



BNP PARIBAS | Bank zmieniającego się świata

Interim Abbreviated Consolidated
Financial Statements of
BNP Paribas Bank Polska SA Group
for the First Half of 2013

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1. Financial Highlights

CONSOLIDATED FINANCIAL HIGHLIGHTS	in PLN thousand		in EUR thousand	
	30 June 2013 (YTD)	30 June 2012 (YTD)	30 June 2013 (YTD)	30 June 2012 (YTD)
Income Statement				
Net interest income	266,840	276,815	63,322	65,525
Net fee and commission income	71,844	69,567	17,049	16,467
Net banking income	409,762	412,584	97,238	97,662
General expenses (including depreciation)	-287,670	-318,381	-68,265	-75,364
Cost of risk	-51,485	-72,169	-12,218	-17,083
Profit/loss before taxation	70,246	21,396	16,670	5,065
Profit/loss after taxation	51,506	12,754	12,222	3,019
Ratios				
Weighted average number of shares	28,692,926	24,299,253	-	-
Basic earnings/loss per share (PLN/EUR)	1.80	0.52	0.43	0.12
Diluted earnings/loss per share (PLN/EUR)	1.80	0.52	0.43	0.12
Cash Flow Statement				
Net cash provided by operating activities	172,147	-30,004	40,851	-7,102
Net cash provided by investing activities	-925,061	1,510,279	-219,521	357,496
Net cash provided by (used in) financing activities	-813,816	-1,969,921	-193,122	-466,298
Total net cash flow	-1,566,730	-489,646	-371,792	-115,904
Balance Sheet				
	Balance as at 30 June 2013	Balance as at 31 Dec 2012	Balance as at 30 June 2013	Balance as at 31 Dec 2012
Total assets	20,876,302	20,830,812	4,822,208	5,095,351
Loans to customers	17,062,278	16,159,687	3,941,208	3,952,763
Due to banks	1,414,543	382,360	326,745	93,528
Due to customers	9,578,611	10,064,950	2,212,559	2,461,951
Loans and credit facilities received	7,227,385	7,589,756	1,669,450	1,856,503
Equity capital	1,744,784	1,730,945	403,027	423,400
Ratios				
Number of shares	28,692,926	28,692,926		
Book value per share (PLN / EUR)	60.81	60.33	14.05	14.76
Diluted book value per share (PLN/EUR)	60.81	60.33	14.05	14.76
Capital adequacy				
Capital adequacy ratio	11.83%	13.80%	-	-
Tier 1 (core) capital	1,649,796	1,638,085	381,086	400,686
Tier 2 (supplementary) capital	476,081	725,388	109,970	177,435
Tier 3 (short term) capital	12,898	11,102	2,979	2,716

Key items in the balance sheet, income statement and cash flow statement in the financial statements for the first half of 2013 and the corresponding financial figures for the first half of 2012 and for 2012 have been converted into EUR according to the following rules:

- particular assets and liabilities items in the balance sheet and book value per share as at the end of the first half of 2013 have been converted into EUR at the mid-rate binding as at 30 June 2013 published by the National Bank of Poland on 28 June 2013, i.e. EUR 1 = PLN 4.3292; comparative financial figures as at the end of 2012 have been converted into EUR at the mid-rate binding as at 31 December 2012, published by the National Bank of Poland on 31 December 2012, i.e. EUR 1 = PLN 4.0882;
- particular items in the income statement and cash flow statement, and earnings per share as at the end of the first half of 2013 were converted into EUR at the rate based on the arithmetic mean of mid-rates determined by the National Bank of Poland as at the last days of the months from January through June 2013, i.e. EUR 1 = PLN 4.2140, whereas comparative data as at the end of the first half of 2012 were converted into EUR at the rate based on the arithmetic mean of mid rates determined by the National Bank of Poland as at the last days of the months from January through June 2012, i.e. EUR 1 = PLN 4.2246.

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

Comparative data of the Group for the period from 1 January 2012 through 30 June 2012 include relevant items of BNP Paribas Factor Sp. z o. o. from the company acquisition date, i.e. 2 April 2012.

Consolidated Income Statement (in PLN thousand)	Notes	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Interest income	7.1	455,376	518,034
Interest expense	7.2	-188,536	-241,219
Net interest income		266,840	276,815
Fee and commission income	7.3	94,966	88,346
Fee and commission expense	7.4	-23,122	-18,779
Net fee and commission income		71,844	69,567
Net trading income	7.5	49,961	53,822
Net profit/loss on hedging transactions		-2,228	-4,748
Net profit/loss on the hedged item		2,228	4,748
Net profit/loss on available-for-sale financial assets	7.6	18,670	11,648
Dividends		11	-
Other revenues	7.7	14,037	9,835
Other operating expenses	7.8	-11,601	-9,103
Net banking income		409,762	412,584
General expenses		-264,961	-288,621
Personnel expenses	7.9	-137,591	-157,332
Other general expenses	7.10	-127,370	-131,289
Depreciation	7.11	-22,709	-29,760
Gross operating profit/loss		122,092	94,203
Cost of risk	7.12	-51,485	-72,169
Net operating profit/loss		70,607	22,034
Net profit/loss from disposal of assets, shares and interest		-361	-638
Profit/loss before taxation		70,246	21,396
Income tax		-18,740	-8,642
Profit/loss after taxation		51,506	12,754
<hr/>			
Consolidated Earnings Per Share	7.13		
Profit/loss after taxation (in PLN thousand)		51,506	12,754
Weighted average number of ordinary shares		28,692,926	24,299,253
EPS ratio (in PLN)		1.80	0.52
<hr/>			
Weighted average diluted number of ordinary shares		28,692,926	24,299,253
Diluted earnings per ordinary share ratio (in PLN)		1.80	0.52

Consolidated report of total income (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Net profit/loss for the year	51,506	12,754
Profits / losses not recognised in the income statement (investments available for sale)	-46,503	13,737
Deferred tax - profits/losses not recognised in the income statement (investments available for sale)	8,836	-2,611
Profits/losses not recognised in the income statement (investments available for sale) - net	-37,667	11,126
Total consolidated income	13,839	23,880

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

Consolidated balance sheet (in PLN thousand)	Notes	30 June 2013	31 Dec 2012	30 June 2012
ASSETS				
Cash and cash equivalents	8	414,688	1,980,588	627,372
Financial assets held for trading	9.1	92,658	145,838	129,057
Due from banks	10.1	125,711	208,045	358,866
Loans to customers	10.2	17,062,278	16,159,687	16,676,536
Hedging instruments	17	8,119	11,179	8,712
Investments available for sale	11	2,660,754	1,825,430	2,138,175
Property, plant and equipment		127,267	123,598	140,994
Intangible assets		35,182	29,909	30,005
Non-current assets held for sale	12	23,571	32,100	8,942
Settlements on account of income tax		17,568	4,423	2,879
Deferred tax assets	13	211,127	233,373	241,806
Deferred tax assets recognised in the revaluation reserve	13	1,405	-	-
Other assets		95,974	76,642	105,623
Total assets		20,876,302	20,830,812	20,468,967
LIABILITIES				
Financial liabilities held for trading	9.2	85,738	86,718	109,904
Liabilities due to banks	14.1	1,414,543	382,360	1,152,561
Liabilities due to customers	14.2	9,578,611	10,064,950	8,939,302
Loans and credit facilities received	14.3	7,227,385	7,589,756	7,854,159
Differences from hedging fair value of hedged items against interest rate risk		6,960	8,800	7,667
Subordinated liabilities	15	470,656	694,251	426,163
Deferred tax liabilities	13	6	7,416	1,478
Other liabilities		290,793	225,949	222,438
Provisions	16	56,826	39,667	67,805
Total liabilities		19,131,518	19,099,867	18,781,477
EQUITY CAPITAL				
Share capital		1,304,380	1,434,646	1,434,646
Additional capital		172,921	172,401	172,401
Other capital		183,480	26,269	26,269
Revaluation reserve		-5,529	32,110	6,742
Consolidation adjustment		-	833	833
Retained earnings		38,026	33,845	33,845
Net profit/loss for the year		51,506	30,841	12,754
Total equity		1,744,784	1,730,945	1,687,490
Total liabilities and equity		20,876,302	20,830,812	20,468,967

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

Consolidated Statement of Changes in Shareholders' Equity in the first half of 2012
(in PLN thousand)

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
Balance as at 1 Jan 2012	1,206,175	127,099	15,161	40,147	-	6,919	-4,384	12,805	1,403,922
Consolidation adjustment	-	-	-	12,805	-	-	-	-11,972	833
Total income for the first half of 2012	-	-	-	-	12,754	-	11,126	-	23,880
Share issue	228,471	31,529	-	-	-	-	-	-	260,000
Transfer of a positive difference into the additional capital	-	15,161	-15,161*	-	-	-	-	-	-
Distribution of retained earnings	-	-243	-	-19,107	-	19,350	-	-	-
Issue costs	-	-1,145	-	-	-	-	-	-	-1,145
Balance as at 30 June 2012	1,434,646	172,401	-	33,845	12,754	26,269	6,742	833	1,687,490

Consolidated Statement of Changes in Shareholders' Equity in 2012
(in PLN thousand)

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
Balance as at 1 Jan 2012	1,206,175	127,099	15,161	40,147	-	6,919	-4,384	12,805	1,403,922
Consolidation adjustment	-	-	-	12,805	-	-	-	-11,972	833
Total income in 2012	-	-	-	-	30,841	-	36,494	-	67,335
Share issue	228,471	31,529	-	-	-	-	-	-	260,000
Transfer of a positive difference into the additional capital	-	15,161	-15,161*	-	-	-	-	-	-
Distribution of retained earnings	-	-243	-	-19,107	-	19,350	-	-	-
Issue costs	-	-1,145	-	-	-	-	-	-	-1,145
Balance as at 31 Dec 2012	1,434,646	172,401	-	33,845	30,841	26,269	32,110	833	1,730,945

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

	Share capital	Additional capital	Transfer from BNP Paribas SA Branch	Retained earnings	Net profit/loss for the year	Other capital	Revaluation reserve	Consolidation adjustment	Total capital
Balance as at 31 Dec 2012	1,434,646	172,401	-	33,845	30,841	26,269	32,110	833	1,730,945
Net profit/loss for the year	-	-	-	30,841	-30,841	-	-	-	-
Consolidation adjustment	-	-	-	833	-	-	-	-833	-
Balance as at 1 Jan 2013	1,434,646	172,401	-	65,519	-	26,269	32,110	-	1,730,945
Total income for the first half of 2013	-	-	-	-	51,506	-	-37,667	-	13,839
Share value decrease	-130,266	-	-	-	-	130,266	-	-	-
Distribution of retained earnings	-	520	-	-27,465	-	26,945	-	-	-
Other	-	-	-	-28**	-	-	28	-	-
Balance as at 30 June 2013	1,304,380	172,921	-	38,026	51,506	183,480	-5,529	-	1,744,784

*In 2012, the Annual General Meeting decided to transfer a positive difference, in the amount of PLN 15,161 thousand, arising from the tax settlement of the acquisition by BNP Paribas Bank Polska SA of an organized part of BNP Paribas SA Branch in Poland into the additional capital. The tax on the purchase of an organized part of the enterprise was settled in March 2011, when the respective asset on that account was also recognised.

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

Consolidated Cash Flow Statement (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Cash and cash equivalents, gross Opening balance	1,981,688	1,117,534
OPERATING ACTIVITY		
Gross profit/loss	70,246	21,396
Adjustments for:	101,901	-51,400
Depreciation	22,709	29,742
Change of reserves and provisions	-61,021	-6,651
Profits/losses on account of FX rate differences	38,316	-672
Profits/losses on investing activities	3,316	6,235
Changes in operational assets and liabilities:	108,199	-47,668
- financial assets and liabilities held for trading	52,200	30,573
- due from banks, gross	82,334	-15,238
- loans to customers, gross	-827,487	104,108
- change in the balance of available-for-sale investments, gross	14,602	-5,529
- due to banks	1,032,183	123,763
- due to customers	-486,339	72,268
- change in the balance of assets and liabilities on account of applying fair value hedge accounting	1,220	3,582
- liabilities due on account of loans and credit facilities received	167,157	-205,944
- liabilities due on account of a subordinated loan	23,893	-21,708
- other assets and liabilities	48,436	-133,543
Tax paid	-9,618	-32,386
Net operating cash flows	172,147	-30,004
INVESTING ACTIVITIES		
Acquisition of shares and investments in subsidiaries	-	-7,652
Cash held by the acquired unit	-	8,591
Purchase of available-for-sale investments	-12,693,963	-14,446,053
Purchase of property, plant and equipment and intangible fixed assets	-28,991	-27,018
Proceeds from sales of available-for-sale investments	11,797,976	15,982,355
Proceeds from sales of property, plant and equipment	523	427
Other investment expenses	Note 20.1 -606	-371
Net cash provided by investing activities	-925,061	1,510,279
FINANCING ACTIVITIES		
Subordinated loans repayment	-267,092	-144,758
Drawdown of loans and credit facilities received	1,077,031	3,029,757
Repayment of loans and credit facilities received	-1,643,359	-5,113,778
Share issue	-	260,000
Other financial gains	Note 20.2 19,604	-
Other financial expenses	Note 20.2 -	-1,142
Net cash provided by (used in) financing activities	-813,816	-1,969,921
Cash and cash equivalents, gross Ending balance	414,958	627,888
Change in gross cash and cash equivalents	-1,566,730	-489,646

The consolidated Cash Flow Statement is prepared using an indirect method. Notes published on the following pages constitute an integral part of the consolidated financial statements.

3. Information on BNP Paribas Bank Polska SA Group

Basic data on the Issuer

BNP Paribas Bank Polska Spółka Akcyjna ("the Bank") with its registered office in Warsaw, at ul. Suwak 3, is entered in the National Court Register (KRS) maintained by the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register under No. KRS 0000006421.

The Bank was assigned statistical number (REGON) 003915970, and tax identification number (NIP) 676-007-83-01.

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

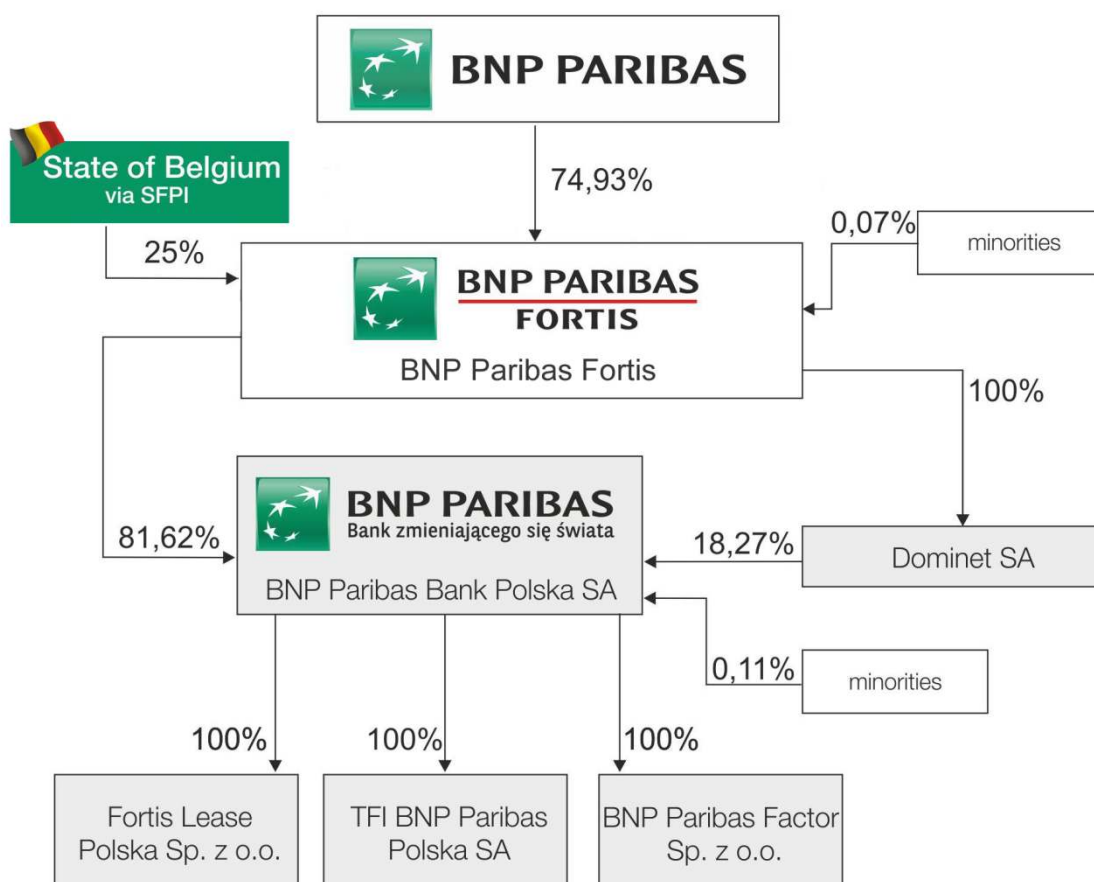
The consolidated financial statements of BNP Paribas Bank Polska SA Group for the first half of 2013 contain the data of the Bank and its subsidiaries: Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A., Fortis Lease Polska Sp. z o.o. and BNP Paribas Factor Sp. z o.o. (jointly referred to as "the Group").

Structure of the Group

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

As at 30 June 2013, the direct parent entity of BNP Paribas Bank Polska SA was BNP Paribas Fortis based in Brussels which held 99.89% of the Bank's shares, of which 81.62% directly, while 18.27% through Dominet SA. The remaining 0.11% shares are held by other shareholders.

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



As at 30 June 2013, the BNP Paribas Bank Polska SA Group included:

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

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

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

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

Name of the unit	Ownership relation	Consolidation method	Registered office	% of votes at the General Meeting	
				30 June 2013	31 Dec 2012
Towarzystwo Funduszy Inwestycyjnych BNP Paribas Polska S.A.	subsidiary	full consolidation	Warsaw	100%	100%
Fortis Lease Polska Sp. z o.o.	subsidiary	full consolidation	Warsaw	100%	100%
BNP Paribas Factor Sp. z o.o.	subsidiary	full consolidation	Warsaw	100%	100%

Field of the Group's business activity

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

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

4. Accounting Policies

4.1. Basis of Presentation

Statement on consistency with the IFRS

The interim abbreviated consolidated financial statements of the BNP Paribas Bank Polska SA Group have been prepared pursuant to the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34), approved by the EU, and other applicable regulations. This financial report does not contain all information required for the annual consolidated financial statements and therefore, it should be read together with the consolidated financial statements of BNP Paribas Bank Polska SA Group for the year ended 31 December 2012. The Consolidated Financial Statements of the BNP Paribas Bank Polska SA Group for the year ended 31 December 2012 is available on the Bank's website: www.bnpparibas.pl.

Pursuant to the Ministry of Finance Ordinance dated 19 February 2009 regarding current and periodical information submitted by issuers of securities and conditions of recognising as equivalent the information required by law provisions of a country that is not a EU Member State (Journal of Laws No. 33/2009, item 259, as amended), the Bank shall publish its financial performance for the period of six months ended 30 June 2013, which is considered a current interim reporting period. This financial report was approved for publishing by the Bank's Board of Executives on 29 August 2013.

The Accounting Policies adopted to prepare the interim abbreviated financial statements of the BNP Paribas Bank Polska SA Group are consistent with the rules applied in the annual financial statements for the fiscal year ended on 31 December 2012.

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

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

The Group now analyses in detail the effect of new standards on the financial statements. In the opinion of the Group, the aforesaid amendments to standards and interpretations will have no material effect on the Group's financial statements except for IFRS 9 *Financial Instruments*, effective for annual periods beginning on or after 1 January 2015; as at the date of preparing these financial statements, the amendments have not been approved by the European Commission.

4.2. Comparative Data

The consolidated financial statements present consolidated data of BNP Paribas Bank Polska SA and its subsidiaries: FLP, TFI and Factor for the period from 1 January 2013 through 30 June 2013 and as at 30 June 2013, likewise consolidated comparative data for the period from 1 January 2012 through 30 June 2012 and as at 30 June 2012 and 31 December 2012, including the financial result of Factor since the date of acquisition of shares in this subsidiary, i.e. from 2 April 2012, and as at 30 June 2013 and as at 31 December 2012.

5. Comparability with Previously Published Reports

In order to ensure data comparability, there have been changes made with respect to the manner of presentation of the data, published in the report for the first half of 2012 as at 30 June 2012 and the data published in the annual report for 2012 as at 31 December 2012. The data are presented in PLN thousand.

Consolidated balance sheet as at 31 December 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Liabilities due to banks	382,358	2	382,360	2	
Loans and credit facilities received	7,589,758	-2	7,589,756	-2	Change in the presentation of interest
Other liabilities	226,475	-526	225,949	-526	Change in the presentation of reserves for employee benefits
Provisions	39,141	526	39,667	526	

Consolidated income statement for the period from 1 Jan 2012 through 30 June 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Net trading income	53,078	744	53,822	744	Reclassification of the FX related item
Net income on available-for-sale financial assets	12,392	-744	11,648	-744	
Other revenues	25,778	-15,943	9,835	-15,943	Change in the presentation of income and expenses on account of a reinvoice on a net basis
Other operating expenses	-25,125	79	-9,103	79	Change in the presentation of costs of provisions, transfer to the "Cost of risk" item
		15,943		15,943	Change in the presentation of expenses and income on account of a reinvoice on a net basis
Personnel expenses	-157,320	-12	-157,332	-12	Change in the presentation of costs of outside companies (outplacement) related to restructuring
Other general expenses	-129,821	12	-131,289	12	
		-1,480		-1,480	Change in the presentation of debt recovery costs
Depreciation	-29,742	-18	-29,760	-18	Change in the presentation of the value of other fixed assets
Cost of risk	-73,570	1,480	-72,169	1,480	Change in the presentation of debt recovery costs
		-79		-79	Change in the presentation of costs of provisions from Other operating expenses
Net profit/loss from disposal of assets, shares and interest	-656	18	-638	18	Change in the presentation of other fixed assets

Consolidated balance sheet as at 30 June 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Loans to customers	16,676,565	-29	16,676,536	-29	Transfer of receivables related to settlements with contractors to Other assets
Other assets	105,594	29	105,623	29	
Due to banks	1,155,387	-2,826	1,152,561	-2,826	Change in the presentation of loans received
Loans and credit facilities received	7,851,333	2,826	7,854,159	2,826	

Consolidated cash flow statement for the period from 1 Jan 2012 through 30 June 2012					
Item	Before the adjustment	Adjustment	After the adjustment	Change description	
				Amount	Description
Cash and cash equivalents (gross), opening balance	1,117,782	-248	1,117,534	-248	Change in the presentation of interest
Operating activity					
Change of reserves and provisions	-4,184	-2,467	-6,651	-2,467	Change in the presentation of reserves for employee benefits
Due from banks, gross	57,209	-72,447	-15,238	-72,701	Change in the presentation of receivables
				254	Change in the presentation of interest
Loans to customers, gross	46,979	57,129	104,108	57,097	Change in the presentation of receivables
				32	Change in the presentation of interest
Change in the balance of available for sale investments, gross	-8,094	2,565	-5,529	2,565	Change in the presentation of a tax on investments available for sale
Liabilities due to banks	127,772	-4,009	123,763	-4,009	Change in the presentation of liabilities
Liabilities due to customers	52,656	19,612	72,268	4,009	Change in the presentation of liabilities
				15,603	
Liabilities due on account of loans and credit facilities received	-204,626	-1,318	-205,944	-1,318	Change in the presentation of repayments of loans received
Liabilities due on account of a subordinated loan	-18,761	-2,947	-21,708	-2,947	Change in the presentation of the subordinated loan repayment
Other assets and liabilities	-135,978	2,435	-133,543	2,435	Change in the presentation of interest
Tax paid	-29,821	-2,565	-32,386	-2,565	Change in the presentation of receivables
Financing Activity					
Subordinated loans repayment	-147,705	2,947	-144,758	2,947	Change in the presentation of the subordinated loan repayment
Drawdown of loans and credit facilities received	3,015,362	14,395	3,029,757	14,395	Change in the presentation of drawdowns of loans received
Repayment of loans and credit facilities received	-5,100,701	-13,077	-5,113,778	-14,395	Change in the presentation of repayments of loans received
				1,318	

6. Segment Reporting

Information on segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Primary segmentation

The main business profile of the Group includes financial services rendered within the following segments:

- Retail Banking (RB);
- Corporate and Transaction Banking (CTB);
- Other Banking Activity.

Accounting principles for specific segments are the same as the ones described in the accounting principles. In the income statement costs are at first presented as direct costs in all business lines and support units (horizontal functions).

Activity segments:

- Retail Banking

The Retail Banking segment specialises in providing financial services to individual customers, private banking services and offers its services to small to medium-sized enterprises with turnover up to PLN 40 million. The segment offers also advisory services as regards all forms of daily banking, savings, investment and financing products.

- Corporate and Transaction Banking

The Corporate and Transaction Banking segment focuses on medium and large enterprises, offering them financial solutions based on standard banking products and services as well as specialised financial products. The Corporate and Transaction Banking customers are corporate entities and institutions whose annual sales revenues exceed PLN 40 million.

- Other Banking Activity

Operationally, the other banking activity is run by the ALM/Treasury Line. Its aim is to ensure an appropriate level of financing to enable running the banking operations in a manner that is safe and compliant with the regulatory requirements, and ensure security of the future cash flows' structure. The ALM/Treasury Line activity includes the Treasury Department function, management of assets and liabilities and profit centre named Corporate Centre. The ALM/Treasury Line manages the Group's liquidity and determines internal and external reference rates. It manages interest rate, operational and structural FX risks.

Geographical segment

The Group runs its business in Poland as the only geographical area, therefore all revenues earned, costs incurred and assets pertain to one geographical area – Poland.

Consolidated Income Statement by Business Segments

1 Jan 2012 - 30 June 2012 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	285,052	151,633	81,349	518,034
Transfer prices expense (internal)	-171,480	-85,160	-239,880	-496,520
Interest expense (external)	-102,935	-82,043	-56,241	-241,219
Transfer prices income (internal)	120,693	89,525	286,302	496,520
Net interest income	131,330	73,955	71,530	276,815
Fee and commission income (external)	57,885	29,998	463	88,346
Fee and commission expense (external)	-17,409	-1,011	-359	-18,779
Net fee and commission income	40,476	28,987	104	69,567
Net trading income	13,290	37,879	2,653	53,822
Net profit/loss on hedging transactions	-	-	-4,748	-4,748
Net profit/loss on the hedged item	-	-	4,748	4,748
Net profit/loss on available-for-sale financial assets	-	-449	12,097	11,648
Other revenues	6,090	3,738	7	9,835
Other operating expenses	-6,130	-2,973	-	-9,103
Net banking income	185,056	141,137	86,391	412,584
General expenses	-153,293	-26,517	-108,811	-288,621
Personnel expenses	-75,477	-16,438	-65,417	-157,332
Other general expenses	-77,816	-10,079	-43,394	-131,289
Depreciation	-15,556	-1,559	-12,645	-29,760
Cost allocation (internal)	-87,874	-19,607	107,481	-
Gross operating profit/loss	-71,667	93,454	72,416	94,203
Cost of risk	-80,352	7,587	596	-72,169
Net operating profit/loss	-152,019	101,041	73,012	22,034
Net profit/loss from disposal of assets, shares and interest	-399	-239	-	-638
Profit/loss before taxation	-152,418	100,802	73,012	21,396
Income tax	22,257	-19,427	-11,472	-8,642
Profit/loss after taxation	-130,161	81,375	61,540	12,754

1 Jan 2013 - 31 Dec 2013 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Interest income (external)	275,086	125,924	54,366	455,376
Transfer prices expense (internal)	-150,504	-71,679	-200,264	-422,447
Interest expense (external)	-88,442	-59,136	-40,958	-188,536
Transfer prices income (internal)	103,137	71,372	247,938	422,447
Net interest income	139,277	66,481	61,082	266,840
Fee and commission income (external)	63,447	31,446	73	94,966
Fee and commission expense (external)	-21,502	-1,489	-131	-23,122
Net fee and commission income	41,945	29,957	-58	71,844
Net trading income	14,646	31,903	3,412	49,961
Net profit/loss on hedging transactions	-	-	-2,228	-2,228
Net profit/loss on the hedged item	-	-	2,228	2,228
Net profit/loss on available-for-sale financial assets	328	444	17,898	18,670
Dividends	11	-	-	11
Other revenues	7,236	6,801	-	14,037
Other operating expenses	-8,524	-3,077	-	-11,601
Net banking income	194,919	132,509	82,334	409,762
General expenses	-145,732	-29,281	-89,948	-264,961
Personnel expenses	-70,951	-18,167	-48,473	-137,591
Other general expenses	-74,781	-11,114	-41,475	-127,370
Depreciation	-11,785	-1,662	-9,262	-22,709
Cost allocation (internal)	-74,962	-17,918	92,880	-
Gross operating profit/loss	-37,560	83,648	76,004	122,092
Cost of risk	-58,517	6,202	830	-51,485
Net operating profit/loss	-96,077	89,850	76,834	70,607
Net profit/loss from disposal of assets, shares and interest	-313	-48	-	-361
Profit/loss before taxation	-96,390	89,802	76,834	70,246
Income tax	19,361	-21,970	-16,131	-18,740
Profit/loss after taxation	-77,029	67,832	60,703	51,506

Consolidated total assets (in PLN thousand)	Balance as at:	Retail Banking	Corporate and Transaction Banking	Other Banking Activity	Total
Assets	30 June 2013	11,693,007	5,996,234	3,187,061	20,876,302
	31 Dec 2012	11,487,431	5,697,754	3,645,627	20,830,812
	30 June 2012	11,776,501	5,889,666	2,802,800	20,468,967
Liabilities	30 June 2013	6,010,566	5,178,755	9,686,981	20,876,302
	31 Dec 2012	5,696,919	5,711,720	9,422,173	20,830,812
	30 June 2012	5,767,894	5,107,634	9,593,439	20,468,967

7. Additional Notes to Consolidated Income Statement

Below there is selected information on consolidated revenues and expenses of the Group in the first half of 2013 and comparative data for the first half of 2012.

Financial results of BNP Paribas Factor Sp. z o. o. are included in the financial result of the Group from the date of its acquisition, i.e. from 2 April 2012.

Note 7.1

Interest income (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Cash and cash equivalents	10,703	10,322
Due from banks	104	10,671
Loans to customers	403,592	432,531
Investments available for sale	39,300	62,919
Securities held for trading	331	252
Hedging derivative instruments	1,346	1,339
Total interest income	455,376	518,034

Note 7.2

Interest expense (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Liabilities due to banks	-13,268	-15,451
Liabilities due to customers	-127,705	-151,819
Loans and credit facilities received	-58,882	-60,309
Subordinated loans	12,538*	-11,196
Hedging derivative instruments	-100	-545
Other	-1,119	-1,899
Total interest expense	-188,536	-241,219

*in this item, the settlement of a prepaid portion of subordinated loans was recognised, with a positive mark to market

Note 7.3

Fee and commission income (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Custody services and securities trading	615	412
Cash settlements services	32,192	30,925
Guarantees and contingent liabilities	9,931	10,760
Loan related fees and commissions (recognised on a straight-line basis)	7,527	7,474
Loan related fees and commissions (one-off items)	5,551	3,950
Income on account of agency in customer acquisition	1,038	535
Card related income	11,087	10,546
Insurance product sales revenues	9,130	10,599
Income on asset management	595	1,295
Other	17,300	11,850
Total fee and commission income	94,966	88,346

Note 7.4

Fee and commission expense (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Custody services and securities trading	-43	-44
Card related expenses	-8,094	-5,889
Cash transactions expenses	-165	-160
Settlements	-385	-705
Fee and commission expenses related to the franchise branch network	-4,398	-4,150
Expenses related to the sale of insurance products	-1,328	-1,218
Other	-8,709	-6,613
Total fee and commission expenses	-23,122	-18,779

Note 7.5

Net trading income (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Securities	-14	274
Derivative instruments, including:	2,817	6,729
- fair value adjustment on account of credit risk of derivative instruments	950	6,565
Foreign exchange transactions	47,158	46,819
Total net trading income	49,961	53,822

Note 7.6

Net profit/loss on available-for-sale financial assets (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Securities	18,342	11,648
Participation units	328	-
Total net profit/loss on transactions in available-for-sale financial instruments	18,670	11,648

Note 7.7

Other revenues (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Income on account of covering mandatory annual fee for BGF	2,251	2,403
Rental and lease income	4,151	3,744
Compensation, penalties and fines	416	317
Reimbursement of costs related to agents' activities	33	71
Income on investing activities	1,567	1,125
Other	5,619	2,175
Total other income	14,037	9,835

Note 7.8

Other operating expenses (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Compensation, penalties and fines	-1,016	-321
BGF costs	-7,686	-7,409
Other expenses	-2,899	-1,373
Total other operating expenses	-11,601	-9,103

Note 7.9

Personnel expenses (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Remuneration	-105,247	-108,658
Surcharges on remuneration	-21,171	-23,106
Provisions on severance pay related to retirement, unused vacation leaves and other employee benefits, including:	-11,129	-25,484
- restructuring provisions	3,981	-13,000
Other remuneration components	-44	-84
Total personnel expenses	-137,591	-157,332

Note 7.10

Other general expenses (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
- rents	-34,259	-36,829
- information technologies and systems	-18,769	-20,924
-marketing and advertising	-16,947	-16,475
- expenditure related to RE use	-7,235	-6,535
- postal and telecommunication services	-7,273	-8,653
- advisory services and consulting	-2,116	547
- business travels	-5,400	-4,794
- training	-2,653	-2,390
- municipal services	-8,281	-8,445
- security	-1,698	-2,329
- stationery	-2,156	-1,599
- KNF costs	-1,978	-2,126
- costs of receivables recovery	-3,853	-4,925
-costs related to ATMs and cash service	-3,108	-2,350
- other *	-11,644	-13,462
Total other general costs	-127,370	-131,289

*"other"- the item includes a provision for debt recovery costs and provision for other administration costs.

Note 7.11

Depreciation (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Fixed assets, including:	-18,868	-22,513
- own real estate	-391	-68
- leasehold improvements	-5,634	-5,413
- computer hardware	-9,337	-12,624
- other fixed assets	-3,506	-4,408
Intangible assets	-4,048	-7,229
Provision for impairment of intangible assets	39	-
Provision for impairment of investments	168	-18
Total depreciation	-22,709	-29,760

Note 7.12

Cost of risk (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Net cash and cash equivalents, including:	831	595
- provisions for Incurred But Not Reported losses (IBNR)	831	595
Due from banks, net, including:	-	-9
- provisions for Incurred But Not Reported losses (IBNR)	-	-9
Loans to customers, net, including:	-33,787	-63,033
- provisions for credit receivables	-45,188	-87,354
- provisions for Incurred But Not Reported losses (IBNR)	-6,209	3,801
- income on account of receivables written-down to provisions	3,263	1,259
- income on account of receivables recovered	14,347	19,261
Off-balance sheet liabilities, net, including:	-16,939	-7,752
- provisions for off-balance sheet commitments	-16,649	-7,105
- provisions for Incurred But Not Reported losses (IBNR)	-290	-647
Other assets, net	-1,590	-1,970
Total cost of risk	-51,485	-72,169

Note 7.13

Consolidated Earnings Per Share	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Weighted average number of ordinary shares	28,692,926	24,299,253
Profit/loss after taxation (in PLN thousand)	51,506	12,754
Earnings/loss per ordinary share ratio (in PLN)	1.80	0.52
Weighted average diluted number of potential ordinary shares	28,692,926	24,299,253
Diluted consolidated Earnings/Loss Per Share (PLN per share)	1.80	0.52

The basic earnings per share are computed as a quotient of the profit attributable to the Bank's shareholders and a weighted average number of ordinary shares during the period. The diluted earnings per share are computed as a quotient of the profit attributable to the Bank's shareholders and a weighted average number of ordinary shares adjusted to take into consideration the impact of all potential ordinary shares that cause the EPS dilution. As at the reporting date, there occurred no factors resulting in the dilution of potential ordinary shares.

8. Cash and Cash Equivalents

Note 8

Cash and cash equivalents (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Cash at hand	143,095	220,445	173,228
Due from the Central Bank	9,245	497,969	24,690
Short-term due from banks, including:	261,781	1,262,785	428,012
- Nostro accounts	162,049	978,854	11,162
- short-term deposits from banks	99,732	283,931	416,850
Interest	837	489	1,958
Cash and cash equivalents, gross	414,958	1,981,688	627,888
Impairment provisions:	-270	-1,100	-516
- for Incurred But Not Reported losses (IBNR)	-270	-1,100	-516
Total cash and cash equivalents, net	414,688	1,980,588	627,372

The item "Due from the Central Bank" includes the balance on the nostro account and overnight deposits at the National Bank of Poland (NBP).

At the nostro account with the NBP, funds that constitute the mandatory reserve are kept, computed on the basis of the arithmetic mean of daily balances on current and term accounts for a given month.

The average balance of the mandatory reserve declared at the end of the first half of 2013 stood at PLN 340,600 thousand, as at the end of 2012 it reached PLN 342,066 thousand, while at the end of the first half of 2012 it stood at PLN 342,811 thousand.

9. Financial Assets and Liabilities Held for Trading

Note 9.1

Financial assets held for trading (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Held-for-trading securities, including:	-	51,399	-
- treasury bills	-	50,270	-
Interest	-	1,129	-
Derivative financial instruments, including:	92,658	94,439	129,057
- foreign currency contracts, including:	32,887	25,057	64,145
- fair value adjustment for credit risk	-484	-635	-2,606
- interest rate contracts	59,771	69,382	64,912
Total financial assets held for trading	92,658	145,838	129,057

Either as at 30 June 2013 or in the periods compared, the Bank's balance sheet included no buy-sell-back repo securities held for trading.

Note 9.2

Financial liabilities held for trading (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Derivative financial instruments, including:	85,738	86,718	109,904
- foreign currency contracts	25,889	23,851	48,375
- interest rate contracts	59,849	62,867	61,529
Total financial liabilities held for trading	85,738	86,718	109,904

10. Receivables

Note 10.1

Due from banks (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Loans	60,038	60,049	75,032
Deposits	-	102,205	213,065
Receivables on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	51,606	38,689	65,350
Other receivables	13,964	6,601	4,953
Interest	177	575	559
Total due from banks, gross	125,785	208,119	358,959
Impairment provisions:	-74	-74	-93
- for Incurred But Not Reported losses (IBNR)	-74	-74	-93
Total due from banks, net	125,711	208,045	358,866

Note 10.2

Loans to customers (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Loans to State-owned entities	45	44	96
Mortgage loans	5,944,137	5,804,242	5,893,971
Consumer loans and credit facilities	2,404,117	2,330,502	2,360,965
Commercial loans	7,942,773	7,323,821	7,754,640
Receivables on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	2,297	930	3,267
Finance lease receivables	1,707,372	1,714,963	1,792,512
Other receivables	137,464	130,232	126,979
Interest	51,112	57,087	57,767
Total loans to customers, gross	18,189,317	17,361,821	17,990,197
Impairment provisions:	-1,127,039	-1,202,134	-1,313,661
- for incurred, reported losses	-1,017,977	-1,099,281	-1,221,868
- for Incurred But Not Reported losses (IBNR)	-109,062	-102,853	-91,793
Total loans to customers, net	17,062,278	16,159,687	16,676,536

Note 10.3

Changes in impairment provisions (in PLN thousand)	Due from banks		Loans to customers
	Provisions for Incurred But Not Reported losses (IBNR)	Impairment provision	Provisions for Incurred But Not Reported losses (IBNR)
Balance as at 1 Jan 2012	-84	-1,245,058	-95,427
Consolidation adjustment	-	-140	-87
Increases	-21	-251,037	-4,459
Decreases	12	167,521	8,180
Write-downs to provisions	-	104,001	-
FX rate differences	-	2,845	-
Balance as at 30 June 2012	-93	-1,221,868	-91,793
Balance as at 1 Jan 2012	-84	-1,245,058	-95,427
Consolidation adjustment	-	-140	-87
Increases	-21	-516,609	-27,030
Decreases	31	328,008	19,691
Write-downs to provisions	-	298,420	-
FX rate differences	-	36,098	-
Balance as at 31 Dec 2012	-74	-1,099,281	-102,853
Balance as at 1 Jan 2013	-74	-1,099,281	-102,853
Increases	-	-251,093	-16,543
Decreases	-	206,153	10,334
Write-downs to provisions	-	80,348	-
FX rate differences	-	45,896	-
Balance as at 30 June 2013	-74	-1,017,977	-109,062

11. Investments

Note 11

Investments available for sale (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Treasury bonds	1,817,284	1,766,570	1,697,099
Bonds issued by non-financial entities	11,666	10,223	11,447
NBP bills	789,651	-	379,765
Shares and holdings	14,728	17,764	24,249
Other	3,467	7,350	9,416
Interest	33,730	34,840	31,458
Total investments available for sale, gross	2,670,526	1,836,747	2,153,434
Write-downs for investments available for sale	-9,772	-11,317	-15,259
- for bonds issued by non-financial entities	-3,888	-3,888	-3,888
- for shares	-5,884	-7,429	-11,371
Total investments available for sale, net	2,660,754	1,825,430	2,138,175

12. Non-current Assets Held for Sale

The table below presents a specification of non-current assets held for sale as at 30 June 2013 as well as comparative data.

Note 12

in PLN thousand	30 June 2013	31 Dec 2012	30 June 2012
Land (including perpetual usufruct of land)	4,935	5,686	403
Buildings and premises	17,715	23,768	6,871
Means of transport	705	1,611	159
Construction machines	26	24	200
Other	190	1,011	1,309
Total non-current assets held for sale	23,571	32,100	8,942

In accordance with IFRS5 "Non-current Assets Held for Sale and Discontinued Operations," in the "Non-current assets held for sale" balance sheet position, BNP Paribas Bank Polska SA recognised the real estate which fulfilled relevant IFRS5 requirements concerning classification of assets as non-current assets held for sale.

The Bank entered into a preliminary conditional sale agreement of real estate, with its finalisation planned for the end of the second quarter of 2013.

As the conditions defined in IFRS5 were not fulfilled, the Bank reclassified the real estate to fixed assets, in the amount of PLN 4,395 thousand.

As at 30 June 2013, the Group identified the following fixed assets which met the relevant IFRS5 requirements:

- five means of transport,
- one construction machine,
- one production line,
- one specialist machine,
- one real estate together with land.

The aforesaid assets were taken over from lessees through debt recovery actions and earmarked for sale pursuant to the debt recovery procedure applied in the subsidiary.

13. Deferred Tax Assets and Liabilities

The table below presents deferred tax assets and liabilities as at 30 June 2013 and comparative data.

Note 13.1

in PLN thousand	30 June 2013	31 Dec 2012	30 June 2012
Deferred tax assets	260,120	282,140	292,291
Deferred tax liabilities	47,588	48,767	50,485
Total deferred tax assets, net - recognised in assets	212,532	233,373	241,806
Deferred tax liabilities - recognised in correspondence with revaluation reserve	-	7,537	1,586
Deferred tax liabilities related to actuarial profits and losses	6	-	-
Other deferred tax liabilities, net	-	-121	-108
Total deferred tax liabilities - recognised in liabilities	6	7,416	1,478
Net deferred tax	212,526	225,957	240,328

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

Note 13.2

Deferred tax assets (in PLN thousand)	Opening balance 1 Jan 2013	Increases / decreases recognised in income statement	Increases/ decreases recognised in capital	Closing balance 30 June 2013
Interest accrued to be paid	10,885	-2,746	-	8,139
Negative fair value - hedged and hedging items	1,672	-349	-	1,323
Provisions for credit exposure impairment	173,939	-19,042	-	154,897
Fair value adjustment on account of credit risk of matured derivative instruments	26,873	-152	-	26,721
Employee benefits that are not tax-deductible expenses	3,532	-746	-	2,786
Expenses calculated for payment, which are not tax-deductible expenses	3,594	-253	-	3,341
Provisions for impairment - other assets	26,887	-2,444	-	24,443
Provisions that are not tax-deductible expenses	2,989	317	6	3,312
Measurement of financial instruments held for trading	6,900	-2,656	-	4,244
Measurement of available-for-sale investments	72	-	1,930	2,002
Commissions and fees settled in time	6,942	1,870	-	8,812
Difference between the market price and shares acquisition price	3,155	-572	-	2,583
Provisions for impairment - fixed assets, intangible assets	347	-27	-	320
Tax value of the company	9,855	-1,516	-	8,339
Civil law transaction tax on account of acquisition of shares in a subsidiary	194	-	-	194
Provisions for impairment - bonds, shares	2,151	-293	-	1,858
Other	2,153	4,103	-	6,256
Tax loss	-	550	-	550
Total deferred tax assets	282,140	-23,956	1,936	260,120

Deferred tax liabilities				
(in PLN thousand)				
Interest accrued to be received	29,597	-4,610	-	24,987
Difference between balance sheet depreciation and tax depreciation	5,825	-80	-	5,745
Measurement of held-for-trading securities	3,125	-2,123	-	1,002
Measurement of available-for-sale investments	7,537	-	-6,906	631
Commissions and fees settled in time	5,272	-1,467	-	3,805
Income to be received	390	-	-	390
Development work costs	726	163	-	889
Negative fair value - hedged and hedging items	2,124	-581	-	1,543
Actuarial profits or losses on account of retirement severance pay, disability benefits and post-death benefits.	-	-	6	6
Other	1,587	7,009	-	8,596
Total deferred tax liabilities	56,183	-1,689	-6,900	47,594
Net deferred tax	225,957	-22,267	8 836	212,526

Deferred tax assets	Opening balance	Increases /	Increases/	Closing
(in PLN thousand)	1 Jan 2012	decreases	decreases	balance
		recognised in	recognised in	31 Dec
		income	capital	2012
		statement		
Interest accrued to be paid	10,497	388	-	10,885
Negative fair value - hedged items and hedging instruments	2,495	-823	-	1,672
Provisions for credit exposure impairment	176,918	-2,979	-	173,939
Fair value adjustment on account of credit risk of matured derivative instruments	29,577	-2,704	-	26,873
Employee benefits that are not tax-deductible expenses	3,654	-122	-	3,532
Expenses calculated for payment, which are not tax-deductible expenses	3,089	505	-	3,594
Provisions for impairment - other assets	29,045	-2,158	-	26,887
Provisions which are not tax-deductible expenses	1,321	1,668	-	2,989
Measurement of financial instruments held for trading	14,937	-8,037	-	6,900
Measurement of available-for-sale investments	1,295	72	-1,295	72
Commissions and fees settled in time	4,875	2,067	-	6,942
Difference between balance sheet depreciation and tax depreciation	24	-24	-	-
Difference between the market price and shares acquisition price	4,588	-1,433	-	3,155
Provisions for impairment - fixed assets, intangible assets	233	114	-	347
Tax value of the company	12,887	-3,032	-	9,855
Civil law transaction tax on account of acquisition of shares in a subsidiary	180	14	-	194
Provision for impairment - bonds, shares	2,886	-735	-	2,151
Other	978	1,175	-	2,153
Total deferred tax assets	299,479	-16,044	-1,295	282,140

Deferred tax liabilities (in PLN thousand)				
Interest accrued to be received	29,380	217	-	29,597
Difference between balance sheet depreciation and tax depreciation	5,325	500	-	5,825
Measurement of financial instruments held for trading	6,178	-3,053	-	3,125
Measurement of available-for-sale investments	271	-	7,266	7,537
Commissions and fees settled in time	5,883	-611	-	5,272
Income to be received	390	-	-	390
Development work costs	321	405	-	726
Negative fair value - hedged and hedging items	3,374	-1,250	-	2,124
Other	2,151	-564	-	1,587
Total deferred tax liabilities	53,273	-4,356	7,266	56,183
Net deferred tax	246,206	-11,688	-8,561	225,957

Deferred tax assets (in PLN thousand)	Opening balance 1 Jan 2012	Increases / decreases recognised in income statement	Increases/ decreases recognised in capital	Closing balance 30 June 2012
Interest accrued to be paid	10,497	1,780	-	12,277
Negative fair value - hedged items and hedging instruments	2,495	-1,038	-	1,457
Provisions for credit exposure impairment	176,918	-1,236	-	175,682
Fair value adjustment on account of credit risk of matured derivative instruments	29,577	-2,361	-	27,216
Employee benefits that are not tax-deductible expenses	3,654	-1,120	-8	2,526
Expenses calculated for payment, which are not tax-deductible expenses	3,089	-12	-12	3,065
Provisions for impairment - other assets	29,045	-1,679	-	27,366
Provisions which are not tax-deductible expenses	1,321	2,939	-6	4,254
Measurement of financial instruments held for trading	14,937	-4,368	-	10,569
Measurement of available-for-sale investments	1,295	85	-1,295	85
Commissions and fees settled in time	4,875	2,203	-	7,078
Difference between balance sheet depreciation and tax depreciation	24	-	-24	-
Difference between the market price and shares acquisition price	4,588	-	-	4,588
Provisions for impairment - fixed assets, intangible assets	233	-	-	233
Tax value of the company	12,887	-1,516	-	11,371
Civil law transaction tax on account of acquisition of shares in a subsidiary	180	15	-	195
Provision for impairment - bonds, shares	2,886	-	-	2,886
Other	978	-4	-58	916
Tax loss	-	527	-	527
Total deferred tax assets	299,479	-5,785	-1,403	292,291

Deferred tax liabilities				
(in PLN thousand)				
Interest accrued to be received	29,380	1,795	-	31,175
Difference between balance sheet depreciation and tax depreciation	5,325	-7	-	5,318
Measurement of financial instruments held for trading	6,178	-3,921	-	2,257
Measurement of available-for-sale investments	271	-	1,315	1,586
Commissions and fees settled in time	5,883	486	-	6,369
Income to be received	390	-	-	390
Development work costs	321	222	-	543
Negative fair value - hedged and hedging items	3,374	-1,719	-	1,655
Other	2,151	627	-108	2,670
Total deferred tax liabilities	53,273	-2,517	1,207	51,963
Net deferred tax	246,206	-3,268	-2,610	240,328

14. Liabilities

Note 14.1

Liabilities due to banks (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Current deposits	67,702	58,940	77,644
Term deposits	1,080,674	-	618,169
Cash collateral	210,857	283,352	388,637
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	51,600	38,754	65,321
Interest	3,710	1,314	2,790
Total liabilities due to banks	1,414,543	382,360	1,152,561

Note 14.2

Liabilities due to customers (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Current deposits	4,160,631	3,579,775	3,363,400
Term deposits	5,240,945	6,288,320	5,348,656
Cash collateral	136,857	141,920	170,942
Liabilities on account of recognition of financial instruments (FX spot and FX swap transactions) at the trade date	2,309	945	3,284
Other	9,149	11,823	5,944
Interest	28,720	42,167	47,076
Total liabilities due to customers	9,578,611	10,064,950	8,939,302

Note 14.3

Loans and credit facilities received (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Loans and credit facilities received from banks	7,218,257	7,577,240	7,839,963
Interest	9,128	12,516	14,196
Total loans and credit facilities received	7,227,385	7,589,756	7,854,159

15. Subordinated Liabilities

The table below presents the change in the subordinated liabilities as at 30 June 2013 and comparative data.

Note 15

Change in subordinated liabilities (in PLN thousand)	1 Jan 2013 - 30 June 2013	1 Jan 2012 - 31 Dec 2012	1 Jan 2012 - 30 June 2012
Opening balance	694,251	592,628	592,628
Increases	-	446,586	-
- on account of loan contracting	-	446,586	-
Decreases	-267,287	-320,647	-144,758
- on account of loan repayment	-267,287	-320,647	-144,758
FX rate differences	23,916	-35,192	-19,128
Net profit/loss on a loan prepayment	19,799	13,029	-
Others	-23	-2,153	-2,579
Ending balance	470,656	694,251	426,163

16. Provisions

Note 16.1

Provisions by titles (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Provisions for off-balance sheet commitments	24,906	7,910	33,121
Provision for Incurred But Not Reported losses - off-balance sheet commitments (IBNR)	8,914	8,624	6,827
Legal risk provisions	13,612	9,592	7,994
Reserves for future obligations	2,708	3,977	2,537
Provisions for employee benefits (including the restructuring provision)	4,843	7,775	15,629
Provisions for office sub-lease	1 843	1,789	1,697
Total provisions	56,826	39,667	67,805

Provisions for legal risk include amounts concerning legal proceedings involving the Bank (of which, in particular, lawsuits regarding claims on account of foreign currency derivative instruments, and others, e.g. related to proceedings before the *Office of Competition and Consumer Protection (UOKiK)* - for details, please see Note 22.6).

The reserve for employee benefits contains a restructuring provision created in the first half of 2012 in the amount of PLN 13.0 million. As at the end of 2012, it amounted to PLN 4.37 million while as at the end of the first half of 2013 - to PLN 389 thousand.

The notes below present changes in the balance of provisions:

Note 16.2

Change in provisions for off-balance sheet commitments (in PLN thousand)	1 Jan 2013 - 30 June 2013	1 Jan 2012 - 31 Dec 2012	1 Jan 2012 - 30 June 2012
Opening balance	16,534	34,466	34,466
Increases	25,533	13,830	35,699
- for off-balance sheet commitments	23,366	7,562	33,854
- for IBNR losses – off-balance sheet commitments	2,167	6,268	1,845
Decreases	-8,594	-31,291	-27,947
- for off-balance sheet commitments	-6,717	-27,467	-26,749
- for IBNR losses – off-balance sheet commitments	-1,877	-3,824	-1,198
FX rate differences	347	-471	-2,270
Ending balance	33,820	16,534	39,948

Note 16.3

Changes in other provisions (in PLN thousand)	1 Jan 2013 - 30 June 2013	1 Jan 2012– 31 Dec 2012	1 Jan 2012 - 30 June 2012
Opening balance	23,133	12,826	12,826
Increases	12,603	29,552	17,066
- for legal risk	6,536	8,898	3,814
- for office sub-lease	572	1,128	90
- for future obligations	4,386	5,552	-
- for employee benefits	1,109	13,974	13,162
Decreases	-12,783	-19,245	-2,035
- for legal risk	-2,569	-4,573	-1,087
- for office sub-lease	-518	-1,457	-512
- for future obligations	-5,655	-4,548	-436
- for employee benefits	-4,041	-8,667	-
FX rate differences	53	-	-
Ending balance	23,006	23,133	27,857

17. Hedge Accounting

As at 30 June 2013 and in the periods compared, the Group applies the fair value hedge. The risk hedged is the interest rate risk, and in particular, changes in the fair value of assets and liabilities bearing a fixed interest rate due to changes in a specific reference rate.

Hedging instruments

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

Hedged item

Fixed rate current accounts in EUR are the hedged items.

The tables below present the breakdown of hedging derivative instruments at nominal value as at 30 June 2013 and in periods compared, broken down by residual maturity:

Note 17

Hedging derivative instruments (in PLN thousand)	30 June 2013							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
Interest Rate Contracts	8,119	-	-	-	-	69,268	30,304	99,572
- Swaps (IRS)	8,119	-	-	-	-	69,268	30,304	99,572
Total hedging derivative instruments	8,119	-	-	-	-	69,268	30,304	99,572

Hedging derivative instruments (in PLN thousand)	31 Dec 2012							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
Interest Rate Contracts	11,179	-	-	-	-	49,058	44,970	94,028
- Swaps (IRS)	11,179	-	-	-	-	49,058	44,970	94,028
Total hedging derivative instruments	11,179	-	-	-	-	49,058	44,970	94,028

Hedging derivative instruments (in PLN thousand)	30 June 2012							
	Fair value		Nominal value					Total
	positive	negative	up to 1 month	from 1 to 3 months	from 3 months to 1 year	1-5 years	> 5 years	
Interest Rate Contracts	8,712	-	-	-	-	51,136	46,874	98,010
- Swaps (IRS)	8,712	-	-	-	-	51,136	46,874	98,010
Total hedging derivative instruments	8,712	-	-	-	-	51,136	46,874	98,010

18. Leasing

The Group runs lease activity through its subsidiary, Fortis Lease Polska Sp. z o.o., by concluding, as a lessor, finance lease transactions primarily concerning means of transport, technical equipment and real estate.

Note 18.1

Finance lease receivables (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
(Gross) finance lease receivables	1,710,437	1,718,790	1,796,568
Unrealised financial income	-3,065	-3,827	-4,056
Current value of minimum lease charges	1,707,372	1,714,963	1,792,512

Note 18.2

Finance lease receivables by maturity (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
up to 1 year	455,890	477,128	436,974
from 1 up to 5 years	704,616	690,439	728,693
above 5 years	549,931	551,223	630,901
(Gross) finance lease receivables	1,710,437	1,718,790	1,796,568
provisions for impairment	-122,082	-133,594	-135,617
Total finance lease receivables	1,588,355	1,585,196	1,660,951

Note 18.3

Current value of minimum lease charges (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
up to 1 year	452,825	473,297	432,918
from 1 up to 5 years	704,616	690,443	728,693
above 5 years	549,931	551,223	630,901
Current value of minimum lease charges, gross	1,707,372	1,714,963	1,792,512
provisions for impairment	-122,082	-133,594	-135,617
Total current value of minimum lease charges, net	1,585,290	1,581,369	1,656,895

19. Information on Related Party Transactions

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

Note 19.1

30 June 2013 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Assets			
Cash and cash equivalents	256,233	2,028	258,261
Financial assets held for trading	13,596	38,335	51,931
Due from banks and Loans to customers	-	54,566	54,566
Hedging instruments	8,119	-	8,119
Other assets	12,130	114	12,244
Total assets	290,078	95,043	385,121
Liabilities			
Financial liabilities held for trading	53,180	18,285	71,465
Liabilities due to banks and customers	310,832	952,256	1,263,088
Loans and credit facilities received	-	5,353,806	5,353,806
Subordinated liabilities	-	470,656	470,656
Other liabilities	4,576	35,249	39,825
Total liabilities	368,588	6,830,252	7,198,840

31 Dec 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Assets			
Cash and cash equivalents	956,258	200,455	1,156,713
Financial assets held for trading	8,216	21,094	29,310
Due from banks and Loans to customers	103,458	42,371	145,829
Hedging instruments	11,179	-	11,179
Other assets	9,207	6,695	15,902
Total assets	1,088,318	270,615	1,358,933
Liabilities			
Financial liabilities held for trading	63,037	8,288	71,325
Liabilities due to banks and customers	27,220	162,002	189,222
Loans and credit facilities received	-	5,495,895	5,495,895
Differences from measurement to fair value of a hedged item against interest rate risk	8,800	-	8,800
Subordinated liabilities	245,300	448,951	694,251
Other liabilities	659	15,528	16,187
Total liabilities	345,016	6,130,664	6,475,680

30 June 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Assets			
Cash and cash equivalents	359,830	1,899	361,729
Financial assets held for trading	20,722	20,350	41,072
Due from banks and Loans to customers	234,587	107,911	342,498
Hedging instruments	8,712	-	8,712
Other assets	9,487	918	10,405
Total assets	633,338	131,078	764,416
Liabilities			
Financial liabilities held for trading	10,401	18,821	29,222
Liabilities due to banks and customers	251,657	559,339	810,996
Loans and credit facilities received	-	5,717,410	5,717,410
Differences from measurement to fair value of a hedged item against interest rate risk	7,667	-	7,667
Subordinated liabilities	426,163	-	426,163
Other liabilities	714	5,206	5,920
Total liabilities	696,602	6,300,776	6,997,378

Note 19.2

Income Statement 1 Jan 2013 - 30 June 2013 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Interest income	1,670	3,444	5,114
Interest expense	19,056	-52,813	-33,757
Fee and commission income	86	584	670
Fee and commission expense	-351	-206	-557
Net trading income	6,843	8,332	15,175
Net profit/loss on hedging transactions	-1,925	-	-1,925
Other income	-	85	85
Other general expenses	-	-1,695	-1,695
Cost of risk	-	-1	-1

Income Statement 1 Jan 2012 - 30 June 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Interest income	4,053	6,858	10,911
Interest expense	-12,360	-37,223	-49,583
Fee and commission income	567	102	669
Fee and commission expense	-563	-32	-595
Net trading income	51,957	-36,270	15,687
Net profit/loss on hedging transactions	-4,748	-	-4,748
Other income	7	2	9
Other operating expenses	-	-6	-6
Other general expenses	-	-1,597	-1,597
Cost of risk	-102	-74	-176

Note 19.3

Contingent liabilities and transactions in derivative instruments 30 June 2013 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Contingent liabilities granted	15,940	295,904	311,844
- items related to financing	-	29,261	29,261
- guarantees	15,940	266,643	282,583
Contingent liabilities received	41,378	433,054	474,432
- guarantees	41,378	433,054	474,432
Transactions in derivative instruments*	1,910,995	7,262,607	9,173,602

Contingent liabilities and transactions in derivative instruments 31 Dec 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Contingent liabilities granted	7,513	367,228	374,741
- items related to financing	-	27,467	27,467
- guarantees	7,513	339,761	347,274
Contingent liabilities received	29,036	442,813	471,849
- guarantees	29,036	442,813	471,849
Transactions in derivative instruments*	2,791,378	4,841,363	7,632,741

Contingent liabilities and transactions in derivative instruments 30 June 2012 (in PLN thousand)	Parent entity	Other entities of the BNP Paribas Group	Total
Contingent liabilities granted	9,356	368,883	378,239
- items related to financing	-	35,086	35,086
- guarantees	9,356	333,797	343,153
Contingent liabilities received	28,716	356,283	384,999
- items related to financing	-	1,939	1,939
- guarantees	28,716	354,344	383,060
Transactions in derivative instruments*	8,153,900	4,087,362	12,241,262

*In the item "Transactions in derivative instruments", the derivative instrument purchase and sale transactions are presented.

Material agreements with affiliated entities

Loan agreements with BNP Paribas SA

In 2013, two credit tranches were disbursed under the loan agreement between the Bank and BNP Paribas SA dated 31 January 2011. The Bank obtained financing in the aggregate amount of CHF 160 million. The repayment date falls on 1 March 2015 with respect to the amount of CHF 80 million and on 1 September 2015 with respect to the amount of CHF 80 million.

In July 2013, i.e. after the balance sheet date, the Bank repaid a credit line of CHF 25 million and drew down subsequent funds from the BNP PARIBAS group amounting to EUR 30 million.

Repayment of a subordinated loan and loans received

In January 2013, the Bank prepaid a subordinated loan of EUR 60 million granted under the subordinated loan agreement concluded on 23 October 2007 with BNP Paribas Fortis SA/NV. The repayment was made upon consent of the Polish Financial Supervision Authority to the prepayment of the funds totalling EUR 100 million.

Furthermore, in January 2013 the Bank repaid the amount of CHF 250 million obtained under the loan agreement between the Bank and BNP Paribas SA dated 31 January 2011. The amount of CHF 90 million was a partial repayment of the tranche of CHF 169 million, whose repayment date falls on 1 June 2016, whereas the amount of CHF 160 million was a partial repayment of the tranche of CHF 230 million, whose repayment date falls on 1 June 2015.

Multi-option credit line agreement with Fortis Lease Polska Sp. z o.o.

On 22 January 2013, the Bank agreed to extend, until 5 December 2013, the current term of the credit facility in favour of Fortis Lease Polska Sp. z o.o. provided within the Multi-option Credit Line agreement with a limit of PLN 60 million PLN.

Moreover, on 25 February 2013 the Bank concluded with Fortis Lease Polska Sp. z o.o. an annex to the uncommitted credit facility agreement of 23 March 2012 regarding an increase of the maximum credit amount to the amount of PLN 248 million and determination of the current credit term until 5 December 2013.

Transactions with the Board of Executives, Supervisory Board and Managing Directors

The total remuneration and the value of benefits obtained by the members of the Board of Executives, Supervisory Board and Managing Directors of BNP Paribas Bank Polska SA are specified in the table below:

Note 19.4

in PLN thousand	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Board of Executives, including:	4,297	5,170
- remuneration	3,325	2,972
- other*	972	2,198
Supervisory Board	441	351
Managing Directors**	9,302	10,686

* in the "Other" item, the Bank recognises costs related to medical care, company cars (lump sum), apartment expenses, equivalents for holiday leave, bonuses and remuneration for meetings of the Board of Executives.

**Gross remuneration paid out of the salary fund, including ZUS (Social Security) contributions for Directors directly reporting to the Board of Executives.

In 2013, for the first time, a portion of variable compensation awarded for 2012 to employees covered by the "*Variable Compensation Policy for Executives and Other Individuals Who Have a Significant Influence on the Risk Profile at BNP Paribas Bank Polska SA*" was deferred for payment in future periods.

The Bank and the managing persons entered into no agreements providing for any compensation in the event such people resign or are dismissed from their job position without an important reason, or when they are discharged or dismissed due to the Bank's merger by acquisition. Members of the Bank's Board of Executives who are members of Supervisory Boards of subsidiaries, received no remuneration on that account, either in 2013 or 2012.

Information on loans, credit facilities, guarantees and sureties granted by the Bank to: Members of the Supervisory Board and the Board of Executives, and Managing Directors of BNP Paribas Bank Polska SA.

As at 30 June 2013, the Bank granted:
to the Supervisory Board's Members:

- no debt with the Bank;

to the Board of Executives' Members:

- 8 credit card limits totalling PLN 115 thousand, of which PLN 23 thousand was utilised as at the end of the first half year of 2013;
- 1 foreign currency loan in the amount equivalent to PLN 995 thousand with the original maturity from 5 to 30 years, inclusive;
- 3 debit limits in the savings and checking account in the aggregate amount of PLN 180 thousand;

to Managing Directors:

- 33 loans totalling PLN 9,426 thousand, including 11 FC loans in the total amount equivalent of PLN 5,701 thousand with original maturity from 1 to over 30 years;
- 16 debit limits in the savings and checking accounts (ROR) in the amount of PLN 267 thousand, of which PLN 72 thousand was utilised as at the end of the first half year of 2013;
- 20 credit card limits totalling PLN 144 thousand, of which PLN 45 thousand was utilised as at the end of the first half year of 2013;

to persons related to managing and supervising persons:

- 7 loans totalling PLN 314 thousand, including 1 FC loan in the amount equivalent to PLN 200 thousand with original maturity from 3 months to over 30 years;
- 2 debit limits in the savings and checking account in the total amount of PLN 7 thousand;
- 2 credit card limits totalling PLN 6 thousand, of which PLN 1 thousand was utilised as at the end of the first half year of 2013;

As at 31 Dec 2012, the Bank granted:

to the Supervisory Board's Members:

- no debt with the Bank;

to the Board of Executives' Members:

- 6 credit card limits totalling PLN 90 thousand, of which PLN 18 thousand was used;
- 4 foreign currency loans in the amount of PLN 1,128 thousand with the original maturity from 5 to 10 years, inclusive;
- 3 debit limits in the savings and checking account in the total amount of PLN 180 thousand;

to Managing Directors:

- 25 loans totalling PLN 6,490 thousand, including 7 FC loans in the total amount equivalent to PLN 4,232 thousand with original maturity from 3 months to over 30 years;
- 9 debit limits in the savings and checking account of PLN 166 thousand, of which PLN 78 thousand was utilised as at the end of 2012;
- 15 credit card limits totalling PLN 104 thousand, of which PLN 29 thousand were utilised as at the end of 2012;

to persons related to managing and supervising persons:

- 8 loans, of which one in a foreign currency, in the total amount of PLN 164 thousand with the original maturity from 2 to 30 years, inclusive;
- 1 debit limit in the savings and credit account in the total amount of PLN 4 thousand;
- 2 credit card limits totalling PLN 11 thousand, of which PLN 1 thousand were utilised as at the end of 2012;

As at 30 June 2012, the Bank granted:

to the Supervisory Board's Members:

- no debt with the Bank;

to the Board of Executives' Members:

- 4 credit card limits totalling PLN 35 thousand, of which PLN 15 thousand was utilised as at the end of the first half year;
- 4 foreign currency loans in the amount equivalent to PLN 1,219 thousand with the original maturity from 5 to 30 years, inclusive;
- 2 debit limits in the savings and checking account in the total amount of PLN 80 thousand;

to Managing Directors:

- 50 loans totalling PLN 8,351 thousand, including 12 FC loans in the total amount equivalent of PLN 6,485 thousand with original maturity from 1 to over 30 years;
- 11 debit limits in the savings and checking accounts (ROR) in the amount of PLN 211 thousand, of which PLN 97 thousand was utilised as at the end of the first half year of 2012;
- 17 credit card limits totalling PLN 114 thousand, of which PLN 31 thousand was utilised as at the end of the first half year of 2012;

to persons related to managing and supervising persons:

- 9 loans totalling PLN 301 thousand, including 1 FC loan in the amount equivalent to PLN 100 thousand with original maturity from 3 months to over 30 years;
- 3 debit limits in the savings and checking accounts (ROR) in the amount of PLN 109 thousand, of which PLN 7 thousand was utilised as at the end of the first half year of 2012;
- 3 credit card limits totalling PLN 31 thousand, of which PLN 6 thousand was utilised as at the end of the first half year of 2012.

20. Additional Notes to Cash Flow Statement

Note 20.1

Other investment expenses (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Acquisition of low value fixed assets	-606	-371
Total other investment expenses	-606	-371

Note 20.2

Other financial gains and expenses (in PLN thousand)	1 Jan 2013 – 30 June 2013	1 Jan 2012 – 30 June 2012
Net profit on a loan prepayment	19,604	-
Tax paid on the share capital increase	-	-1,142
Total other financial gains and expenses	19,604	-1,142

21. Risk Management

The Bank identifies the following categories of risk monitoring, control and management:

- credit risk,
- liquidity risk,
- foreign exchange risk,
- interest rate risk,
- counterparty risk,
- operational risk,
- compliance risk.

The Bank's Board of Executives defines the risk management policy for all risk types and policy for specific risk types. The strategy is approved by the Supervisory Board.

Credit risk

Credit risk is the risk of losses incurred by the Group on account of granted loans due to the customer inability to meet its obligations within the predefined contractual date.

In its business, the Group grants loans and credit facilities likewise issues guarantees to its customers, and also develops other forms of financing. This type of activity results in the Group's exposure to risk that a loan or another form of financing granted is not repaid by a borrower at a contractual date.

The credit risk management is based on an integrated approach that covers both operational and strategic dimensions.

Further to that, in the strategic dimension the Group defines its risk profile and adjusts business assumptions to it. The strategic credit risk management is related with such aspects of the Group's activity as the management of the Group's capital and goodwill, pricing policy, planning or budgeting. Such an approach is to maintain the capital adequacy and the assumed level of costs of risk while generating an optimum asset profitability.

The strategic dimension focuses on the portfolio risk and covers the following activities:

- implementation of the rules and objectives of the credit policy,
- creation and development of credit systems and tools (credit engineering),
- setting limits, monitoring and management of the portfolio credit risk,
- management reporting.

The credit risk operational management focuses on the management on the level of a borrower or even a single exposure.

The operational dimension consists of the following activities:

- credit analysis and credit decisions,
- credit administration,
- monitoring of risk related to individual credit exposures,
- restructuring,
- debt recovery.

An organisationally separate Risk Area, headed by a Member of the Board of Executives in the function of the Chief Risk Officer - performs the key role in the credit risk management. The Risk Committee and Retail Banking/Personal Finance Risk Committees participate in the strategic risk management.

The basic rules concerning credit risk assessment, measurement, acceptance, hedging, control and reporting, have been specified in the *Credit Policy of BNP Paribas Bank Polska SA* which is consistent with the risk management strategy at BNP Paribas Bank Polska SA and supports the achievement of objectives laid down in the strategy. The above policy determines risk management rules related to retail credit exposures, exposures that finance real estate and are secured by mortgages - to

implement requirements of Recommendations T and S issued by the Polish Financial Supervision Authority - and risk management rules concerning subsidiaries.

Detailed financing rules and criteria regarding a product offering of a given business line, types of loans available, financing objectives, its terms and conditions or limits, rules of risk identification, measurement and acceptance, securing the loan repayment and monitoring of customers/credit exposures over the life of a loan agreement, are defined in credit policies for specific business lines.

Credit risk assessment is either individualised or standard, depending on the level of complexity of a credit product offered and customer segment assessed. An individual credit risk assessment is applied in the event of a comprehensive financing tailored to the needs of a customer of a significant scale of business activity. On the other hand, a standard credit risk assessment is used for homogeneous products granted to borrowers of a similar risk profile and for similar purposes.

The credit risk assessment process comprises both quantitative and qualitative components. The quantitative part refers to an analysis of the borrower's economic and financial situation, the investment project business plan and macroeconomic environment forecast. The qualitative assessment focuses on "soft" business competence, knowledge of the market and its members as well as trends that affect the demand and supply of credit products, combined with expertise on a specific nature of borrowers' businesses in individual economic sectors.

The superior bodies authorised to make credit decisions at the Bank are the Credit Committee and the Watch-list and Doubtful Debts Committee, which act under the Bank's *Credit Decision Making Regulations* approved by the Bank's Supervisory Board.

To ensure effectiveness of the decision-making process, some authority to make credit decisions is delegated to lower decision-making levels. The decision-making authority delegation model takes into consideration the business lines' structure, defines the number of decision-making levels, the scope of their authorisation powers, likewise the rules, criteria and conditions of making credit decisions. Amount limits of decision-making authorisations depend on the following criteria: customer segment, customer risk profile and financing term.

On all competence levels, credit decisions are made by two people (under the "four-eyes" principle) by a representative of the business line and a representative of an organisational unit responsible for an assessment, independent of the business line, of the customer and transaction risks. With respect to customers for whom the credit risk is assessed using scoring models approved by the Risk Committee or Retail Banking/Personal Finance Risk Committees, as the case may be, credit decisions can be made by one person - by business line representatives.

The Bank assesses the customer risk profile using rating and scoring classification systems and risk classification according to IFRS.

Rating is assigned to commercial customers, excluding business entities which use car loans only. The rating system rules are determined in the *Rating Policy for CTB and SME Customers at BNP Paribas Bank Polska SA*.

The risk assessment based on scoring models that use, among other things, data from the Credit Information Bureau, is applied to individuals as well as business entities classified into the Micro segment. The creditworthiness of business entities is estimated based on a rating system that contains ten rating classes to assess entities that fulfil the payment obligations ($PD < 1$) and two rating classes for defaults.

Borrowers with reference to which there is a probability that the Bank will not recover all the receivables due unless collateral is used, or which are in default for over 90 days regarding any material credit liability due to the Bank, are assigned rating between 11 and 12 and the default status. The default status is assigned in accordance with the risk classification system adopted by the Bank, based on IFRS.

As regards business entities not classified into the Micro segment, the list of objective indicators (defaults) includes, but is not limited to, the following:

- significant financial difficulties or bankruptcy risk,
- composition settlement,
- initiated composition proceedings,
- economic crime,
- termination of loan agreements by other banks,
- delinquent payments longer than 90 days of a loan principal and/or interest that have been continued in any account of the customer, or a credit limit granted to the customer that has been exceeded.

As regards individual customers and business entities classified into the Micro segment, the identification of the "default" status is based on the following premises: a delay of more than 90 days in repayment of receivables due to the Bank, loan fraud suspicion, restructuring, making a loan due and payable in effect of a notice of termination of a loan agreement, bankruptcy of all co-borrowers, death of all co-borrowers, uncollectibility.

Credit risk measurement

During the credit risk identification and measurement, measures are applied that illustrate expected, unexpected and incurred credit losses, generated by the credit portfolio. These are:

- incurred but not reported losses, for which an impairment provision is created (IBNR),
- impairment provisions for incurred and reported losses (loan specific provisions),
- expected losses - basic risk costs characteristic for a given product,
- unexpected losses - additional risk costs for which a capital buffer is created.

The calculation of a provision for the Incurred But Not Reported losses (IBNR) is based on the likelihood that a given credit exposure is reclassified from the performing portfolio into the portfolio of individually impaired assets in a given period of time, referred to as a loss identification period (LIP). Provisions for impairment related to IBNR losses are computed and posted on a monthly basis.

Provisions for impairment related to incurred and reported losses (for default exposures) are computed and posted monthly, based on the loan portfolio balance (balance sheet and off-balance sheet items) as at the end of a month in which they were posted. Such provisions are created either on a case-by-case basis, taking into account a customer financial flow analysis, or using a collective (portfolio) method.

From the point of view of a financial institution, expected losses are considered a cost of its lending activity. They are an estimated average level of expected losses, considering the credit exposure amount. Such losses are managed by, among others, diversification and adequate valuation of credit products. Expected losses are calculated using parameters which describe credit risk, namely a probability of default (PD), loss given default (LGD) and exposure at default (EAD).

Unexpected losses are covered using equity capital.

Credit risk analysis

The tables below present maximum exposure of financial assets and off-balance sheet items to credit risk, the level of provisions for impairment and provisions for off-balance sheet commitments as at 30 June 2013 and comparative data.

Note 21.1

Information on exposure quality (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Cash and cash equivalents (excluding cash at hand)	271,593	1,760,143	454,144
- receivables without impairment	271,026	1,760,754	452,702
- provisions for impairment of IBNR losses	-270	-1,100	-516
- interest	837	489	1,958
Financial assets held for trading	92,658	145,838	129,057
- securities	-	50,270	-
- derivative financial instruments	92,658	94,439	129,057
measurement to fair value	93,142	95,074	131,663
fair value adjustment for credit risk	-484	-635	-2,606
- interest	-	1,129	-
Due from banks	125,711	208,045	358,866
- receivables without impairment	125,608	207,544	358,400
- provisions for impairment of IBNR losses	-74	-74	-93
- interest	177	575	559
Loans to customers	17,062,278	16,159,687	16,676,536
- receivables without impairment	16,423,611	15,362,217	15,774,702
- receivables impaired, including where the impairment is:	1,714,594	1,942,517	2,157,728
determined on a case-by-case basis	1,102,041	1,256,790	1,403,244
determined using a collective method	612,553	685,727	754,484
- provisions for impairment of incurred and reported losses	-1,017,977	-1,099,281	-1,221,868
determined on a case-by-case basis	-593,284	-613,302	-710,072
determined using a collective method	-424,693	-485,979	-511,796
- provisions for impairment of IBNR losses	-109,062	-102,853	-91,793
- interest	51,112	57,087	57,767
Investments available for sale	2,660,754	1,825,430	2,138,175
- receivables without impairment	2,610,983	1,774,571	2,092,092
- receivables impaired, including where the impairment is:	25,813	27,336	29,884
- provisions for impairment of incurred and reported losses	-9,772	-11,317	-15,259
- interest	33,730	34,840	31,458
Off-balance sheet commitments granted	7,491,147	6,835,177	6,029,913
- off-balance sheet commitments without impairment	7,426,193	6,755,808	5,966,883
- off-balance sheet commitments impaired, including where the impairment is:	98,774	95,903	102,978
determined on a case-by-case basis	65,083	64,066	77,431
determined using a collective method	33,691	31,837	25,547
- provisions for off-balance sheet commitments	-24,906	-7,910	-33,121
determined on a case-by-case basis	-24,101	-7,220	-32,035
determined using a collective method	-805	-690	-1,086
- provisions for impairment of IBNR losses – off-balance sheet commitments	-8,914	-8,624	-6,827

Note 21.2

Analysis of gross receivables from customers (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Performing receivables without impairment	16,090,482	15,052,197	15,350,723
Non-performing receivables without impairment	333,129	310,020	423,979
Impaired receivables with impairment determined on a case-by-case basis with a write-down	1,054,142	1,170,877	1,324,834
Impaired receivables with impairment determined on a case-by-case basis with no write-down	47,899	85,913	78,410
Impaired receivables with impairment determined on a collective basis with a write-down	588,316	658,787	732,578
Impaired receivables with impairment determined on a collective basis with no write-down	24,237	26,940	21,906
Total	18,138,205	17,304,734	17,932,430

In order to adjust the rating scale to the one commonly applied in the BNP Paribas group, the Fortis Masterscale so far binding in the Bank and its subsidiaries was replaced by the BNP Paribas rating system.

The comparability of loan receivables' classification according to the scale used previously and the one applied currently was presented in Notes 21.3, 21.4 for receivables without impairment and in Notes 21.5 and 21.6 for impaired receivables.

The rules of functioning of the BNP Paribas rating system were described in the "Credit risk" section.

The analysis of loans to customers which are neither past-due nor impaired, broken down by rating classes as at 30 June 2013, along with comparative data, is presented in the tables below.

Note 21.3

Performing receivables without impairment according to Fortis Masterscale rating (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
1-7	1,428,887	1,303,202	1,508,761
8-10	2,592,647	2,025,782	2,105,723
11-12	2,389,191	2,512,344	2,261,265
13-17	1,387,820	1,394,778	1,400,314
No rating assigned	8,291,937	7,816,091	8,074,660
of which mortgage loans	5,652,137	5,561,786	5,630,584
Total	16,090,482	15,052,197	15,350,723

Note 21.4

Performing receivables without impairment according to the BNNP rating (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
1+ to 6+	1,335,648	1,301,806	1,540,197
6 to 7+	3,054,871	2,354,193	2,654,976
7 to 7-	1,897,078	2,172,508	2,029,998
8+ to 10-	1,376,731	1,292,043	1,419,259
No rating assigned	8,426,154	7,931,647	7,706,293
of which mortgage loans	5,652,137	5,561,786	5,630,584
Total	16,090,482	15,052,197	15,350,723

The following table presents receivables from customers which have been impaired, broken down by rating classes as at 30 June 2013 along with comparative data.

Note 21.5

Receivables with impairment according to the Fortis Masterscale rating (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
- determined on a case-by-case basis	1,102,041	1,256,790	1,403,244
18	-	1,542	1,722
19	690,933	778,268	534,248
20	358,575	420,584	357,876
No rating assigned	52,533	56,396	509,398
- determined using a collective method	612,553	685,727	754,484
18	-	-	-
19	13,529	19,914	4,061
20	83,776	61,188	19,904
No rating assigned	515,248	604,625	730,519
Total	1,714,594	1,942,517	2,157,728

Note 21.6

Receivables with impairment according to the BNPP rating (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
- determined on a case-by-case basis	1,102,041	1,256,790	1,403,244
11	687,341	873,885	826,213
12	356,283	346,617	547,294
No rating assigned	58,417	36,288	29,737
- determined using a collective method	612,553	685,727	754,484
11	13,537	20,488	4,434
12	73,776	68,039	49,711
No rating assigned	525,240	597,200	700,339
Total	1,714,594	1,942,517	2,157,728

The "no rating assigned" category covers customers who have not been assigned any credit rating or whose rating has expired. Pursuant to rating rules binding in the Group, the rating assignment procedure is applied to commercial customers, excluding business entities classified into the Micro segment.

The table below presents an analysis, by delinquency periods, of financial assets that are past-due but not impaired as at the reporting date.

Note 21.7

Past-due periods of non-performing receivables, without impairment (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
from 1 to 30 days	268,172	241,219	305,208
from 31 to 60 days	36,244	50,163	63,908
from 61 to 90 days	24,000	14,612	48,794
from 91 days up	4,713	4,026	6,069
Total	333,129	310,020	423,979

Below there is an analysis of credit exposures (excl. banks) broken by business lines as at 30 June 2013 and comparative data.

Note 21.8

Credit exposures broken by business lines 30 June 2013 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Total
Balance sheet credit exposures	11,736,266	6,401,939	18,138,205
Off-balance sheet credit exposures	943,766	6,236,841	7,180,607
Total credit exposures, gross	12,680,032	12,638,780	25,318,812
Provisions for impairment of incurred and reported losses	-629,879	-388,098	-1,017,977
Provisions for off-balance sheet commitments	-1,311	-23,595	-24,906
Provisions for Incurred But Not Reported losses (IBNR)	-85,127	-32,849	-117,976
- balance sheet receivables	-81,310	-27,752	-109,062
- off-balance sheet commitments	-3,817	-5,097	-8,914
Total credit exposures, net	11,963,715	12,194,238	24,157,953

Credit exposures broken by business lines 31 Dec 2012 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Total
Balance sheet credit exposures	11,542,521	5,762,213	17,304,734
Off-balance sheet credit exposures	939,132	5,518,954	6,458,086
Total credit exposures, gross	12,481,653	11,281,167	23,762,820
Provisions for impairment of incurred and reported losses	-670,401	-428,880	-1,099,281
Provisions for off-balance sheet commitments	-772	-7,138	-7,910
Provisions for Incurred But Not Reported losses (IBNR)	-79,226	-32,251	-111,477
- balance sheet receivables	-75,933	-26,920	-102,853
- off-balance sheet commitments	-3,293	-5,331	-8,624
Total credit exposures, net	11,731,254	10,812,898	22,544,152

Credit exposures broken by business lines 30 June 2012 (in PLN thousand)	Retail Banking	Corporate and Transaction Banking	Total
Balance sheet credit exposures	11,814,626	6,117,804	17,932,430
Off-balance sheet credit exposures	883,050	4,729,005	5,612,055
Total credit exposures, gross	12,697,676	10,846,809	23,544,485
Provisions for impairment of incurred and reported losses	-750,544	-471,324	-1,221,868
Provisions for off-balance sheet commitments	-1,357	-31,764	-33,121
Provisions for Incurred But Not Reported losses (IBNR)	-66,652	-31,968	-98,620
- balance sheet receivables	-64,604	-27,189	-91,793
- off-balance sheet commitments	-2,048	-4,779	-6,827
Total credit exposures, net	11,879,123	10,311,753	22,190,876

The table below presents an analysis of mortgage loans for individuals, through the relation of disbursed mortgage loans to the value of collateral for repayment of the loans, as at 30 June 2013 along with comparative data.

Note 21.9

Mortgage loans to individuals 30 June 2013	PLN	FC	Total
Balance sheet value (in PLN thousand)	1,774,703	4,169,434	5,944,137
Average maturity (years)	24.2	22.3	22.9
Average LTV (%)	79%	99%	93%

Mortgage loans to individuals 31 Dec 2012	PLN	FC	Total
Balance sheet value (in PLN thousand)	1,654,463	4,149,779	5,804,242
Average maturity (years)	24.4	22.7	23.2
Average LTV (%)	74 %	90 %	86 %

Mortgage loans to individuals 30 June 2012	PLN	FC	Total
Balance sheet value (in PLN thousand)	1,406,082	4,487,889	5,893,971
Average maturity (years)	24.5	23.1	23.4
Average LTV (%)	72%	96%	90%

The table below presents credit portfolio concentration, gross, for balance sheet and off-balance sheet exposures (excl. banks) broken by sectors, as at 30 June 2013 and comparative data.

Note 21.10

Credit portfolio by sectors	30 June 2013		31 Dec 2012		30 June 2012	
	in PLN thousand	in %	in PLN thousand	in %	in PLN thousand	in %
Construction and real estate activities	3,275,841	12.94	3,533,529	14.87	3,033,179	12.88
Water supply, sewerage, waste management and remediation activities	481,790	1.90	225,149	0.95	428,938	1.82
Accommodation and food service activities	247,122	0.98	254,751	1.07	254,054	1.08
Financial and insurance activities	543,789	2.15	420,143	1.77	452,204	1.92
Mining and quarrying	729,298	2.88	595,695	2.51	474,951	2.02
Wholesale and retail trade Repair of motor vehicles and motorcycles	3,731,667	14.74	3,868,511	16.28	3,656,941	15.53
Individual clients	8,552,760	33.78	8,343,727	35.11	8,451,469	35.90
Other service activities	992,426	3.92	957,260	4.03	780,100	3.31
Manufacturing	4,973,128	19.64	3,889,803	16.37	4,181,703	17.76
Transportation and storage	836,723	3.30	827,022	3.48	977,036	4.15
Electricity, gas, steam and air conditioning supply	233,525	0.92	240,504	1.01	234,752	1.00
Other sectors	720,743	2.85	606,726	2.55	619,158	2.63
Total credit portfolio by sectors	25,318,812	100	23,762,820	100	23,544,485	100

The Bank applies an internal procedure on the exposure concentration management, under which e.g. limits for credit exposures towards specific economy sectors have been established along with rules of monitoring the limit current utilisation. The monitoring results are submitted quarterly to the Board of Executives and the Risk Committee. Furthermore, the Bank annually verifies the limits to reflect changes in the risk level for specific sectors.

Credit risk concentration

The Bank fully complies with and monitors limits under the Banking Law Act that define levels of receivables concentrations bearing risk of one entity or affiliated entities.

Under Article 71 para. 1 of the Banking Law Act, as at 30 June 2013 the limit of the Bank's exposures bearing risk of one entity or affiliated entities amounted to PLN 531,469 thousand on a consolidated basis (pursuant to law, 25% of the Bank's own funds).

Under Article 71 para. 1a-1c of the Banking Law Act, the Bank's Board of Executives set forth a limit for the Bank's exposures towards another bank or credit institution or a group of affiliated entities, comprising at least one bank or credit institution, at the level of 35% of the Bank's own funds, however not exceeding the equivalent of EUR 150 million. As at 30 June 2013, the said limit amounted to PLN 649,380 thousand on a consolidated basis and was not exceeded.

Liquidity risk

The key sources of financing for the Bank are deposits of non-bank customers and loans extended by BNP Paribas. The Bank is provided with a permanent source of financing through mid-term loans.

Regulatory liquidity measures (established by KNF) were at safe levels above the required values. The Bank's liquidity situation is stable. In the first half of 2013, the total balance of customer deposits decreased by nearly PLN 500 million but it concerned primarily unstable deposits.

In the first half of 2013, the Bank repaid credit lines of CHF 90 million. The repayment resulted from a decrease in the balance of mortgage loans denominated in this currency, which is fully financed with credit facilities granted by the BNP Paribas group. The Bank diversified maturities of CHF loans to a greater extent: out of CHF 230 million maturing on 1 June 2015, the amount of CHF 180 million was repaid, then two loans of CHF 90 million each were disbursed, maturing on 2 March 2015 and 1 September 2015, respectively.

The currency structure of medium- and long-term credit facilities as at 30 June 2013 was as follows:

From the BNP Paribas group:

- CHF 1,160 million
- EUR 90 million
- PLN 800 million

From the EIB/EBRD:

- EUR 30 million
- PLN 404 million.

Additionally, in January 2013 the Bank repaid subordinated loans in the amount of EUR 60 million. After the aforesaid repayment, the Bank had the following subordinated loans:

- EUR 60 million,
- CHF 60 million.

Fortis Lease Polska Sp. z o.o.

Fortis Lease Polska Sp. z o.o. finances its agreements mainly using funds originating from medium- and long-term loans from the BNP Paribas Group.

As at 30 June 2013, the structure of disbursed loans from the Group was as follows:

- CHF 30.5 million - maturity from November 2013 until January 2023,
- EUR 139.85 million - maturity from July 2013 until August 2024,
- PLN 621.69 million – maturity from July 2013 until December 2023.

Additionally, as at 30 June 2013, FLP disbursed the following credit facilities from the EBRD and EIB:

- EUR 18.52 million – maturity from March 2015 until March 2018,
- PLN 77.34 million – maturity from December 2016 until December 2022.

The table below presents an analysis of the Group's balance sheet items broken down by residual maturity as at 30 June 2013, and comparative data.

Note 21.11

Balance sheet items broken down into residual maturity								
30 June 2013 (in PLN thousand)	No maturity deter-mined	up to 1 month	1 - 3 months	3 - 12 months	1 - 3 years	3 - 5 years	> 5 years	Total
Cash and cash equivalents	414,688	-	-	-	-	-	-	414,688
Financial assets held for trading	-	5,266	6,244	14,677	31,699	8,081	26,691	92,658
Due from banks	101	57,509	25,074	43,027	-	-	-	125,711
Loans to customers	593,823	2,620,404	538,977	1,812,039	3,344,112	2,076,672	6,076,251	17,062,278
Investments available for sale	12,312	789,651	-	18,262	507,435	931,074	402,020	2,660,754
Other assets	520,213	-	-	-	-	-	-	520,213
Long position	1,541,137	3,472,830	570,295	1,888,005	3,883,246	3,015,827	6,504,962	20,876,302
Financial liabilities held for trading	-	5,794	6,617	15,275	31,374	631	26,047	85,738
Liabilities due to banks	3,710	1,006,087	209,168	58,062	113,069	24,447	-	1,414,543
Liabilities due to customers	24,823	7,995,409	742,973	671,271	140,485	150	3,500	9,578,611
Loans and credit facilities received	8,021	343,031	154,169	2,327,788	2,650,340	1,311,692	432,344	7,227,385
Subordinated liabilities	436	-	-	-	-	-	470,220	470,656
Other liabilities	2,099,369	-	-	-	-	-	-	2,099,369
Short position	2,136,359	9,350,321	1,112,927	3,072,396	2,935,268	1,336,920	932,111	20,876,302
Gap – balance sheet	-595,222	-5,877,491	-542,632	-1,184,391	947,978	1,678,907	5,572,851	-

Balance sheet items broken down into residual maturity								
31 Dec 2012 (in PLN thousand)	No maturity determined	up to 1 month	1 - 3 months	3 - 12 months	1 - 3 years	3 - 5 years	> 5 years	Total
Cash and cash equivalents	1,980,588	-	-	-	-	-	-	1,980,588
Financial assets held for trading	-	6,809	10,978	11,695	9,218	78,929	28,209	145,838
Due from banks	501	40,604	105,603	46,337	15,000	-	-	208,045
Loans to customers	747,806	2,298,582	427,568	1,708,047	3,183,363	1,881,275	5,913,046	16,159,687
Investments available for sale	17,705	174,641	-	6,335	524,320	478,106	624,323	1,825,430
Other assets	511,224	-	-	-	-	-	-	511,224
Long position	3,257,824	2,520,636	544,149	1,772,414	3,731,901	2,438,310	6,565,578	20,830,812
Financial liabilities held for trading	-	3,215	9,453	11,286	7,623	27,337	27,804	86,718
Liabilities due to banks	1,314	155,955	8,657	51,944	124,089	40,401	-	382,360
Liabilities due to customers	37,002	7,531,291	823,393	1,433,230	239,621	413	-	10,064,950
Loans and credit facilities received	10,640	276,004	134,246	1,697,685	2,974,987	2,074,006	422,188	7,589,756
Subordinated liabilities	459	245,292	-	-	-	-	448,500	694,251
Other liabilities	2,012,777	-	-	-	-	-	-	2,012,777
Short position	2,062,192	8,211,757	975,749	3,194,145	3,346,320	2,142,157	898,492	20,830,812
Gap – balance sheet	1,195,632	-5,691,121	-431,600	-1,421,731	385,581	296,153	5,667,086	-

Balance sheet items broken down into residual maturity								
30 June 2012 (in PLN thousand)	No maturity determined	up to 1 month	1 - 3 months	3 - 12 months	1 - 3 years	3 - 5 years	> 5 years	Total
Cash and cash equivalents	627,372	-	-	-	-	-	-	627,372
Financial assets held for trading	-	11,299	12,834	35,896	12,893	31,726	24,409	129,057
Due from banks	53,877	225,590	2,176	2,223	75,000	-	-	358,866
Loans to customers	830,480	2,237,192	705,777	1,963,035	3,030,645	1,802,913	6,106,494	16,676,536
Investments available for sale	22,295	579,108	-	178,234	428,348	61,089	869,101	2,138,175
Other assets	538,961	-	-	-	-	-	-	538,961
Long position	2,072,985	3,053,189	720,787	2,179,388	3,546,886	1,895,728	7,000,004	20,468,967
Financial liabilities held for trading	-	12,552	12,507	20,151	11,655	29,166	23,873	109,904
Liabilities due to banks	2,790	663,626	115,556	163,039	141,375	60,159	6,016	1,152,561
Liabilities due to customers	41,801	6,234,128	1,176,550	1,247,330	236,146	442	2,905	8,939,302
Loans and credit facilities received	11,370	144,234	171,183	588,192	4,404,824	1,747,261	787,095	7,854,159
Subordinated liabilities	33	-	-	-	-	-	426,130	426,163
Other liabilities	1,986,878	-	-	-	-	-	-	1,986,878
Short position	2,042,872	7,054,540	1,475,796	2,018,712	4,794,000	1,837,028	1,246,019	20,468,967
Gap – balance sheet	30,113	-4,001,351	-755,009	160,676	-1,247,114	58,700	5,753,985	-

Foreign Exchange Risk

The Bank runs business which results in taking FX positions sensitive to market FX rate changes. At the same time, the Bank strives to limit the exposure to FX risk related to offering FX products to customers. The Bank carries out a limited activity on the foreign exchange market in order to generate a financial result on short-term arbitrage positions.

The Bank's exposure to the market foreign exchange risk is mitigated by a system of limits. Pursuant to the Bank's policy, the market FX risk level is managed by the Treasury Department through the management of an intraday foreign currency position and end-of-day foreign currency position. In order to manage its foreign currency position in an efficient and accurate manner, the Bank uses an IT system supplying up-to-date information concerning:

- FX position,
- global FX position,
- Value at Risk (VaR),
- daily profit/loss on the foreign currency position management.

Foreign currency position and VAR are limited and reported as at the end of day by the Risk Capital Market Department.

To measure the foreign exchange risk, the Bank applies the Value at Risk (VaR) method. It is a change in a market value of an asset or a portfolio of assets, with specific market parameters assumed, within a defined time frame and with a set probability. It is assumed that for the purposes

of the currency risk, VaR is determined with a 99% confidence level. The calculation of VaR for foreign exchange risk takes into account a one-day term of maintaining foreign currency positions. The VaR methodology is subject to a quarterly quality control by comparing the projected values with the values determined on the basis of actual FX rate changes, assuming that the given FX position is maintained (a historical review or the so-called 'back testing'). The comparative period is the last 250 business days.

The VaR back-testing carried out as at the end of the first quarter, demonstrated the need to revise the model. The revised model has been applied since 2 May 2012.

The utilisation of limits for FX risk portfolio was as follows:

Note 21.12

1 Jan 2013 - 30 June 2013	Limit utilisation		
	minimum	medium	maximum
VaR	1%	15%	46%
Global FX position	15%	50%	103%

1 Jan 2012– 31 Dec 2012	Limit utilisation		
	minimum	medium	maximum
VaR	2%	35%	174%
Global FX position	16%	45%	114%

As at 30 June 2013, no FX risk limits were exceeded, and the global FX position managed by the Treasury Department, including FX position of consolidated entities, amounted to PLN 11,290 thousand. VaR stood at PLN 96 thousand (on the Bank's level, respectively: PLN 10,410 thousand and PLN 79 thousand).

Considering a small value of the limits and a conservative method of their determination (i.e. the VaR at PLN 700 thousand and FX position at PLN 25 million), the cases noted when the limits were exceeded did not mean any significant growth of risk assumed by the Bank.

The table below presents a currency structure of the Group's assets and liabilities in PLN equivalent as at 30 June 2013 and comparative data.

Note 21.13

FX position components (in PLN thousand)	30 June 2013		31 Dec 2012		30 June 2012	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
CHF	4,430,795	4,433,023	4,705,004	4,705,864	4,681,819	4,756,604
EUR	2,899,176	3,034,643	3,133,008	3,171,251	3,514,411	3,271,143
PLN	13,271,561	13,135,294	12,736,620	12,511,189	11,975,829	12,090,527
USD	239,493	240,745	219,115	394,989	261,953	313,321
Other convertible currencies	35,277	32,597	37,065	47,519	34,955	37,372
Total	20,876,302	20,876,302	20,830,812	20,830,812	20,468,967	20,468,967

Counterparty risk

Counterparty risk is the risk of the counterparty's default on its liabilities under contracts included in the Bank's trading portfolio. The counterparty risk is related to exposures at risk of such market factors as interest rates or FX rates. The impact of market factors on transactions can result in a change in the exposure scale over time, thus generating credit risk when a customer is insolvent.

Actual exposure depends on contract measurement and surcharge that depends on a transaction type, customer type and settlement dates.

The Bank determines the exposure amount on the basis of the current valuation of contracts and the potential future change in the exposure value, depending on the transaction type, customer type and settlement dates. As at the end of June 2013, the counterparty risk calculation included the following transactions recognised in the Bank's trading book: FX transactions, interest rate swap transactions, FX options and interest rate options.

Counterparty credit risk assessment with respect to transactions generating counterparty risk is similar to the assessment performed for credit granting. Rules of entering into FX and derivative transactions, likewise granting, using and monitoring credit limits for such transactions with customers are regulated at the Bank in dedicated procedures. Under the policy adopted, the Bank enters into any transactions based on individually assigned limits, following the knowledge of customer. The Bank has defined product groups offered to customers depending on their individual knowledge and experience.

Interest Rate Risk

In the risk management process, limits that mitigate the interest rate risk for the Treasury Department have been modified. The new limits are related to sensitivity to interest rate fluctuations and are based on the BNP Paribas group methodology. They have replaced the Modified Duration limits. VaR limits and monthly loss limits remain in force.

Operational risk

BNP Paribas Bank Polska SA

When setting out the operational risk management rules, the Bank was guided by requirements arising from recommendations and resolutions of the Polish Financial Supervision Authority, likewise standards applied by the BNP Paribas group.

For the needs of the operational risk management, the Bank adopted a definition binding in the BNP Paribas Group, according to which operational risk is understood as the risk of incurring economic loss resulting from an application of inappropriate or ineffective internal processes or from external events, irrespective of whether the events were intentional, accidental or driven by natural causes.

The Bank regularly identifies and analyses the operational risk profile understood as the scale and structure of exposure to operational risk, which determine the degree of exposure to the risk. An annual analysis is performed within the operational risk mapping process, focused on the risk assessment of the main operational risk factors (people, processes, systems and external events) and key process areas of the Bank.

The operational risk management consists in continuous operational risk identification, analysis, monitoring, control, reporting and counteracting processes, including determination of relevant strictures, processes, resources and scopes of responsibility for the above processes at various organisational levels of the Bank.

In the Bank, there is a coherent set of binding internal regulations that define requirements regarding the operational risk management processes. Basic rules concerning the operational risk management are described in the Operational Risk Management Policy at BNP Paribas Bank Polska SA which is consistent with the risk management strategy of the Bank and which supports the implementation of objectives included in the strategy as regards the following:

- quality of operational risk management,
- operational risk profile verification,
- permitted exposure reflecting the Bank's appetite for operational risk,
- methods used to adapt the Bank to the legal requirements laid down in Recommendations and Resolutions adopted by local banking regulatory authorities,
- principles of internal control pertaining to operational risk.

Coordination of activities related to the operational risk management, ongoing examination of operational risk along with development and improvement of adequate risk control techniques are tasks of the dedicated organisational unit, i.e. the Operational Risk Department, which operates within

the Compliance and Operational Risk and Control and Fraud Prevention Line. The Bank precisely defines the division of duties regarding the operational risk management, adjusted to the existing organisational structure.

Operational risk management tools include:

- IT application to record operational events along with the rules of their recording, allocation and reporting,
- analysis, monitoring and daily control of operational risk,
- mitigation and transfer of operational risk,
- calculation of a capital requirement for operational risk.

Risk areas that are vital for products offered by the Bank are subject to ongoing monitoring of exposure to operational risk. To this end, the Bank monitors the operational risk level on the basis of results of regular operational controls defined for the essential areas of the Bank's business. The operating control system is now in the phase of implementation at the Bank.

The operational risk management model applied at the Bank is subject to regular reviews and approval at the level of the Bank's Board of Executives. The Supervisory Board oversees the control of the operational risk management system and assesses its adequacy and efficiency.

In order to compute the capital requirement for operational risk, at present the Bank uses the Basic Indicator Approach.

As part of legal risk management, the Legal and Organisation Department monitors, analyses and notifies about any risks or irregularities identified. Ongoing examination of the compliance risk along with development and improvement of adequate risk control techniques are tasks of the dedicated organisational unit, the Compliance Department.

In view of growing external and internal threats that bear signs of fraud or offence against assets of the Bank or its customers, the Bank has extended and enhanced the process of counteraction, detection and examination of such cases. Its implementation is the responsibility of a specialised unit, the Fraud Prevention Department.

The Bank's subsidiaries

Pursuant to the regulatory provisions, the Bank exercises supervision over operational risk associated with the activities of its subsidiaries.

The Bank's subsidiaries, i.e. TFI, FLP and Factor have adopted the principal requirements and definitions related to the operational risk management, that are consistent with the approach applied at the Bank.

Operational losses suffered by the subsidiaries are evidenced in a database kept by the Bank on the basis of information provided by these entities.

The Bank's subsidiaries, as companies not bound by the banking law requirements, are not obliged to calculate the capital requirement for operational risk. Nevertheless, being subsidiaries of the Bank, they are required to provide financial data for its calculation and further reporting by the Bank.

Organizational units (or individual positions) in the subsidiaries, which are responsible for the operational risk management - cooperate to this effect with the Operational Risk Department, which ensures supervision over the operational risk management processes.

Other risks

The process of management and methods of measurement of other risks have not materially changed as compared to the ones presented in the consolidated financial statements of BNP Paribas Bank Polska SA Group for the year ended 31 December 2012.

Capital management

Rules applied in the capital adequacy account

Duties related to the capital management and capital adequacy are performed by BNP Paribas Bank Polska SA Group in line with guidelines specified in the Banking Law Act and KNF resolutions.

Pursuant to the aforesaid guidelines, the Bank's capital adequacy is managed under the following three pillars:

- Pillar 1 – calculation of capital requirements for credit risk, market risk and operational risk,
- Pillar 2 - internal capital assessment process and determination of the optimal level of capital funds consistent with the bank's risk profile,
- Pillar 3 - disclosure of information about the bank's risk profile and capital adequacy level.

Under Pillar 1 (regulatory approach) the scope and detailed rules of determination of capital requirements on account of specific risk types are stipulated in Resolution No. 76/2010 of the Financial Supervision Authority dated 10 March 2010 regarding the scope and specific rules of determination of capital requirements on account of particular risk types, as amended.

BNP Paribas Bank Polska SA fulfils duties related to the computation of the capital requirement for credit risk by using a standardized approach. According to this approach, the Bank computes requirements using the regulatory division into risk classes. The Bank calculates also capital requirements for counterparty credit risk likewise for the settlement and delivery risk.

To determine capital requirement for market risk, the capital requirement for interest rate risk and FX risk are calculated first. The capital requirement for interest rate risk comprises the following: capital requirement for general interest rate risk (calculated for original positions by maturities) and the capital requirement for specific risk of debt instrument prices (calculated using the Basic Indicator Approach). The capital requirement for foreign exchange risk is calculated using the Basic Indicator Approach (BIA).

The Bank does not calculate requirements for the price risk of equity securities or the price risk of commodities, as the Bank holds no equity securities or commodities in its trading book.

The requirement for operational risk is computed using the Basic Indicator Approach (BIA) as the percentage of the net income generated.

The Bank monitors also the level of concentration of exposures and large exposures and the level of capital concentration.

Under Pillar 2, the Bank fulfils duties related to the internal capital computation pursuant to KNF Resolution No. 258/2011 dated 4 October 2011 regarding detailed rules governing risk management system and internal controls and detailed conditions of estimation by banks of internal capital and review of the internal capital estimation and maintenance process, and rules of determination of the policy governing variable components of remuneration paid to bank managers. For all risks that have been considered material, internal capital estimation methodologies have been developed. They are used by the Bank to make monthly internal assessments of the internal capital needs.

Duties under Pillar 3 are governed by KNF Resolution no. 385/2008 dated 17 December 2008 regarding detailed rules and manner of public disclosure of qualitative and quantitative information on capital adequacy and scope of the information subject to disclosure, as amended. The Bank fulfils these duties by publishing information, on the Bank's website, on measurement of risks identified in the Bank's activity, and on own funds required to cover those risks.

Calculation of equity capital used in the capital adequacy ratio computation is governed by the Banking Law Act and Resolution no. 325/2011 of the Polish Financial Supervision Authority dated 20 December 2011 regarding other reductions of Tier 1 capital, their amount, scope and conditions of decreasing bank's Tier 1 capital by such reductions, other bank's balance sheet items included into Tier 2 capital, their amount, scope and conditions of including them into bank's Tier 2 capital, reductions of Tier 2 capital, their amount, scope and conditions of decreasing bank's Tier 2 capital by such reductions; likewise the scope and manner of taking into account bank's business in holdings in the calculation of own funds.

Current situation with respect to capital adequacy

The primary capital adequacy principle is to keep own funds at the level not lower than the regulatory capital requirement, and assessment of internal capital needs.

Ensuring an adequate level of capital and maintenance the capital adequacy ratio at a given level is one of the main tasks of managing the Bank's balance sheet. The Group assumes maintaining the capital adequacy ratio and the Tier 1 ratio at a level exceeding the regulatory requirements.

The Group actively manages its capital position. It refers to actions aimed at increasing own equity funds and ensuring their proper structure and cost effectiveness, likewise to actions leading to limitation of risk generated while conducting its activity.

Note 21.14

Capital adequacy (in PLN thousand)	30 June 2013	31 Dec 2012	30 June 2012
Total own funds plus short-term capital, including:	2,138,775	2,374,575	2,075,498
- Tier 1 (core) capital	1,649,796	1,638,085	1,631,921
- Tier 2 (supplementary) capital	476,081	725,388	433,850
Total capital requirement	1,446,299	1,376,283	1,427,232
Capital adequacy ratio	11.83	13.80	11.63

As at 30 June 2013, the consolidated capital adequacy ratio of the Bank was 11.83% in comparison to 11.63% as at the end of June 2012, while the Tier 1 ratio stood at 9.13% and 9.15%, accordingly.

The total capital requirement as at the end of the first half of 2013 reached PLN 1,446 million and was by 1.3% higher than as at the end of the first half of 2012. The higher requirement resulted from higher credit balances.

The Group's own funds with short-term capital as at the end of June 2013 increased by 3.0% compared to June 2012, and amounted to PLN 2,139 million. Changes in own funds were primarily attributable to the repayment of a subordinated loan of EUR 100 million (repayment of EUR 40 million in December 2012 and EUR 60 million in January 2013) and taking new subordinated loans of CHF 60 million and EUR 60 million (in December 2012). Thanks to the measures undertaken, maturity of the debt held was extended and the capital adequacy ratio resilience to exchange rate fluctuations was enhanced.

The BNP Paribas Bank Polska SA Group's capital situation in the first half of 2013 remained stable, which allowed the Group to safely continue its business activity and carry out its business plans.

22. Other Material Information

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

In the first half of 2013, apart from the event described in Note 22.9, no factors or atypical events occurred that might have any material effect on the financial results generated.

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

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

- evolution of the global economic situation affecting the level of the Polish economy growth,
- level of the PLN FX rate versus foreign currencies,
- level of investments of Polish enterprises,
- changes in the costs of the Group's financing which depend on the price competition intensity among banks as regards deposit acquisition, and the level of PLN interest rates,
- amount of the prudential fee arising under the amendments to the Bank Guarantee Fund Act passed by the Sejm (the lower house of the Polish parliament) in July 2013.

On 26 July 2013, the Sejm passed a law amending the Banking Guarantee Fund Act and some other laws. The amendment adds a prudential fee to the list of financial encumbrances imposed on banks. The fee is earmarked for keeping the stabilisation fund in the Banking Guarantee Fund.

The prudential fee cannot exceed the rate of 0.2%, calculated on the basis defined as 12.5 times of the total capital requirements for risks, exceeded limits and other norms referred to in the Banking Law.

Pursuant to Article 7 of the aforesaid law, the duty to pay the prudential fee arises for the first time already for 2013, within 60 days of the publication of the fee rate by the BGF Council.

The duty to pay the prudential fee already for 2013 can affect the annual performance of BNP Paribas Bank Polska SA.

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

In the first half of 2013, there were no issue, redemption or reimbursement of equity securities.

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

As at 30 June 2013 and the publication date of the report for the first half of 2013, i.e. 30 August 2013, the shareholders' structure specifying the shareholders with at least 5% of the total number of votes at the General Meeting of Shareholders was as follows:

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

BNP Paribas SA based in Paris is the parent entity (74.93% shares) of BNP Paribas Fortis SA/NV based in Brussels. BNP Paribas Fortis SA/NV based in Brussels is the parent entity (100% shares) of Dominet SA.

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

As at 30 June 2013, and as at the publication date of the report for the first half of 2013, i.e. 30 August 2013, none of the Members of the Board of Executives or Members of the Supervisory Board held any shares issued by BNP Paribas Bank Polska SA or any other related financial instruments, which means that no change occurred from the date of submitting the report for the first quarter of 2013, i.e. 13 May 2013.

22.6. Pending proceedings before court, relevant arbitration body or public administration body

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

To the best knowledge of the Bank, as at 30 June 2013, the total value of lawsuits pending before the courts, involving the Group, either as a claimant or a defendant (excluding invitations to negotiate in-court settlements), was PLN 217.8 million. As at 30 June 2013, the total value of lawsuits in which the Group is a claimant was PLN 101.2 million, net of interest, and the total value of lawsuits in which the Group is a defendant was PLN 116.6 million, net of interest.

The Bank has been served a statement of claim filed by a principal of a guarantee issued by the Bank. The value in dispute is approximately PLN 26 million. However, it is not a dispute regarding payment by the Bank, but regarding adjudication of non-existence of the right and obligation to disburse funds from the guarantee issued by the Bank for a beneficiary being a party to an agreement with the claimant. It therefore follows that any judgement passed in the case cannot result in awarding any payment by the Bank to the claimant. The Bank has been ordered by the court not to disburse funds from the guarantee until the case is decided.

As at 30 June 2013, the Bank's provision for legal risk was PLN 13.6 million, including the value of the provisions created by the Bank against legal risk related to pending legal proceedings (covering claims relating to FX derivatives, franchise branch network, and others) in the amount of PLN 10.3 million. In the Board of Executives' opinion the Bank's provision for legal risk as at 30 June 2013 was fully adequate to the risk level.

The Bank is one of 20 Polish banks involved in proceedings pending before the Anti-monopoly Court relating to the fine imposed in 2006 by the President of the Office of Competition and Consumer Protection (UOKiK) in connection with anticompetitive practices consisting in jointly determining interchange fee rates on transactions performed using Visa and MasterCard systems in Poland. The fine imposed on the Bank by the President of the Office of Competition and Consumer Protection was PLN 2.9 million. Following an appeal by the banks, in 2008, the Anti-monopoly Court reversed the decision of the President of the Office of Competition and Consumer Protection. In 2010, following an appeal of the President of the Office of Competition and Consumer Protection, the Appellate Court reversed the judgement of the Anti-monopoly Court and referred the case for reconsideration by the Anti-monopoly Court. In case the proceedings result in an unfavourable outcome, the Bank established a provision of PLN 2.9 million.

Claims relating to FX derivative transactions, including those related to FX options, concern certain transactions which were made by the Bank's clients in 2008 and 2009. As at 30 June 2013 the nominal value of claims related to transactions in derivative instruments, including currency options, that were filed in court or reported to the Bank, totalled PLN 133.8 million, net of interest. They cover eleven cases against the Bank pending before the courts (common courts and Supreme Court), with the aggregate value in dispute of approximately PLN 90.6 million, whereas with respect to five cases the Bank has been requested to join in court settlement negotiations (the total value covered by these settlements as at 30 June 2013 was approximately PLN 43.2 million, net of interest), which may potentially lead to initiating litigation.

The highest unit value in dispute among these relates to a former request to join the in-court settlement negotiations concerning payment of PLN 54.4 million. Despite the mediation proceedings having taken place, the parties have failed to reach a settlement. The Bank was informed that the customer filed a lawsuit against the Bank on 10 June 2013 with the District Court in Warsaw, 16th

Commercial Division, to seek reimbursement of payments it made in favour of the Bank to settle currency options in 2008 and 2009. In the lawsuit the claimant demands payment of PLN 54.4 million, increased by statutory interest (according to the claimant interest has accrued from 3 January 2007 and amounts to approximately PLN 44 million, whereas according to the Bank interest has accrued as of April 2012 and amounts to approximately PLN 8.5 million). Nevertheless, based on the legal opinions it has obtained, the Board of Executives estimates that it has the legal arguments which will enable efficient defence against the claimant's claims.

After the balance-sheet date, in two of five cases in which the Bank had been previously requested to join in-court settlement negotiations, claims were brought against the Bank, The first claim was delivered to the Bank on 23 August 2013 and the second one was delivered to the court on 8 August 2013 but has not been delivered to the Bank so far. The first claim in question totals PLN 17.7 million, excluding interest asserted by the claimant to amount to PLN 4.9 million. The second claim in question totals circa PLN 30 million (comparing with in-court settlement negotiation it was increased by PLN 20 million).

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

In the first half of 2013, no suretyships for loans or credit facilities or issuance of guarantees were granted with the total value of existing suretyships and guarantees accounting for at least 10% of the Group's equity.

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

Update of the Recovery Programme

On 11 July 2013 (after the balance sheet date), the Polish Financial Supervision Authority ("KNF") approved the revised *Recovery Programme for BNP Paribas Bank Polska SA*.

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

In KNF's opinion, the full implementation of the Recovery Programme should allow the Bank to permanently achieve positive financial results and improve the main economic and financial ratios, and thus enable the finalisation of the recovery process by the assumed deadline i.e. 31 December 2014.

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

- | | |
|----------------------|-----------------------------|
| 1. Jean-Paul Sabet | – Chairman, |
| 2. Jarosław Bauc | – Vice Chairman, |
| 3. Filip Dierckx | – Vice Chairman |
| 4. Monika Bednarek | – Supervisory Board Member, |
| 5. Francois Benaroya | – Supervisory Board Member, |
| 6. Yvan De Cock | – Supervisory Board Member, |
| 7. Jean Deullin | – Supervisory Board Member, |
| 8. Helene Dubourg | – Supervisory Board Member, |
| 9. Andrzej Wojtyna | – Supervisory Board Member. |

Changes in the composition of the Supervisory Board of BNP Paribas Bank Polska SA

The Annual General Meeting of the Bank held on 4 April 2013, appointed two new members of the Supervisory Board:

- Jean-Paul Sabet, the Deputy Head of the BNP Paribas Group's International Retail Banking (IRB);
- Yvan De Cock, Member of the Executive Committee and Head of Corporate and Public Sector Banking of BNP Paribas Fortis SA/NV.

At the same time, Mr Camille Fohl, who took up new duties in the BNP Paribas SA Group, resigned from his function of the Deputy Chairman and membership in the Bank's Supervisory Board effective the date of holding the Annual General Meeting. Mr Camille Fohl served on the Supervisory Board since 26 June 2009.

At the Supervisory Board meeting, held after adjournment of the Annual General Meeting on 4 April 2013, Mr Jean-Paul Sabet took up the function of the Chairman of the Bank's Supervisory Board.

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

- | | |
|------------------------|--|
| 1. Frédéric Amoudru | President of the Board of Executives |
| 2. Jan Bujak | Senior Vice-President of the Board of Executives |
| 3. Jaromir Pelczarski | Vice-President |
| 4. Michel Thebault | Vice President |
| 5. Wojciech Kembłowski | Member of the Board of Executives |
| 6. Marta Oracz | Member of the Board of Executives |
| 7. Adam Parfiniewicz | Member of the Board of Executives |
| 8. Stephane Rodes | Member of the Board of Executives |

Changes in the composition of the Board of Executives of BNP Paribas Bank Polska SA

In the first half of 2013, there were no changes in the composition of the Board of Executives .

22.9. Other important events

In June 2013, the Bank filed revised CIT-8 annual tax returns for the years 2007-2012.

The revised returns are the consequence of the Bank's receipt of positive tax rulings issued by the Minister of Finance on corporate income tax with respect to the rules of including changes in the IBNR provision into income or tax-deductible expenses, and as regards tax effects of entering into repo transactions.

The revised items in the net amount of PLN 9.182 thousand, positively affected the Bank's performance. They were recognised in the "Income tax" item of the Consolidated Income Statement.

22.10. Information on changes to contingent liabilities

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

Contingent liabilities granted (in PLN thousand)	30 June 2013	31 Dec 2012	Change (%)
Financial liabilities granted	5,400,484	4,930,129	10%
Guarantee liabilities granted	2,124,483	1,921,582	11%
Total contingent liabilities granted	7,524,967	6,851,711	

Contingent liabilities received (in PLN thousand)	30 June 2013	31 Dec 2012	Change (%)
Financial liabilities received	2,184,500	1,462,000	49%
Guarantee liabilities received	512,098	490,046	4%
Total contingent liabilities received	2,696,598	1,952,046	

22.11. Resolutions of the Annual General Meeting of BNP Paribas Bank Polska SA

On 4 April 2013, the Bank's Annual General Meeting of Shareholders was held which adopted resolutions concerning the approval of separate and consolidated financial statements for 2012, the Board of Executives' Report on the business activity in 2012 and the Supervisory Board's Report for 2012, the approval of the discharge of duties of the Bank's authorities for 2012 and distribution of the 2012 profit.

Moreover, the Annual General Meeting of Shareholders of BNP Paribas Bank Polska SA made the decision on a reduction of the nominal value of shares with a concurrent increase of the Bank's equity capital by issuing series O shares, with pre-emptive rights excluded.

Resolutions of the Extraordinary General Meeting of BNP Paribas Bank Polska SA

On 3 June 2013, the Extraordinary Meeting of Shareholders of the Bank was held which determined parameters of the planned issue of series O shares.

22.12. Significant agreements with entities not affiliated with the Bank

Conclusion of a significant agreement with customers not affiliated with the Bank

On 11 February 2013, the Bank and customers not affiliated with the Bank entered into multi-option credit line agreements up to EUR 50 million, which constitute the equivalent of approximately PLN 208 million at the NBP mid-rate of 11 February 2013. The credit funds will finance the current activity of the customers. Each disbursement requires the Bank's approval. The financing term is 12 months. The credit interest rate has been established based on the WIBOR and EURIBOR rate increased by a margin. The financing conditions correspond to market conditions.

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

On 15 July 2013, i.e. after the balance sheet date, the Bank and a customer not affiliated with the Bank signed the Annex dated 11 July 2013 to a multi-option credit line agreement, regarding an increase, in the period from the date of fulfilment of terms and conditions specified in the Annex till 1 December 2013, of the credit limit from EUR 42 million to EUR 47 million, i.e. the equivalent of approximately PLN 202 million at the NBP mid-rate of 16 July 2013. Pursuant to the Annex, from 2 December 2013 till the end of the current credit term, i.e. till 11 January 2014, the aforesaid limit will be reduced to EUR 20 million. As specified in the Annex, the financing term lasts to 22 June 2015.

Under the Annex, the Bank grants the customer an overdraft facility, a guarantee credit line and a letter of credit line.

The funds likewise the guarantee and L/C lines provided under the Annex are related to the customer's business activity. The overdraft facility interest rate has been established based on WIBOR increased by a margin. Guarantee credit lines are provided available to the customer for a commission, while L/C lines are granted under the rules determined in the Table of Commissions and Fees for Enterprises. Terms of financing and of issuing guarantees and L/Cs determined in the Annex correspond to market conditions.

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

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

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

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

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

In the reporting period, there were no changes in the manner of determination of measurement of financial instruments measured at fair value.

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

In the first half of 2013, there were no changes in the manner of classification of financial instruments due to a change of the purpose or utilisation of such assets.

22.17. Information about provisions for impairment of financial assets, tangible fixed assets, intangible assets or other assets, and reversal of such provisions

As at 30 June 2013 and 30 June 2012, apart from provisions presented in the notes to the balance sheet, the Group did not make any other material provisions.

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

In the first half of 2013, the Group did not make any material sale or purchase of tangible fixed assets. There were no material commitments, either, on account of any purchase of tangible fixed assets.

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

On 4 April 2013, the Annual General Meeting decided to pay no dividends for 2012.

22.20. Corrections of prior period errors

In the first half of 2013, no corrections were made of prior period errors.

22.21. Change in the share capital and share nominal value

On 10 May 2013, the Bank's share capital decrease was registered by the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register. The decrease implemented resolutions no. 10 and 11 of the Bank's Annual General Meeting dated 4 April 2013.

The Bank's share capital was reduced from PLN 1,434,646,300 to PLN 1,304,380,415.96, that is, by the amount of PLN 130,265,884.04 as a result of a decrease of the share nominal value from PLN 50.00 to PLN 45.46.

After the decrease registration, the Bank's share capital amounts to PLN 1,304,380,415.96 and is divided into 28,692,926 ordinary bearer shares with a nominal value of PLN 45.46 each, which entitle their holders to 28,692,926 votes at the Bank's general meeting.

Further to the share capital decrease registration, the contents of Article 6 of the Bank's Statute was amended accordingly.

22.22. Planned free float increase

The BNP Paribas Group began to fulfil its commitment towards the Polish Financial Supervision Authority to increase the free float of shares of BNP Paribas Bank Polska SA up to 15% by the end of 2013. Numerous actions have been undertaken to achieve this objective.

On 4 April 2013, the Annual General Meeting of Shareholders of BNP Paribas Bank Polska SA made the decision about reduction of the nominal value of shares with a concurrent increase of the Bank's equity capital by issuing series O shares, with pre-emptive rights excluded.

On 10 May 2013, the Bank registered the first decrease of the Bank's share capital by PLN 130,265,884.04, i.e. to PLN 1,304,380,415.96, achieved by reducing the nominal value of each share from PLN 50.00 to PLN 45.46.

At the next stage, it is planned to further decrease the share capital by reducing the nominal value of shares with a concurrent increase of the Bank's share capital by means of issuance of the series O shares.

The Extraordinary Meeting of Shareholders held on 3 June 2013 determined:

- the final amount of the share capital decrease at PLN 300,128,005.96;
- the minimum amount of the share capital increase at PLN 300,128,010.00 and the maximum amount at PLN 300,131,510.00;
- the final nominal value of shares at PLN 35.00 each;
- the minimum number of series O shares under the new issue at 8,575,086 and the maximum number of series O shares under the new issue at 8,575,186;
- and relevant amendments to the Bank's Statute.

On 19 June 2013, the Polish Financial Supervision Authority approved the Bank's issue prospectus that was published on 20 June 2013. An underwriting agreement was concluded under the terms and conditions set out in the prospectus, whereas the Bank and BNP Paribas Fortis SA/NV and "Dominet SA w likwidacji" made the lock-up commitment.

On 27 June 2013, having consulted Citigroup, Global Markets Limited and Dom Maklerski Banku Handlowego SA, the Global Coordinators for the offer, the Bank's Board of Executives decided to suspend the offering of series O shares in view of a highly unfavourably market situation at the Warsaw Stock Exchange.

Further steps to be taken by the Bank and BNP Paribas, though dependent on the market situation, will aim at fulfilling the commitment to increase the free float to 15% by the end of 2013.

22.23. Statements of the Bank's Board of Executives

Correctness and reliability of reports presented

To the best knowledge of the Board of Executives of the Bank, the interim financial data and comparative data presented in the abbreviated interim consolidated financial statements of BNP Paribas Bank Polska SA Group for the period ending on 30 June 2013 were prepared pursuant to the binding accounting policies and they accurately, reliably and clearly reflect the property and financial situation of the Group and its profit.

Selection of an entity authorised to audit the financial statements

Mazars Audyt Sp. z o.o., an entity authorised to audit financial statements, reviewing the abbreviated interim consolidated financial statements of BNP Paribas Bank Polska SA Group for the period ending on 30 June 2013, has been chosen pursuant to the provisions of law. The above entity and statutory auditors meet the conditions to issue an impartial and independent review report, in accordance with the respective provisions of Polish law.

23. Events after the Balance Sheet Date

Conditional agreement for a sale of receivables due to the Bank from Vistula Group SA

On 26 July 2013, BNP Paribas Bank Polska SA ("the Bank") and BNP Paribas Fortis SA/NV ("BNP Paribas Fortis") on the one hand, and Raport 5 Non-Standard Closed-End Securitization Investment Fund and Forum XI Closed-End Investment Fund ("Funds"), managed by FORUM Towarzystwo Funduszy Inwestycyjnych SA, on the other hand, signed a conditional agreement for a sale of receivables due to the Bank and BNP Paribas Fortis from Vistula Group SA ("the Agreement"). The aggregate nominal value of the principal of the Bank's receivables that were sold conditionally under the Agreement and were so far recognised in the Bank's books as non-performing receivables, amounted to approx. PLN 141 million as at 26 July 2013.

The implementation of the Agreement in part pertaining to the Bank has been contingent on the completion of a number of conditions precedent, including in particular the payment to the benefit of the Bank of the price in the amount of approximately PLN 103 million by the Funds. The fulfilment of the last condition precedent for the agreement, including the payment to the benefit of the Bank of the agreed sale price, occurred on 13 August 2013.

Resolution issued by Management Board of National Depository for Securities with regard to conditional registration of Bank's shares

In August 2013, i.e. after the balance sheet date, the Bank filed an application to register 11,921,746 series L, M and N ordinary bearer shares of the Bank with the National Depository for Securities (NDS). On 19 August 2013, the NDS's Management Board adopted Resolution No. 644/13 on conditional registration of the Bank's shares with NDS under the code PLPPAB000011, i.e. 5,243,532 series L ordinary bearer shares, 2,108,794 series M ordinary bearer shares, and 4,569,420 series N ordinary bearer shares of nominal value of PLN 45.46 each, subject to a condition that WSE approves introduction of the said shares to trading on the same regulated market on which all other shares of the Bank have been admitted. The Bank's intention is to introduce the series L, M and N shares to trading simultaneously with the new series O shares.

On behalf of BNP Paribas Bank Polska SA

Frédéric Amoudru

*President of the Board of
Executives*

Jan Bujak

*Senior Vice President of the Board
of Executives
Chief Financial Officer*

Jaromir Pelczarski

*Vice President of the Board of
Executives*

Michel Thebault

*Vice President of the Board of
Executives*

Wojciech Kemblowski

Member of the Board of Executives

Marta Oracz

Member of the Board of Executives

Adam Parfiniewicz

Member of the Board of Executives

Stephane Rodes
Member of the Board of Executives

29 August 2013