BRE HIPOTECZNY

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Condensed Interim Financial Statements of BRE Bank Hipoteczny S.A. for the 6 months ended 30 June 2013

BRE HIPOTECZNY

Warsaw, August 2013

Selected financial data

The following selected financial data constitute supplementary information to the condensed interim financial statements of BRE Bank Hipoteczny S.A. for the 6 months ended 30 June 2013.

Selected financial data		in PLN '000		in EUR '000	
		1st half of 2013 - period from 01.01.2013 to 30.06.2013 unaudited	1st half of 2012 - period from 01.01.2012 to 30.06.2012 unaudited	1st half of 2013 - period from 01.01.2013 to 30.06.2013 unaudited	1st half of 2012 - period from 01.01.2012 to 30.06.2012 unaudited
I.	Interest income	125,257	138,446	29,724	32,771
II.	Fee and commission income	711	874	169	207
III.	Net trading income	3,883	1,205	921	285
IV.	Profit before income tax	7,465	15,726	1,771	3,722
V.	Net profit attributable to the Company's equity shareholders	4,634	12,738	1,100	3,015
VI.	Net cash flows from operating activities	232,910	754,291	55,271	178,547
VII.	Net cash flows from investing activities	(3,904)	(1,369)	(926)	(324)
VIII.	Net cash flows from financing activities	(239,942)	(672,656)	(56,939)	(159,224)
IX.	Total net cash flows	(10,936)	80,266	(2,595)	19,000
X.	Earnings per ordinary share / Diluted earnings per ordinary share (in PLN/EUR)	1.69	7.28	0.40	1.72

Selected financial data		in PLN '000			in EUR '000		
		As at 30.06.2013 unaudited	As at 31.12.2012	As at 30.06.2012 unaudited	As at 30.06.2013 unaudited	As at 31.12.2012	As at 30.06.2012 unaudited
I.	Total assets	4,761,523	4,809,712	4,566,288	1,099,862	1,176,486	1,071,572
II.	Amounts due to other banks	1,170,879	1,172,467	1,201,408	270,461	286,793	281,935
III.	Amounts due to customers	205,092	179,033	186,001	47,374	43,793	43,649
IV.	Equity attributable to shareholders of the Company	504,791	500,705	402,257	116,601	122,476	94,398
V.	Share capital	275,000	275,000	175,000	63,522	67,267	41,067
VI.	Number of shares in '000	2,750	2,750	1,750	2,750	2,750	1,750
VII.	Book value per share / Diluted book value per share (in PLN/EUR)	183.56	182.07	229.86	42.40	44.54	53.94
VIII.	Capital adequacy ratio (in %)	15.24	11.97	12.33	15.24	11.97	12.33

The following exchange rates were applied to calculate the selected financial data in EUR:

- for items of the financial position statement — the NBP exchange rate as at 30.06.2013 - EUR 1 = PLN 4.3292, the NBP exchange rate as at 31.12.2012 - EUR 1 = PLN 4.0882, and the NBP exchange rate as at 30.06.2012 - EUR 1 = PLN 4.2613.
- for items of the income statement and items of the cash flow statement — the rate calculated as the average NBP rate applicable as at the last day of each month in the first and the second half of 2013 and 2012, respectively: EUR 1 = PLN 4.2140 and EUR 1 = PLN 4.2246.

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Income statement

	Note	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
Interest income		125,257	138,446
Interest expense		(86,414)	(99,212)
Net interest income	5	**38,843**	**39,234**
Fee and commission income		711	874
Fee and commission expenses		(722)	(723)
Net fee and commission income	6	**(11)**	**151**
Net trading income, including:	7	3,883	1,205
Foreign exchange result		*3,970*	*908*
Other net trading income		*(87)*	*297*
Other operating income	8	443	314
Net impairment losses on loans and advances	9	(12,696)	(3,696)
Overhead costs	10	(19,824)	(18,231)
Amortization and depreciation		(1,950)	(1,906)
Other operating expenses	11	(1,223)	(1,345)
Profit before income tax		**7,465**	**15,726**
Income tax expense	12	(2,831)	(2,988)
Net profit		**4,634**	**12,738**
Net profit		**4,634**	**12,738**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in '000)	13	**2,750**	**1,750**
Earnings per ordinary share / Diluted earnings per ordinary share (in PLN)	13	**1.69**	**7.28**

Total profit of BRE Bank Hipoteczny S.A. for the first half of 2013 and the first half of 2012 relates to the result of continued operations.

Statement of comprehensive income

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 unaudited
Net profit	**4,634**	**12,738**
Other comprehensive income net of tax	**(548)**	**561**
Change in the valuation of available for sale financial assets (gross)	(677)	692
Deferred tax	129	(131)
Total comprehensive income net of tax	**4,086**	**13,299**

Explanatory notes and selected explanatory data presented on pages 8 to 41 constitute an integral part of these condensed interim financial statements.

Statement of financial position

ASSETS	Note	30.06.2013 unaudited	31.12.2012 data restated	30.06.2012 data restated, unaudited
Cash and balances with the Central Bank		5,358	3,069	3,016
Amounts due to other banks		13,827	10,282	6,029
Derivative financial instruments		1,361	11,128	5,359
Loans and advances to customers	14	4,081,616	4,108,155	4,115,368
Investment securities available for sale	15	546,288	566,258	321,466
Investments in subsidiaries		715	65	65
Intangible assets		1,800	1,384	1,640
Tangible fixed assets		10,058	9,171	8,870
Deferred tax assets		10,542	9,960	10,241
Other assets, including:	16	89,958	90,240	94,234
- inventories		87,719	89,073	91,417
Total assets		**4,761,523**	**4,809,712**	**4,566,288**
LIABILITIES AND EQUITY		30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited
Amounts due to other banks		1,170,879	1,172,467	1,201,408
Derivative financial instruments		36,167	461	8,649
Amounts due to customers	17	205,092	179,033	186,001
Debt securities in issue		2,738,552	2,852,445	2,661,606
Subordinated liabilities		100,238	100,316	100,288
Other liabilities and provisions		5,372	4,122	4,029
Current income tax liabilities		432	163	2,050
Total liabilities		**4,256,732**	**4,309,007**	**4,164,031**
Equity		**504,791**	**500,705**	**402,257**
Share capital:		**275,000**	**275,000**	**175,000**
- Registered share capital		275,000	175,000	175,000
- Paid unregistered share capital			100,000	
Retained earnings		**227,949**	**223,315**	**226,538**
- Profit for the previous year		223,315	214,028	213,800
- Profit for the current year		4,634	9,287	12,738
Other components of equity		**1,842**	**2,390**	**719**
Total equity		**504,791**	**500,705**	**402,257**
Total equity and liabilities		**4,761,523**	**4,809,712**	**4,566,288**
Capital adequacy ratio (in %)		**15.24**	**11.97**	**12.33**
Book value		**504,791**	**500,705**	**402,257**
Number of shares/Diluted number of shares (in thousands)		**2,750**	**2,750**	**1,750**
Book value per share / Diluted book value per share (in PLN)		**183.56**	**182.07**	**229.86**

Explanatory notes and selected explanatory data presented on pages 8 to 41 constitute an integral part of these condensed interim financial statements.

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Statement of changes in equity

Changes in the period from 1 January 2013 to 30 June 2013

unaudited	Share capital		Retained earnings				Other components of equity	Total
	Registered share capital	Paid unregistered share capital	Other supplementary capital	General banking risk reserve	Profit from the previous year	Profit for the current year	Valuation of available for sale financial assets	
As at 1 January 2013	175,000	100,000	186,800	27,000	9,515	-	2,390	500,705
Net profit	-	-	-	-	-	4,634	-	4,634
Other comprehensive income	-	-	-	-	-	-	(548)	(548)
Total comprehensive income	-	-	-	-	-	4,634	(548)	4,086
Transfer to general banking risk reserve	-	-	-	4,000	(4,000)	-	-	-
Transfer to supplementary capital	-	-	5,515	-	(5,515)	-	-	-
Issue of shares	-	-						
Transfer to the registered share capital	100,000	(100,000)	-	-	-	-	-	-
As at 30 June 2013	275,000	-	192,315	31,000	-	4,634	1,842	504,791

Changes in the period from 1 January 2012 to 31 December 2012

	Share capital		Retained earnings				Other components of equity	Total
	Registered share capital	Paid unregistered capital	Other supplementary capital	General banking risk reserve	Profit from the previous year	Profit for the current year	Valuation of available for sale financial assets	
As at 1 January 2012	175,000	-	170,150	23,000	20,878	-	158	389,186
Net profit	-	-	-	-	-	9,287	-	9,287
Other comprehensive income	-	-	-	-	-	-	2,232	2,232
Total comprehensive income	-	-	-	-	-	9,287	2,232	11,519
Transfer to general banking risk reserve	-	-	-	4,000	(4,000)	-	-	-
Transfer to supplementary capital	-	-	16,650	-	(16,650)	-	-	-
Issue of shares	-	100,000						100,000
As at 31 December 2012	175,000	100,000	186,800	27,000	228	9,287	2,390	500,705

Explanatory notes and selected explanatory data presented on pages 8 to 41 constitute an integral part of these condensed interim financial statements.

ended 30 June 2013 (in PLN '000)

Changes in the period from 1 January 2012 to 30 June 2012

unaudited	Share capital	Retained earnings				Other components of equity	Total
	Registered share capital	Other supplementary capital	General banking risk reserve	Profit from the previous year	Profit from the previous year	Valuation of available for sale financial assets	
As at 1 January 2012	175,000	170,150	23,000	20,878	-	158	389,186
Net profit	-	-	-	-	12,738	-	12,738
Other comprehensive income	-	-	-	-	-	561	561
Total comprehensive income	-	-	-	-	12,738	561	13,299
Transfer to general banking risk reserve	-	-	4,000	(4,000)	-	-	-
Transfer to supplementary capital	-	16,650	-	(16,650)	-	-	-
Other changes	-	-	-	(228)	-	-	(228)
As at 30 June 2012	175,000	186,800	27,000	-	12,738	719	402,257

Explanatory notes and selected explanatory data presented on pages 8 to 41 constitute an integral part of these condensed interim financial statements.

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Statement of cash flows

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
A. Cash flows from operating activities	232,910	754,291
Profit before income tax	7,465	15,726
Adjustments:	*225,445*	*738,565*
Income tax paid	(3,041)	(3,190)
Amortization	1,950	1,906
Interest income	(125,257)	(138,446)
Interest expense	86,414	99,212
Interest received	144,469	137,414
Interest paid	(103,597)	(100,896)
Change in amounts due to other banks	2	(228)
Change in the balance of derivative financial instruments	44,040	3,129
Change in the balance of loans and advances to customers	20,162	40,105
Change in investment securities	171	60,733
Change in other assets	282	(73,779)
Change in amounts due to other banks	128,820	699,673
Change in amounts due to customers	26,010	7,561
Change in debt securities in issue	3,741	4,689
Change in other liabilities and provision	1,276	597
Result on disposal of intangible assets and tangible fixed assets	3	85
Net cash from operating activities	232,910	754,291
B. Cash flows from investing activities	(3,904)	(1,369)
Cash inflows from investing activities	20	48
Disposal of intangible assets and tangible fixed assets	20	48
Cash outflows on investing activities	(3,924)	(1,417)
Purchase of intangible assets and tangible fixed assets	(3,274)	(1,417)
Purchase of shares	(650)	-
Net cash from investing activities	(3,904)	(1,369)
C. Cash flows from financing activities	(239,942)	(672,656)
Cash inflows from financing activities	310,000	775,000
Issue of debt securities	310,000	775,000
Cash outflows on financing activities	(549,942)	(1,447,656)
Repayment of loans and advances from banks	(129,942)	(838,656)
Redemption of debt securities in issue	(420,000)	(609,000)
Net cash from financing activities	(239,942)	(672,656)
Net increase in cash and cash equivalents (A+B+C)	(10,936)	80,266
Cash and cash equivalents as at the beginning of the reporting period	498,180	171,619
Cash and cash equivalents as at the end of the reporting period	487,244	251,885

Explanatory notes and selected explanatory data presented on pages 8 to 41 constitute an integral part of these condensed interim financial statements.

Explanatory notes to the condensed interim financial statements

1. Information on BRE Bank Hipoteczny S.A.

In accordance with the decision of the District Court for the capital city of Warsaw, 16th Commercial Division of 16.04.1999, the Bank was entered into the Commercial Register, with the reference number 56623.

On 27.03.2001, the District Court in Warsaw decided to enter the Bank into the National Court Register, with the reference number KRS 0000003753.

According to the Polish Classification of Business Activities, the Bank's business comes under No. 64.19.Z "Other forms of monetary intermediation".

In accordance with the Bank's Memorandum of Association, the Bank is engaged in providing banking services to individuals and legal entities, as well as organizational units without a legal personality, both in PLN and in foreign currencies.

The Bank operates within the territory of the Republic of Poland.

The Bank's registered office is located in Warsaw, at Al. Armii Ludowej 26.

The Bank's duration is not limited.

BRE Bank Hipoteczny S.A. is a specialised mortgage bank, operating on the market of commercial properties and covered bonds emission.

The Bank's offer is addressed to business entities and institutional customers investing in purchasing, constructing or renovating commercial properties, such as offices, malls, hotels, warehouses, as well as apartments and houses, carried out by housing developers. Another important operating area of the Bank is the crediting of local governments through the financing of investments such as the construction of the municipal buildings, maintenance and construction of roads, sewage treatment plants, educational establishments or other objects, as well as the refinancing of local governments' properties – the seats of local governments, utility and office premises. The Bank's credit offer is complemented with consulting services, addressed to investors and companies operating on commercial property market. The Bank is also a leader in the issue of mortgage covered bonds, debt securities which refinance its credit activity.

Activities of BRE Bank Hipoteczny S.A. are carried out in the operating segments described in detail in Note 4.

The average number of employees in the first half of 2013 amounted to 135 persons, and in the first half of 2012 it amounted to 125 persons.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. Those principles were applied in all periods presented in a continuous way, unless stated otherwise.

2.1. Basis of preparation

The condensed interim financial statements of BRE Bank Hipoteczny S.A. have been prepared for the 6-month period ended 30.06.2013. These condensed interim financial statements are standalone financial statements. The Bank does not prepare consolidated financial statements, based on exemption that being a subsidiary of BRE Bank SA which has 100% shares of the Bank (24.29% directly and 75.71% indirectly via BRE Holding Sp. z o.o.) and prepares the consolidated financial statements in accordance with the International Financial Reporting Standards and publishes them pursuant to the applicable regulations.

These condensed interim financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS"), and in particular in accordance with the International Accounting Standard No. 34 and IFRS approved by the EU.
IFRS comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").
Information scope of these interim statements is narrower than in the case of complete financial statements, and therefore it should be read in conjunction with the stand alone financial statements of BRE Bank Hipoteczny S.A. for the financial year 2012.

The condensed interim financial statements of BRE Bank Hipoteczny S.A. were prepared under the going concern assumption. There are no circumstances indicating risks associated with the going concern in the foreseeable future.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires the Management Board to present its own judgement in the process of applying the Bank's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2. Interest income and expenses

Income statement recognises all the interest earnings and costs regarding financial instruments measured at amortised/depreciated cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised initial value of financial assets or liabilities and allocation of the interest income or expenses to the relevant period. The effective interest rate is a rate for which discounted future cash payments or proceeds are equal to the current net carrying amount of the given financial asset or liability. In the calculation of effective interest rate, the Bank assesses cash flows taking into account all the contractual provisions of a given financial instrument; however, it does not take into account the potential future losses related to the uncollectibility of loans. This calculation considers all payments executed or received between the parties to the agreement, which constitute an integral part of the effective interest rate, as well as costs of transaction and all other bonuses or discounts.

Interest income comprises interest and commissions received or receivable on loans, interbank deposits placed, bank accounts balances and investment securities recognised in the calculation of the effective interest rate.

Interest expense include interest paid and accrued, as well as commissions settled through the effective interest rate in respect of deposits accepted from customers, interbank deposits, received credits, subordinated loans, the customers' bank account balances, as well as own issued debt securities.

Interest accrued on impaired receivables is recognised as interest income at the interest rate used for discounting future cash flows for the purpose of impairment measurement. The interest is recognised in the income statement in the recoverable amount, i.e. upon the recognition of adjustment to the permanent impairment of exposure.

Revenues and costs related to the interest element of the result on interest rate derivatives, as well as those resulting from the current calculation of swap points of foreign currency derivatives classified in the Bank book are recognised in the net interest result under the Revenues/interest costs on derivatives classified in the Bank book. The Bank has no trading portfolio – all derivative transactions are included in the banking portfolio.

In the current reporting period, the Bank changed the presentation of revenues and costs regarding the interest component of the result on derivatives. Detailed information on the restatement of comparative data in relation to the above change in the presentation of income and expenses are included in Note 2.25 Comparative data.

2.3. Fee and commission income and expense

Fee and commission income is generally recognised on an accrual basis, upon the service provision. Commission on granted loans is included in the effective interest rate calculations. Commissions on agreements regarding loans which have not been drawn down as at the date of the collection or payment of the commissions adjust the effective interest rate as at the date of the funds being drawn down. Commission on credit agreements regarding loans which have not been drawn down is recognised in the income statement on a one-off basis, on the date of expiry of the said credit agreement. Commission for loan tranches placed at the customers' disposal (exposure commission) is calculated on an accrual basis. Other commission is recognized in the profit/(loss) upon being paid or calculated due to the fact that its amount is immaterial. This income relates to the period in which it is calculated. Commission is deferred over the period of the transaction to which the commission relates. Fee and commission income and costs which are not accounted for using the effective interest rate method are, in principle, recognised on an accrual basis at the time a given service is provided.

The commission costs relating to amounts paid on received loans and issued debt securities adjust the effective interest rate on the date of launching a loan or on the date of payment if it occurs later than the date of launching the loan.

Commission costs relating to other transactions are charged to the income statement on a one-off basis.

2.4. Segment reporting

An operating segment is a component of the entity:

a) which engages in business activities and in connection with which revenues may be earned and costs incurred (including revenues and costs relating to transactions with other components of the same entity);
b) whose operating results are regularly reviewed by the chief operating decision maker in the entity and using those results to make decisions on resources allocated to a given segment and assessing the results of operations of the segment; and
c) in respect of which separate financial information is available.

2.5. Financial assets / Financial liabilities

2.5.1. Financial assets

The Bank classifies its financial assets into the following categories:

- loans and receivables,
- available for sale financial assets,
- financial assets at fair value through profit or loss
- financial assets held to maturity.

The classification of investments is decided by the Management Board upon the initial recognition.

Standardised purchase and sales transactions regarding financial assets valued at fair value through profit or loss and available for sale are recognised or derecognised from the statement of financial position as at the date of settlement of the transaction – date on which the Bank provides or obtains the given asset. Loans are recognised when cash is advanced to the borrower. Financial assets are initially recognised at fair value plus transaction costs, except for financial assets valued at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from these assets have expired or been transferred, and the Bank has transferred substantially all risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted on the active market. They arise when the Bank advances cash, goods or services directly to the debtor, without the intention to introduce its receivable to trading.

Loans and receivables are stated at the adjusted purchase price (amortised/depreciated cost), using the effective interest rate.

Available for sale financial assets

Available for sale financial assets constitute investments which the Bank intends to hold for an indefinite period of time. They can be sold, for example, in order to improve the Bank's liquidity, in response to fluctuations of interest rates, exchange rates or equity prices.

Interest income on available-for-sale financial assets is recognized in net interest income. Gain/(loss) on fair value valuation of available-for-sale financial assets are recognized in the other comprehensive income.

Financial assets at fair value through profit or loss

This category comprises financial assets held for trading.

The Bank classifies derivative instruments as financial assets valued at fair value through profit or loss.

The measurement and the earnings or losses on the sales of financial assets measured at fair value through profit or loss are recognised in net trading income, except for the interest result on derivatives, which is presented in the interest result item under the Revenues/interest costs on derivatives classified in the Bank book.

Upon the initial recognition, financial assets and liabilities classified in this category are measured at fair value.

As at the end of the reporting period, financial assets measured at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are demonstrated in profit or loss in the period in which they arose as the net trading income.

The Bank's investments in subsidiaries are demonstrated in the financial position statement according to the purchase price reduced by impairment write-downs.

Available for sale financial assets and financial assets measured at fair value through profit or loss are measured at fair value at the end of the reporting period. Loans and receivables are stated at the adjusted purchase price (amortised cost), using the effective interest rate. Gains and losses arising from changes in the fair value of financial assets available for sale are recognised directly in other comprehensive income, until the financial asset is derecognised or impaired, at which time the total earnings and losses previously recognised as other total income are recognised in the income statement. However, interest calculated using the effective interest method is recognised in the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the write-down is reversed, with the amount of the reversal recognised in the income statement.

Fair values of investments quoted on the active markets are based on their current market values.

Financial assets held to maturity

Investments held to maturity ("UDTZ") constitute financial assets not included among derivative instruments, with determined or determinable payments and determined maturity, which the Bank of the entity intends to hold and is capable of holding to maturity.

In the case of sales by the Bank, prior to maturity, of assets held to maturity, which cannot be recognised as insignificant, the so called "UDTZ portfolio Infection" occurs and thus all assets in this category are reclassified as available for sale.

In the reporting periods presented in this condensed interim financial statements, the Bank had no assets held to maturity.

2.5.2. Financial liabilities

The Bank classifies its financial liabilities into the following categories:

- liabilities at fair value through profit or loss,
- other financial liabilities.

Financial liabilities measured at fair value through profit or loss shall be understood as:

- held for trading liabilities incurred to earn economic gains resulting from short-term price fluctuations and fluctuations in other market factors,
- other financial liabilities irrespective of intentions of the contract, if they constitute a component of a portfolio of similar financial liabilities which are very likely to earn the planned economic benefits in the short term,
- derivative financial instruments,
- liabilities measured at fair value through profit or loss according to the Bank's decision.

Apart from the derivative financial instruments, the Bank did not classify any other financial liability as carried at fair value through profit or loss.

Other financial liabilities comprise specifically:

- bank accounts balances,
- customer deposits,
- subordinated borrowings received,
- loans and advances received,
- debt securities issued by the Bank (covered bonds and bonds),
- trade payables.

Other financial liabilities are stated at amortised cost using the effective interest rate method.

2.6. Offsetting financial instruments

Financial assets and liabilities are offset and reported in the financial position statement as a net amount, when there is a legally enforceable right to offset the recognised amounts and the intention to settle them at the net amount, or realise a given asset and simultaneously settle the liability.

2.7. Impairment of financial assets

Assets carried at amortised cost

At the end of each reporting period, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets has been impaired. A financial asset or a group of financial assets has been impaired and impairment losses have been incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of a given asset (a 'loss event') and when that loss event (or events) has had an impact on the future cash flows relating to that financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or a group of financial assets has been impaired includes information obtained by the Bank about the following loss events:

a) significant financial difficulties of the issuer or debtor,
b) a breach of the contract, such as a default or delay in interest or principal repayments,
c) the Bank making a concession to the debtor as a result of economic or legal aspects of its financial difficulties which otherwise would not be taken into consideration,
d) the probability of bankruptcy or other financial reorganization of the debtor,
e) the disappearance of the active market for a given financial asset as a result of financial difficulties or observable data indicating a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the said decrease may not yet be attributed to the individual financial assets in the group, including:
    - adverse changes in the debtors' liquidity, or
    - the economic conditions in the country or the local market contributing to the impairment of the assets in a given group.

The Bank first assesses whether there is objective evidence of the impairment of individual significant financial assets and whether there is such evidence individually or collectively for assets that are not individually significant. Should the Bank determine that, for a given financial asset assessed individually, there is no objective evidence of impairment (irrespective of whether the said asset is significant or not), the said asset is included in the group of financial assets with a similar credit risk profile, which is then collectively assessed for impairment. Financial assets for which an impairment loss has been demonstrated on the basis of an individual analysis (initially or subsequently) are not included in the aggregate assessment of impairment.

If there is objective evidence of the impairment of loans and receivables, the amount of the loss is measured as the difference between the carrying amount of a given asset and the current value of estimated future cash flows (except for future losses on non-repaid loans that have not yet been incurred) discounted at the original effective interest rate of a given financial asset. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is charged to the income statement. If the credit has a variable interest rate, the discount rate used to establish impairment is the present effective interest rate that is established in accordance with the agreement.

The calculation of the current value of the estimated future cash flows relating to a secured financial asset takes account of the cash flows resulting from repossessing the collateral less the costs of its acquisition and sale.

For the purpose of a collective assessment of impairment, credit exposures are grouped to ensure the uniformity of credit risk within a given portfolio. Numerous parameters may be used for grouping credit exposures into uniform portfolios, such as the type of counterparty, the type of exposure, the estimated probability of default, the type of collateral, time overdue, maturity and their combinations. Those characteristics are relevant to the estimation of future cash flows for specific groups of assets because they indicate the debtors' ability to repay all of their liabilities in accordance with the terms of the agreements relating to the assets being assessed.

Future cash flows relating to a group of financial assets that are collectively assessed for impairment are estimated on the basis of the contractual cash flows and the historical loss experience for assets with similar credit risk characteristics.
Historical loss parameters are adjusted on the basis of current observable data in order to reflect the impact of current market conditions which did not occur in the period to which the historical loss experience relates and to eliminate the effects of the circumstances which occurred in the historical period and which do not exist at present.

The probability of default (PD) and loss in the event of default (LGD) are used for calculating the amount of the write-down for balance sheet exposures analysed on a group basis. By means of appropriate calibration of PD values, taking into consideration the specific nature of individual products and periods of losses arising on these products, they constitute PD values which enable one to identify losses which have already arisen and which cover only the period in which the losses that arose as at the date of impairment being assessed should materialise. LGD values, on the other hand, are based on the widest possible scope of observation, which allows for stable estimation of LGD parameter.

Uncollectible loans are written down to the related provisions for loan impairment. Such loans are written down after all the necessary procedures have been completed and the amount of loss has been determined.

Subsequent recoveries of amounts previously written down decrease the amount of impairment write-downs of loans in the income statement accordingly (in accordance with IAS 39). If, in a subsequent period, the amount of the impairment loss should decrease as a result of an event which occurred after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously created impairment write-down is reversed by adjusting the impairment write-down account accordingly. The amount of reversal is disclosed in the income statement.

Financial assets available for sale

At the end of each reporting period, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets has been impaired. In the case of instruments classified as available for sale, when assessing whether impairment took place, a significant or long-term decline in the fair value of the security below its purchase price is taken into account. If there is evidence of this type regarding financial assets that are available for sale, the total loss determined as the difference between the purchase price and the present fair value, less impairment of the given asset that was previously stated in the income statement is derecognised from equity and recognised in the income statement. Impairment of the instruments recognized in the profit and loss is not reversed through profit or loss, but through other comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and this increase can be objectively related to an event occurring after the impairment recognition in the income statement, the impairment write-down is reversed in the income statement.

Renegotiated agreements

The Bank considers renegotiating the contractual terms and conditions for loans and advances as a premise of impairment, unless the renegotiation of the contractual terms was not enforced by the debtor's position, but was performed on normal business terms. Subsequently, the Bank assesses whether the impairment of such loans and advances should be recognised on an individual or group basis.

2.8. Cash and cash equivalents

Cash and cash equivalents comprise items which mature within three months of the date of acquisition, including: unrestricted cash and balances in the Central Bank, Treasury bills and other eligible bills, loans and advances granted to other banks, amounts due from other banks and short-term State Treasury securities.

2.9. Derivative financial instruments

Derivative financial instruments are stated at fair value starting from the transaction date. Fair value is determined on the basis of the instruments' quotations on active markets, including on the basis of prices applied in recent transactions, or on the basis of valuation techniques, including models based on discounted cash flows and option valuation models, depending on which of the methods is appropriate in given circumstances. All derivative instruments with positive fair value are shown as assets in the statement of financial position, and those with a negative fair value are shown as liabilities.
The transaction price (i.e. the fair value of consideration paid or received) is the best indicator of a derivative's fair value on initial recognition, unless the instrument's fair value can be determined by comparison with other current market transactions relating to the same instrument (not modified) or on the basis of valuation techniques based solely on observable market data. If such a price is known, the Bank shows gains or losses on the first day.

The method for recognition of changes in the fair value is dependent on whether a given derivative instrument is designated as a hedging instrument, as well as the type of the hedged item. Changes in the fair value of derivative instruments which do not meet the criteria for applying hedge accounting policies are recognised in the income statement for the current period. The Bank does not apply hedge accounting. The Bank uses derivatives exclusively as hedging transactions for economic purposes.

The Bank has the following derivative instruments in its portfolio:

Interest rate risk instruments:

- IRS (Interest Rate Swap) Contracts

Currency risk instruments (which constitute future commitments to purchase foreign or domestic currencies):

- FX Contracts
- FX SWAP contracts

Derivative financial instruments are stated at fair value starting from the transaction date. Off-balance-sheet derivative instruments and forward and future transactions are stated at fair value based on valuation techniques, including discounted cash flow models.

Derivative financial instruments with a positive fair value are shown in the statement of financial position as assets, and those with a negative fair value as liabilities.

2.10. Gains and losses on initial recognition

The best evidence of fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the payment executed or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets.

2.11. Intangible assets

Intangible assets are stated according to purchase prices adjusted for the costs of improvements (rebuilding, extension, reconstruction, adaptation or modernization) and accumulated redemption. Redemption is calculated on the straight line basis, taking account of the economic useful lives of intangible assets. If the expected economic useful life of a given intangible asset is different from that specified below, the period of redemption of a given asset may be determined taking that difference into account. Expenditures on intangible assets are recognised as costs upon being incurred unless they form part of the cost of purchase or the cost of manufacture of an intangible asset which meets the recognition criteria.

Computer software

Purchased licenses for computer software are capitalised in the amount of costs incurred for purchasing and preparing specific software for use. The capitalised costs are written down over the expected economic useful life of the software (2-10 years). Expenditures related to developing or maintaining computer software are recognised as costs upon being incurred.

Costs directly associated with the manufacture of identifiable and unique computer software by the Bank, which will probably generate economic benefits exceeding these costs and that will be earned for more than one year, are recognised as intangible assets.

Capitalised software development costs are amortised/depreciated over the expected economic useful lives.

Costs of completed development projects

The Bank identifies the costs of development projects as intangible assets in connection with obtaining future economic benefits and meeting the conditions specified in IAS 38, i.e. the Bank is able to and intends to complete and use the asset being generated, it has appropriate technical and financial resources for completing the project and using the asset being generated, and it may reliably determine the amount of the expenditure incurred during the development projects which may be attributed to the intangible asset generated.

The economic useful life of "Costs of completed development projects" is determined and does not exceed 5 lat. Amortisation rates are tailored to the economic useful lives.

Expenditure on development projects comprises all expenditure which may be directly attributed to development activities.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may be irrecoverable.

2.12. Tangible fixed assets

The carrying amount is the value at which a given asset is recognised in the balance sheet, net of accumulated depreciation and accumulated impairment write-downs.

The cost of purchase or manufacture of tangible fixed assets is the amount of cash or cash equivalents paid or the fair value of other goods transferred upon the purchase of an asset at the time of purchase or manufacture. The cost of purchase or manufacture also includes all directly attributable costs incurred in order to adapt an asset to the location and conditions necessary for its operation, including the disassembly, scrapping and renovation costs which the Bank is obliged to incur. The cost of purchase or manufacture also includes the expenditure incurred at a later date in order to make the asset more useful, replace its parts or renovate it.

The depreciable value is the cost of purchase or manufacture of a given asset or its fair value determined otherwise, net of its residual value.

Depreciation is a systematic subtraction of depreciable amount over the period of economic useful life of an asset. An impairment write-down is the excess of the carrying amount of a given asset over its recoverable amount.

Tangible fixed assets are fixed assets which are maintained for being used in the manufacturing process or in delivering goods or providing services, in order to be offered to other entities for use on the basis of lease agreements or for administrative purposes, and are expected to be used over a period of time which is longer than one reporting period.

The recoverable amount is the higher of the net realizable value of the asset or its value in use.

The residual value of an asset is the amount which the entity might expect to obtain for the asset at present, taking into account its age and condition as at the end of its economic useful life, net of estimated sales costs.

While determining the depreciation period and an annual depreciation rate, the economic useful life of a given fixed asset is taken into account. The depreciation periods and rates are reviewed periodically — no later than as at the beginning of each financial year.

The Bank depreciates its fixed assets on a straight line basis, by systematically subtracting the initial value or the revalued amount net of the residual value over the estimated useful life of the asset. The residual value and the useful life of an asset are reviewed as at the end of each financial year, and if the expectations differ from the earlier estimates, the difference is recognised as a change in estimates.

Useful life of an asset is the period in which it is expected to be used.

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Useful lives of the individual groups of fixed assets are as follows:

Name of the asset group	Rate
Leasehold improvements	in the estimated lease/rent period
Equipment	5-10 years
IT equipment	3 years
Equipment and vehicles	5-10 years
Office equipment and furniture	5-7 years

If the expected economic useful life of tangible fixed assets is different from that specified above, the depreciation period for a given asset may be determined taking that difference into account.

Depreciable fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may be irrecoverable. The carrying amount of a fixed asset is reduced to the level of its recoverable value if the carrying amount exceeds the estimated recoverable value. The recoverable amount is the higher of the two amounts: fair value of a fixed asset reduced by costs of its sales and the utility value.

The carrying amount of a component of tangible fixed assets is derecognised when the said asset is sold or if no further economic benefits are expected from the use or disposal of the asset.

The Bank does not increase the carrying amount of its tangible fixed assets by the costs of their current maintenance. Repair and maintenance costs are recognised in the income statement upon being incurred.

If a component part of tangible fixed assets is replaced, the Bank includes the cost of replacing the said part in the carrying amount of the asset upon the cost being incurred. The carrying amount of the replaced components is written down in accordance with the derecognition policies.

After the initial recognition of tangible fixed assets as a component of assets, the Bank reports them at the cost of purchase or manufacture, net of accumulated depreciation and accumulated impairment write-downs.

Gains and losses on the derecognition of tangible fixed assets are the difference between net proceeds from disposal and the carrying amount of a given asset and are recognised in the income statement in the period in which the item was derecognised.

2.13. Investments in subsidiaries

BRE Bank Hipoteczny S.A. has one subsidiary – Bankowy Dom Hipoteczny Spółka z ograniczoną odpowiedzialnością (BDH). The Bank holds 100% of shares in BDH and 100% of the total votes at the General Shareholders' Meeting. As at 30.06.2013, the share capital of BDH amounted to PLN 65 thousand and consisted of 65 shares with a par value of PLN 1 thousand each. All of the Bank's shares in the share capital of BDH have been paid up. Balance sheet total of BDH as at 30.06.2013 amounted to PLN 792 thousand, and to PLN 186 thousand as at 31.12.2012. The Bank's investments in subsidiaries are demonstrated in the financial position statement according to the purchase price reduced by impairment write-downs.

2.14. Deferred income tax

Tax base differs from the profit/loss before tax recorded in the Bank's accounting records due to the difference in recognition of income as earned and costs as incurred in accordance with the Accounting Act and tax regulations.

The deferred income tax provision and assets are calculated using the tax rates and regulations in force as at the end of the reporting period, which are expected to apply when the deferred tax assets are realised or the tax liability is paid. Temporary differences are differences between the carrying amount of a given asset or liability and its tax base.

A deferred income tax liability is recognised in respect of temporary differences, in the full amount, in accordance with the liability method.

Deferred income tax assets are recognised only when it is probable that a taxable profit will be achieved which will allow the utilisation of temporary differences.

Deferred tax assets and provisions are presented on a net basis in the Bank's statement of financial position, if the Bank has is a legally enforceable right to account for them simultaneously when calculating the tax liability.

Deferred income tax relating to the fair value measurement of available-for-sale investments is recognised in the same way as the effect of fair value measurement, directly in other comprehensive income.

To determine the foreign exchange rate differences, the Bank applies tax method.

2.15. Inventories

The Bank classifies non-financial assets taken over for debts as inventories. Assets taken over for debts are measured at the moment of initial recognition at the amount corresponding to their fair value, and then they are measured at the lower one of the two values: purchase/cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business activity, less the applicable variable selling costs. The amount of any inventory write-downs to the net realisable value and any inventory losses are recorded as costs of the period in which a write-down or a loss occurred. Reversals of inventory write-downs resulting from increases in their net realisable value are recorded as a reduction in the amount of costs of inventories recognised as costs of the period in which the reversals took place.

2.16. Prepayments, accruals and deferred income

The Bank recognises prepayments if the expenses relate to future reporting periods. Prepayments are recognised in "Other assets" in the statement of financial position.

Accruals constitute liabilities payable for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Deferred income comprises, amongst others, income received but not yet earned. Accruals and deferred income are presented in "Other liabilities" in the statement of financial position.

2.17. Provisions

Pursuant to IAS 37, provisions are created when the Bank has an existing liability (legal or customarily expected) arising from past events, and when it is probable that the fulfilment of this liability will result in the necessity of an outflow of cash, and when the amount of the liability may be reliably estimated.

2.18. Pension benefits and other employee benefits

<u>Pension benefits</u>

The Bank creates provisions for future liabilities in respect of retirement, disability and postmortem benefits, determined on the basis of estimations of such liabilities, using an actuarial model. All provisions in this regard are charged to the income statement.

<u>Phantom share based benefits</u>

The Bank runs a remuneration program for the Management Board and employees having a significant impact on the risk profile of the Bank based on phantom shares settled in cash. These benefits are accounted for in accordance with IAS 19 "Employee Benefits". Measurement value of phantom shares increases costs incurred in a given period in correspondence with the commitments. Phantom shares are granted in quantity based on the valuation of these shares for the appraisal period. The phantom share valuation is calculated each time at the end of the reporting period as the Bank book value divided by the number of ordinary shares.

The payout under phantom shares depends on the valuation of these shares in a given reporting period in which they are redeemed, adjusted with the capital increase above the par value during the entire appraisal period.

1) 50% of the bonus for a given period shall be granted in the non-cash form in phantom shares;
2) 20% of the portion referred to in item 1 is granted in a year following the appraisal period for which the bonus is granted, within 30 calendar days of approval by the General Meeting of Shareholders held due to the financial statements of BRE Bank Hipoteczny S.A.,
3) and 80% of the portion referred to in item 1 is realised in three equal annual tranches.

Eligible employees of the Bank are entitled to deferred tranches, provided that:

1) they received a positive assessment of their work from the Supervisory Board;
2) they fulfilled the conditions of employment at BRE Bank Hipoteczny SA; and
3) the Bank's performance as at the end of the first, second and third calendar year after the end of the appraisal period is no lower than the result adopted for a given year in the financial plan lessen by 10%.

Each of the deferred tranches shall be granted within 30 calendar days upon the approval by the General Meeting of Shareholders of the financial statements for a given year.

2.19. Issuance of securities

The Bank's liabilities resulting from the issuance of securities (covered bonds and bonds) are measured at fair value increased by transaction costs that can be directly assigned to the issue at the initial recognition, and subsequently, throughout the duration of a given transaction, they are measured at the amortized cost using the effective interest rate.

2.20. Loans and advances received and deposits accepted

Loans and advances received and deposits accepted are initially recognized at fair value, less the incurred transaction costs. Upon the initial recognition, loans and advances received and deposits accepted are stated at adjusted purchase price, using the effective interest rate. All differences between the amount received (less transaction costs) and the redemption value are recognised in the income statement over the period of validity of the relevant agreements, using the effective interest rate method.

2.21. Equity

The Bank's equity comprises capitals and reserves set up by the Bank in accordance with the Memorandum of Association and the Banking Law.

<u>Registered share capital</u>

Share capital is recognised at the nominal value in accordance with the Memorandum of Association and the entry in the National Court Register.

<u>Paid unregistered capital</u>

Paid-up capital not entered into the court register, but formally submitted for registration.

<u>Other components of equity</u>

Other components of equity comprise the result of the revaluation of financial instruments classified as "available for sale".

<u>Retained earnings</u>

Retained earnings include:

- other supplementary capital created from profit appopriation,
- general banking risk reserve created through the profit appropriation and intended for the purposes specified in the Bank's Memorandum of Association or in other legal regulations;
- retained profit from the previous year,
- net profit/loss for the current year.

2.22. Leases

The Bank acts as a lessee. Lease agreements concluded by the Bank constitute operating lease agreements. All the lease payments made under operating lease agreements are charged to costs on a straight line basis over the lease period. The Bank has no financial leases.

2.23. Measurement of foreign currency items

Functional currency and presentation currency

The financial statements are presented in Polish zloty which is the Bank's functional and presentational currency.

Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the NBP mid exchange rate in force as at the end of reporting period. Foreign exchange gains and losses on the settlement of these transactions and the valuation of monetary assets and liabilities denominated in foreign currencies as at the end of reporting period are recognised in the income statement.

2.24. New standards, interpretations and amendments to the published standards

These financial statements include all the requirements of the European Union, approved by the International Accounting Standards, International Financial Reporting Standards and the related interpretations, except for the following standards and interpretations, which are awaiting for the approval by the European Union or have been approved by the European Union and will take effect only after the balance sheet date.

In the period covered by the financial statements, the Bank did not use the possibility of earlier adoption of standards and interpretations approved by the European Union, but coming into force after the balance sheet date.

Published standards and interpretations that have been issued and are applicable in the Bank for the annual periods beginning on 01 January 2013:

Standards and Interpretations approved by the European Union:

- IFRS 10, Consolidated Financial Statements (replaces the consolidation requirements from IAS 27), binding for annual periods beginning on or after 1 January 2013.
- IFRS 11, Joint Arrangements, binding for annual periods beginning on or after 1 January 2013.
- IFRS 12, Disclosure of Interests in Other Entities, binding for annual periods beginning on or after 1 January 2013.
- IFRS 13, Fair Value Measurement, binding for annual periods beginning on or after 1 January 2013.
- IAS 19 (Amended), Employee Benefits, binding for annual periods beginning on or after 1 January 2013.
- IAS 27, Separate Financial Statements (together with IFRS 10 replaces IAS 27 Consolidated Financial Statements), binding for annual periods beginning on or after 1 January 2013.
- IAS 28, Investments in Associates and Joint Ventures (replacing IAS 28, Investments in Associates), binding for annual periods beginning on or after 1 January 2013.
- Amendments to IAS 1, Presentation of Items of Other Comprehensive Income, binding for annual periods beginning on or after 1 July 2012.
- Amendments to IFRS 7, Disclosures — Offsetting Financial Assets and Financial Liabilities, binding for annual periods beginning on or after 1 January 2013.
- Amendments to IFRS 10, IFRS 11 and IFRS 12, i.e. the Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Guidelines for the application, binding for annual periods beginning on or after 1 January 2013.
- Amendments to IFRS 2009-2011, the majority of them are binding for annual periods beginning on or after 1 January 2013.
- Government loans (amendments to IFRS 1), binding for annual periods beginning on or after 1 January 2013.

The Bank believes that the application of the said standards did not have a significant impact on the financial statements in the period of their initial application.

Published Standards and Interpretations which have been issued but are not yet binding or have not been adopted earlier

Standards and Interpretations approved by the European Union:

- Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities, binding for annual periods beginning on or after 1 January 2014.

Standards and Interpretations not yet approved by the European Union:

- IFRS 9, Financial Instruments, Phase 1: Classification and Measurement, binding for annual periods beginning on or after 1 January 2015.
- Amendments to IFRS 10, IFRS 12 and IAS 27, Investment Entities, binding for annual periods beginning on or after 1 January 2014.
- IFRIC 21, Fees, binding for annual periods beginning on or after 1 January 2014.
- Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets, binding for annual periods beginning on or after 1 January 2014.
- Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting, binding for annual periods beginning on or after 1 January 2014.

The Bank believes that the application of IFRIC 21 will not affect the total amount of recognised fees in the financial year, but may affect the amount of recognised costs of this type in each quarter of the financial year.

As far as IFRS 9 is concerned, the Bank is currently analysing the impact of the introduction of this standard on the financial statements.

2.25. Comparative data

Comparative data has been converted taking into account presentational changes introduced in the current reporting period.

As at the beginning of 2013, changes occurred in the presentation of FX swaps result, and in the IRS transactions result. Pursuant to the provisions of IFRS 7 Appendix B item 5(e), the Bank decomposed the result on derivatives classified in the Bank book, and distinguished the interest component resulting from the current estimation of swap points and interest on IRS transactions.

After these changes, the component of valuation of derivatives classified in the Bank book, resulting from the current estimation of the interest component, including swap points, is presented in the income result as the Interest income/expense.

In the Bank's opinion, the above presentation of the interest component of the valuation of result on derivatives classified in the Bank book better reflects the economic nature of transactions concluded solely in order to manage the Bank's liquidity as well as to mitigate the foreign exchange risk and the interest rate risk.

In the fourth quarter of 2012, the Bank changed the presentation of costs of the provision for unused leaves. As of the preparation of financial statements for 2012, the provision for unused leaves is presented in Overhead costs — Staff-related expenses rather than in Other operating costs.

In addition, in the fourth quarter of 2012, the Bank changed the presentation of costs of enforcement proceedings. As of the preparation of financial statements for 2012, costs of enforcement are presented in Other operating costs rather than in Overhead costs.

In the fourth quarter of 2012, in the cash flows statement, the Bank has transferred interest costs paid on financial activities to cash flows from operating activities. The total amount of interest paid is presented in the cash flows from operating activities.

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In the current reporting period, the Bank ceased to demonstrate collateralised assets in a separate item of the statement of financial position. Debt securities with collaterals are presented in the statement of financial position in accordance with their classification prior to establishing the collateral in the Investment securities item.

Information on debt securities with collaterals is available in Note 15.

Transformation of the comparative data had no impact on the result and the amount of capital in the presented comparative data as at 31.12.2012 and 30.06.2012.

Other data prepared as at 31.12.2012 and 30.06.2012 is fully comparable with data from the current reporting period and therefore did not require transformations.

The impact of transformations introduced in 2013 on comparative data presented in the condensed interim financial statements is demonstrated below.

Transformations in the statement of financial position of the Bank as at 31.12.2012.

	Period from 01.01.2012 to 31.12.2012 before transformations	presentational adjustments	Period from 01.01.2012 to 31.12.2012 upon transformation
Investment securities available for sale	564,960	1,298	566,258
Pledged assets	1,298	(1,298)	-

Changes in the statement of financial position of the Bank as at 30.06.2012

	Period from 01.01.2012 to 30.06.2012 before transformations unaudited	presentational adjustments	Period from 01.01.2012 to 30.06.2012 upon transformation unaudited
Investment securities available for sale	319,977	1,489	321,466
Pledged assets	1,489	(1,489)	-

Changes in the income statement and statement of cash flow of the Bank for the period 01.01.2012 to 30.06.2012

	Period from 01.01.2012 to 30.06.2012 before transformations unaudited	presentational adjustments	Period from 01.01.2012 to 30.06.2012 upon transformation unaudited
Interest income	123,603	14,843	138,446
Other net trading income	15,140	(14,843)	297
Overhead costs	(18,050)	(181)	(18,231)
Other operating expenses	(1,526)	181	(1,345)
Cash flows from operating activities	841,228	(86,937)	754,291
Cash flows from financing activities	(759,593)	86,937	(672,656)

3. Major estimates and judgments made in connection with the application of accounting policy principles

The Bank makes estimates and assumptions that affect the amounts of assets and liabilities reported in the next financial period. The estimates and assumptions subject to continuous assessment are based on historical experience and other factors, including the expectations as to future events which seem justified in a given situation.

Impairment of loans and advances

The Bank reviews its loan portfolio for impairment at least on a quarterly basis. In order to determine whether impairment should be recognised in the income statement, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from any loans. If there is objective evidence of the impairment of a loan, the amount of the loss is measured as the difference between the carrying amount of a loan and the current value of estimated future cash flows (excluding future losses on non-repaid loans that have not yet been incurred) discounted at the original effective interest rate of a loan. Should the current value of estimated cash flows for the portfolio of loans with recognised individual impairment change by +/- 10%, the estimated amount of the impairment of loans as at 30.06.2013 would decrease by PLN 11.1 million or increase by PLN 13,1 million respectively, as at 31.12.2012 it would decrease by PLN 11.7 million or increase by PLN 13,2 million, and as at 30.06.2012 it would decrease by PLN 6.6 million or increase by PLN 8.1 million. This estimation was performed for the portfolio of loans in the case of which impairment is recognised on the basis of a case-by-case analysis of future cash flows in respect of repayments and recoveries from collateral.

Deferred tax assets

The Bank recognizes a deferred tax asset in respect of impairment losses on loans and advances. In accordance with the provisions of the Corporate Income Tax Act, the condition for recognition of impairment losses on loans and advances as tax deductible costs is the possibility to substantiate the uncollectibility of those receivables. Recognition of impairment losses as tax deductible costs and recognition of deferred tax assets depends on the most probable scenario adopted by the Bank's management in the analysis of individually impaired loans. The Bank recognizes deferred tax asset, if this scenario assumes the execution which will in the future allow to substantiate uncollectibility of receivables.

4. Operating segments

Following the management approach, operating segments are reported in accordance with the internal reporting provided to the Bank's Management Board (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses their performance.

BRE Bank Hipoteczny S.A. is a specialist mortgage bank and it plays a leading role in the market of commercial real estate financing and issuing covered bonds. The Bank's offer is addressed to corporate and institutional customers investing in buying, building or renovating commercial properties, such as offices, malls, hotels, warehouses, as well as apartments and houses, carried out by housing developers. Another important area of activity of the Bank is lending money to local government units in the form of financing of investments such as municipal housing, road construction and repairs, construction of sewage treatment plants, educational facilities and other facilities, as well as the refinancing of municipal real estate — seats of local governments, utility premises, office buildings. The Bank is also a leader in the issue of covered bonds, debt securities which refinance its credit activity.

Taking into consideration the specialist business profile of the Bank, the following operating segments were separated:

- loans for refinancing the commercial real estates,
- loans for local government units (JST),
- loans for housing real estate developers,
- loans for commercial real estate developers,
- loans for land purchase,
- loans for individual customers.

The segments were identified taking into account specific customer and product groups on the basis of homogeneous transaction characteristics. The classification is consistent with sales management.

Loans for refinancing commercial real estates — it is a major segment of the Bank's activities, which comprises loans for refinancing or purchase of existing commercial real estate properties (office buildings, warehouses, shopping centres and malls, logistics centres, hotels, guest houses, commercial premises, etc.).

Loans for local government units (JST) — this segment comprises loans to local government units (municipalities, districts, provinces) as well as loans guaranteed by local government units (commercial companies established by local governments, public health care institutions).

Loans for housing real estate developers — this segment comprises loans for financing of housing development projects (residences or apartments for sale or rent).

Loans for commercial real estate developers — this segment comprises loans for financing of commercial real estate projects that are consistent with the Bank's credit policy.

Loans for land purchase — this segment comprises loans for financing and refinancing the purchase of land for housing real estate development projects.

Loans for individual customers — this segment comprises loans granted to individuals for housing purposes. Segment is in decline, due to discontinuation of sales in the segment since 2004.

Non-allocated items — this position comprises all assets other than loans and advances to customers.

On the basis of the above product segmentation, the profit before tax including all profit and loss positions is determined for each individual operating segment separately.

The main purpose of profit and loss segmentation is to present the profitability of each individual segment of Bank's operations as closely as possible. In order to achieve this, the Bank assigns all direct income such as interest income, fee and commission income as well as impairment write-downs at the loan agreement level. Due to the fact that Bank cannot assign its liabilities to appropriate operating segments at transaction level, the interest costs as well as fee and commission costs are attributed using a scheme described below.

The Bank's refinancing costs are divided into three categories: costs of mortgage covered bonds, costs of public covered bonds and average cost of other refinancing sources (mostly loans and deposits obtained from BRE Bank SA). For each category an average refinancing cost is calculated on basis of margin of each liability in a given category.

The interest and fee and commission costs for loans for local government units segment is calculated on the basis of actual refinancing costs of public covered bonds and part of average cost of other refinancing sources that is attributable to this segment (proportionally to the liabilities refinancing the surplus of JST loans over the value of public covered bonds issued).

The interest and fee and commission costs for other segments is calculated on the basis of actual refinancing costs of mortgage covered bonds and average cost of other refinancing sources that are attributable to the segment, proportionally to the share of segment loans in all loans portfolio (excluding JST loans).

Remaining profit and loss positions are divided between the segments on the basis of the share of segment loans in all loans portfolio, or share of risk weighted assets of segment in all risk weighted assets in case of depreciation and bank overheads. The bank does not allocate the income tax charge to individual segments, accordingly the operating segments profit/loss data is presented on profit before income tax level. Data concerning operating segments is measured by the same principles as those disclosed in the accounting policy.

The division into operating segments described above is the main and only segmentation of Bank's operations. Taking into consideration the fact that the Bank operates only within the territory of the Republic of Poland, the Bank does not use geographic segmentation.

There are no operations between the segments within the Bank.

The segmentation of assets and profit and loss has been made using the information that Bank uses for controlling and management purposes. Assets and income and costs attributable to these assets have been assigned to individual segments. The segment results include all profit and loss positions. Liabilities have not been allocated to individual segments, as it is not presented to the chief operating decision-maker on a regular basis.

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Reporting by operating segments of BRE Bank Hipoteczny S.A.

Period from 01.01.2013 to 30.06.2013 unaudited	Loans for refinancing commercial real estates	Loans for local government units	Loans for housing real estate developers	Loans for commercial real estate developers	Loans for land purchase	Loans for individual customers	Non-allocated items	Total	Income statement
Interest income	75,770	17,103	21,123	6,044	4,049	1,168	-	125,257	125,257
Interest expenses	(45,933)	(17,638)	(15,420)	(3,637)	(2,277)	(1,509)	-	(86,414)	(86,414)
Net interest income	**29,837**	**(535)**	**5,703**	**2,407**	**1,772**	**(341)**	**-**	**38,843**	**38,843**
Fee and commission income	352	26	224	101	3	5	-	711	711
Fee and commission expense	(489)	(91)	(82)	(40)	(12)	(8)	-	(722)	(722)
Net impairment losses on loans and advances	(10,439)	13	(1,843)	(153)	(269)	(5)	-	(12,696)	(12,696)
Depreciation and bank overheads	(16,399)	(654)	(2,752)	(1,339)	(400)	(230)	-	(21,774)	(21,774)
Other income statement items	2,337	93	392	191	57	33	-	3,103	3,103
Segment result (before tax)	**5,199**	**(1,148)**	**1,642**	**1,167**	**1,151**	**(546)**	**-**	**7,465**	**7,465**

Profit before tax for the Bank's operating segments has been presented in line with the income statement, prepared for the purpose of the condensed interim financial statements.

30.06.2013 unaudited	Loans for refinancing commercial real estates	Loans for local government units	Loans for housing real estate developers	Loans for commercial real estate developers	Loans for land purchase	Loans for individual customers	Non-allocated items	Total	Statement of the financial position
Loans and advances to customers	**2,758,799**	**520,049**	**463,890**	**225,662**	**67,441**	**45,723**	**52**	**4,081,616**	**4,081,616**
Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**679,907**	**679,907**	**679,907**
Segment assets	**2,758,799**	**520,049**	**463,890**	**225,662**	**67,441**	**45,723**	**679,959**	**4,761,523**	**4,761,523**

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Period from 01.01.2012 to 30.06.2012 restated unaudited data	Loans for refinancing commercial real estates	Loans for local government units	Loans for housing real estate developers	Loans for commercial real estate developers	Loans for land purchase	Loans for individual customers	Non-allocated items	Total	Income statement
Interest income	77,082	19,747	24,412	9,294	6,541	1,370	-	138,446	138,446
Interest expense	(50,281)	(18,984)	(17,885)	(6,785)	(3,491)	(1,786)	-	(99,212)	(99,212)
Net interest income	**26,801**	**763**	**6,527**	**2,509**	**3,050**	**(416)**	-	**39,234**	**39,234**
Fee and commission income	278	39	289	255	7	6	-	874	874
Fee and commission expense	(457)	(97)	(85)	(58)	(17)	(9)	-	(723)	(723)
Net impairment losses on loans and advances	(4,552)	(1)	431	(245)	344	327	-	(3,696)	(3,696)
Depreciation and bank overheads	(14,188)	(748)	(2,658)	(1,786)	(543)	(214)	-	(20,137)	(20,137)
Other income statement items	123	6	23	15	5	2	-	174	174
Segment result (before tax)	**8,005**	**(38)**	**4,527**	**690**	**2,846**	**(304)**	-	**15,726**	**15,726**

Profit before tax for the Bank's operating segments has been presented in line with the income statement, prepared for the purpose of the condensed interim financial statements.

31.12.2012	Loans for refinancing commercial real estates	Loans for local government units	Loans for housing real estate developers	Loans for commercial real estate developers	Loans for land purchase	Loans for individual customers	Non-allocated items	Total	Statement of the financial position
Loans and advances to customers	2,575,103	561,883	463,978	364,101	96,929	45,849	312	4,108,155	4,108,155
Other assets	-	-	-	-	-	-	701,557	701,557	701,557
Segment assets	2,575,103	561,883	463,978	364,101	96,929	45,849	701,869	4,809,712	4,809,712

30.06.2012	Loans for refinancing commercial real estates	Loans for local government units	Loans for housing real estate developers	Loans for commercial real estate developers	Loans for land purchase	Loans for individual customers	Non-allocated items	Total	Statement of the financial position
Loans and advances to customers	2,600,225	552,597	487,149	327,427	99,554	48,416	-	4,115,368	4,115,368
Other assets	-	-	-	-	-	-	450,920	450,920	450,920
Segment assets	2,600,225	552,597	487,149	327,427	99,554	48,416	450,920	4,566,288	4,566,288

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

5. Net interest income

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
Interest income		
Loans and advances including the unwind of discount relating to impairment allowance, of which:	99,885	114,839
- interest income on impaired loans and advances	4,456	4,779
Cash and short-term deposits	228	262
Investment securities	10,128	8,502
Interest income on derivatives classified into banking book	15,016	14,843
Total interest income	125,257	138,446
Interest expense		
Due to settlements with banks	(7,955)	(14,474)
Due to settlements with customers	(1,218)	(1,824)
Due to the issue of debt securities	(73,655)	(79,684)
Due to subordinated loan	(3,586)	(3,230)
Total interest expense	(86,414)	(99,212)
Total interest income	38,843	39,234

6. Net fee and commission income and expense

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 unaudited
Fee and commission income		
Credit-related fees and commissions	523	670
Commissions from bank accounts	167	182
Commissions from money transfers	21	22
Total fee and commission income	711	874
Fee and commission expense		
Costs related to the debt instrument's issue program (covered bonds and bonds)	(450)	(456)
Other	(272)	(267)
Fee and commission expense	(722)	(723)
Total fee and commission expense	(11)	151

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

7. Net trading income

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
Foreign exchange result	**3,970**	**908**
Net exchange differences on translation	47,924	4,334
Valuation of foreign currency derivatives	(43,954)	(3,426)
Other net trading result	**(87)**	**297**
Interest rate risk instruments	(87)	297
Total net trading income	**3,883**	**1,205**

Foreign exchange result covers realized and unrealized, positive and negative exchange rate differences, as well as valuation of FX, FX SWAP derivatives, whereas the result on other net trading activities includes the effects of changes in the fair value of IRS derivatives.

8. Other operating income

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 unaudited
Income from sales of services	169	267
Income from recovering receivables designated previously as prescribed, remitted or uncollectible	36	15
Other	238	32
Total other operating income	**443**	**314**

9. Net impairment losses on loans and advances

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 unaudited
Establishment of write-downs on loans and advances to customers	(16,857)	(13,902)
Release of write-downs on loans and advances to customers	4,161	10,206
Total net impairment losses on loans and advances	**(12,696)**	**(3,696)**

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

10. Overhead costs

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
Staff-related expenses	(12,488)	(10,912)
Material costs	(5,846)	(5,760)
Contribution and payments to the Bank Guarantee Fund	(808)	(925)
Taxes and fees	(559)	(530)
Contributions to the Social Benefits Fund	(123)	(104)
Total Bank overheads	**(19,824)**	**(18,231)**

Staff-related expenses

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
Wages and salaries	(10,619)	(9,082)
Social security expenses	(1,405)	(1,148)
Provision for unused employee leaves	-	(300)
Other employee benefits	(464)	(382)
Total staff related expenses	**(12,488)**	**(10,912)**

11. Other operating expenses

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 data restated, unaudited
Profit on the sales of assets repossessed for debts (inventories) and costs of their maintenance	(767)	(429)
The costs of execution proceedings	(294)	(119)
Inventories revaluation write-downs	(129)	(640)
Loss on the sales or liquidation of fixed assets and intangible assets	(3)	(85)
Donations made	-	(5)
Other	(30)	(67)
Total other operating costs	**(1,223)**	**(1,345)**

12. Income tax expense

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 unaudited
Current income tax	(3,284)	(5,236)
Deferred income tax	453	2,248
Total income tax expense	**(2,831)**	**(2,988)**

Profit before income tax	**7,465**	**15,726**
Income tax calculated at the rate applicable in a given fiscal year	(1,418)	(2,988)
Non-taxable income	35	1,888
Non-deductible tax costs	(61)	(119)
Costs other than tax deductible expenses – net impairment write-downs on loans and advances	(1,387)	(1,769)
Income tax expense	**(2,831)**	**(2,988)**

Effective tax rate calculation		
Profit before income tax	7,465	15,726
Income tax expense	(2,831)	(2,988)
Effective tax rate	37.92%	19.00%
Nominal tax rate	19%	19%

13. Profit per share

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 30.06.2012 unaudited
Basic:		
Net profit attributable to shareholders of the Bank	4,634	12,738
Weighted average number of ordinary shares (in '000)	2,750	1,750
Basic net profit per share (in PLN per share)	**1.69**	**7.28**
Diluted		
Net profit attributable to shareholders of the Bank, applied during the estimation of diluted profit per share	4,634	12,738
Weighted average number of ordinary shares (in '000)	2,750	1,750
Weighted average number of ordinary shares for diluted profit per share (in '000)	2,750	1,750
Diluted net profit per share (in PLN per share)	**1.69**	**7.28**

ended 30 June 2013 (in PLN '000)

14. Loans and advances to customers

	30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited
Loans and advances to corporate customers	3,763,354	3,733,408	3,685,717
Loans and advances to the public sector	281,128	322,737	349,130
Loans and advances to individual customers	96,024	97,944	104,204
Other receivables	52	312	-
Loans and advances from customers (gross)	4,140,558	4,154,401	4,139,051
Provisions for loan and advances to customer (negative amount)	(58,942)	(46,246)	(23,683)
Loans and advances from customers (net)	4,081,616	4,108,155	4,115,368
Short-term (up to 1 year)	374,497	432,294	222,437
Long-term (more than 1 year)	3,707,119	3,675,861	3,892,931

Movements in provision for loans and advances

unaudited	Provisions as at 01.01.2013	Provisions created	Release of provisions	Release of provisions	Provisions as at 30.06.2013
Corporate customers	(44,936)	(16,551)	3,848	-	(57,639)
Public sector customers	(97)	(4)	17	-	(84)
Individual customers	(1,213)	(302)	296	-	(1,219)
Total movements in provision for loans and advances	(46,246)	(16,857)	4,161	-	(58,942)

	Provisions as at 01.01.2012	Provisions created	Release of provisions	Release of provisions	Provisions as at 31.12.2012
Corporate customers	(30,839)	(39,129)	12,627	12,405	(44,936)
Public sector customers	(110)	(3)	16	-	(97)
Individual customers	(1,442)	(563)	792	-	(1,213)
Total movements in provision for loans and advances	(32,391)	(39,695)	13,435	12,405	(46,246)

unaudited	Provisions as at 01.01.2012	Provisions created	Release of provisions	Loans written-off	Provisions as at 30.06.2012
Corporate customers	(30,839)	(13,670)	9,647	12,405	(22,458)
Public sector customers	(110)		6	-	(104)
Individual customers	(1,442)	(232)	553	-	(1,121)
Total movements in provision for loans and advances	(32,391)	(13,902)	10,206	12,405	(23,683)

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

15. Investment securities

	30.06.2013 unaudited	31.12.2012 data restated	30.06.2012 data restated, unaudited
Debt securities stated at fair value	546,288	566,258	321,466
Quoted, including:	546,288	566,258	321,466
- pledged treasury bills (BFG)	1,200	1,298	1,489
Total investment securities, including:	546,288	566,258	321,466
- Central Bank's bills	468,057	484,828	242,840
- treasury bills	-	298	1,489
- government bonds	78,231	81,132	77,137
Short-term (up to 1 year)	509,407	487,963	244,329
Long-term (more than 1 year)	36,881	78,295	77,137

As at 30.06.2013, treasury bonds with a total nominal value of PLN 55,000 thousand were entered in the covered bonds collateral register as additional collateral for mortgage covered bonds issued. As at 30.06.2012, treasury bonds with a total nominal value of PLN 20,000 thousand have been entered in the covered bonds collateral register as additional collateral for public covered bonds issued.

16. Other assets

	30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited
Other, including:	89,958	90,240	94,234
- inventories	87,719	89,073	91,417
- other prepayments and deferred costs	1,638	683	1,555
- income receivable	270	127	198
- other	331	357	1,064
Total other assets	89,958	90,240	94,234

In the Inventories item, the Bank demonstrates the value of real estate repossessed in order to settle overdue debts.

17. Amounts due to customers

	30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited
Corporate customers:	204,910	178,854	185,668
Cash in current accounts	139,538	123,265	94,932
Term deposits	62,113	54,354	88,401
Other liabilities (in respect of):	3,259	1,235	2,335
- liabilities in respect of cash collateral	2,190	475	1,438
- other	1,069	760	897
Public sector customers:	6	29	142
Other liabilities (in respect of):	6	29	142
- other	6	29	142
Individual customers:	176	150	191
Other liabilities (in respect of):	176	150	191
- liabilities in respect of cash collateral	65	65	65
- other	111	85	126
Total amounts due to customers	205,092	179,033	186,001
Short-term (up to 1 year)	202,837	178,493	185,532
Long-term (more than 1 year)	2,255	540	469

Selected explanatory data

1. Compliance with the International Financial Reporting Standards

The presented financial statements for the first half of 2013 as well as the comparative data as at 30.06.2012 meet the requirements of the International Accounting Standard (IAS) 34 Interim Financial Reporting relating to interim financial statements.

2. Uniformity of accounting principles and estimation methods used during the preparation of the interim financial statements and the most recent annual financial statements

Detailed description of the Bank's accounting principles is contained in Notes 2 and 3 to the condensed interim financial statements for the first half of 2013. Accounting policies adopted by the Bank are applied consistently to all periods presented in the financial statements, including the transformations described in Note 2.25.

3. Seasonality or periodicity of operations

In the first half of 2013 as well as in the presented comparative periods, the Bank's activities were not significantly influenced by seasonal or periodical factors.

4. Type and amounts of items affecting the assets, liabilities, equity, net financial result or cash flows that are unusual due to their nature, size or degree of influence

In the first half of 2013 as well as in the presented comparative periods, the above events did not occur in the Bank.

5. Type and amounts of changes in the estimated amounts reported in the previous interim periods of the current financial year or changes in the estimated amounts reported in the previous financial years, if they significantly affect the current interim period

In the first half of 2013 as well as in the presented comparative periods, no significant changes occurred in the estimated amounts reported in the previous financial periods, except for changes arising from regular credit reviews carried out by the Bank.

6. Issue, repurchases and repayments of debt and equity securities

Issued covered bonds bear floating interest rates with a semi-annual interest coupon. As at 30.06.2013, mortgage covered bonds issued in PLN and EUR as well as public covered bonds issued in PLN are assigned 'A' level by the Fitch Ratings agency.

Receivables secured with mortgage entered as the first position in the land and mortgage register are set up as collateral for mortgage covered bonds. The collateral for public covered bonds are loans, including interest receivable, partly secured with a guarantee or pledge of local government units and loans granted to such local government units. In addition, the basis for the issue of mortgage covered bonds up to 10% of the amount of the Bank's debt claims secured by a mortgage may include:

- the Bank's resources invested in securities issued or guaranteed by the National Bank of Poland (NBP), the European Central Bank, governments or central banks of the Member States of the European Union, the Organization for Economic Co-operation and Development (OCDE), except for countries which restructure or have restructured their foreign debt over the past 5 years, as well as the State Treasury,
- located in the National Bank of Poland (NBP),
- held in cash.

Total nominal value of mortgage covered bonds issued as at:

- 30.06.2013 amounted to PLN 1,848,292 thousand,
- 31.12.2012 amounted to PLN 1,790,882 thousand,
- 30.06.2012 amounted to PLN 1,650,000 thousand.

Total nominal value of public covered bonds issued as at:

- 30.06.2013 amounted to PLN 450,000 thousand,
- 31.12.2012 amounted to PLN 450,000 thousand,
- 30.06.2012 amounted to PLN 500,000 thousand.

The carrying amount of covered bonds issued as at 30.06.2013, 31.12.2012 and 30.06.2012 is presented in the tables below.
The capital value of receivables registered in the register of covered bonds collateral that constitute the collateral for the issue of mortgage covered bonds as at:

- 30.06.2013 amounted to PLN 2,447,336 thousand,
- 31.12.2012 amounted to PLN 2,619,590 thousand,
- 30.06.2012 amounted to PLN 2,529,895 thousand.

In addition, the basis for the issue of mortgage covered bonds as at 30.06.2013 were the treasury bonds with a nominal value of PLN 55,000 thousand. In addition, the basis for the issue of public covered bonds as at 30.06.2012 were the treasury bonds with a nominal value of PLN 20,000 thousand, and as at 31.12.2012 there was no additional collateral regarding the issue of covered bonds.

According to the Act on covered bonds and mortgage banks, the Bank is eligible to refinance mortgage loans not exceeding 60% of the mortgage-banking value of the real estate with the proceeds from issue of covered bonds. The value of loan receivables constituting collateral for the issue of mortgage covered bonds not exceeding 60% of the bank and mortgage value of real estate as at:

- 30.06.2013 amounted to PLN 2,009,133 thousand,
- 31.12.2012 amounted to PLN 2,162,039 thousand,
- 30.06.2012 amounted to PLN 2,009,711 thousand.

As at 30.06.2013, 31.12.2012 and 30.06.2012, the collateral for mortgage covered bonds were loan receivables secured by mortgages on the right of perpetual usufruct or ownership of real estate entered in the first place of land register.
The capital value of receivables registered in the register of covered bonds collateral that constitute the collateral for the issue of public covered bonds as at:

- 30.06.2013 amounted to PLN 521,155 thousand,
- 31.12.2012 amounted to PLN 561,481 thousand,
- 30.06.2012 amounted to PLN 550,219 thousand.

The minimum level of collateral for mortgage covered bonds in trading required by the law is specified as the equivalent of the nominal amount of the issued mortgage covered bonds. The nominal value of public covered bonds quoted on the Regulated Market of Securities maintained by BondSpot SA as part of the CATALYST system as at:

- 30.06.2013 amounted to PLN 450,000 thousand,
- 31.12.2012 amounted to PLN 450,000 thousand,
- 30.06.2012 amounted to PLN 500,000 thousand.

The nominal value of mortgage covered bonds quoted on the Regulated Market of Securities maintained by BondSpot SA as part of the CATALYST system as at:

- 30.06.2013 amounted to PLN 1,848,292 thousand,
- 31.12.2012 amounted to PLN 1,790,882 thousand,
- 30.06.2012 amounted to PLN 1,650,000 thousand.

ended 30 June 2013 (in PLN '000)

Debt securities issued as at 30.06.2013

As at 30.06.2013, unaudited

Debt financial instruments by type	Nominal value	Interest rate as at 30.06.2013	Guarantee/collateral	Redemption date	Amount of liability
Long-term issues (with original maturity over 1 year)					
Covered bonds (PLN)	100,000	3.90%	Public covered bond register	20.09.2013	101,089
Covered bonds (PLN)	200,000	4.31%	Mortgage covered bonds register	21.10.2013	201,581
Covered bonds (PLN)	25,000	4.45%	Mortgage covered bonds register	28.04.2014	25,178
Covered bonds (PLN)	200,000	5.36%	Mortgage covered bonds register	28.07.2014	204,377
Covered bonds (PLN)	100,000	3.93%	Mortgage covered bonds register	28.11.2014	100,275
Covered bonds (PLN)	100,000	3.86%	Mortgage covered bonds register	15.05.2015	100,349
Covered bonds (PLN)	100,000	4.92%	Mortgage covered bonds register	07.07.2015	102,202
Covered bonds (PLN)	100,000	5.26%	Public covered bond register	28.07.2015	102,037
Covered bonds (PLN)	100,000	4.76%	Mortgage covered bonds register	28.09.2015	101,091
Covered bonds (PLN)	100,000	3.87%	Public covered bond register	30.11.2015	100,207
Covered bonds (PLN)	200,000	4.44%	Mortgage covered bonds register	20.04.2016	201,310
Covered bonds (PLN)	150,000	5.19%	Public covered bond register	28.09.2016	151,675
Covered bonds (PLN)	100,000	4.56%	Mortgage covered bonds register	15.11.2016	100,383
Covered bonds (PLN)	200,000	4.59%	Mortgage covered bonds register	20.04.2017	201,244
Covered bonds (PLN)	200,000	3.68%	Mortgage covered bonds register	16.06.2017	199,752
Covered bonds (PLN)	200,000	4.39%	Mortgage covered bonds register	15.06.2018	199,689
Covered bonds (PLN)	80,000	3.69%	Mortgage covered bonds register	21.06.2019	79,954
Covered bonds (EUR)	10.000	2.23%	Mortgage covered bonds register	19.10.2017	43,393
Bonds (PLN)	10.000	3.89%	no collateral	26.08.2013	10,040
Bonds (PLN)	50,000	4.24%	no collateral	28.10.2013	50,357
Bonds (PLN)	30,000	3.71%	no collateral	17.03.2014	30,032
Bonds (PLN)	30,000	4.33%	no collateral	15.04.2014	30,298
Bonds (PLN)	50,000	4.01%	no collateral	16.03.2015	50,034
Short-term issues (with original maturity up to 1 year)					
Bonds (PLN)	30,000	4.40%	no collateral	15.07.2013	30,278
Bonds (PLN)	50,000	4.48%	no collateral	04.10.2013	50,527
Bonds (PLN)	20,000	4.30%	no collateral	21.10.2013	20,174
Bonds (PLN)	30,000	4.00%	no collateral	15.11.2013	30,148
Bonds (PLN)	20,000	3.86%	no collateral	28.11.2013	20,067
Bonds (PLN)	20,000	3.54%	no collateral	09.12.2013	20,040
Bonds (PLN)	50,000	4.47%	no collateral	07.01.2014	50,501
Bonds (PLN)	30,000	4.40%	no collateral	15.01.2014	30,270
Debt securities in issue (carrying amount)					2,738,552

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Debt securities issued as at 31.12.2012

As at 31.12.2012

Debt financial instruments by type	Nominal value	Interest rate as at 31.12.2012	Guarantee/collateral	Redemption date	Amount of liability
Long-term issues (with original maturity over 1 year)					
Covered bonds (PLN)	25,000	6.05%	Mortgage covered bonds register	29.04.2013	25,257
Covered bonds (PLN)	100,000	5.46%	Public covered bond register	20.09.2013	101,508
Covered bonds (PLN)	200,000	5.79%	Mortgage covered bonds register	21.10.2013	202,074
Covered bonds (PLN)	25,000	6.10%	Mortgage covered bonds register	28.04.2014	25,244
Covered bonds (PLN)	200,000	6.55%	Mortgage covered bonds register	28.07.2014	205,353
Covered bonds (PLN)	100,000	5.79%	Mortgage covered bonds register	28.11.2014	100,416
Covered bonds (PLN)	100,000	5.64%	Mortgage covered bonds register	15.05.2015	100,538
Covered bonds (PLN)	100,000	4.92%	Mortgage covered bonds register	07.07.2015	102,710
Covered bonds (PLN)	100,000	6.45%	Public covered bond register	28.07.2015	102,569
Covered bonds (PLN)	100,000	6.31%	Mortgage covered bonds register	28.09.2015	101,460
Covered bonds (PLN)	100,000	5.73%	Public covered bond register	30.11.2015	100,348
Covered bonds (PLN)	200,000	5.92%	Mortgage covered bonds register	20.04.2016	201,839
Covered bonds (PLN)	150,000	6.74%	Public covered bond register	28.09.2016	152,225
Covered bonds (PLN)	100,000	6.20%	Mortgage covered bonds register	15.11.2016	100,311
Covered bonds (PLN)	200,000	6.07%	Mortgage covered bonds register	20.04.2017	201,778
Covered bonds (PLN)	200,000	5.20%	Mortgage covered bonds register	16.06.2017	199,836
Covered bonds (PLN)	200,000	5.91%	Mortgage covered bonds register	15.06.2018	199,780
Covered bonds (EUR)	10.000	2.31%	Mortgage covered bonds register	19.10.2017	40,959
Bonds (PLN)	50,000	6.00%	no collateral	07.01.2013	50,723
Bonds (PLN)	50,000	5.98%	no collateral	15.01.2013	50,637
Bonds (PLN)	10.000	5.71%	no collateral	26.08.2013	10,057
Bonds (PLN)	50,000	5.85%	no collateral	28.10.2013	50,515
Short-term issues (with original maturity up to 1 year)					
Bonds (PLN)	5,000	5.73%	no collateral	15.01.2013	4,989
Bonds (PLN)	15,000	5.75%	no collateral	12.03.2013	14,833
Bonds (PLN)	30,000	5.61%	no collateral	05.04.2013	29,566
Bonds (PLN)	30,000	5.36%	no collateral	15.03.2013	30,063
Bonds (PLN)	75,000	5.11%	no collateral	18.03.2013	75,149
Bonds (PLN)	25,000	5.70%	no collateral	24.05.2013	25,135
Bonds (PLN)	75,000	5.31%	no collateral	17.06.2013	75,145
Bonds (PLN)	40,000	5.30%	no collateral	20.06.2013	40,060
Bonds (PLN)	30,000	5.93%	no collateral	15.07.2013	30,372
Bonds (PLN)	50,000	5.19%	no collateral	04.10.2013	50,704
Bonds (PLN)	30,000	5.74%	no collateral	15.11.2013	30,203
Bonds (PLN)	20,000	5.62%	no collateral	28.11.2013	20,089
Debt securities in issue (carrying amount)					2,852,445

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Debt securities issued as at 30.06.2012

As at 30.06.2012, unaudited

Debt financial instruments by type	Nominal value	Interest rate as at 30.06.2012	Guarantees/collaterals	Redemption date	Amount of liability
Long-term issues (with original maturity over 1 year)					
Covered bonds (PLN)	100,000	5.16%	Public covered bond register	27.07.2012	102,153
Covered bonds (PLN)	200,000	5.26%	Public covered bond register	28.09.2012	202,694
Covered bonds (PLN)	100,000	5.47%	Public covered bond register	20.09.2013	101,489
Covered bonds (PLN)	25,000	6.26%	Mortgage covered bonds register	29.04.2013	25,249
Covered bonds (PLN)	25,000	6.31%	Mortgage covered bonds register	28.04.2014	25,237
Covered bonds (PLN)	200,000	6.41%	Mortgage covered bonds register	28.07.2014	205,099
Covered bonds (PLN)	100,000	6.32%	Mortgage covered bonds register	28.09.2015	101,431
Covered bonds (PLN)	100,000	6.36%	Mortgage covered bonds register	28.11.2014	100,436
Covered bonds (PLN)	100,000	6.30%	Public covered bond register	30.11.2015	100,369
Covered bonds (PLN)	200,000	6.11%	Mortgage covered bonds register	20.04.2016	201,885
Covered bonds (PLN)	100,000	6.10%	Mortgage covered bonds register	15.05.2015	100,560
Covered bonds (PLN)	200,000	6.12%	Mortgage covered bonds register	16.06.2017	199,886
Covered bonds (PLN)	100,000	5.87%	Mortgage covered bonds register	07.07.2015	102,570
Covered bonds (PLN)	200,000	5.98%	Mortgage covered bonds register	21.10.2013	201,986
Covered bonds (PLN)	200,000	6.26%	Mortgage covered bonds register	20.04.2017	201,828
Covered bonds (PLN)	200,000	6.83%	Mortgage covered bonds register	15.06.2018	199,838
Bonds (PLN)	50,000	6.19%	no collateral	30.11.2012	50,273
Bonds (PLN)	50,000	6.04%	no collateral	07.01.2013	50,706
Bonds (PLN)	50,000	6.04%	no collateral	15.01.2013	50,614
Short-term issues (with original maturity up to 1 year)					
Bonds (PLN)	60,000	6.10%	no collateral	16.11.2012	60,440
Bonds (PLN)	50,000	5.99%	no collateral	05.10.2012	50,707
Bonds (PLN)	50,000	5.99%	no collateral	15.10.2012	50,615
Bonds (PLN)	50,000	5.99%	no collateral	26.10.2012	50,524
Bonds (PLN)	30,000	6.22%	no collateral	15.03.2013	30,070
Bonds (PLN)	25,000	6.19%	no collateral	24.05.2013	25,145
Bonds (PLN)	40,000	6.21%	no collateral	20.06.2013	40,055
Bonds (PLN)	30,000	5.68%	no collateral	24.08.2012	29,747
Debt securities in issue (carrying amount)					2,661,606

Condensed interim financial statements for the period of 6 months ended 30 June 2013 (in PLN '000)

Movements in the balance of debt securities issued

	Period from 01.01.2013 to 30.06.2013 unaudited	Period from 01.01.2012 to 31.12.2012	Period from 01.01.2012 to 30.06.2012 unaudited
As at the beginning of the period	**2,852,445**	**2,488,440**	**2,488,440**
Increase (due to)	385,219	1,715,506	853,036
- issue	310,000	1,556,034	775,000
- accrued interest	72,809	159,472	78,036
- foreign exchange differences	2,410	-	-
Decrease (due to)	(499,112)	(1,351,501)	(679,870)
- redemption	(420,000)	(1,199,000)	(609,000)
- interest repayment	(79,112)	(152,348)	(70,870)
- currency translation differences	-	(153)	-
At the end of the period	**2,738,552**	**2,852,445**	**2,661,606**
Short-term (up to 1 year)	715,260	936,563	818,994
Long-term (more than 1 year)	2,023,292	1,915,882	1,842,612

Fixed rate debt securities issued	-	49,388	29,747
Floating rate debt securities issued	2,738,552	2,803,057	2,631,859

7. Paid out (or declared) dividends in total or per share, divided into ordinary shares and other shares

The Bank does not plan to pay out dividends for 2013 and did not pay out dividends for 2012.

8. Significant events occurring after the end of the first half of 2013 which were not reflected in the condensed interim financial statements

On 26.07.2013, BRE Bank Hipoteczny S.A. performed a 7-year public issue of mortgage covered bonds with a fixed interest rate coupon of the total nominal value of EUR 30,000 thousand.

The above event has no impact on the financial data presented in the condensed interim financial statements.

9. Effects of changes in the entity's structure in the first half of 2013, including business combinations, acquisitions or sales of subsidiary undertakings and long-term investments, restructuring and discontinued operations

Pursuant to Resolution No. 13/2013 of the Management Board of BRE Bank Hipoteczny S.A. dated 12.03.2013, capital contribution was made in the amount of PLN 650 thousand in Bankowy Dom Hipoteczny Sp. z o.o. (a 100% subsidiary of BRE Bank Hipoteczny S.A.) The capital contribution was included in the Bank's books as an increase in the number of shares in Bankowy Dom Hipoteczny Sp. z o.o.

10. Changes in contingent liabilities

In the first half of 2013 as well as in the presented comparative periods, no significant changes occurred in relation to off balance sheet liabilities of a loan nature, i.e. guarantees, letters of credit or unused loan amounts, not resulting from the Bank's ongoing operations.

11. Write-downs on inventories to the net realizable value and the reversal of such write-downs

The Bank verified the valuation of repossessed real estate and created an inventory impairment write-down in the amount of PLN 129 thousand in the first half of 2013, and in the amount of PLN 640 thousand in the first half of 2012.

12. Creating revaluation write-downs in relation to the impairment of tangible fixed assets, intangible assets or other assets, as well as reversal of such write-downs

In the first half of 2013 as well as in the presented comparative periods, the above events did not occur in the Bank.

13. Creating revaluation write-downs in relation to the impairment of financial assets

Data regarding write-downs related to the impairment of financial assets is presented in Note 9 of these condensed interim financial statements.

14. Reversal of provisions for restructuring costs

In the first half of 2013 as well as in the presented comparative periods, the above events did not occur in the Bank.

15. Acquisitions and disposals of tangible fixed assets

In the first half of 2013 as well as in the presented comparative periods, no significant acquisitions or disposals occurred in relation to tangible fixed assets.

16. Significant obligations on behalf of the purchase of tangible fixed assets

In the first half of 2013 as well as in the presented comparative periods, none of the above events occurred in the Bank.

17. Changes in the classification of financial assets due to the change of their purpose or use

In the first half of 2013 as well as in the presented comparative periods, none of the above changes occurred in the Bank.

18. Adjustments of errors from the previous periods

In the first half of 2013 as well as in the presented comparative periods, no adjustments of errors from the previous periods occurred.

19. Failure to repay or breach of a loan agreement and failure to undertake corrective actions

In the first half of 2013 as well as in the presented comparative periods, none of the above events occurred in the Bank.

20. Registered share capital

Total number of ordinary shares as at 30.06.2013 amounted to 2,750 thousand with a nominal value of PLN 100 per share (as at 31.12.2012: 2,750 thousand shares with a nominal value of PLN 100 each; as at 30.06.2012: 1,750 thousand shares with a nominal value of PLN 100 each). All issued shares have been fully paid up.

REGISTERED SHARE CAPITAL

REGISTERED SHARE CAPITAL (STRUCTURE)						
Series/issue in thousands	Type of shares	Number of shares in thousands	Value of series/issue nominal value in PLN '000	Method of covering share capital	Registration date	Right to dividend
500 A series shares	registered	500	A series 50,000	cash	16.04.1999	01.01.2000
850 B series shares	registered	850	B series 85,000	cash	20.09.2000	01.01.2001
400 C series shares	registered	400	C series 40,000	cash	24.04.2006	01.01.2006
D series 1,000	registered	1,000	D series 100,000	cash	08.01.2013	01.01.2013

On 08.01.2013, new amount of share capital of BRE Bank Hipoteczny S.A. was entered in the National Court Register (KRS) subject to new issue. As at 31.12.2012, total inflow from the new issue of shares amounting to PLN 100,000 thousand was presented as a separate item in the statement of financial position: Paid registered capital.

21. Statement of changes in the ownership of the Bank's shares as well as rights to these shares (options) owned by managing and supervising persons

As at the date of submission of report for the first half of 2013 and as at the end of the previous periods presented in the financial statements, Members of the Management Board do not and did not possess options for the Bank's shares.

In the first half of 2013 as well as in the presented comparative periods, Members of the Bank's Supervisory Board did not possess the Bank's shares or options for the Bank's shares.

22. Litigation pending before a court, an appropriate arbitration authority or a public administration authority

In the first half of 2013 as well as in the presented comparative periods, the Bank did not conduct any proceedings before a court, an appropriate arbitration authority or public administration authority which would have an impact on the Bank's financial position.
As at 31.12.2012, proceedings were conducted before the District Court in Warsaw (20th Commercial Division) regarding the return of a commission fee for the early repayment of loan. On 31.12.2012, the Bank created a provision of PLN 189 thousand in connection with the proceedings. On 15.05.2013, an agreement was signed under which the Bank paid out the amount of PLN 150 thousand from the provision, and the remaining amount of the provision, i.e. PLN 39 thousand, was resolved.

23. Related party transactions

BRE Holding Sp. z o.o. is the direct parent of BRE Bank Hipoteczny SA. BRE Bank SA is the parent of BRE Holding Sp. z o.o. Commerzbank AG is the ultimate parent company. Commerzbank AG is the direct parent of BRE Bank SA. Bankowy Dom Hipoteczny Sp. z o.o. is the direct subsidiary of BRE Bank Hipoteczny SA.

All transactions between the Bank and related entities were, according to the Management Board, typical and routine transactions concluded on arm's length terms, and their nature and terms resulted from the current operating activities conducted by the Bank. Related-party transactions carried out as a part of normal operating activities include primarily: loans, deposits and derivative transactions.

Values of the transactions, i.e. balances of receivables and liabilities, as well as the related costs and revenues as at 30.06.2013, 31.12.2012 and 30.06.2012, are summarised below:

(PLN '000)	BRE Bank Group companies*			Bankowy Dom Hipoteczny Sp. z o.o.			BRE Bank S.A.			Commerzbank AG		
At the end of the period	30.06.201 unaudited	31.12.2012	30.06.2012 unaudited	30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited	30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited	30.06.2013 unaudited	31.12.2012	30.06.2012 unaudited
Statement of the financial position												
Assets	-	-	-	-	-	-	15,183	15,347	6,025		6,056	2,803
Liabilities	-	-	-	729	47	58	1,282,920	1,272,894	1,302,981	23,701	350	6,038
Income statement												
Interest income	-	-	-	-	-	-	5,348	13,992	6,364	9,671	16,754	6,159
Interest expense	-	-	-	-	-	-	(11,540)	(30,515)	(17,704)	-	-	-
Fee and commission expenses	(19)	(78)	(39)	-	-	-	-	-	-	-	-	-
Net trading income				-	-	-	(15,225)	3,876	2,082	(28,078)	(1,278)	(9,990)
Other operating income				-	-	-	73	-	-	-	-	-
Other operating costs	(20)	(40)	-	-	(31)	-		-	-	-	-	-
Overhead costs	(216)	(152)	-	-	-	-	(65)	-	-	-	-	-
Contingent liabilities												
Liabilities received	-	-	-	-	-	-	220,128	218,958	219,997	-	-	-
Derivatives (purchase, sales)												
IRS contracts	-	-	-	-	-	-	1,143,044	960,000	300,000	17,317	16,353	17,045
FX SWAP contracts	-	-	-	-	-	-	820,625	575,823	594,680	1,134,640	1,006,260	980,863

The item "BRE Bank Group subsidiaries" includes transactions with the following BRE Bank Group subsidiaries: BRE Centrum Operacji Sp. z o.o., BRE Corporate Finance SA, BRE Leasing Sp. z o.o., BRE.lokum SA, Dom Inwestycyjny BRE Banku S.A.

Remuneration of Members of the Management Board and the Supervisory Board

Gross remuneration of Members of the Management Board of BRE Bank Hipoteczny S.A. for the first half of 2013 amounted to PLN 1,023 thousand (remuneration for the first half of 2012 amounted to PLN 1,038 thousand).

Total bonus for Members of the Management Board for 2012 paid out in the first half of 2013 years amounted to PLN 135 thousand (bonus for 2011 paid out in the first half of 2012 amounted to PLN 702 thousand).

In the first half of 2013, due to the completion of the term of office by one of the Members of the Management Board, severance pay was executed in the amount of PLN 1,296 thousand.

Gross remuneration of Members of the Supervisory Board of BRE Bank Hipoteczny S.A. for the first half of 2013 totalled PLN 18 thousand (only one Member of the Supervisory Board received remuneration), while remuneration for the first half of 2012 amounted to PLN 27 thousand (remuneration for the first quarter of 2012 was received by two Members of the Supervisory Board, and remuneration for the second quarter of 2012 was paid to one Member of the Supervisory Board).

24. Granted loan sureties, loans or guaranties amounting to over 10% of equity

In the first half of 2013 as well as in the presented comparative periods, the above events did not occur in the Bank.

25. Other information considered by the Issuer as important in the assessment of the Issuer's personnel, asset and financial standing, financial result and changes to such items, as well as information relevant for the assessment of the Issuer's ability to fulfil its obligations

On 29.04.2013, the Supervisory Board of BRE Bank Hipoteczny S.A. appointed the Management Board of BRE Bank Hipoteczny S.A. composed of the following members for a joint three-year term of office:

1. Piotr Cyburt — President of the Management Board,
2. Marcin Romanowski — Member of the Management Board,
3. Marcin Wojtachnio — Member of the Management Board.

On 29.04.2013, the General Meeting of Shareholders of BRE Bank S.A. appointed Mr Dariusz Solski a Member of the Supervisory Board of BRE Bank Hipoteczny S.A.

On 29.04.2013, the Supervisory Board of BRE Bank Hipoteczny S.A., acting under section 26 paragraph 8) of the Bank's Memorandum of Association, appointed Ernst & Young Audit Sp. z o.o. an auditor of financial statements of the Bank for the 2013.

In connection with the above decision of the Supervisory Board, the Bank concluded an agreement with Ernst & Young Audit Sp. z o.o. for the period of two years, i.e. 2013 and 2014.

Ernst & Young Audit Sp. z o.o. (with its registered office in Warsaw at Rondo ONZ 1, 00-124) is a registered auditor no. 130 authorised to audit financial statements.

In the previous years, the Bank did not cooperate with Ernst & Young Audit Sp. z o.o. with regard to audit services.

Warsaw, 05.08.2013

Signatures:

President of the Management Board
Piotr Cyburt

Member of the Management Board
Marcin Romanowski

Member of the Management Board
Marcin Wojtachnio

Person responsible for bookkeeping
Milena Zwolińska-Grabowicz