 June 2012

NAME OF ENTITY	INTEREST INCOME	INTERES EXPENSE	FEE AND COMMISSION INCOME	FEE AND COMMISSION EXPENSE	OTHER INCOME	OTHER EXPENSES
Bank's parent entity						
UniCredit S.p.A.	404	(245)	105	(2 186)	1 741	(4 482)
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	52 412	(16 816)	4 685	(754)	3 884	(65 194)
Pekao S.A. Group entities						
Subsidiaries						
Public Joint Stock Company UniCredit Bank	22 896	-	208	(22)	-	-
Centralny Dom Maklerski Pekao S.A.	-	(4 892)	835	(8)	1 726	(1 278)
Pekao Leasing Sp. z o.o.	24 718	(3 941)	455	-	417	(16 016)
Pekao Faktoring Sp. z o.o.	13 174	(1)	360	-	41	-
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A	-	(236)	360	-	3	-
Pekao Fundusz Kapitałowy Sp. z o.o.	-	(863)	2	-	6	-
Centrum Kart S.A.	-	(504)	19	-	599	(30 382)
Pekao Telecentrum Sp. z o.o.	-	(257)	1	-	1	-
Pekao Financial Services Sp. z o.o.	-	(97)	23	-	21	-
Pekao Bank Hipoteczny S.A.	6 330	(123)	528	-	67	(3 883)
Pekao Leasing Holding S.A.	-	(2)	3	-	-	-
Holding Sp. z o.o. (in liquidation)	-	-	1	-	11	-
Centrum Bankowości Bezpośredniej Sp. z o.o.	-	(99)	2	(4 875)	2 090	(17 895)
Metropolis Sp. z o.o.	27	(3)	2	-	-	-
Property Sp. z o.o. (in liquidation)	-	(75)	1	-	-	-
Pekao Property S.A.	-	(7)	1	-	57	-
Jana Kazimierza Development Sp. z o.o.	1 058	(56)	157	(8)	-	-
FPB - Media Sp. z o.o.	252	-	2	-	-	-
Associates						
Pioneer Pekao Investment Management S.A.	-	(130)	256	-	-	-
Pioneer Pekao TFI S.A. (subsidiary of PPIM S.A.)	-	(415)	83 876	-	-	-
Dom Inwestycyjny Xelion Sp. z o.o.	-	(170)	22	(23)	47	-
Krajowa Izba Rozliczeniowa S.A.	-	(377)	17	-	-	(4 937)
Pirelli Pekao Real Estate Sp. z o.o.	-	(27)	6		-	-
Pekao S.A. Group entities total	68 455	(12 275)	87 137	(4 936)	5 086	(74 391)
Key management Staff of the Bank Pekao S.A and UniCredit S.p.A.	100	(337)	2	-	-	(1)
Total	121 371	(29 673)	91 929	(7 876)	10 711	(144 068)

(In PLN thousand)

Off-balance sheet financial liabilities and guarantees as at 30 June 2013

NAME OF ENTITY	G	ARANTED	RECEIVED
NAME OF ENTITY	FINANCIAL	GUARANTEE	GUARANTEE
Bank's parent entity			
UniCredit S.p.A.	66 426	312 147	77 353
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	680 043	264 244	144 497
Pekao S.A. Group entities			
Subsidiaries			
Pekao Leasing Sp. z o.o.	117 442	392 339	-
Pekao Faktoring Sp. z o.o.	385 465	-	-
Centralny Dom Maklerski Pekao S.A.	486	132	-
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A.	60	-	-
Centrum Kart S.A.	56	-	-
Pekao Financial Services Sp. z o. o.	39	974	-
Pekao Bank Hipoteczny S.A.	501 679	713 642	-
Centrum Bankowości Bezpośredniej Sp. z o.o.	42	-	-
Pekao Property Sp. z o.o.	321	-	-
FPB-Media Sp. z o.o.	454	-	-
Associates			
Dom Inwestycyjny Xelion Sp. z o.o.	26	-	-
Pioneer Pekao Investment Management S.A.	15	-	-
Pioneer Pekao TFI S.A. (subsidiary of PPIM S.A.)	58	-	-
Krajowa Izba Rozliczeniowa S.A.	-	500	-
Pekao S.A. Group entities total	1 006 143	1 107 587	-
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A.	157	-	-
Total	1 752 769	1 683 978	221 850

(In PLN thousand)

Off- Balance sheet financial liabilities and guarantees granted by contractual maturity

30.06.2013	CURRENT	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1AND 5 YEARS	OVER 5 YEARS	TOTAL
FINANCIAL LIABILITIES GRANTED							
UniCredit S.p.A. – Bank's parent entity	24 000	-	-	42 426	-	-	66 426
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	633 773	-	46 059	-	211	-	680 043
Bank Pekao S.A. Group entities							
Subsidiaries	1 951	321	-	1 002 797	975	-	1 006 044
Associates	-	-	-	-	99	-	99
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	25	-	-	-	122	10	157
Total	659 749	321	46 059	1 045 223	1 407	10	1 752 769
GUARANTEES GRANTED							
UniCredit S.p.A. – Bank's parent entity	-	2 298	6 383	100 953	93 953	108 560	312 147
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	9	9 286	8 085	32 459	31 280	183 125	264 244
Bank Pekao S.A. Group entities							
Subsidiaries	-	938	-	1 107	204 520	900 522	1 107 087
Associates	-	-	-	500	-	-	500
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	-	-	-	-	-	-	-
Total	9	12 522	14 468	135 019	329 753	1 192 207	1 683 978
GUARANTEES RECEIVED							
UniCredit S.p.A. – Bank's parent entity	19 856	909	6 591	16 057	33 940	-	77 353
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	-	108	24 695	105 778	13 916	-	144 497
Total	19 856	1 017	31 286	121 835	47 856	-	221 850

(In PLN thousand)

Off- Balance sheet financial liabilities and guarantees granted by currencies

30.06.2013	EUR	USD	CHF	PLN	OHTER	TOTAL
FINANCIAL LIABILITIES GRANTED						
UniCredit S.p.A. – Bank's parent entity	42 426	-	-	24 000	-	66 426
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	26 625	-	-	653 418	-	680 043
Bank Pekao S.A. Group entities						
Subsidiaries	134 196	5 014	351	864 965	1 518	1 006 044
Associates	-	-	-	99	-	99
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	-	-	-	157	-	157
Total	203 247	5 014	351	1 542 639	1 518	1 752 769
GUARANTEES GRANTED						
UniCredit S.p.A. – Bank's parent entity	16 027	1 404	-	294 716	-	312 147
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	37 491	-	-	226 753	-	264 244
Bank Pekao S.A. Group entities						
Subsidiaries	419 308	-	684 512	3 267	-	1 107 087
Associates	-	-	-	500	-	500
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	-	-	-	-	-	-
Total	472 826	1 404	684 512	525 236	-	1 683 978
GUARANTEES RECEIVED						
UniCredit S.p.A. – Bank's parent entity	53 601	-	-	23 752	-	77 353
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	64 679	-	-	79 818	-	144 497
Total	118 280	-	-	103 570	-	221 850

(In PLN thousand)

Off-balance sheet financial liabilities and guarantees as at 31 December 2012

NAME OF ENTITY	GRANTED			
NAME OF ENTITY	FINANCIAL	GUARANTEE		
Bank's parent entity				
UniCredit S.p.A.	38 181	273 072		
Entities of UniCredit Group exclusive of Pekao S.A. Group entities	54 363	380 850		
Pekao S.A. Group entities				
Subsidiaries				
Public Joint Stock Company UniCredit Bank	-	16 766		
Pekao Leasing Sp. z o.o.	165 680	2 690		
Pekao Faktoring Sp. z o.o.	18 490	-		
Centralny Dom Maklerski Pekao S.A.	629	125		
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A.	60	-		
Centrum Kart S.A.	93	-		
Pekao Financial Services Sp. z o. o.	40	923		
Pekao Bank Hipoteczny S.A.	500 143	688 386		
Centrum Bankowości Bezpośredniej Sp. z o.o.	37	-		
Metropolis Sp. z o.o.	410	-		
FPB - Media Sp .z o.o.	39			
Associates				
Dom Inwestycyjny Xelion Sp. z o.o.	30	-		
Pioneer Pekao Investment Management S.A.	32	-		
Pioneer Pekao TFI S.A. (subsidiary of PPIM S.A.)	136	-		
Krajowa Izba Rozliczeniowa S.A.	-	500		
Pekao S.A. Group entities total	685 819	709 390		
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	184	-		
Total	778 547	1 363 312		

As of 31 December 2012, the Bank did not have financial and guarantee off balance sheet items received from related parties.

(In PLN thousand)

Off- Balance sheet financial liabilities and guarantees granted by contractual maturity

31.12.2012	CURRENT	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 MONTHS AND 1 YEAR	BETWEEN 1AND 5 YEARS	OVER 5 YEARS	TOTAL
FINANCIAL LIABILITIES GRANTED							
UniCredit S.p.A. – Bank's parent entity	-	-	-	38 181	-	-	38 181
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	818	-	-	52 693	852	-	54 363
Bank Pekao S.A. Group entities							
Subsidiaries	339	410	18 394	165 860	500 618	-	685 621
Associates	-	-	-	44	154	-	198
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	30	-	55	9	90	-	184
Total	1 187	410	18 449	256 787	501 714	-	778 547
GUARANTEES GRANTED							
UniCredit S.p.A. – Bank's parent entity	-	51	1 362	26 381	136 408	108 870	273 072
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	-	2 152	19 990	21 449	27 117	310 142	380 850
Bank Pekao S.A. Group entities							
Subsidiaries	-	-	17 269	1 840	1 898	687 883	708 890
Associates	-	-	-	500	-	-	500
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	-	-	-	-	-	-	-
Total	-	2 203	38 621	50 170	165 423	1 106 895	1 363 312

(In PLN thousand)

Off- Balance sheet financial liabilities and guarantees granted by contractual maturity

31.12.2012	EUR	USD	CHF	PLN	OHTER	TOTAL
FINANCIAL LIABILITIES GRANTED						
UniCredit S.p.A. – Bank's parent entity	38 181	-	-	-	-	38 181
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	12 878	-	-	41 485	-	54 363
Bank Pekao S.A. Group entities						
Subsidiaries	127	930	339	682 722	1 503	685 621
Associates	-	-	-	198	-	198
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	-	-	-	184	-	184
Total	51 186	930	339	724 589	1 503	778 547
GUARANTEES GRANTED						
UniCredit S.p.A. – Bank's parent entity	14 719	-	-	258 353	-	273 072
Entities of UniCredit Group exclusive of Bank Pekao S.A. Group entities	27 119	-	-	353 681	50	380 850
Bank Pekao S.A. Group entities						
Subsidiaries	28 030	16 766	660 902	3 192	-	708 890
Associates	-	-	-	500	-	500
Key management Staff of the Bank Pekao S.A .and UniCredit S.p.A	-	-	-	-	-	-
Total	69 868	16 766	660 902	615 726	50	1 363 312

(In PLN thousand)

Remuneration of Management Board and Supervisory Board Members

	VALUE OF	BENEFITS
	I HALF 2013	I HALF 2012
Management Board of the Bank		
Short-term employee benefits (*)	7 454	7 304
Other long-term benefits (**)	1 251	4 234
Benefits resulting from the termination of employment relationship	-	-
Share-based payments (***)	3666	461
Total	12 371	11 999
Supervisory Board of the Bank		
Short-term employee benefits (*)	389	543
Share-based payments (***)	-	-
Total	389	543

^(*) Short-term employee benefits include: base salary, bonuses and other benefits due in next 12 months from the date of the balance sheet.

Bank's Management Board and Supervisory Board Members did not receive any remuneration from subsidiaries and associated entities in the first half year of 2013 and 2012.

35. Subsequent events

Divestment the PJSC UniCredit Bank, subsidiary of Bank

Of the day of16 June 2013 Bank sold 653 507 670 common shares of PJSC UniCredit Bank to UniCredit S.p.A (Bank's parent entity) at the nominal value of 1 UAH per share, comprising 100% of shareholding capital of PJSC UniCredit, at the price for the share in the gross amount of USD 166 350 thousand plus the amount, after certification by external auditors, of cumulative consolidated net profit of the period from October 1, 2010 to July 16, 2013.

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^(**) The item "Other long-term benefits" includes: provisions for a long-term motivation program and deferred bonus payments.

^(***) The value of share-based payments is a part of Personnel Expenses, recognized according to IFRS 2 during the reporting period in the income statement, representing the settlement of fair value of share options and shares, including phantom shares, granted to the Members of the Bank's Management Board.

Signatures of the Management Board Members

02.08.2013	Luigi Lovaglio	President of the Management Board, CEO	
Date	Name/Surname	Position/Function	Signature
02.08.2013	Diego Biondo	Vice-President of the Management Board	
Date	Name/Surname	Position/Function	Signature
02.08.2013	Andrzej Kopyrski	Vice-President of the Management Board	
Date	Name/Sumame	Position/Function	Signature
.08.2013	Grzegorz Piwowar	Vice-President of the Management Board	
Date	Name/Sumame	Position/Function	Signature
02.08.2013	Stefano Santini	Vice-President of the Management Board	
Date	Name/Surname	Position/Function	Signature
02.08.2013	Marian Ważyński	Vice-President of the Management Board	
Date	Name/Sumame	Position/Function	Signature

Annexes to the financial statements

The accompanying annexes to the financial statements constitute an integral part of the unconsolidated financial statements.

Annex 1

New standards, interpretations and amendments to published standards that have been approved and published by the European Union and are effective from 1 January 2013.

• IFRS 1 (amendment) 'First-time Adoption of International Financial Reporting Standards'

The proposed amendment would replace the fixed date: '1 January 2004' as the date of adopting IFRSs for the first time with a 'date of adopting IFRSs for the first time' in order to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs. Moreover, the amendment would provide guidance on resumption of presentation of IFRS financial statements for entities emerging from severe hyperinflation.

The Bank claims, that the standard amendment had no material impact on its consolidated financial statements in the period of its first implementation.

IFRS 1 (amendment) 'First-time Adoption of International Financial Reporting Standards'

The amendments allow entities that apply IFRS for the first time a prospective application of IAS 39 or IFRS 9 as well as §10A IAS 20 as far as loans granted by the government and owned at the moment of transition to IFRS are concerned.

The Bank claims, that the standard amendment had no material impact on its financial statements in the period of its first implementation.

IFRS 7 (amendment) 'Financial Instruments: Disclosures'

The objective of this IFRS is to require entities to provide disclosures in their financial statements that enable users to better estimate the influence or potential influence of offsetting financial assets and liabilities on financial standing of the entity.

The Bank claims, that the standard amendment had no material impact on its financial statements in the period of its first implementation.

• IFRS 13 'Fair Value Measurement'

The standard establishes framework for fair value measurement and requires disclosure of information on fair value measurement. The standard does not set out when an asset, liability or entity's own equity instruments should be measured at fair value. On opposite, measurement and disclosure required by the standard is to be applied when other standards permit fair value measurement (with few exceptions).

The Bank claims, that the standard amendment had no material impact on its financial statements in the period of its first implementation.

• IAS 1 (amendment) 'Presentation of Financial Statements'

The changes serve clearer presentation of the increasing number of components of other comprehensive income as well as help users of financial statements to distinguish between the components of other comprehensive income, which may be then reclassified to profit or loss on items which cannot be reclassified in such a way.

The Bank claims, that the standard amendment had no material impact on its financial statements in the period of its first implementation.

IAS 12 (amendment) 'Income Taxes'

The amendment would specify how the assets and provisions for deferred tax should be measured in case of investment properties measured using the fair value model in IAS 40 'Investment Property'. The revised standard withdraws the interpretation of SIC-21 'Income tax – Recovery of Revalued Non-depreciable Assets'.

The Bank claims, that the standard amendment had no material impact on its consolidated financial statements in the period of its first implementation.

IAS 19 (amendment) 'Employee Benefits'

The changes should help users of financial statements to better understand the way in which the defined employee benefits influence the financial situation, financial results and cash flows of the entity. This standard aims at regulating employee benefits accountancy as well as information disclosure.

The Bank claims, that the standard amendment had no material impact on its financial statements in the period of its first implementation.

IFRIC Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine'

The Interpretation clarifies accounting for costs associated with the process of removing waste from a surface mine in order to gain access to mineral ore deposits.

The Bank claims, that the new interpretation had no material impact on its financial statements in the period of its first implementation.

Annual Improvements to International Financial Reporting Standards (2012)

Improvements aims at streamlining and clarifying the standards.

The Bank claims, that improvements had no material impact on its financial statements in the period of its first implementation.

Annex 2

New standards, interpretations and amendments to published standards that have been approved and published by the European Union but are effective from the date after the balance sheet date.

IFRS 10 'Consolidated Financial Statements'

Date of application: the first financial year beginning after 31 December 2013.

The standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The IFRS 10 supersedes IAS 27 'Consolidated and Separate Financial Statements' and SIC-12 'Consolidation - Special Purpose Entities'. The IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The IFRS presents the additional guidelines useful in determining the existence of the control when it is hard to define.

The Bank claims, that the new standard will not have a material impact on its financial statements in the period of its first implementation.

IFRS 11 'Joint Arrangements'

Date of application: the first financial year beginning after 31 December 2013.

The standard establishes more realistic principles for financial reporting by parties to a joint arrangement, and is concentrating mainly on rights and obligations resulting from those arrangements, and not on its legal form. The standard addresses inconsistencies in financial reporting of joint arrangements by introduction of homogenous method of accounting of interest in jointly controlled entities.

IFRS 11 requires accounting of interests in joint arrangements only under the equity method, which eliminates the proportionate consolidation. The existence of an independent entity is no more a fundamental classification condition. Transitional provisions vary depending on the method of classification of joint arrangements under IAS 31.

The Bank claims, that the new standard will not have a material impact on its financial statements in the period of its first implementation.

IFRS 12 'Disclosure of Interests in Other Entities'

Date of application: the first financial year beginning after 31 December 2013.

The standard establishes new and complex principles for disclosure of entity's interests in other entities, including subsidiaries, joint ventures, associates and other entities that are not consolidated.

The Bank claims, that the new standard will not have a material impact on its financial statements in the period of its first implementation.

• IAS 27 'Separate Financial Statements'

Date of application: the first financial year beginning after 31 December 2013.

The IAS 27 'Separate Financial Statements' establishes principles for the presentation and disclosures to be applied in accounting for investments in subsidiaries, associates and jointly ventures. IAS 27 'Separate Financial Statements' supersedes the previous version of IAS 27 'Consolidated and Separate Financial Statements'.

The Bank claims, that the new standard will not have a material impact on its financial statements in the period of its first implementation.

IAS 28 'Investments in Associates and Joint Ventures'

Date of application: the first financial year beginning after 31 December 2013.

The new standard refers to accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 'Investments in Associates'.

The Bank claims, that the new standard will not have a material impact on its financial statements in the period of its first implementation.

• IAS 32 (amendment) 'Financial Instruments: Presentation'

Date of application: the first financial year beginning after 31 December 2013.

The objective of this Standard is to address inconsistencies in requirements when applying the offsetting criteria for financial assets and liabilities.

The Bank claims, that the standard amendment will not have a material impact on its financial statements in the period of its first implementation.

Annex 3

New standards, interpretations and amendments to published standards that have been published by the International Accounting Standards Board (IASB) and are awaiting approval by the European Union.

IFRS 9 'Financial Instruments'

Date of application: the first financial year beginning after 31 December 2014.

New regulations compose a part of changes superseding IAS 39 'Financial Instruments: Recognition and Measurement'.

Main changes resulting from the new standard include:

- Elimination of available-for-sale and held-to-maturity financial assets,
- Implementation of two financial assets categories: measured at amortized cost and fair value,
- New criteria of assets classification to the group of financial assets measured at amortized cost,
- New principles on recognition of changes in fair value measurement of capital investment in financial instruments,
- Elimination of the need to separate embedded derivatives.

The majority of IAS 39 requirements relating to financial liabilities classification and valuation were transferred to IFRS 9 unchanged.

The standard will be extended by parts concerning principles of measurement at amortized cost as well as principles of hedge accounting application.

The Bank is currently assessing the impact of the IFRS 9 implementation on its financial statement, however due to the nature of the Bank, it is expected that these changes will have a meaningful impact on the Bank's financial instruments valuation and presentation.

The real impact of IFRS 9 first implementation will be possible to be estimated after the publication of the final, complete version of the standard.

IAS 36 (amendment) "Impairment of Assets"

Date of application: the first financial year beginning after 31 December 2013.

When developing IFRS 13 "Fair Value Measurement", the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets.

The amendments clarify the IASB's original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

The Bank claims, that the standard amendment will not have a material impact on its financial statements in the period of its first implementation.

• IAS 39 (amendment) "Financial Instruments: Recognition and Measurement"

Date of application: the first financial year beginning after 31 December 2013.

The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

The Bank claims, that the standard amendment will not have a material impact on its financial statements in the period of its first implementation.

• IFRIC 21 "Levies"

Date of application: the first financial year beginning after 31 December 2013.

IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The interpretation clarifies what is an event giving rise to the obligation to pay a levy.

The Bank claims, that the new interpretation will not have a material impact on its financial statements in the period of its first implementation.

Annex 4

Glossary

IFRS – International Financial Reporting Standards – the standards, interpretations and their structure adopted by the International Accounting Standards Board IASB.

IAS – International Accounting Standards – previous name of the standards forming part of the current IFRS.

IFRIC – International Financial Reporting Interpretations Committee – committee operating under the International Accounting Standards Board publishing interpretations of IFRS.

CIRS – Currency Interest Rate Swap – this is a transaction exchange of principal amounts and interest payments in different currencies between two partners.

IRS – Interest Rate Swap – agreement between two counterparties, under which parties pay each other (at specified intervals during the contract live) of contractual principal and interest on the contract, charged at a different rate.

FRA – Forward Rate Agreement – contract under which two counterparties agree the interest rate that will apply in the future for a specified amount in currency transactions for a predetermined period.

CAP – cap option is the financial agreement, which limits the risks borne by lenders on a variable rate, is susceptible to the potential for loss as a result of the growth rate. Cap option is a series of call options on interest rates, in which the issuer guarantees the buyer that he will compensate the additional interest costs, which he must pay from your loan if the loan interest rate rises above the agreed interest rate.

FLOOR – floor option is the financial agreement, which reduces the risk of incurring losses resulting from lower interest rates by the lender providing the loan at a variable rate of interest. Floor option is a series of put options on interest rates, the issuer guarantees the interest which he must pay the loan if the interest rate on the loan falls below the agreed interest rate.

IBNR - Incurred But Not Reported losses.

PD – Probability Default - parameter used in A-IRB method which determines the probability of debtor's insolvency. PD denotes with what probability is credit loss expected within time period of one year.

LGD - Loss Given Default.

EAD - Exposure At Default.

EL – Expected Loss.

CCF – Credit Conversion Factor.

A-IRB – Advanced Internal Rating-Based approach – advanced method where all parameters of risk (PD, LGD, EAD) are estimated by the bank using its own quantitative model to determine the amount of the risk weighted assets.

VaR – Value at Risk – the amount by which the market value of an asset or portfolio may be reduced based on specific, within a fixed time and a specified probability.

EaR – Earnings at Risk – the maximum decrease of earnings, relative to specific goal, which might occur due to influence of market risk on specific risk factors for the given time period and confidence level.

ICAAP - Internal Capital Adequacy Assessment Process - the process of assessing internal capital adequacy.