



Consolidated interim financial report
of the Alior Bank Spółka Akcyjna Group
for the first half of 2014

Selected financial data from the consolidated financial statements

	in PLN'000			
	1.01.2014 - 30.06.2014	1.01.2013- 31.12.2013	1.01.2013- 30.06.2013 Restated amounts	% (A-C)/C
	A	B	C	D
Net interest income	575 130	998 561	461 725	24.6%
Net fee and commission income	167 386	275 178	115 736	44.6%
Trading result & other	141 113	266 288	145 758	-3.2%
Impairment losses	-247 151	-404 981	-160 251	54.2%
General administrative expenses	-448 926	-847 358	-401 388	11.8%
Gross profit	187 552	287 688	161 580	16.1%
Net profit	151 285	227 902	128 442	17.8%
Total net cash flow	23 263	-90 015	-554 978	-
Loans and advances to customers	21 882 525	19 657 900	17 369 735	26.0%
Customer deposits	21 417 742	20 842 462	19 051 608	12.4%
Total equity	2 822 453	2 184 732	2 063 501	36.8%
Total assets	27 124 461	25 549 871	22 822 205	18.9%
Ratios				
Earnings/losses per share (PLN)	2.17	3.58	2.02	7.4%
Capital adequacy ratio*	13.1%	12.1%	12.8%	2.3%
Tier 1*	11.5%	10.3%	10.8%	6.5%

* Tier 1 ratio and capital adequacy ratio on 30 June 2014 were calculated in accordance with the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ("CRR"). The both ratios at the end of December 2013 and June 2013 were calculated in accordance with the requirements of Article 128 of the Polish Banking Law dated August 29, 1997 with further amendments.

	in EUR'000			
	1.01.2014 - 30.06.2014	1.01.2013 - 31.12.2013	1.01.2013 - 30.06.2013 Restated amounts	% (A-C)/C
	A	B	C	D
Net interest income	137 644	237 132	109 571	25.6%
Net fee and commission income	40 060	65 347	27 465	45.9%
Trading result & other	33 772	63 236	34 589	-2.4%
Impairment losses	-59 150	-96 172	-38 029	55.5%
General administrative expenses	-107 440	-201 225	-95 252	12.8%
Gross profit	44 886	68 318	38 344	17.1%
Net profit	36 206	54 121	30 480	18.8%
Total net cash flow	5 567	-21 376	-131 700	-
Loans and advances to customers	5 259 085	4 740 041	4 012 227	31.1%
Customer deposits	5 147 382	5 025 671	4 400 723	17.0%
Total equity	678 328	526 797	476 647	42.3%
Total assets	6 518 893	6 160 752	5 271 691	23.7%

Ratios

Earnings/losses per share (EUR)	0.52	0.85	0.48	8.3%
Capital adequacy ratio	13.1%	12.1%	12.8%	2.3%
Tier 1	11.5%	10.3%	10.8%	6.5%

* Tier 1 ratio and capital adequacy ratio on 30 June 2014 were calculated in accordance with the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ("CRR"). The both ratios at the end of December 2013 and June 2013 were calculated in accordance with the requirements of Article 128 of the Polish Banking Law dated August 29, 1997 with further amendments.

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

a) as at 30.06.2014

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 30.06.2014 – 4.1609;

- income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.1784.

b) as at 31.12.2013

- balance sheet items – at the average EUR exchange rate expressed in PLN, announced by the NBP as at 31.12.2013 – 4.1472;

- income statement and the cash flow statement items – at the average EUR exchange rate expressed in PLN, constituting the arithmetic mean of the average exchange rates announced by the NBP, valid at the end of each month – 4.2110;

c) as at 30.06.2013

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

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

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Interim condensed consolidated financial statements

Consolidated income statement

	Note	1.04.2014 - 30.06.2014	1.01.2014 - 30.06.2014	1.04.2013 - 30.06.2013 Restated amounts	1.01.2013 - 30.06.2013 Restated amounts
Interest income		429 417	821 428	369 657	746 127
Interest expense		-125 341	-246 298	-129 783	-284 402
Net interest income	4	304 076	575 130	239 874	461 725
Dividend income		2	2	5	5
Fee and commission income		138 637	263 918	114 839	218 989
Fee and commission expense		-54 820	-96 532	-54 598	-103 253
Net fee and commission income	5	83 817	167 386	60 241	115 736
Trading result	6	65 167	120 965	78 320	127 233
Net gain (realized) on other financial instruments	7	2 181	2 170	5 589	6 961
Other operating income		14 480	26 045	15 433	24 820
Other operating costs		-3 434	-8 069	-4 710	-13 261
Net other operating income	8	11 046	17 976	10 723	11 559
General administrative expenses	9	-233 977	-448 926	-203 615	-401 388
Impairment losses	10	-129 870	-247 151	-86 715	-160 251
Gross profit		102 442	187 552	104 422	161 580
Income tax	11	-19 457	-36 267	-20 575	-33 138
Net profit from continuing operations		82 985	151 285	83 847	128 442
<i>attributable to equity holders of the parent</i>		<i>83 233</i>	<i>151 635</i>	<i>83 847</i>	<i>128 442</i>
<i>attributable to non-controlling interests</i>		<i>-248</i>	<i>-350</i>	<i>0</i>	<i>0</i>
Net profit attributable to equity holders of the parent		83 233	151 635	83 847	128 442
Weighted average number of ordinary shares		69 941 261	69 941 261	63 582 965	63 582 965
Net profit per share (in PLN)	12	1.19	2.17	1.32	2.02
Diluted earnings per share (in PLN)	12	1.14	2.07	1.25	1.92

Consolidated statement of comprehensive income

	1.04.2014 - 30.06.2014	1.01.2014 - 30.06.2014	1.04.2013 - 30.06.2013 Restated amounts	1.01.2013 - 30.06.2013 Restated amounts
Net profit	82 985	151 285	83 847	128 442
Other taxable comprehensive income	20 345	22 859	-33 706	-42 470
Net gains/losses on financial assets available for sale	5 384	7 612	-24 963	-33 727
Profit/loss on valuation of financial assets available for sale	6 647	9 397	-30 818	-41 638
Deferred tax	-1 263	-1 785	5 855	7 911
Net gains/losses on hedging instruments	14 961	15 247	-8 743	-8 743
Profit/loss on valuation of hedging instruments	18 470	18 823	-10 794	-10 794
Deferred tax	-3 509	-3 576	2 051	2 051
Total comprehensive income, net	103 330	174 144	50 141	85 972
holders of the parent	103 578	174 494	50 141	85 972
non-controlling shareholders	-248	-350	0	0

The notes presented on pages 11-61 are an integral part of these condensed interim consolidated financial statements.

Consolidated statement of financial position

ASSETS	Note	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Cash and balances with the Central Bank	13	1 057 413	1 067 227	721 980
Financial assets held for trading	21	284 808	243 291	265 384
Financial assets available for sale	14	2 784 204	3 388 525	3 446 706
Hedging derivatives	23	15 671	12 099	476
Amounts due from banks	16	305 948	254 199	169 520
Loans and advances to customers	15	21 882 525	19 657 900	17 369 735
Property, plant and equipment		204 248	215 121	206 866
Intangible assets		190 006	188 050	167 406
Non-current asset held for sale		38 335	38 335	62 298
Income tax asset		145 169	143 793	129 494
<i>Current</i>		0	0	4 120
<i>Deferred</i>		145 169	143 793	125 374
Other assets	17	216 134	341 331	282 340
TOTAL ASSETS		27 124 461	25 549 871	22 822 205

LIABILITIES AND EQUITY	Note	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Financial liabilities held for trading	21	225 988	184 090	156 717
Financial liabilities measured at amortized cost	18	22 982 887	21 660 435	19 590 714
Hedging derivatives	23	0	0	11 300
Provisions	19	7 907	10 574	5 251
Other liabilities	20	717 583	1 129 270	639 558
Income tax liabilities		18 681	31 949	2 761
<i>Current</i>		18 681	31 949	2 761
Subordinated loans	24	348 962	348 821	352 403
Total liabilities		24 302 008	23 365 139	20 758 704
Equity	25	2 822 453	2 184 732	2 063 501
Equity attributable to equity holders of the parent		2 820 193	2 184 732	2 063 501
Share capital		699 413	635 830	635 830
Supplementary capital		1 773 494	1 434 713	1 434 713
Revaluation reserve		6 082	-16 777	-31 694
Other reserves		179 765	176 792	169 938
Undistributed result from previous years		9 804	-273 728	-273 728
Current year profit		151 635	227 902	128 442
Non-controlling interests		2 260	0	0
TOTAL LIABILITIES AND EQUITY		27 124 461	25 549 871	22 822 205

The notes presented on pages 11-61 are an integral part of these condensed interim consolidated financial statements.



Consolidated statement of changes in equity

1.01.2014 - 30.06.2014	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed result from previous years	Current year profit	Non-controlling interests	Total equity
As at 1 January 2014	635 830	1 434 713	176 792	-16 777	-273 728	227 902	-	2 184 732
Transfer of the previous year result	-	-	-	-	227 902	-227 902	-	0
Comprehensive income	-	-	-	22 859	-	151 635	-350	174 144
Share-based payments	-	-	3 132	-	-	-	-	3 132
Share issue	63 583	394 412	-	-	-	-	-	457 995
Covering of losses	-	-55 630	-	-	55 630	-	-	0
Sale of subsidiary	-	-1	-	-	-	-	-	-1
Non-controlling interest arising on business combination	-	-	-	-	-	-	3 048	3 048
Acquisition of non-controlling interest	-	-	-159	-	-	-	-438	-597
As at 30 June 2014	699 413	1 773 494	179 765	6 082	9 804	151 635	2 260	2 822 453

1.01.2013 - 31.12.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed result from previous years	Current year profit	Total equity
As at 1 January 2013 - validated data	635 830	1 276 611	163 377	10 776	-14 305	174 063	2 246 352
As at 1 January 2013 - restated amounts	635 830	1 276 611	163 377	10 776	-176 754	61 130	1 970 970
Transfer of the previous year result	-	-	-	-	61 130	-61 130	0
Comprehensive income	-	-	-	-27 553	-	227 902	200 349
Share-based payments	-	-	13 415	-	-	-	13 415
Distribution of prior year result	-	158 102	-	-	-158 102	-	0
Other changes in equity	-	-	-	-	-2	-	-2
As at 31 December 2013	635 830	1 434 713	176 792	-16 777	-273 728	227 902	2 184 732



(in PLN thousands)

1.01.2013 - 30.06.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed result from previous years	Current year profit	Total equity
As at 1 January 2013 - validated data	635 830	1 276 611	163 377	10 776	-14 305	174 063	2 246 352
As at 1 January 2013 - restated amounts	635 830	1 276 611	163 377	10 776	-176 754	61 130	1 970 970
Przeniesienie wyniku roku ubiegłego	-	-	-	-	61 130	-61 130	0
Comprehensive income	-	-	-	-42 470	-	128 442	85 972
Share-based payments	-	-	6 561	-	-	-	6 561
Distribution of prior year result	-	158 102	-	-	-158 102	-	0
Other changes in equity	-	-	-	-	-2	-	-2
As at 30 June 2013	635 830	1 434 713	169 938	-31 694	-273 728	128 442	2 063 501

The notes presented on pages 11-61 are an integral part of these condensed interim consolidated financial statements.

Consolidated cash flow statement

	Note	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Operating activities			
Net profit		151 285	128 442
Adjustments:		-481 309	-634 702
Unrealized foreign exchange gains/losses		-156	7 164
Income tax presented in the income statement		36 267	33 138
Amortization/depreciation of tangible and intangible assets		39 276	36 929
Change in tangible and intangible assets impairment write-down		7	-25
Change in provisions		-2 667	-7 298
Gains (loss) on disposal of subsidiaries		-13	0
Interest (financial activity)	22.2	12 798	14 537
Share-based payments		3 133	6 561
Other adjustments		0	-2
Change in loans and receivables	22.3	-2 242 666	-3 073 135
Change in financial assets available for sale		604 321	874 041
Change in financial assets held for trading		-41 517	-91 678
Change in hedging asset derivatives		-3 572	-476
Change in other assets	22.5	125 457	82 747
Change in deposits		240 970	1 306 472
Change in issued debt		346 605	202 183
Change in financial liabilities held for trading		41 898	27 610
Change in hedging liability derivatives		0	11 300
Change in other liabilities	22.4	414 823	-26 747
Income tax paid		-56 273	-38 023
Net cash flow from operating activities		-330 024	-506 260
Investing activities			
Outflows:		-29 393	-32 454
Purchase of property, plant and equipment		-13 104	-11 833
Purchase of intangible assets		-16 289	-20 621
Inflows:		12	0
Disposal of subsidiaries		12	0
Net cash flow from investing activities		-29 381	-32 454
Financing activities			
Outflows:		-74 730	-16 264
Repayment of long-term liabilities		-74 730	-16 264
Inflows:		457 398	0
Inflows from share issue		457 995	0
Acquisition of non-controlling interest		-597	0
Net cash flow from financing activities		382 668	-16 264
Total net cash flow		23 263	-554 978
<i>incl. exchange gains/(losses)</i>		<i>2 166</i>	<i>6 926</i>
Balance sheet change in cash and cash equivalents		23 263	-554 978
Cash and cash equivalents, opening balance		1 251 673	1 352 685
Cash and cash equivalents, closing balance	22.1	1 274 936	797 707
Additional disclosures on operating cash flows			
Interest income received		825 976	674 448
Interest expense paid		-241 095	-287 960

The notes presented on pages 11-61 are an integral part of these condensed interim consolidated financial statements.

Notes to the consolidated financial statements

1. Information about the Bank and the Group

1.1 General information

Alior Bank Spółka Akcyjna ("the Bank", "the Parent Company") is the parent company of the Alior Bank Spółka Akcyjna Group ("the Group"). The Bank, with its seat in Warsaw, ul. Łopuszańska 38D, was entered in the register of businesses maintained by the District Court for the Capital City of Warsaw, 13th Business Department of the National Court Register under the number KRS 0000305178. The parent company was assigned a tax identification number NIP: 107-001-07-31 and the statistical number REGON: 141387142.

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

1.2 Duration and scope of business activities

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

Alior Bank SA is a universal lending and deposit-taking bank which renders services to individuals, legal persons and other entities which are Polish and foreign persons. The Bank's core activities include maintaining bank accounts, granting loans and advances, issuing banking securities and purchasing and selling foreign currency. The Group also conducts brokerage activities, consulting and financial agency services and renders other financial services. The information on companies belonging to the Group is presented in point 1.4. of this Section. As stated in the Memorandum of Association, Alior Bank operates on the territory of the Republic of Poland and in the European Economic Area. However, the Bank mainly provides services to customers from Poland. The share of foreign customers in the total number of the Bank's customers is negligible.

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

As at 30 June 2014, the composition of the Bank's Management Board was as follows:

- | | |
|-----------------------|-----------------------------|
| • Wojciech Sobieraj | President of the Board |
| • Krzysztof Czuba | Vice-President of the Board |
| • Michał Hucal | Vice-President of the Board |
| • Witold Skrok | Vice-President of the Board |
| • Katarzyna Sułkowska | Vice-President of the Board |

In the period from 1 January 2014 to 30 June 2014, there was a change in the composition of the Bank's Management Board. On 9 April 2014, Mr Niels Lundorff and Mr Artur Maliszewski resigned from applying for selection as Management Board members for the next 3-year term of office, which began on 21 April 2014. At the same time, on 9 April 2014, the Supervisory Board passed a resolution to appoint the following persons as Management Board members for the next term of office:

Mr Wojciech Sobieraj as President of the Bank's Management Board;
Mr Krzysztof Czuba as Vice-President of the Bank's Management Board;
Mr Michał Hucal as Vice-President of the Bank's Management Board;
Mr Witold Skrok as Vice-President of the Bank's Management Board;
Ms Katarzyna Sułkowska as Vice-President of the Bank's Management Board.

As at 1 January 2014, the composition of the Bank's Management Board was as follows:

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

As at 30 June 2014, the composition of the Bank's Supervisory Board was as follows:

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

On 23 January 2014, the Extraordinary General Meeting of the Bank introduced changes in the composition of the Bank's Supervisory Board and appointed Mr Sławomir Dudzik as its member.

As at 1 January 2014, the composition of the Bank's Supervisory Board was as follows:

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

1.4 Information about the Alior Bank S.A. Group

As at 30 June 2014, the Alior Bank S.A. Group is composed of the following companies: Alior Bank S.A. as the parent company and 3 subsidiaries in which the Bank holds majority interests. In the reporting period, changes were introduced in the structure of the Alior Bank S.A. Group.

On obtaining approval from the Polish Financial Supervision Authority in February 2014 for Alior Bank S.A. to acquire directly the shares in Money Makers S.A. in an amount resulting in exceeding 50% of votes at the general meeting:

- on 26 February 2014, Alior Bank S.A. concluded a contract with Money Makers S.A. for the acquisition of 3 550 000 new registered F-series shares, at the same time making the payment of the issue price;
- on 13 March 2014, the capital increase at Money Makers S.A. by issuing registered F-series shares was registered at the National Court Register;
- on 14 March 2014, the terms resulting in the acquisition of shares from one of the former shareholders were executed;
- on 6 May 2014, Money Makers S.A. took over the management of Alior SFIO subfunds, which were formerly managed by Ipopema Asset Management.

As a result of the above, Alior Bank obtained 57.6% of the total number of votes at the General Meeting of Money Makers S.A., and on 1 April 2014, Alior Bank introduced two of its representatives to the three-man Supervisory Board of Money Makers S.A., thus obtaining the majority vote in it.

Moreover, in previous reporting periods, the Bank consolidated the results of the following companies: Alior Instytut Szkoleń Sp. z o.o. and Obrót Wierzytelnościami Alior Polska Sp. z o.o. S.K.A. On 5 March 2014, a contract was concluded for the sale of 100% of shares in Alior Instytut Szkoleń Sp. z o.o. (currently Alior Instytut Biznesu Sp. z o.o.). On 18 June 2014, a contract was concluded for the sale of 100% of shares in Obrót Wierzytelnościami Alior Polska Sp. z o.o. S.K.A.

The consolidated financial statements comprise the financial statements of the Bank and the financial statements of the following entities. The Bank evaluated its exercise of control in accordance with the provisions of IFRS 10 and defined its status as a parent company towards the companies listed below. All subsidiaries are consolidated under the acquisition accounting method.

1. Centrum Obrotu Wierzytelnościami Alior Raty spółka z ograniczoną odpowiedzialnością S.K.A. is a company whose main aim is to trade in receivables purchased from the Bank.
2. Alior Services Sp. z o.o. (previously Alior Raty sp. z o.o. – the change of the company's name was registered on 23 May 2014) is a company formed on 3 February 2012. As of 31 October 2013, the company discontinued its operations within the scope of providing financial intermediation services.
In January 2014, the Management Board of Alior Bank S.A. made a decision that the Company will continue in operation in business areas other than before.

- The Company's objectives:
 1. using sales opportunities for products and non-financial services;
 2. extending and making more attractive the offer for Private Banking customers in order to strengthen the competitive position.
- The Company's operations:
 1. seeking out and gaining external partners for cooperation in offering non-banking services;
 2. arranging business relationships for clients and external partners.
- The planned revenues of the company comprise commission for intermediation in non-banking services.

The company also continues operations within the scope of meeting the obligations towards customers under the contract with TU Ergo Hestia.

3. Money Makers S.A. is a company the activities of which focus on services related to asset management. The company's total assets as at 30 June 2014 and its result for the year amounted to PLN 5 596 thousand and PLN -1 066 thousand respectively. At the moment of the business combination, the Group measured all non-controlling interests in the subsidiary at the proportionate share of non-controlling interests in net identifiable assets of the acquiree.

As at 30 June 2014, Alior Bank holds shares in a joint venture under the name Polbita Spółka z ograniczoną odpowiedzialnością, which deals with retail trading. Due to the planned sale of the shares, the Bank classified them as assets held for sale and recorded them in accordance with the requirements of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

1.5 Approval of the consolidated financial statements

The consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the financial year ended 31 December 2013 were approved for publication by the Bank's Management Board on 5 March 2014.

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group were approved by the Bank's Management Board on 6 August 2014.

2. Accounting policies

2.1 Basis of preparation

Scope and comparatives

The condensed interim consolidated financial statements of the Alior Bank S.A. Group comprise the data of the Bank and its subsidiaries and cover the 6-month period ended 30 June 2014 and the comparatives for the 6-month period ended 30 June 2013 (in the scope of consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement) and the comparatives as at 31 December 2013 (in the scope of consolidated statement of financial position and consolidated statement of changes in equity). The condensed interim consolidated financial statements have been prepared in Polish zloties. Unless otherwise stated, the amounts are presented in PLN thousands.

Due to changes in the accounting policy concerning bancassurance income (the details are provided in the annual consolidated financial statements of the Alior Bank S.A. Group for the financial year from 1 January 2013 to 31 December 2013), the comparatives in the condensed interim consolidated financial statements of the Alior Bank S.A. Group were brought to comparability with the current period.

Presented below is the effect of the changes resulting from bringing the data to comparability on the individual income statement, statement of financial position and cash flow statement items.

Consolidated income statement

1.01.2013 - 30.06.2013	Financial statement as at 30.06.2013	Amount of adjustments	Restated amounts as at 30.06.2013
Interest income	702 168	43 959	746 127
Net interest income	417 766	43 959	461 725
Fee and commission income	342 382	-123 393	218 989
Fee and commission expense	-115 364	12 111	-103 253
Net fee and commission income	227 018	-111 282	115 736
General administrative expenses	-409 061	7 673	-401 388
Impairment losses	-166 354	6 103	-160 251
Gross profit	215 127	-53 547	161 580
Income tax	-43 312	10 174	-33 138
Net profit	171 815	-43 373	128 442
Total comprehensive income, net	129 345	-43 373	85 972

Consolidated statement of financial position

Statement of financial position line item	Financial statement as at 30.06.2013	Amount of adjustments	Restated amounts as at 30.06.2013
Loans and advances to customers	17 654 499	-284 764	17 369 735
Amounts due from banks*	170 021	-501	169 520
Income tax asset	54 724	74 770	129 494
<i>Deferred</i>	<i>50 604</i>	<i>74 770</i>	<i>125 374</i>
TOTAL ASSETS	23 032 700	-210 495	22 822 205
Other liabilities	531 298	108 260	639 558
Total liabilities	20 650 444	108 260	20 758 704
Equity	2 382 256	-318 755	2 063 501
TOTAL LIABILITIES AND EQUITY	23 032 700	-210 495	22 822 205

* adjustment of presentation not related to bancassurance adjustments

Consolidated cash flow statement

1.01.2013 - 30.06.2013	Financial statement as at 30.06.2013	Amount of adjustments	Restated amounts as at 30.06.2013
Net profit	171 815	-43 373	128 442
Income tax presented in the income statement	5 290	27 848	33 138
Change in loans and receivables	-3 122 550	49 415	-3 073 135
Change in other liabilities	-30 880	4 133	-26 747
Income tax paid*	0	-38 023	-38 023
Net cash flow from operating activities	-506 260	0	-506 260
Total net cash flow	-554 978	0	-554 978

* adjustment of presentation not related to bancassurance adjustments

Statement of compliance

These interim condensed consolidated financial statements of the Alior Bank Spółka Akcyjna Group for the first half of 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 2014, and in accordance with the requirements of the Decree of 19 February 2009 on current and periodic information to be prepared by issuers of securities and conditions for considering as equivalent the information required by the provisions of the law of a non-EU state (Journal of Laws of 2009 No. 33, item 259, as amended).

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

The interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the financial period from 1 January 2014 to 30 June 2014, and interim condensed statement of financial position as at 30 June 2014, including the comparatives, have been prepared in accordance with the same accounting policies as those applied in the last annual financial statements, with the exception of amendments to standards which are binding from 1 January 2014.

Going concern

The consolidated financial statements of the Alior Bank Spółka Akcyjna Group have been prepared on the assumption that the Group will continue as a going concern for a period of at least 12 months after the balance sheet date, i.e. after 30 June 2014.

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

2.2 Accounting policies

Detailed accounting policies have been presented in the annual consolidated financial statements of the Alior Bank S.A. Group for the financial year from 1 January 2013 to 31 December 2013, published on 6 March 2014 and available on Alior Bank S.A. website.

In 2014, as a result of an assessment of the current state and the expected future benefits, the depreciation and amortization periods of property, plant and equipment and intangible assets were changed. The changes in the depreciation/amortization periods affected the Group's results in the first half of 2014. The estimated effect of the changes was approx. PLN 3.2 million. The description of the changes is provided in the interim condensed consolidated financial statements of the Group for the first quarter of 2014.

Changes in accounting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with the accounting policies applied in the preparation of the financial statements for the financial year ended 31 December 2013, except for the following amendments to standards and new interpretations binding for annual periods starting on or after 1 January 2014:

- IFRS 10 "Consolidated Financial Statements" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IFRS 11 "Joint Arrangements" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IFRS 12 "Disclosure of Interests in Other Entities" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- Amendments to IFRS 10, IFRS 11 and IFRS 12, *Transitional provisions* – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- Amendments to IFRS 10, IFRS 12 and IAS 27 – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IAS 27 "Separate Financial Statements" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IAS 28 "Investments in Associates and Joint Ventures" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- Amendments to IAS 32 "Financial Instruments: Presentation": *Offsetting of Financial Assets and Financial Liabilities* – applicable to annual periods starting on or after 1 January 2014;
- IFRIC 21 "Levies" – applicable to annual periods starting on or after 1 January 2014;
- Amendments to IAS 39, *Novation of Derivatives and Continuation of Hedge Accounting* (published on 27 June 2013) – applicable to annual periods starting on or after 1 January 2014;
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets* (published on 19 December 2013) – applicable to annual periods starting on or after 1 January 2014;

The Group concluded that the above changes did not have a significant effect on its financial position or results of operations.

New standards and interpretations, which have been published but are not yet effective

The following standards and interpretations have been published by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, but are not yet effective:

- Phase 1 of IFRS 9, *Financial Instruments* – applicable to annual periods starting on or after 1 January 2015, by the date of approving these financial statements, not endorsed by the EU;
- IFRS 14, *Regulatory Deferral Accounts* - applicable to annual periods starting on or after 1 January 2016 – by the date of approving these financial statements, not endorsed by the EU;
- IFRS 15, *Revenue from Contracts with Customers* - applicable to annual periods starting on or after 1 January 2017, by the date of approving these financial statements, not endorsed by the EU;
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* - applicable to annual periods starting on or after 1 January 2016, by the date of approving these financial statements, not endorsed by the EU;
- Amendments to IFRS 11 *Joint Arrangements: Acquisition of an interest in a joint operation* - applicable to annual periods starting on or after 1 January 2016, by the date of approving these financial statements, not endorsed by the EU;
- Amendments to IAS 19, *Defined Benefit Plans: Employee Contributions* (published on 21 November 2012) – applicable to annual periods starting on or after 1 January 2014 – by the date of approving these financial statements, not endorsed by the EU;
- Amendments arising from the IFRS 2010-2012 improvement project – some changes are applicable to annual periods starting on or after 1 January 2014 and some prospectively to transactions concluded on 1 July 2014 or later – by the date of approving these financial statements, not endorsed by the EU;
- Amendments arising from the IFRS 2011-2013 improvement project – applicable to annual periods starting on or after 1 July 2014 – by the date of approving these financial statements, not endorsed by the EU;

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

3. Operating segments

The Group divides its operations into the following reporting segments for the purpose of management accounting:

- retail segment;
- business segment;
- treasury activity;
- other.

The Group provides services to retail (individual) and business customers, by offering them with a full range of banking services.

The basic products for individual customers cover:

- loan products: cash loans, credit cards, overdraft facilities, housing loans;
- deposit products: term deposits, savings accounts;
- brokerage products and investment funds;
- personal accounts;
- transaction services: cash deposits and withdrawals, transfers;
- FX transactions.

Basic products for business customers include:

- loan products: overdraft facilities, working capital loans, investment loans, credit cards;
- deposit products: term deposits;
- current and auxiliary accounts;
- transaction services: cash deposits and withdrawals, transfers;
- treasury products: FX transactions (also at set date), derivatives.

The basic element of segment analysis is the profitability of the *Retail Segment* and *Business Segment*. The profitability includes:

- margin revenue less financing costs (a rate at which a branch makes settlements with the Interbank Transactions Office);
- commission income;
- income from treasury transactions and FX exchange made by customers;
- other operating income and expenses.

Revenues of the retail segment also include revenues from the sale of brokerage products (such as revenues from maintaining brokerage accounts, agency services in trading in securities and revenue from distribution of units in investment funds).

Revenues of the business segment also include revenues from the car loans portfolio.

The *Treasury Activity* segment covers the results from managing the global position – the liquidity and currency positions – arising from the activities of the Bank.

The segment *Other* includes:

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

Results and volumes by segments for the first half of the year ended 30 June 2014

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	321 297	190 587	53 228	10 018	575 130
External income	466 623	262 722	82 263	9 820	821 428
External expense	-145 326	-72 135	-29 035	198	-246 298
Internal interest income	51 182	-15 844	3 907	-39 245	0
Internal income	247 329	122 741	494 153	-36 863	827 360
Internal expense	-196 147	-138 585	-490 246	-2 382	-827 360
Net interest income	372 479	174 743	57 135	-29 227	575 130
Fee and commission income	115 264	86 729	734	61 191	263 918
Fee and commission expense	-32 771	-189	-263	-63 309	-96 532
Net fee and commission income	82 493	86 540	471	-2 118	167 386
Dividend income	0	0	0	2	2
Trading result	67	18 020	102 860	18	120 965
Net gain (realized) on other financial instruments	31 053	61 566	-90 559	110	2 170
Other operating income	61 834	2 497	2	-38 288	26 045
Other operating expenses	-5 523	-191	-25	-2 330	-8 069
Net other operating income	56 311	2 306	-23	-40 618	17 976
Total result before impairment losses	542 403	343 175	69 884	-71 833	883 629
Impairment losses	-148 291	-98 860	0	0	-247 151
Total result after impairment losses	394 112	244 315	69 884	-71 833	636 478
General administrative expenses	-330 520	-117 243	-1 163	0	-448 926
Gross profit (loss)	63 592	127 072	68 721	-71 833	187 552
Income tax	0	0	0	-36 267	-36 267
Net profit (loss)	63 592	127 072	68 721	-108 100	151 285
Investment expenditure (asset purchase costs)					31 299
Amortization/ depreciation					-39 276
Assets	11 798 127	10 084 398	5 241 936	0	27 124 461
Liabilities and equity	13 803 981	7 613 761	5 706 719	0	27 124 461

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	114 828	75 595
Loan products	346 806	175 872
Brokerage products, investment funds, structured products	56 591	0
Treasury products	30 138	79 566
Other	-5 960	12 142
Total	542 403	343 175

Results and volumes by segments for the first half of the year ended 30 June 2013 – restated amounts

Segment report	Retail customers	Corporate customers	Treasury	Other	Total Bank
External interest income	210 998	179 130	71 550	47	461 725
External income	414 048	248 737	83 341	1	746 127
External expense	-203 050	-69 607	-11 791	46	-284 402
Internal interest income	85 972	-37 031	-55 716	6 775	0
Internal income	261 859	106 010	498 327	7 008	873 204
Internal expense	-175 887	-143 041	-554 043	-233	-873 204
Net interest income	296 970	142 099	15 834	6 822	461 725
Fee and commission income	142 557	79 072	0	-2 640	218 989
Fee and commission expense	-27 196	-1 488	-159	-74 410	-103 253
Net fee and commission income	115 361	77 584	-159	-77 050	115 736
Dividend income	0	0	0	5	5
Trading result	307	14 479	112 431	16	127 233
Net gain (realized) on other financial instruments	26 033	52 895	-71 976	9	6 961
Other operating income	15 759	3 377	-432	6 116	24 820
Other operating expenses	-1 921	-101	0	-11 239	-13 261
Net other operating income	13 838	3 276	-432	-5 123	11 559
Total result before impairment losses	452 509	290 333	55 698	-75 321	723 219
Impairment losses	-73 855	-86 853	0	457	-160 251
Total result after impairment losses	378 654	203 480	55 698	-74 864	562 968
General administrative expenses	-295 527	-104 407	-1 156	-298	-401 388
Gross profit (loss)	83 127	99 073	54 542	-75 162	161 580
Income tax	0	0	0	-33 138	-33 138
Net profit (loss)	83 127	99 073	54 542	-108 300	128 442
Investment expenditure (asset purchase costs)					18 010
Amortization/ depreciation					-36 929
Assets	9 066 920	8 302 815	5 452 470		22 822 205
Liabilities and equity	13 073 067	5 978 541	3 770 597		22 822 205

Total result before impairment losses by products	Retail customers	Corporate customers
Term deposits and current accounts	97 005	59 001
Loan products	301 540	138 876
Brokerage products, investment funds, structured products	35 077	367
Treasury products	26 128	68 696
Other	-7 241	23 393
Total	452 509	290 333

Notes to the income statement

4. Net interest income

4.1 Net interest income by entity	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Interest income	821 428	746 127
financial sector	52 058	46 923
non-financial sector	739 096	654 415
central and local government institutions	30 274	44 789
Interest expense	-246 298	-284 402
financial sector	-73 002	-48 388
non-financial sector	-172 759	-235 204
central and local government institutions	-537	-810
Net interest income	575 130	461 725

4.2 Net interest income by product	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Interest income	821 428	746 127
current accounts	9 135	9 850
overnight deposits	307	491
term deposits	67	902
loans	727 097	649 114
debt instruments	47 487	64 773
receivables acquired	15 729	18 732
hedging derivatives	20 887	1 775
other	719	490
Interest expense	-246 298	-284 402
current deposits	-32 931	-27 901
term deposits	-145 982	-212 923
repo transactions in securities	-6 313	-7 952
cash deposits	-2 300	-3 450
own issue	-37 142	-28 697
hedging derivatives	-19 814	-1 798
other	-1 816	-1 681
Net interest income	575 130	461 725

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

5. Net fee and commission income

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Fee and commission income	263 918	218 989
brokerage commissions	27 866	19 930
payment cards	60 694	49 556
revenue from bancassurance activity	75 853	67 084
loans and advances	29 302	18 243
accounts maintenance	23 490	17 989

(in PLN thousands)

transfers	15 287	13 891
remittances and withdrawals services	9 733	8 378
acquired receivables	6 575	4 722
guarantees, letters of credit, collections, promises	6 247	5 015
other commissions	8 871	14 181
Fee and commission expense	-96 532	-103 253
brokerage commissions	-2 840	-2 835
costs of card transactions and ATM , including costs of payment card issue	-29 315	-25 505
insurance of bank products	-7 607	-4 571
commissions for ATM sharing	-10 914	-8 401
fees paid under service agreements	-9 542	-14 049
compensation and awards to customers	-9 242	-15 423
commissions paid to agents	-6 299	-14 763
assistance services	-3 991	-5 950
costs of customers acquisition	-1 568	-313
other commissions	-15 214	-11 443
Net fee and commission income	167 386	115 736

6. Trading result

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013
Foreign exchange transactions result	93 347	70 020
Interest rate transactions result	26 284	54 369
Other financial instruments result	1 334	2 844
Trading result	120 965	127 233

The result on foreign exchange transactions includes the results on: forex, swap (FX swap and CIRS with capital exchange), FX forward, currency options and revaluation of assets and liabilities denominated in foreign currencies.

The result on interest rate transactions includes the results on: interest rate swaps, FRA and net interest income on CIRS transactions and the result of interest rate options (cap / floor).

The result on other financial instruments is the result on trading in equity securities, the result on commodity derivatives (including forwards and futures), the result on options for exchange indices, index baskets and commodities.

7. Net gain realized on other financial instruments

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013
Financial assets available for sale	2 119	7 131
Own issue	51	-170
income from re-purchase	105	27
losses on repurchase	-54	-197
Net gain realized on other financial instruments	2 170	6 961

8. Net other operating income

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013
Other operating income from:	26 045	24 820
management of third party assets	8 834	5 138
received compensations, fines and penalties	118	58
fees paid by counterparts	3 010	2 855
acquisition of receivables	21	1 956
reimbursement of litigation costs	6 605	6 220
accrued income of tax from the tax office	2 416	5 383
other	5 041	3 210
Other operating expenses due to:	-8 069	-13 261
management of third party assets	-1 937	-1 121
paid compensations, fines and penalties	-385	-258
awards given to customers	-438	-805
operating risk	-911	-2 070
litigation costs	-2 435	-3 672
lump sum reimbursement of costs incurred by the insurer in connection with the Bank exercising insurance actions	0	-1 556
acquisition of receivables	0	-2 014
other	-1 963	-1 765
Net other operating income and expense	17 976	11 559

9. General administrative expenses

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Payroll costs	-247 443	-216 456
remuneration due to employment contracts	-202 589	-174 855
remuneration surcharges	-38 036	-32 563
share-based payments	-3 133	-6 561
other	-3 685	-2 477
General and administrative costs	-157 910	-144 535
IT costs	-17 495	-15 280
lease and building maintenance expenses	-71 158	-67 271
marketing costs	-15 528	-21 847
training costs	-5 850	-5 855
cost of advisory services	-8 039	-4 637
costs of Banking Guarantee Fund	-14 949	-7 141
lease of property, plant and equipment and intangible assets	-2 426	-3 465
costs of telecommunications services	-8 183	-6 690
external services	-7 031	-6 020
other	-7 251	-6 329
Amortization and depreciation	-39 276	-36 929
property, plant and equipment	-23 970	-24 255
intangible assets	-15 306	-12 674
Taxes and fees	-4 297	-3 468
Total general administrative expenses	-448 926	-401 388

10. Net impairment losses

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Impairment losses on impaired loans and advances to customers	-229 667	-167 882
financial sector	-612	-510
non-financial sector	-229 055	-167 372
retail customers	-141 368	-76 243
business customers	-87 687	-91 129
Debt securities	0	-181
IBNR for customers without impairment losses	-17 392	8 519
financial sector	-144	567
non-financial sector	-17 248	7 952
retail customers	-17 798	3 767
business customers	550	4 185
Off-balance reserve	-85	-732
Property, plant and equipment and intangible assets	-7	25
Net impairment losses	-247 151	-160 251

11. Corporate income tax

11.1 Presented in the income statement	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Current tax	43 004	5 199
current year	43 004	5 199
Deferred tax	-6 737	27 939
origination and reversal of temporary differences	-6 737	27 939
Accounting tax recognized in the income statement	36 267	33 138

11.2 Effective tax rate calculation	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Profit before tax	187 552	161 580
Income tax at 19%	35 634	30 700
Non-tax deductible expenses	4 113	2 504
Representation costs	40	223
State Fund for Rehabilitation of Persons with Disabilities	538	401
Impairment losses on loans in the part not covered with deferred tax	2 669	10
Costs of provisions for management options	595	1 247
Donations	22	2
Other	249	621
Non-taxable revenues	-724	-222
Release of loan impairment allowances in the part not covered with the deferred tax	-4	-214
Other	-720	-8
Tax deductible expenses not being accounting expenses	0	-497
Amortization of goodwill for tax purposes	0	-497
Recognition of tax loss	151	17
Recognition of assets related to contribution of receivables to Obrót Wierzytelnościami Alior Polska sp. z o.o. S.K.A.	-2 897	120
Other	-10	516
Accounting tax recognized in the income statement	36 267	33 138
Effective tax rate	19.34%	20.51%

12. Earnings per share

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013 Restated amounts
Net profit attributable to equity holders of the parent	151 635	128 442
Weighted average number of ordinary shares	69 941 261	63 582 965
Share options (number) - adjusting instrument	3 331 250	3 331 250
Adjusted weighted average number of shares	73 272 511	66 914 215
Net earnings per ordinary share (PLN)	2.17	2.02
Dilluted earnings per one share	2.07	1.92

Notes to the statement of financial position

13. Cash and balances with the Central Bank

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Current account with the Central Bank	858 218	870 579	548 365
Cash	199 195	196 648	173 615
Cash and balances with the central bank	1 057 413	1 067 227	721 980

14. Available-for-sale financial assets

14.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Debt instruments	2 783 526	3 388 218	3 445 417
issued by the State Treasury	2 206 343	2 441 675	2 445 171
T-bonds	2 206 343	2 441 675	2 445 171
issued by monetary institutions	99 421	539 075	774 002
bonds	99 421	139 270	174 185
money bills	0	399 805	599 817
issued by other financial institutions	125 543	64 627	67 354
bonds	105 007	43 743	46 334
Eurobonds	20 536	20 884	21 020
issued by companies	352 219	342 841	158 890
bonds	352 219	342 841	158 890
Equity instruments	678	307	1 289
Available-for-sale financial assets	2 784 204	3 388 525	3 446 706

14.2 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
without set maturity date	678	307	1 289
≤ 1M	40 093	477 226	600 098
> 1M ≤ 3M	0	57 248	39 340
> 3M ≤ 6M	99 421	199 230	3 925
> 6M ≤ 1Y	356 848	109 031	311 341
> 1Y ≤ 2Y	335 357	616 796	466 856
> 2Y ≤ 5Y	1 353 709	1 334 376	1 430 793
> 5Y ≤ 10Y	598 098	594 311	593 064
Available-for-sale financial assets	2 784 204	3 388 525	3 446 706

14.3 Impairment allowance on debt instruments	As at 30.06.2014		As at 31.12.2013		As at 30.06.2013	
	Gross amount	Impairment allowance	Gross amount	Impairment allowance	Gross amount	Impairment allowance
Bonds issued by companies	4 316	4 316	4 316	4 316	4 316	4 316

The schedules below show the prioritization of the measurement methods of available-for-sale financial assets measured at fair value as at 30 June 2014 and comparative data as at 31 December 2013 and 30 June 2013.

In accordance with IFRS 13, the Group classified:

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

This group includes mainly debt Treasury securities. The fair value is determined based on the purchase price from the quotations on the interbank market, brokers' quotations and BondSpot quotations.

- to level 2 – instruments for which prices are not directly observable, but the prices used for measurement are based on quotations from active transaction markets.

This group includes NBP bills and debt commercial securities.

The fair value is determined based on the discounted future cash flows method which assumes that the profitability curves will be based on quotations of profitability of securities on the interbank market.

Debt commercial securities are measured based on profitability curves adjusted by the credit spread, if the spread may be determined on the basis of observable market quotations, e.g. based on quotations of credit swaps.

Debt commercial securities quoted on exchanges, with low transaction volumes on the market, were also recognized on this level.

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

This group shows the Bank's position in debt commercial securities the fair values of which are impacted, apart from parameters derived from market quotations, also by the observable credit spread. The spread is calculated based on the prices on the primary market or prices at the moment of the transaction. The spread value is periodically updated in periods when reliable market quotations are available or when prices from similar volume transactions are known. The amount of the spread also changes on the basis of information on changes in the financial standing of the security issuer. At 30 June 2014 sensitivity of these assets valuation amounts 10 PLN thousand/1 basis point of spread.

In the first half of 2014 year a corporate bond was transferred from level 2 to level 3. In case of this bond there are no enough liquid market quotations and the Bank used credit spread as unobservable factor. Instruments are transferred between particular levels at the end of the reporting period. The premises for the transfers are based on the terms and conditions described in international financial reporting standards, i.e., *inter alia*, on the availability of quotations of the instruments on active markets, availability of quotations regarding measurement components, or the existence of unobservable factors on the fair value.

14.4 Fair value	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 1	2 271 250	2 506 302	2 611 612
T-bonds	2 206 343	2 441 675	2 445 171
Other bonds	64 907	64 627	166 441
Level 2	0	591 186	833 805
Money bills	0	399 805	599 817
Other bonds	0	191 381	233 988
Level 3	512 954	291 037	1 289
Other bonds	512 276	290 730	0
Equity instruments	678	307	1 289
Available-for-sale financial assets	2 784 204	3 388 525	3 446 706

14.5 Movements on financial assets available for sale classified as level 3	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Opening balance	291 037	243	243
Reclassification	151 275	98 855	0
Increases, including	100 945	240 745	1 046
Acquisition	100 125	237 820	1 000
Revenue recognised in income statement	0	806	0
Other changes recognised in income statement	820	975	0
Fair value adjustment	0	1 141	32
Foreign exchange differences	0	3	14
Decreases, including	-30 303	-48 806	0
Sale	-29 118	-48 806	0
Other changes recognised in income statement	-426	0	0
Fair value adjustment	-758	0	0
Foreign exchange differences	-1	0	0
Financial assets available for sale classified as level 3 at the end of the period	512 954	291 037	1 289

15. Amounts due from customers

15.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment	11 798 127	10 585 360	9 066 920
Working capital facility	138 923	118 342	114 043
Consumer loans	5 759 201	5 240 515	4 743 709
Consumer finance loans	653 218	650 741	276 757
Loans for purchase of securities	165 108	160 678	174 622
Credit card borrowings loans	193 662	193 157	177 874
Loans for residential real estate	4 022 934	3 393 901	2 750 664
Other mortgage loans	834 135	797 964	800 774
Other receivables	30 946	30 062	28 477
Corporate segment	10 084 398	9 072 540	8 302 815
Working capital facility	5 665 472	4 854 894	4 657 396
Car loans	189 317	239 497	304 591
Investment loans	3 659 108	3 366 771	2 649 019
Acquired receivables	550 711	561 826	641 934
Other receivables	19 790	49 552	49 875
Amounts due from customers	21 882 525	19 657 900	17 369 735

15.2 By gross amounts and carrying amounts	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment (the carrying value)	11 798 127	10 585 360	9 066 920
Loans for residential real estate (the carrying value)	4 022 934	3 393 901	2 750 664
unimpaired (gross value)	3 940 966	3 336 934	2 726 385
impaired (gross value)	99 978	68 766	36 403
IBNR	-3 005	-2 380	-5 475
Impairment allowance	-15 005	-9 419	-6 649
Consumer finance loans (the carrying value)	653 218	650 741	276 757
unimpaired (gross value)	643 991	645 989	276 198
impaired (gross value)	39 270	21 014	3 284
IBNR	-3 350	-2 793	-581
Impairment allowance	-26 693	-13 469	-2 144
Other retail loans (the carrying value)	7 121 975	6 540 718	6 039 499
unimpaired (gross value)	6 865 713	6 303 837	5 848 660
impaired (gross value)	862 829	704 269	562 803
IBNR	-62 510	-45 921	-40 366
Impairment allowance	-544 056	-421 467	-331 598
Corporate segment (the carrying value)	10 084 398	9 072 540	8 302 815
unimpaired (gross value)	9 602 170	8 838 080	8 071 861
impaired (gross value)	928 857	612 385	576 829
IBNR	-16 394	-15 789	-21 096
Impairment allowance	-430 236	-362 136	-324 779
Amounts due from customers (the carrying value)	21 882 525	19 657 900	17 369 735

15.3 Receivables from customers impaired	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Receivables from customers individually assessed	744 810	482 847	423 421
Retail segment	284 039	251 106	186 150
Amounts due from customers	563 630	473 440	351 318
Impairment allowance	-279 591	-222 334	-165 168
Corporate segment	460 771	231 741	237 271
Amounts due from customers	820 107	556 406	500 271
Impairment allowance	-359 336	-324 665	-263 000
Receivables from customers collectively assessed	170 134	117 096	90 728
Retail segment	132 284	98 588	75 949
Amounts due from customers	438 447	320 609	251 172
Impairment allowance	-306 163	-222 021	-175 223
Corporate segment	37 850	18 508	14 779
Amounts due from customers	108 750	55 979	76 558
Impairment allowance	-70 900	-37 471	-61 779
Receivables from customers impaired	914 944	599 943	514 149

15.4 Change in the balance of receivables impairment allowances (net of IBNR)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Opening balance	806 491	495 983	495 983
Changes during the year:	209 499	310 508	169 187
Increases	403 326	721 490	307 601
Retail segment	222 802	419 494	180 008
Loans for residential real estate	11 697	14 759	6 190
Other loans	211 105	404 735	173 818
Corporate segment	180 524	301 996	127 593
Other loans	144 781	284 157	124 705
Acquired receivables	34 084	12 611	1 949
Other receivables	1 659	5 228	939
Decreases	-173 659	-332 973	-139 719
Retail segment	-81 434	-217 832	-103 765
Loans for residential real estate	-6 107	-9 966	-4 282
Other loans	-75 327	-207 866	-99 483
Corporate segment	-92 225	-115 141	-35 954
Other loans	-84 224	-108 369	-32 506
Acquired receivables	-7 921	-5 089	-2 585
Other receivables	-80	-1 683	-863
Other changes	0	-23 775	1 515
Transfer to costs	-20 357	-53 966	-430
Foreign exchange differences	189	-268	220
Impairment allowances at the end of the period	1 015 990	806 491	665 170

The provision for losses incurred but not reported (IBNR) amounted to: PLN 85 259 thousand as at 30 June 2014, PLN 66 883 thousand as at 31 December 2013 and PLN 67 518 thousand as at 30 June 2013.

15.5 By maturity (as at the balance sheet date)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment	11 798 127	10 585 360	9 066 920
≤ 1M	1 914 343	1 703 657	948 714
> 1M ≤ 3M	294 561	520 859	266 996
> 3M ≤ 6M	389 332	300 675	254 218
> 6M ≤ 1Y	589 871	281 584	438 547
>1Y ≤ 2Y	972 705	891 093	736 035
>2Y ≤ 5Y	2 244 103	2 078 983	1 889 750
>5Y ≤ 10Y	2 219 342	2 044 339	1 915 182
>10Y ≤ 20Y	1 697 829	1 470 208	1 260 668
>20Y	1 476 041	1 293 962	1 356 810
Corporate segment	10 084 398	9 072 540	8 302 815
≤ 1M	3 997 134	3 600 406	3 020 878
> 1M ≤ 3M	635 103	972 840	782 301
> 3M ≤ 6M	218 065	494 160	337 247
> 6M ≤ 1Y	797 448	373 558	1 029 653
>1Y ≤ 2Y	965 916	860 571	701 741
>2Y ≤ 5Y	2 001 784	1 635 095	1 442 182
>5Y ≤ 10Y	1 158 869	888 140	805 333
>10Y ≤ 20Y	310 079	247 770	183 480
Amounts due from customers	21 882 525	19 657 900	17 369 735

(in PLN thousands)

15.6 By currency	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment	11 798 127	10 585 360	9 066 920
PLN	10 817 383	9 564 603	7 948 302
Other	980 744	1 020 757	1 118 618
Corporate segment	10 084 398	9 072 540	8 302 815
PLN	7 719 348	7 275 394	7 029 142
Other	2 365 050	1 797 146	1 273 673
Total receivables	21 882 525	19 657 900	17 369 735

15.7 Ten largest credit exposures	Currency	As at 30.06.2014
Company 1	EUR	249 678
Company 2	EUR	237 143
Company 3	PLN	208 028
Company 4 Impaired	EUR, GBP, PLN	167 580
Company 5	PLN	164 271
Company 6	PLN	154 076
Company 7	EUR	148 155
Company 8 Impaired	PLN	144 850
Company 9	EUR	116 476
Company 10	PLN	105 040

15.8 Ten largest credit exposures (all loans are performing)	Currency	As at 31.12.2013
Company 1	PLN	395 506
Company 2	PLN, EUR, GBP	190 975
Company 3	PLN	164 467
Company 4	EUR	151 387
Company 5	PLN	148 853
Company 6	EUR	141 604
Natural person 1	PLN	140 864
Company 7	PLN	120 016
Company 8	EUR	118 000
Company 9	PLN	102 140

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

The three tables above present the loan balance at its nominal value.

16. Amounts due from banks

16.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Current accounts	53 271	99 822	19 869
Overnight deposits (O/N)	152 553	82 157	55 863
Term deposits	11 699	2 468	0
Security deposits granted	61 284	57 280	77 407
Other	27 141	12 472	16 381
Amounts due from banks	305 948	254 199	169 520

16.2 By maturity (as at the balance sheet date)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
≤ 1M	302 894	254 199	169 520
> 1M ≤ 3M	3 054	0	0
Amounts due from banks	305 948	254 199	169 520

16.3 By currency	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
PLN	11 448	7 323	3 527
EUR	139 474	94 043	27 360
GBP	21 787	30 779	4 762
USD	92 219	76 164	99 916
CHF	12 498	20 430	1 004
Other currencies	28 522	25 460	32 951
Amounts due from banks	305 948	254 199	169 520

Forward repo/reverse repo transactions are concluded by the Group to optimize current liquidity management; therefore, they are classified exclusively to the banking portfolio. Sporadic transactions appearing in the trading book result from risk-free arbitrage. Repo and reverse repo transactions are short-term and mature no later than within one month, they are concluded mainly in PLN, decidedly less frequently in EUR and USD. Net balances of repo and reverse repo transactions which mature within one month are included in the Group's liquidity buffer (liquid assets). As at the end of June 2014 the Group did not have any reverse repo transactions.

The security deposits granted relate to security transferred to other banks under the settlements related to CSA (Credit Support Annex).

17. Other assets

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Sundry debtors	175 276	307 808	246 130
Settlements of payment cards	82 382	86 528	41 085
Receivables related to the sale of goods and services (including insurance)	49 132	172 244	131 001
Guarantee deposits	11 644	12 025	13 608
Other settlements	32 118	37 011	60 436
Deferred costs	40 858	33 523	36 210
Settlements of rental charges and utilities	136	832	1 590
Maintenance and support of systems, servicing of plant and equipment	7 002	5 236	6 753
Mandatory costs of Banking Guarantee Fund	13 213	0	7 141
Accrued income on PCC settlements with the Tax Office	2 500	10 043	2 500
Settlements of VAT	1 407	4 174	4 174
Other deferred costs	16 600	13 238	14 052
Other assets	216 134	341 331	282 340

The receivables related to the sale of goods and services cover mainly fees from insurance companies for servicing insurance.

18. Financial liabilities measured at amortized cost

18.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Due to banks	1 565 145	817 973	539 106
Current deposits	11 019	11 023	0
Overnights	47 546	27 002	0
Term deposits	169 051	0	0
Credit received	0	62 228	64 954
Other liabilities	67 615	33 796	12 465
Repo	1 269 914	683 924	461 687
Due to customers	21 417 742	20 842 462	19 051 608
Current deposits	9 445 963	8 164 630	5 949 558
Term deposits	10 184 651	11 226 464	11 928 233
Own issue of Banking Securities	1 492 227	1 145 622	858 238
Other liabilities	294 901	305 746	315 579
Total liabilities	22 982 887	21 660 435	19 590 714

18.2 By customer type and segment	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Retail segment	13 803 981	14 223 512	13 073 067
Current deposits	6 956 189	5 864 001	4 132 338
Term deposits	6 528 896	8 134 966	8 773 680
Banking securities issued	167 505	96 814	62 774
Other liabilities	151 391	127 731	104 275
Corporate segment	7 613 761	6 618 950	5 978 541
Current deposits	2 489 774	2 300 629	1 817 220
Term deposits	3 655 755	3 091 498	3 154 553
Banking securities issued	1 324 722	1 048 808	795 464
Other liabilities	143 510	178 015	211 304
Total amounts due to customers	21 417 742	20 842 462	19 051 608

18.3 By maturity (as at the balance sheet date)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Retail segment	13 803 981	14 223 512	13 073 067
≤ 1M	9 108 960	7 529 896	7 940 867
> 1M ≤ 3M	1 912 625	2 672 427	3 171 721
> 3M ≤ 1Y	2 072 235	3 895 267	1 903 221
> 1Y ≤ 5Y	704 141	121 184	53 644
>5Y	6 020	4 738	3 614
Corporate segment	7 613 761	6 618 950	5 978 541
≤ 1M	4 870 254	4 693 057	4 081 385
> 1M ≤ 3M	927 612	464 113	835 201
> 3M ≤ 1Y	704 108	608 319	469 372
> 1Y ≤ 5Y	1 104 700	846 247	590 560
>5Y	7 087	7 214	2 023
Total amounts due to customers	21 417 742	20 842 462	19 051 608

18.4 By currency	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Retail segment	13 803 981	14 223 512	13 073 067
PLN	11 748 612	12 328 403	11 523 858
Other	2 055 369	1 895 109	1 549 209
Corporate segment	7 613 761	6 618 950	5 978 541
PLN	6 326 732	5 513 957	4 832 976
Other	1 287 029	1 104 993	1 145 565
Total amounts due to customers	21 417 742	20 842 462	19 051 608

18.5 Ten largest depositors (without banks)	Currency	As at 30.06.2014
Company 1	PLN,USD,EUR	294 929
Company 2	PLN	196 683
Company 3	PLN,EUR	119 092
Company 4	PLN	109 053
Company 5	PLN	98 678
Company 6	PLN,USD,EUR	75 667
Company 7	PLN,USD,EUR	73 051
Natural person 1	PLN	59 046
Company 8	PLN	56 598
Company 9	PLN,EUR	45 563

18.6 Ten largest depositors (without banks)	Currency	As at 31.12.2013
Company 1	PLN	131 875
Company 2	PLN	129 096
Natural person 1	PLN	58 630
Company 3	EUR, PLN	55 336
Company 4	EUR, PLN	55 232
Company 5	PLN	50 955
Company 6	PLN	50 459
Company 7	EUR, PLN, USD	47 680
Natural person 2	EUR, PLN	39 745
Company 8	EUR, GBP, PLN	35 100

18.7 Ten largest depositors (without banks)	Currency	As at 30.06.2013
Company 1	USD	319 696
Company 2	PLN	156 126
Company 3	PLN	98 206
Company 4	PLN	75 124
Company 5	PLN	60 582
Natural person 1	PLN	57 899
Company 6	PLN	51 321
Company 7	PLN	40 180
Company 8	PLN	38 508
Natural person 2	PLN	35 864

In 2009 the Group started issuing banking securities. This activity was continued in years 2011-2014. The following note presents basic information on each issue of those securities.

18.8 Own issues /type of security (nominal value)	Currency	Maturity date	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
P4EQIN130703	PLN	03.07.2013	0	0	28 823
P4EQUP130703	PLN	03.07.2013	0	0	293
EU134U130812	EUR	12.08.2013	0	0	4 329
EP425F130821	EUR	21.08.2013	0	0	866
PAGRUP130828	PLN	28.08.2013	0	0	37 017
EP43UP130923	EUR	23.09.2013	0	0	9 985
EMIXPB130924	EUR	24.09.2013	0	0	4 282
PAGRUP130924	PLN	24.09.2013	0	0	33 388
PUP3MK130924	PLN	24.09.2013	0	0	480
PUPK3M130924	PLN	24.09.2013	0	0	1 750
UP35UP130927	USD	27.09.2013	0	0	5 722
UP345U131129	USD	29.11.2013	0	0	2 086
UP34UP131129	USD	29.11.2013	0	0	1 389
UP325U140109	USD	09.01.2014	0	982	0
PE416U140116	PLN	16.01.2014	0	404	0
UP325U140116	USD	16.01.2014	0	843	0
UP340U140123A	USD	23.01.2014	0	1 506	1 659
PCRUIIN140203	PLN	03.02.2014	0	12 686	13 149
PCRUP140203	PLN	03.02.2014	0	43	43
PE425U140220	EUR	20.02.2014	0	3 954	0
UP325U140220	USD	20.02.2014	0	358	0
EP431F140224	EUR	24.02.2014	0	829	0
PCRUIIN140310	PLN	10.03.2014	0	25 001	25 314
PCRUP140310	PLN	10.03.2014	0	138	138
EP421U140313	EUR	13.03.2014	0	415	0
PF6M60140322	PLN	22.03.2014	0	15 864	15 864
EP431U140325	EUR	25.03.2014	0	1 298	0
EP435U140325	EUR	25.03.2014	0	6 978	0
UP325U140327	USD	27.03.2014	0	2 291	0
PPEQIN140402	PLN	02.04.2014	0	18 889	21 071
PPEQUP140402	PLN	02.04.2014	0	102	102
UP36UP140403	USD	03.04.2014	0	1 506	1 659
PGLDIN140407	PLN	07.04.2014	0	46 008	52 261
PGLDTV140407	PLN	07.04.2014	0	227	227
UP36UP140409	USD	09.04.2014	0	1 506	1 659
UP316U140411	USD	11.04.2014	0	3 012	0
PPEQIN140430	PLN	30.04.2014	0	19 034	19 296
PPEQUP140430	PLN	30.04.2014	0	30	30
UP324U140605	USD	05.06.2014	0	2 390	0
UP329U140605	USD	05.06.2014	0	968	0
PCOMIN140618	PLN	18.06.2014	0	24 782	25 206

(in PLN thousands)

PCOMUP140618	PLN	18.06.2014	0	499	499
EP421U140717	EUR	17.07.2014	200	0	0
EP426U140717	EUR	17.07.2014	499	0	0
UP319U140717	USD	17.07.2014	697	0	0
PAUTIN140725	PLN	25.07.2014	31 457	32 151	32 981
PAUTUP140725	PLN	25.07.2014	291	291	291
EP429U140812	EUR	12.08.2014	1 272	0	0
UP314U140812	USD	12.08.2014	775	0	0
PSILIN140825	PLN	25.08.2014	17 931	18 464	18 701
PSILUP140825	PLN	25.08.2014	118	118	118
EP423U140827	EUR	27.08.2014	832	0	0
UP320U140908	USD	08.09.2014	244	0	0
PPLAIN140915	PLN	15.09.2014	22 741	23 623	24 373
PPLAUP140915	PLN	15.09.2014	285	285	285
UP330U140919	USD	19.09.2014	609	0	0
EMIXPB140922	EUR	22.09.2014	1 040	1 037	1 082
EP426U140929	EUR	29.09.2014	832	0	0
PBWEIN141008	PLN	08.10.2014	24 325	25 428	26 206
PBWEUP141008	PLN	08.10.2014	301	301	301
UP325U141015	USD	15.10.2014	367	0	0
PBWEIN141105	PLN	05.11.2014	16 505	17 077	17 646
PBWEUP141105	PLN	05.11.2014	397	407	407
UP350U141107	USD	07.11.2014	1 523	1 506	0
P4EQIN141204	PLN	04.12.2014	87 403	89 097	89 721
P4EQUP141204	PLN	04.12.2014	917	917	927
PGOLIN141205	PLN	05.12.2014	15 830	15 979	16 283
PGOLUP141205	PLN	05.12.2014	75	75	75
PWEQIN141205	PLN	05.12.2014	4 830	5 219	5 354
PWEQUP141205	PLN	05.12.2014	10	10	10
PGOLIN141219	PLN	19.12.2014	14 397	14 611	14 720
PGOLUP141219	PLN	19.12.2014	305	305	305
PU290U150123	PLN	23.01.2015	2 500	0	0
PSMAIN150225	PLN	25.02.2015	38 739	53 032	55 890
PSMAUP150225	PLN	25.02.2015	264	283	283
UP335U150409	USD	09.04.2015	1 523	0	0
PSTXIN150410	PLN	10.04.2015	26 403	35 833	41 490
PSTXUP150410	PLN	10.04.2015	114	114	114
PETHIN150416	PLN	16.04.2015	8 376	8 476	8 476
PETHUP150416	PLN	16.04.2015	50	50	50
UP335U150416	USD	16.04.2015	1 523	0	0
PETHIN150618	PLN	18.06.2015	9 221	9 671	9 671
ALIOR150629	PLN	29.06.2015	146 700	146 700	146 700
PD10IN150805	PLN	05.08.2015	82 564	91 649	0
PD10UP150805	PLN	05.08.2015	282	282	0
PD95IN150805	PLN	05.08.2015	6 112	8 587	0
PD95UP150805	PLN	05.08.2015	450	450	0
PSMAIN150826	PLN	26.08.2015	53 251	54 100	0
PSMAUP150826	PLN	26.08.2015	49	49	0
PF6M40150922	PLN	22.09.2015	12 069	12 079	0
PF6M41150922	PLN	22.09.2015	4 060	4 060	0
PE10IN150930	PLN	30.09.2015	74 226	75 439	0
PE10UP150930	PLN	30.09.2015	95	95	0
PBCOIN151006	PLN	06.10.2015	3 799	3 799	0
P4EQIN151119	PLN	19.11.2015	88 892	89 784	0
P4EQUP151119	PLN	19.11.2015	234	234	0
PCOMIN151124	PLN	24.11.2015	65 751	66 813	67 577
PCOMUP151124	PLN	24.11.2015	61	66	66
PISHIN151217	PLN	17.12.2015	52 833	53 729	0
PISHUP151217	PLN	17.12.2015	949	949	0
P2Y15F151222	PLN	22.12.2015	5 163	5 271	0
P2YF15151222	PLN	22.12.2015	85 329	0	0

(in PLN thousands)

PMEQIN160317	PLN	13.03.2016	10 220	0	0
ALIOR110416	PLN	11.04.2016	180 000	0	0
POEQIN160412	PLN	12.04.2016	52 404	0	0
PMEQIN160516	PLN	16.05.2016	63 997	0	0
PMIX3M160622	PLN	22.06.2016	3 280	3 280	3 280
PEEQIN161110	PLN	10.11.2016	99 543	0	0
PDEQIN161205	PLN	05.12.2016	2 673	0	0
PLEQIN161212	PLN	12.12.2016	79 308	0	0
PF1Y40161222	PLN	22.12.2016	25 000	25 000	0
P4Y20F171222	PLN	22.12.2017	283	283	0
P4YF20171222	PLN	22.12.2017	3 271	0	0
18.8 Own issues total (nominal value)			1 538 569	1 189 601	891 970

19. Provisions

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2014	258	10 316	10 574
Provisions recorded	1 379	53 853	55 232
Provisions released	-126	0	-126
Provisions utilized	-1 109	-56 664	-57 773
As at 30 June 2014	402	7 505	7 907

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2013	840	11 709	12 549
Provisions recorded	1 221	104 940	106 161
Provisions released	-818	-4 978	-5 796
Provisions utilized	-985	-101 431	-102 416
Other changes	0	76	76
As at 31 December 2013	258	10 316	10 574

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

Provisions for employee benefits consist primarily of:

- provision for post-employment benefits;
- provision for unused holidays;
- provision for bonuses and awards.

The provision for old age and disability allowance is recognized for each employee based on an actuarial valuation prepared by an independent actuarial company. The basis for determining the value of the provision is the expected value of the old age or disability allowance which the Group commits to paying based on the Remuneration Regulations.

The provision for unused holiday is created individually for each employee based on the number of days of unused leave attributable to employee.

In accordance with IAS 19, the financial discount rate to calculate the provision was determined based on the market rate of return on Treasury bonds, whose currency and maturity dates are similar to those prevailing for the Bank's liabilities under employee benefits.

20. Other liabilities

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Interbank settlements	221 345	181 057	238 647
Taxation, customs duty, social and health insurance payables and other public settlements	21 342	20 577	20 428
Liabilities in respect of payment card settlements	4 097	5 310	32 978
Other settlements	167 407	163 759	126 911
including settlements with insurers	48 607	127 581	107 651
Accruals	194 968	174 649	85 165
Provision related to anticipated bancassurance withdrawals or resignations	103 055	114 638	122 980
Unregistered capital	0	464 156	0
Other liabilities	5 369	5 124	12 449
Total other liabilities	717 583	1 129 270	639 558

Settlements with insurers comprise insurance premiums relating to the cover granted by the Group to its Customers under one of the group insurance contracts (concluded by the Group with insurers and offered to its Customers).

As at 31 December 2013 – as a result of the Bank's data recorded in escrow accounts – other liabilities comprise capital reported for registration. The capital was registered on 2 January 2014.

21. Financial assets and financial liabilities held for trading

As at 30 June 2014, 31 December 2013 and 30 June 2013 the Group classified derivative instruments and securities (shares, bonds) to the category financial of assets and liabilities held for trading. Derivative transactions are concluded for trading purposes and for the purpose of managing market risk. The Group concludes the following types of derivative transactions: FX-Forward, FX-Swap, IRS, CIRS, FRA, Commodity Futures, Commodity Forwards and Forward security transactions. Derivative financial instruments are measured on a daily basis using the discounted cash flow method. The Group also enters into option transactions. In accordance with the binding laws, in concluding option transactions, the Group executes them in a manner ensuring the simultaneous (each time and immediate) conclusion of an opposite option transaction with the same transaction parameters (back to back).

21.1 Derivative financial instruments (nominal value)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Interest rate transactions	17 901 227	14 702 308	12 590 048
SWAP	14 375 327	13 534 516	12 153 437
FRA	400 000	0	0
Cap Floor Options	3 125 900	1 167 792	436 611
Foreign exchange transactions	4 681 320	4 966 064	4 339 339
FX swap	1 530 362	2 490 943	1 157 684
FX forward	1 405 252	966 688	1 496 826
CIRS	1 467 511	1 219 714	1 325 499
FX options	278 195	288 719	359 330
Other options	2 320 426	2 091 796	1 483 640
Other instruments	491 119	353 894	553 178
Derivative financial instruments (nominal value)	25 394 092	22 114 062	18 966 205

21.2 Financial assets held for trading	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Shares	2 623	1 971	1 996
Bonds	890	418	853
Interest rate transactions	160 057	120 294	109 167
SWAP	151 170	116 229	106 042
FRA	154	0	0
Cap Floor Options	8 733	4 065	3 125
Foreign exchange transactions	49 188	57 842	93 189
FX swap	4 632	13 121	11 938
FX forward	17 125	20 294	46 173
CIRS	26 668	23 883	33 304
FX options	763	544	1 774
Other options	59 276	46 618	13 301
Other instruments	12 774	16 148	46 878
Financial assets held for trading	284 808	243 291	265 384

21.3 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Without specified maturity date	2 623	1 971	1 996
≤ 1W	11 591	10 783	13 487
> 1W ≤ 1M	16 374	20 221	55 161
> 1M ≤ 3M	24 939	57 215	32 163
> 3M ≤ 6M	14 987	20 757	29 719
> 6M ≤ 1Y	34 920	28 281	41 074
> 1Y ≤ 2Y	48 674	43 088	16 643
> 2Y ≤ 5Y	108 766	46 895	60 219
> 5Y ≤ 10Y	21 934	14 080	14 922
Financial assets held for trading	284 808	243 291	265 384

21.4 Financial liabilities held for trading	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Interest rate transactions	127 551	78 002	57 213
SWAP	118 793	73 937	54 088
Cap Floor Options	8 758	4 065	3 125
Foreign exchange transactions	28 659	49 499	57 330
FX swap	5 443	20 997	5 759
FX forward	6 984	8 137	20 208
CIRS	15 468	19 377	29 589
FX options	764	988	1 774
Other options	59 276	46 618	13 301
Other instruments	10 502	9 971	28 873
Financial liabilities held for trading	225 988	184 090	156 717

21.5 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
≤ 1W	1 885	5 017	6 889
> 1W ≤ 1M	10 039	15 550	42 156
> 1M ≤ 3M	9 616	16 477	10 209
> 3M ≤ 6M	8 680	31 756	6 232
> 6M ≤ 1Y	28 996	10 739	16 335
> 1Y ≤ 2Y	56 679	45 855	22 457
> 2Y ≤ 5Y	96 203	53 900	47 751
> 5Y ≤ 10Y	13 890	4 796	4 688
Financial liabilities held for trading	225 988	184 090	156 717

The listing below shows the hierarchy of measurement methods of financial instruments held for trading measured to fair value as at 30 June 2014 and comparative data as at 31 December 2013 and as at 30 June 2013.

In accordance with IFRS 13, the Group classified:

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

To instruments of this level the discounted cash flows method is used, on the assumption that profitability curves are based on interbank market quotations (including: deposit rates, rates from: FRA, OIS, IRS, basis swap, fx swap; forex transactions).

- to level 3 – instruments for which at least one factor affecting the price is not based on observable market data.

Instruments of this level include options embedded in deposit certificates issued by the Bank and options concluded on the interbank market to hedge embedded option positions. The fair value is determined on the basis of an internal model in consideration of both observable parameters (e.g. price of the base instrument, quotations from the

secondary option market), and non-observable parameters (e.g. fluctuations, correlations between base instruments in options based on baskets of instruments). Model parameters are set on the basis of statistical analysis. As the market risk position in respect of the specified options is in exact opposition, changes in the adopted model assumptions have no impact on changes in the fair value of the Bank's position in respect of level 3 option transactions. As at 31 December 2013, the Bank classified other options to level 3 (reclassification of financial assets in the amount of 3 703 PLN thousand and financial liabilities in the amount of 42 915 PLN thousand) which reflects better character of valuation.

21.6 Valuation of financial assets	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 1	11 655	10 976	2 849
Shares	2 623	1 971	1 996
Bonds	890	418	853
Other instruments	8 142	8 587	0
Level 2	213 877	185 697	249 234
SWAP	151 170	116 229	106 042
FRA	154	0	0
Cap Floor Options	8 733	4 065	3 125
FX swap	4 632	13 121	11 938
FX forward	17 125	20 294	46 173
CIRS	26 668	23 883	33 304
FX options	763	544	1 774
Other instruments	4 632	7 561	46 878
Level 3	59 276	46 618	13 301
Other options	59 276	46 618	13 301
Total financial assets	284 808	243 291	265 384

21.7 Movements on financial assets classified as level 3	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Opening balance	46 618	26 669	26 669
Increases, including	55 513	65 792	33 621
Derivatives revaluation of previous year	16 778	22 552	22 552
Derivatives transactions	14 579	24 567	10 215
Positive valuation of derivatives	24 156	18 673	854
Decreases, including	-42 855	-45 843	-46 989
Derivatives revaluation of previous year	-18 673	-4 884	-4 884
Settlement/redemption	-14 250	-24 181	-17 186
Negative valuation of derivatives	-9 932	-16 778	-24 919
Financial assets classified as level 3 at the end of the period	59 276	46 618	13 301

21.8 Valuation of financial liabilities	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 1	7 638	7 064	0
Other instruments	7 638	7 064	0
Level 2	159 074	130 408	143 416
SWAP	118 793	73 937	54 088
Cap Floor Options	8 758	4 065	3 125

(in PLN thousands)

FX swap	5 443	20 997	5 759
FX forward	6 984	8 137	20 208
CIRS	15 468	19 377	29 589
FX options	764	988	1 774
Other instruments	2 864	2 907	28 873
Level 3	59 276	46 618	13 301
Other options	59 276	46 618	13 301
Total financial liabilities	225 988	184 090	156 717

21.9 Movements on financial liabilities classified as level 3	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Opening balance	46 618	26 669	26 669
Increases, including	55 513	65 792	33 621
Derivatives revaluation of previous year	16 778	22 552	22 552
Derivatives transactions	14 579	24 567	10 215
Positive valuation of derivatives	24 156	18 673	854
Decreases, including	-42 855	-45 843	-46 989
Derivatives revaluation of previous year	-18 673	-4 884	-4 884
Settlement/redemption	-14 250	-24 181	-17 186
Negative valuation of derivatives	-9 932	-16 778	-24 919
Financial liabilities classified as level 3 at the end of the period	59 276	46 618	13 301

22. Notes to the cash flow statement

22.1 Cash and cash equivalents	As at 30.06.2014	As at 30.06.2013 Restated amounts
Cash and balances with the Central Bank	1 057 413	721 980
Current accounts with other banks	52 956	19 869
Term accounts with other banks	164 567	55 858
Total	1 274 936	797 707

22.2 Interest (financing activities)	As at 30.06.2014	As at 30.06.2013 Restated amounts
Interest expense – loan received	654	693
Interest expense – own subordinated issue	10 983	12 856
Interest expense – subordinated loan	1 161	988
Total adjustments	12 798	14 537

22.3 Operating activities – change in the balance of loans and other receivables	As at 30.06.2014	As at 30.06.2013 Restated amounts
Change in receivables from customers – statement of financial position	-2 224 625	-3 069 652
Change in amounts due from banks – statement of financial position	-51 749	201 254
Change in cash and cash equivalents in the balance sheet – nostro accounts	-46 866	-62 992
Change in cash and cash equivalents in the balance sheet – deposits up to 3 months	79 943	-141 745
Acquisition of subsidiaries	631	0
Change in the balance of loans and other receivables	-2 242 666	-3 073 135

22.4 Operating activities – change in the balance of other liabilities	As at 30.06.2014	As at 30.06.2013 Restated amounts
Increase/(decrease) in other liabilities – statement of financial position	-411 697	45 326
Change in revaluation reserve – statement of financial position	22 859	-42 470
Change in the balance of other liabilities measured at amortized cost - statement of financial position	736 327	-10 135
Unrealized foreign exchange gains – loans received	365	-3 629
Change in the deferred income tax provision in the revaluation reserve	5 362	-9 961
Accrued expenses in respect of purchasing fixed assets	0	-4 376
Accrued expenses in respect of purchasing intangible assets	1	-1 519
Repayment of loan received	61 846	0
Interest accrued – loan received	-654	-693
Financing activities – repayment of interest on loan received	671	710
Acquisition of subsidiaries	-257	0
Change in the balance of other liabilities	414 823	-26 747

22.5 Operating activities – change in the balance of other assets	As at 30.06.2014	As at 30.06.2013 Restated amounts
Net increase/decrease in other assets – statement of financial position	125 207	82 747
Provision for fixed and intangible assets	250	0
Change in other assets	125 457	82 747

23. Hedge accounting

The Group has been applying cash flow hedges. The hedging strategy is aimed at securing interest rate risk resulting from fluctuations in cash flows from assets with a variable interest rate, using PLN IRS transactions. In the hedge relationships set up hedged items constitute cash flows on the PLN loans and advances portfolio bearing a fluctuating interest rate, and hedging instruments are IRS transactions, where the Group receives interest based on a fixed interest rate and pays interest based on a variable interest rate. Hedged items are measured at amortized cost, and hedging instruments at fair value.

23.1 Hedging instruments	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Interest rate transactions	2 500 000	1 150 000	1 150 000
SWAP	2 500 000	1 150 000	1 150 000
Financial assets held for trading-hedging instruments	2 500 000	1 150 000	1 150 000

23.2 Hedging derivatives - assets	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 2	15 671	12 099	476
Interest rate transactions	15 671	12 099	476
SWAP	15 671	12 099	476
Hedging derivatives - assets	15 671	12 099	476

23.3 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
> 3M ≤ 6M	0	1 868	0
> 6M ≤ 1Y	2 173	0	0
> 1Y ≤ 2Y	8 154	7 579	476
> 2Y ≤ 5Y	5 344	2 652	0
Hedging derivatives - assets	15 671	12 099	476

23.4 Hedging derivatives - liabilities	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 2	0	0	11 300
Interest rate transactions	0	0	11 300
SWAP	0	0	11 300
Hedging derivatives - liabilities	0	0	11 300

23.5 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
> 6M ≤ 1Y	0	0	222
> 1Y ≤ 2Y	0	0	1 022
> 2Y ≤ 5Y	0	0	10 056
Hedging derivatives - liabilities	0	0	11 300

24. Subordinated liabilities

On 15 November 2011, the Polish Financial Supervision Authority granted its permission to include the subordinated loan of EUR 10 million, concluded on 12 October 2011 by and between Alior Bank S.A. and Erste Group Bank AG, in the supplementary funds of Alior Bank S.A. The borrowing agreement was concluded for a period of 8 years, and the interest rate is based on 3M EURIBOR. The loan may be repaid early, if written notification is submitted 30 days before the planned payment date. As at 30 June 2014, 31 December 2013 and 30 June 2013, the carrying amounts of the borrowing were PLN 41 877 thousand, PLN 41 657 thousand and PLN 43 484 thousand respectively.

On 3 February 2012 the subscription period for C-series bonds issued by Alior Bank S.A. ended. The total nominal value of the bonds is PLN 280 million. The bonds were purchased by open pension funds (OFE), investment fund management companies (TFI) and insurance companies. The bonds were issued for a period of 8 years (the date of redemption is 14 February 2020), and they bear an interest rate based on WIBOR 6M. On 20 March 2012, the Bank obtained the consent of PFSA to include the bonds in its own supplementary funds. As of 14 February 2015 the Issuer shall be entitled to early redemption of C-Series bonds, if the Polish Financial Supervision Authority approves. The carrying amount of the bonds as at 30 June 2014 was PLN 287 868 thousand, as at 31 December 2013 PLN 288 008 thousand and at 30 June 2013: PLN 288 932 thousand.

On 28 March 2012, PFSA gave its consent to including the subordinated bonds issued for a period of 8 years (to be redeemed on 31 January 2020), in the amount of EUR 4 500 000, bearing an interest rate of 6M LIBOR for 6-month EUR deposits, in the Bank's own supplementary funds. As of 31 January 2015 the Issuer shall be entitled to early redemption of Series B bonds, if the Polish Financial Supervision Authority approves. The carrying amount of the bonds as at 30 June 2014 was PLN 19 217 thousand, as at 31 December 2013 PLN 19 156 thousand and at 30 June 2013: PLN 19 987 thousand.

25. Equity

25.1 Equity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Equity attributable to equity holders of the parent	2 820 193	2 184 732	2 063 501
Share capital	699 413	635 830	635 830
Supplementary capital	1 773 494	1 434 713	1 434 713
Other capital	179 765	176 792	169 938
Share-based payments – equity component	179 924	176 792	169 938
Retained earnings / (accumulated losses)	9 804	-273 728	-273 728
Revaluation reserve	6 082	-16 777	-31 694
On measurement of available for sale assets	-6 145	-13 757	-22 951
On measurement of hedging derivatives	12 227	-3 020	-8 743
Profit for the year	151 635	227 902	128 442
Non-controlling interests	2 260	0	0
Total equity	2 822 453	2 184 732	2 063 501

25.2 Revaluation reserve	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Valuation of financial assets available for sale	-6 145	-13 757	-22 951
treasury bonds	-8 373	-17 701	-29 888
other bonds	786	717	1 553
Deferred tax	1 442	3 227	5 384
Valuation of hedging derivatives	12 227	-3 020	-8 743
IRS	15 095	-3 728	-10 794
Deferred tax	-2 868	708	2 051
Revaluation reserve	6 082	-16 777	-31 694

26. Fair value

Fair value is the price which would be received on the sale of an asset or paid for settling a liability in a transaction concluded on an arm's length basis on the main (or most favourable) market as at the measurement date in prevailing market conditions (i.e. the selling price irrespective of whether it is directly observable or estimated using another measurement technique).

The fair value of financial instruments is based on prices quoted on an active main (or most favourable) market, and is not decreased by transaction costs. If the market price is not available, the fair value of an instrument is determined using valuation models or discounted cash flow techniques.

The following are used in valuation techniques:

- latest market transactions concluded directly between informed and interested parties, if such information is available;
- references to present fair value of another instrument with nearly identical characteristics;
- the discounted cash flow method.

If there is a measurement technique universally used by market participants for measuring instruments and it was shown to deliver a reliable estimate of prices in actual market transactions, the Group uses that method. Selected measurement techniques mainly use market data. They are only based to a small extent on data specific for the Group. The measurement technique covers all the factors which would be taken into consideration by market participants when determining the price, and complies with the economically accepted methods of valuation of financial instruments. The Bank verifies the correctness of valuation using the prices obtained from available market transactions for the same instrument or based on other available market data.

Balance-sheet items measured at fair value

Financial instrument	Frequency	Recognition/presentation
Available-for-sale financial assets	Every day	Other comprehensive income
Fx forward, fx swap, fx options	Every day	Income statement
CIRS, FRA, IRS	Every day	Income statement
Other derivative instruments	Every day	Income statement

The fair value of the Group's financial instruments presented in the statement of financial position at fair value as at 30 June 2014, 31 December 2013 and 30 June 2013 was equal to their carrying amounts.

As of 2013 Alior Bank SA adjusts the measurement of its assets by counterparty credit risk. The amount of the adjustment is equivalent to the change in the measurement of derivatives resulting from any party's default (the Bilateral Credit Value Adjustment). As at 30 June 2014, the BCVA adjustment amounted to PLN (696) thousand. The total BCVA amount comprises the CVA adjustment (reflecting exclusively counterparty default risk) amounting to PLN (743) thousand and DVA adjustment (reflecting the risk of the Bank's insolvency) of PLN 47 thousand. The amount of the adjustment is calculated based on estimates of the following parameters: bilateral probability of default (PD), the LGD ratio (Loss Given Default), the expected exposure or negative exposure on the transaction (EE and NEE).

The PD and LGD ratios are assessed using internal models used by the Group, and with the use of market quotations of credit risk. Counterparty exposure is calculated in consideration of the current measurement and its projection calculated based on expected changes in market conditions. Additionally, in assessing the credit risk adjustment mutual liabilities are taken into consideration following from hedging contracts regulating the relations between the parties to the transaction.

Fair value measurement for disclosure purposes

The carrying amounts and fair values of assets and liabilities which are not shown in the statement of financial position at fair value are presented below. Conducted estimates indicate that, apart from amounts due from customers amounts due from customers, fair value of other financial instruments approximates their carrying value. The method of calculating the fair value of amounts due from customers applied by the Group (with the exception of overdraft facilities) the Group compares the margins earned on newly extended loans (in the month preceding the reporting date) with the margins on the whole credit portfolio. The fair value is calculated as loans balance sheet value multiplied by difference between margins on the whole credit portfolio and margins earned on newly extended loans in the last reporting period (broken down by products and currencies). Aggregated fair value is translated at average exchange rate of the National Bank of Poland as of the balance sheet date. If the margins on newly extended loans are higher than the margins on the current portfolio, the fair value of the loan is lower than its carrying amount. Fair value of other financial instruments is equal to their carrying amounts.

Financial instrument	As at 30.06.2014		As at 31.12.2013		As at 30.06.2013	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with the Central Bank	1 057 413	1 057 413	1 067 227	1 067 227	721 980	721 980
Amounts due from customers	21 882 525	21 703 433	19 657 900	19 413 520	17 369 735	17 101 808
Amounts due from banks	305 948	305 948	254 199	254 199	169 520	169 520
Other assets	175 276	175 276	307 808	307 808	246 130	246 130
Non-current asset held for sale	38 335	38 335	38 335	38 335	62 298	62 298
Financial liabilities measured at amortized cost	22 982 887	22 982 887	21 660 435	21 660 435	19 590 714	19 590 714
Subordinated loans	348 962	348 962	348 821	348 821	352 403	348 821
Other liabilities	392 849	392 849	350 126	350 126	398 536	398 536

All positions presented in the table below are classified to level 3

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 3			
Cash and balances with the Central Bank	1 057 413	1 067 227	721 980
Amounts due from customers	21 703 433	19 413 520	17 101 808
Amounts due from banks	305 948	254 199	169 520
Other assets	175 276	307 808	246 130
Non-current asset held for sale	38 335	38 335	62 298
Financial liabilities measured at amortized cost	22 982 887	21 660 435	19 590 714
Subordinated loans	348 962	348 821	348 821
Other liabilities	392 849	350 126	398 536

27. Capital adequacy and the Tier 1 ratio

Calculation of funds and capital adequacy ratio	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Total own funds for the capital adequacy ratio	2 794 729	2 336 315	2 241 726
Common equity Tier I capital	2 454 396	1 995 004	1 896 949
Tier II capital	340 333	341 311	344 777
Capital requirements	1 701 967	1 543 375	1 404 392
Capital requirements for the following risks: credit, counterparty, credit valuation adjustment, dilution and delivery of instruments to be settled at a later date	1 514 969	1 398 915	1 254 999
Total capital requirements for the following risks: equity instrument price risk, debt instrument price risk, commodity prices and FX risk	1 832	2 431	1 403
Capital requirement for general interest rate risks	26 554	25 766	19 112
Capital requirements for operating risk	158 612	116 263	128 878
Tier 1	11.54%	10.34%	10.81%
Capital adequacy ratio	13.14%	12.11%	12.77%

As at 30 June 2014 the capital adequacy ratio and the Tier 1 ratio were calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No. 575/2013 dated 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ("CRR Regulation"). Until the date of these financial statements, part of the regulations relating to the determination of own funds and capital requirements (so-called national options) have not been used or published by a Polish authority or public entity authorized to supervise credit institutions and investment companies. A conservative approach was adopted for calculating the capital adequacy ratio in the unregulated scope, which related – among other things – to percentage amounts in the transitional period and to risk weights in respect of mortgage-secured foreign currency exposures for which this assumption was recommended by the PFSA as potentially "national options". It should be emphasized that with reference to the determination and publication of "national options" the Group's capital adequacy ratio as at 30 June 2014 could differ from that published in these financial statements.

As at 31 December 2013 and as at 30 June 2013 equity and capital requirements were calculated in accordance with Art. 128 of the Banking Law of 29 August 1997, as amended.

28. Off-balance sheet items

28.1 Off-balance sheet contingent liabilities granted to customers	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Off-balance sheet liabilities granted	7 372 672	7 078 830	6 452 529
Relating to financing	5 874 738	5 735 711	5 315 750
Guarantees	1 497 934	1 343 119	1 136 779

28.2 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
≤ 1W	4 906	1 570	6 792
> 1W ≤ 1M	25 223	43 322	16 096
> 1M ≤ 3M	101 608	71 822	113 175
> 3M ≤ 6M	120 765	166 456	94 546
> 6M ≤ 1Y	254 698	231 507	263 871
> 1Y ≤ 2Y	272 383	162 171	172 462
> 2Y ≤ 5Y	224 072	299 313	259 080
> 5Y ≤ 10Y	471 939	362 684	193 888
> 10Y ≤ 20Y	22 340	4 274	16 869
Off-balance sheet liabilities granted in respect of guarantees	1 497 934	1 343 119	1 136 779

The Group offers its individual customers renewable checking account overdraft limits and credit cards, which are granted for an indefinite period; at the same time, close monitoring of cash inflows to the account is conducted.

The Group grants contingent liabilities to business customers in respect of:

- current account limits for a period of 12 months;
- guarantees, for a maximum period of 6 years;
- credit cards for an indefinite period (with conducting of close monitoring of cash inflows to the account);
- loans launched in tranches for a period of up to 2 years.

The guarantee amounts shown in the table above reflect the maximum possible loss which would be disclosed as at the reporting date had all customers defaulted.

29. Assets pledged as collateral

Balance sheet value	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Treasury bonds blocked with BFG	111 835	97 724	85 570
Bonds blocked with REPO transactions	1 280 321	683 197	460 844
Deposit as collateral of transactions performed in Alior Trader	18 901	4 539	13 652
Deposits as derivative transactions (ISDA) collateral	61 284	57 280	77 407

30. Business combinations and transactions with non-controlling interests

Business combinations

On 26 February 2014, Alior Bank S.A. concluded an agreement with Makers S.A. for taking up 3 550 000 new registered F-series shares, at the same time paying the issue price of PLN 4 047 000. As a result of taking up the shares Alior Bank S.A.'s interest in Money Makers S.A. exceeded 50% of the total number of voting rights at the General Shareholders' Meeting of that company. After assessing control issues in the light of IFRS 10 the Bank determined that it assumed control over Money Makers S.A. Acquisition of Money Makers S.A. is to increase the value of the Group and extend the offer to the

customers in the range of investment products. This allows also more flexible response to the investment needs of customers.

Moreover, on 1.04.2014, Two representatives of Alior Bank became members of the Supervisory Board of Money Makers S.A., which comprises three persons. As a result, the Bank now had the majority of votes in the Supervisory Board.

Below, we present the identifiable acquired assets and liabilities:

Assets	in PLN'000
Amounts due from banks	6 128
Other assets	260
Total assets	6 388

Equity and liabilities	in PLN'000
Other liabilities	267
Total equity and liabilities	267

Total net identifiable assets	6 121
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The fair value of the acquired net assets is equal to their carrying amount.

The Group measured the non-controlling interests in Money Makers S.A. at the proportion of the non-controlling interests in total net identifiable assets of the acquired company. As at the date of acquisition, the value of non-controlling interests in Money Makers S.A. amounted to PLN 3 048 thousand.

As a result of the transaction the Group recognized goodwill of PLN 974 thousand, determined as follows:

Measurement of goodwill	in PLN'000
+ Fair value of the consideration paid	4 047
+ Non-controlling interests	3 048
+ Fair value of previously acquired shares in the acquired entity	0
- Fair value of net assets of the acquired entity	6 121
Total assets	974

Goodwill on acquisition comprises mainly the synergies expected as a result of combining activities which are possible thanks to many years of experience of Money Makers S.A. in asset management, working out IT and organization solutions and its know-how.

In the consolidated financial statements as at 30 June 2014 the Group accounted for the revenues and loss of the subsidiary in the amount of PLN 539 thousand and PLN 790 thousand respectively. Had the acquisition date been the beginning of the annual reporting period, the revenues and loss in the consolidated financial statements for the 1st half of 2014 would have amounted to PLN 762 thousand and PLN 1 066 thousand respectively.

Transactions with non-controlling interests

On 14 March 2014 the terms and conditions for acquiring one of the former shareholders in Money Makers S.A. were met. As a result of the transaction the Bank has 57.6% of the total number of voting rights at the General Shareholders' Meeting of Money Makers S.A.

The share acquisition was recognized by the Group as an equity transaction, in accordance with IFRS 3. As a result of the transaction the value of non-controlling interests decreased by PLN 438 thousand. The negative change in the parent company's equity amounted to PLN 159 thousand.

31. Related-party transactions

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

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Assets			
Loans and advances to customers	60 078	58 697	52 600
Non-current asset held for sale	38 298	38 298	62 298
Total assets	98 376	96 995	114 898
Liabilities and equity			
Financial liabilities measured at amortized cost	128 767	130 471	139 020
Other liabilities	56	65	33
Total liabilities and equity	128 823	130 536	139 053

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Off-balance sheet liabilities granted to customers	25 259	20 039	26 906
Relating to financing	9 012	10 363	10 360
Guarantees	16 247	9 676	16 546

	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013
Interest income	1 547	1 516
Interest expense	-1 320	-1 042
Fee and commission income	735	160
Trading result	0	26
Other operating income	48	34
General administrative expenses	-29 641	-27 316
Impairment losses	0	2 578
Total	-28 631	-24 044

Nature of related party transactions

All transactions with related entities are conducted in accordance with the regulations relating to banking products, on an arm's length basis.

In the reporting period, agreements between the Group and Alior Polska Sp. z o.o. relating to the sublease of office space were in force.

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

32. Transactions with members of the Bank's management and supervisory bodies

All transactions with members of the Banks's management and supervisory bodies are conducted in accordance with the regulations relating to banking products, on an arm's length basis.

Supervisory Board	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Assets			
Financial assets held for trading	0	3	0
Loans and advances to customers	1	0	39
Other assets	0	1	0
Total assets	1	4	39
Liabilities and equity			
Financial liabilities measured at amortized cost	25 127	27 867	30 516
Other liabilities	0	1	0
Total liabilities and equity	25 127	27 868	30 516

Supervisory Board	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Off-balance sheet liabilities granted to customers	39	40	61
Relating to financing	39	40	61
Derivatives (nominal value)	0	1 244	0
Other options	0	1 244	0

Management Borad	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Assets			
Loans and advances to customers	6 080	6 116	6 724
Total assets	6 080	6 116	6 724
Liabilities and equity			
Financial liabilities measured at amortized cost	2 784	10 126	3 170
Other liabilities	1	2	1
Total liabilities and equity	2 785	10 128	3 171

Management Borad	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Off-balance sheet liabilities granted to customers	608	1 689	795
Relating to financing	608	1 689	795

Information on the total amount of remuneration paid or payable, broken down by Management and Supervisory Board members	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013
Management Borad	8 291	8 448
short-term employee benefits	8 291	8 448
Supervisory Board	353	304
short-term employee benefits	353	304

Number of shares held by the Supervisory Board	As at 30.06.2014	As at 31.12.2013
Helene Zaleski	210 774	186 159
Małgorzata Iwanicz- Drozdowska	1 465	1 465
Total	212 239	187 624

Number of shares held by the Management Board	As at 30.06.2014	As at 31.12.2013
Wojciech Sobieraj	71 322	71 322
Krzysztof Czuba	168	168
Michał Hucal	70	70
Niels Lundorff*	0	83 021
Artur Maliszewski*	0	3 042
Witold Skrok	168	168
Katarzyna Sułkowska	2 851	2 851
Total	74 579	160 642

* On 9 April 2014 Mr Niels Lundorff and Mr Artur Maliszewski submitted a resignation from applying for the election for further 3 year term of office of the Management Board of the Bank, which began on 21 April 2014.

33. Management option plan

On 13 December 2012, based on a power of attorney granted in the Resolution of the Supervisory Board of Alior Bank S.A. of 10 December 2012, preliminary allocation of A, B and C series Subscription Warrants was performed. The said Subscription Warrants entitle their holders to acquire the Bank's shares, in accordance with a Resolution of the General Shareholders' Meeting of Alior Bank S.A. no. 28/2012 of 19 October 2012 on the conditional increase of the Bank's share capital and issue of subscription warrants. The Warrants were allocated as follows:

- Wojciech Sobieraj – 666,257 Warrants;
- Niels Lundorff – 366,437 Warrants;
- Krzysztof Czuba – 266,500 Warrants;
- Artur Maliszewski – 266,500 Warrants;
- Katarzyna Sułkowska – 266,500 Warrants;
- Witold Skrok – 266,500 Warrants.

The new incentive plan is also addressed to a group of the Bank's key managers who are not Management Board members.

Principles of Incentive scheme performance plan have been determined in the Incentive Scheme Program adopted with a Resolution of the Supervisory Board of Alior Bank S.A.

Under the new incentive plan it is anticipated that three tranches of subscription warrants (A, B and C series) and the corresponding three tranches of new shares of the Bank (D, E and F series) with a total nominal value of up to PLN 33,312,500 will be issued, including:

- up to 1,110,417 A series subscription warrants, which shall entitle their holders to acquire up to 1,110,417 D series shares of the Bank starting in the period of five years from the first anniversary of the first quotation of the Bank's shares on the WSE;

- up to 1,110,416 B series subscription warrants, which shall entitle their holders to acquire up to 1,110,416 E series shares of the Bank starting in the period of five years from the second anniversary of the first quotation of the Bank's shares on the WSE;
- up to 1,110,417 C series subscription warrants, which shall entitle their holders to acquire up to 1,110,417 F series shares of the Bank starting in the period of five years from the third anniversary of the first quotation of the Bank's shares on the WSE.

The eligible persons will be able to take up subscription warrants on the condition that the change in the price of the Bank's shares at the WSE in the reference period (calculated as the difference between the Final Price of the Shares Offered and the average closing price from 30 trading session days preceding the first (for A series subscription warrants), second (for B series subscription warrants) or third (for C series subscription warrants) anniversary of the first quotation of the Bank's shares on the WSE) exceeds the change in the WIG-Banki index in the same period (calculated as the difference between the WIG-Banki index as at the day of the first quotation of the Bank's shares at the WSE and the average closing value of the WIG-Banki index from 30 trading session days preceding the day of the first, second or third anniversary of the first quotation of the Bank's shares at the WSE (as appropriate)).

The issue price of the shares shall amount to the average price of the Bank's shares in the Public Offering calculated by dividing the net proceeds from the Public Offering by the total number of Offered Shares allocated in the Public Offering, increased by 10% (in the case of D series Shares), 15% (in the case of E series shares) or 17.5% (in the case of F series shares).

The new management option plan will be settled in the same way as the original incentive plan (which is described below), i.e. it will affect the Bank's financial result as a component of employee costs and will be recognized, in the same amount, as an increase in equity under other capital – share-based payment – equity component. At the day of start of the plan its value amounted to PLN 24,692 thousand. In the first half of 2014 the cost in the amount of PLN 3,133 thousand was recognised.

As at 9 April, 2014 the Supervisory Board of the Bank adopted a resolution on approval of the final allocation of subscription warrants for the first period of evaluation within Incentive Scheme Program of Alior Bank S.A. Pursuant with the resolution 677,607 warrants A series was allocated, and granting of 298,147 has been deferred and shall depend entitled persons objectives being accomplished in the current year.

The original Incentive Plan

As a result of the settlement of the original incentive plan (determined on the basis of the agreement dated 25 August 2008) 105 Alior Bank managers, including Members of the Bank's Management Board, received (indirectly, through LuxCo 82 s.a.r.l.) on 14 December 2012, 2,414,118 shares of Alior Bank. The remaining 1,299,909 of the Bank's shares resulting from settling the previous incentive plan will be transferred by the Carlo Tassara Group to LuxCo 82 s.a.r.l. at the earlier of the sale of at least 30% of the Bank's shares by the Carlo Tassara Group, or on 30 June 2014. LuxCo 82 S.a.r.l. is a company operating under the Luxembourg law, controlled by the management of Alior Bank and representing the interests of participants in the management incentive plan. The whole incentive plan realized by Luxco 82 covered 3,714,027 shares of Alior Bank S.A.

Members of the Management Board of Alior Bank S.A. are bound by a contractual lock-up in respect of up to 30% of the incentive shares over a period of 9 months, and in respect of 70% of the incentive shares by contractual lock-up over a period of 24 months as of 14 December 2012. Incentive shares vested in other plan participants who are not members of the Management Board, were subject to contractual lock-up, in respect of up to 30% of the incentive shares, until the end of January 2013, and to contractual lock-up over a period of 12 months as of 14 December 2012 in respect of up to 70% of the incentive shares.

Due to the partial expiry of the lock-ups, on 14 May 2013 LuxCo 82 s.a.r.l. sold another block of 405,683 of the Bank's shares, on 1 October 2013 it sold a block of 678,856 shares, and on 31 March 2014. a block of 1,171,474 of the Bank's shares.

After the transactions were completed, as at 30 June 2014 the shareholdings amounted to 1,458,012 shares representing 2.084% of the total number of votes at the General Shareholders' Meeting.

34. Disputed claims

In the first half of 2014, in respect of business customers, the Bank issued 572 executory titles of a total value of PLN 189,956 thousand.

In cases relating to retail customers, the number of executory titles issued by the Bank in the first half of 2014 was 8,736 and related to debt with a total value of PLN 133,237 thousand.

As at 30 June 2014, total value of claims against the Bank (without claim related with recoveries) amounted to 33,627 PLN thousand.

As at 30 June 2014, the Bank had no pending court proceedings, proceedings before competent arbitration or public administration authorities in respect of the Bank's or its subsidiaries' liabilities or receivables with a value no lower than 10% of the Bank's equity. In the Bank's opinion, no single court, arbitration court or public administration body proceeding in progress in 1H2014, and no proceedings jointly could threaten the Bank's financial liquidity.

35. Notes relating to the Brokerage Office

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

Cash and cash equivalents	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Cash and cash equivalents deposited in cash accounts with the brokerage office and paid in for purchasing securities in Initial Public Offerings or in public trading in the primary market	256 223	140 493	116 877
Total	256 223	140 493	116 877

Amounts due from banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Receivables in respect of transactions concluded on the securities exchange:	299	819	967
WSE	299	819	967
Total	299	819	967

Amounts due from the National Deposit and securities exchange clearing houses	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Amounts due from the settlement fund	24 606	24 663	22 467
Amounts due from the compensation fund	42	35	27
Total	24 648	24 698	22 494

Amounts due to the National Deposit and securities exchange clearing houses	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Amounts due to the settlement fund	138	12	204
Total	138	12	204

Amounts due to entities regulated securities markets and commodity exchanges	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Amounts due to obligations of the exchanges	0	0	140
Total	0	0	140

Amounts due to banks conducting brokerage activities, brokerage houses and commodity brokerage houses	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Liabilities in respect of transactions concluded on the securities exchange:	9 638	4 569	14 853
WSE	9 638	4 569	14 853
Total	9 638	4 569	14 853

Customers' financial instruments recorded in securities accounts	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Dematerialized financial instruments:	6 974 482	6 757 613	5 978 404
including those admitted to trading on the regulated market	5 746 543	5 685 514	6 705 869
Financial instruments other than dematerialized	49 810	35 659	11 868
Total	7 024 292	6 793 272	5 990 272

36. Acquisitions and disposals of tangible fixed asset items

In the first half of 2014, there were no material transactions of acquisition or disposal of any tangible fixed assets.

37. Appropriation of profit for 2013 and information about lack of dividends paid

On 15 May 2014 the Ordinary General Shareholders' Meeting of Alior Bank Spółka Akcyjna passed a resolution on appropriating the profit for 2013 of PLN 219 751 608.89. The Bank's Ordinary General Shareholders' Meeting decided to appropriate the whole net profit for 2013 for offsetting accumulated losses shown in the Bank's statement of financial position as at 31 December 2013.

The Bank did not pay dividends for year 2013.

38. Significant non-adjusting events after the balance sheet date

Events as indicated above did not occur in the Group.

39. Plan to sell a significant portion of shares

The start-up meeting on the potential sale of the Bank's shares held by the Carlo Tassara Group was held in the second half of March 2013.

Carlo Tassara is endeavoring to sell the block of shares it holds to a regulated entity (a bank or insurance company) which meets the criteria specified in art. 25h of the Banking Law. Carlo Tassara was informed by PFSA that PFSA will evaluate such an entity, among other things, in terms of its financial stability, as well as long-term credit rating, both of the investor and of its country of origin.

Ultimately, Carlo Tassara's exit from the investment in the Bank will take into consideration the timeframe necessary to find a new investor and gain its approval by PFSA. Carlo Tassara made all effort to sell the shares to an appropriate investor before the end of 2013.

On 9 January 2014, the Bank's Management Board received a notification from Carlo Tassara S.p.A. indicating that the PFSA gave its permission to extend the period indicated in the Bank's prospectus, during which the shareholder was obliged to sell the shares held in the Bank, to 31 December 2014.

40. Registered audit company

In its resolutions dated 4 April 2014 the Supervisory Board appointed PricewaterhouseCoopers Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw registered auditor of the Bank. On 6 June 2014 a contract was concluded for the review of the condensed semi-annual financial statements for the period from 1 January to 30 June 2014 and for the audit of the annual financial statements for 2014. The contract was concluded for the period of performing the services related to auditing the financial statements for 2014, 2015 and 2016.

41. Risk management

Risk management is one of the key internal processes in the Alior Bank S.A. Group. The overriding goal of the risk management policy is to ensure early recognition and appropriate management of all material risks in the Bank's operations. The Group isolated the following types of risks resulting from the operations conducted:

- market risk, also covering the banking book interest risk and liquidity risk;
- credit risk;
- operating risk.

Detailed accounting policies were presented in the annual consolidated financial statements of the Alior Bank S.A. Group for the period from 1 January 2013 to 31 December 2013, published on 6 March 2014 and available on Alior Bank S.A.'s website.

In 2014 – in connection with the letter received from PFSA on 20 September 2013, in which the expectations relating to the Bank's impairment analysis process were detailed, the Bank started working on implementing changes. The following two changes had the largest impact on the Group's results:

- Implementation of the waiting period mechanism for impairment due to the "exceeded 90 DPD" premise – implemented as of 1 January 2014;
- Basing the LIP parameter on the results of the quantitative analysis – this was implemented as of 30 May 2014.

The waiting period mechanism consists of waiting 90 days from the latest appearance of the premise. Due to the fact that the full cycle of the waiting period lasts one quarter of the year, the Bank does not stipulate any negative effects of the change in consecutive quarters. The impact of implementing the change on the Group's results in the first half of 2014 is PLN 8.3 million (additional allowance).

For the purpose of the LIP analysis (loss incubation period analysis conducted to measure the impairment premise due to the late identification with regard to the event which caused the premise to arise) the Bank identified an event outside the catalogue of the impairment premises used, which could in universally attest to customer problems arising. The data used in the analysis came from the period from 1 January 2012 to 28 February 2014. The analysis showed consistent or similar levels of the parameter to the parameters used by the Bank. As a result of the analysis, the Bank updated the LIP

values used. In respect of the portfolio of mortgage loans, due to the small number in the sample (51 observations, divided into four baskets) and the less conservative results than the parameters used to-date, the Bank retained the LIP level without updating it. The change caused an increase in the IBNR level of PLN 8.9 million as at 30 June 2014. The following tables show a comparison of the results of the analysis.

Parameters before analysis

Portfolio	0 DPD	1-30 DPD	31-60 DPD	61-90 DPD
Credit cards	5	3	2	1
Mortgages	6	3	2	1
Loans/Instalment loans	4	3	2	1
Accounts/Overdrafts	5	3	2	1
Others	4	3	2	1

Parameters after analysis

Portfolio	0 DPD	1-30 DPD	31-60 DPD	61-90 DPD
Credit cards	5	4	2	1
Mortgages	6	3	2	1
Loans/Instalment loans	5	3	2	1
Accounts/Overdrafts	4	4	3	2
Others	5	4	3	1

Signatures of all Members of the Management Board

6.08.2014	Wojciech Sobieraj Chair of the Management Board Signature:
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6.08.2014	Krzysztof Czuba Deputy Chair of the Board Signature:
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6.08.2014	Michał Hucal Deputy Chair of the Board Signature:
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6.08.2014	Witold Skrok Deputy Chair of the Board Signature:
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6.08.2014	Katarzyna Sułkowska Deputy Chair of the Board Signature:
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Interim condensed separate financial statements

Separate income statement

	Note	1.04.2014- 30.06.2014	1.01.2014- 30.06.2014	1.04.2013- 30.06.2013 Restated amounts	1.01.2013- 30.06.2013 Restated amounts
Interest income		425 122	811 608	366 940	743 196
Interest expense		-125 412	-246 496	-129 841	-284 514
Net interest income	3	299 710	565 112	237 099	458 682
Dividend income		25 540	25 540	1 785	1 785
Fee and commission income		138 753	263 922	111 302	213 263
Fee and commission expense		-54 818	-96 528	-54 599	-103 253
Net fee and commission income	4	83 935	167 394	56 703	110 010
Trading result	5	65 168	120 967	78 357	127 236
Net gain (realized) on other financial instruments	6	2 181	2 170	5 589	6 961
Other operating income		14 109	25 684	16 616	26 942
Other operating costs		-3 488	-8 048	-4 758	-13 309
Net other operating income	7	10 621	17 636	11 858	13 633
General administrative expenses	8	-233 074	-447 697	-201 143	-396 763
Impairment losses	9	-129 870	-247 151	-86 664	-160 199
Gross profit		124 211	203 971	103 584	161 345
Income tax	10	-18 638	-34 382	-20 046	-32 686
Net profit		105 573	169 589	83 538	128 659
Net profit		105 573	169 589	83 538	128 659
Weighted average number of ordinary shares		69 941 261	69 941 261	63 582 965	63 582 965
Net profit per share (in PLN)		1.51	2.42	1.31	2.02
Diluted earnings per share (in PLN)		1.44	2.31	1.25	1.92

Separate statement of comprehensive income

	1.04.2014- 30.06.2014	1.01.2014- 30.06.2014	1.04.2013- 30.06.2013 Restated amounts	1.01.2013- 30.06.2013 Restated amounts
Net profit	105 573	169 589	83 538	128 659
Other taxable comprehensive income	20 345	22 859	-33 706	-42 470
Net gains/losses on financial assets available for sale	5 384	7 612	-24 963	-33 727
Profit/loss on valuation of financial assets available for sale	6 647	9 397	-30 818	-41 638
Deferred tax	-1 263	-1 785	5 855	7 911
Net gain on hedging derivatives	14 961	15 247	-8 743	-8 743
Net gain on valuation of hedging derivatives	18 470	18 823	-10 794	-10 794
Deferred tax	-3 509	-3 576	2 051	2 051
Total comprehensive income, net	125 918	192 448	49 832	86 189

The notes presented on pages 67-98 are an integral part of these condensed interim consolidated financial statements.

Separate statement of financial position

ASSETS	Note	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Cash and balances with the Central Bank	11	1 057 413	1 067 227	721 980
Financial assets held for trading	19	284 808	243 291	265 384
Financial assets available for sale	12	2 784 204	3 388 525	3 446 706
Hedging derivatives financial instruments	20	15 671	12 099	476
Amounts due from banks	14	302 578	254 199	169 520
Loans and advances to customers	13	21 882 525	19 657 900	17 376 735
Property, plant and equipment		204 248	215 121	206 866
Intangible assets		189 031	188 048	167 404
Investments in subsidiaries		6 753	2 459	1 350
Non-current assets held for sale		38 335	38 335	62 298
Income tax asset		143 195	139 799	124 660
<i>Current</i>		0	0	4 120
<i>Deferred</i>		143 195	139 799	120 540
Other assets	15	240 582	337 777	262 468
TOTAL ASSETS		27 149 343	25 544 780	22 805 847

LIABILITIES AND EQUITY	Note	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Financial liabilities held for trading	19	225 988	184 090	156 717
Financial liabilities measured at amortized cost	16	23 012 500	21 688 985	19 605 462
Hedging derivatives financial instruments	20	0	0	11 300
Provisions	17	7 907	10 574	5 207
Other liabilities	18	706 803	1 105 434	612 695
Income tax liabilities		18 681	31 949	0
<i>Current</i>		18 681	31 949	0
Subordinated loans	21	348 962	348 821	352 403
Total liabilities		24 320 841	23 369 853	20 743 784
Equity	22	2 828 502	2 174 927	2 062 063
Share capital		699 413	635 830	635 830
Supplementary capital		1 773 494	1 434 712	1 434 712
Revaluation reserve		6 082	-16 777	-31 694
Other reserves		179 924	176 792	169 938
Undistributed result from previous years		0	-275 382	-275 382
Current year profit		169 589	219 752	128 659
TOTAL LIABILITIES AND EQUITY		27 149 343	25 544 780	22 805 847

The notes presented on pages 67-98 are an integral part of these condensed interim consolidated financial statements.

(in PLN'000)

Separate statement of changes in equity

1.01.2014 - 30.06.2014	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed results from previous years	Current year profit	Total equity
As at 1 January 2014	635 830	1 434 712	176 792	-16 777	-275 382	219 752	2 174 927
Transfer of the previous year result	-	-	-	-	219 752	-	219 752
Comprehensive income	-	-	-	22 859	-	169 589	192 448
Share-based payments	-	-	3 132	-	-	-	3 132
Share issue	63 583	394 412	-	-	-	-	457 995
Covering of losses	-	-55 630	-	-	55 630	-	0
As at 30 June 2014	699 413	1 773 494	179 924	6 082	-	169 589	2 828 502

Okres 1.01.2013 - 31.12.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed results from previous years	Current year profit	Total equity
As at 1 January 2013	635 830	1 276 610	163 377	10 776	-14 291	172 393	2 244 695
As at 1 January 2013 - adjusted amount	635 830	1 276 610	163 377	10 776	-176 740	59 460	1 969 313
Transfer of the previous year result	-	-	-	-	59 460	-59 460	0
Comprehensive income	-	-	-	-27 553	-	219 752	192 199
Share-based payments	-	-	13 415	-	-	-	13 415
Distribution of prior year result	-	158 102	-	-	-158 102	-	0
As at 31 December 2013	635 830	1 434 712	176 792	-16 777	-275 382	219 752	2 174 927

1.01.2013 - 30.06.2013	Share capital	Supplementary capital	Other reserves	Revaluation reserve	Undistributed results from previous years	Current year profit	Total equity
As at 1 January 2013	635 830	1 276 610	163 377	10 776	-14 291	172 393	2 244 695
As at 1 January 2013 - adjusted amount	635 830	1 276 610	163 377	10 776	-176 740	59 460	1 969 313
Transfer of the previous year result	-	-	-	-	59 460	-	59 460,00
Comprehensive income	-	-	-	-42 470	-	128 659	86 189
Share-based payments	-	-	6 561	-	-	-	6 561
Distribution of prior year result	-	158 102	-	-	-158 102	-	-
As at 30 June 2013	635 830	1 434 712	169 938	-31 694	-275 382	128 659	2 062 063

The notes presented on pages 67-98 are an integral part of these condensed interim consolidated financial statements.

Separate cash flow statement

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Operating activities		
Net profit	169 589	128 659
Adjustments:	-498 940	-597 070
Unrealized foreign exchange gains/losses	-156	7 164
Income tax presented in the income statement	34 382	32 686
Amortization/depreciation of tangible and intangible assets	39 276	36 929
Change in tangible and intangible assets impairment write-down	7	-25
Change in provisions	-2 667	0
Profit/loss on investments sale	99	-7 342
Interest (financial activity)	12 798	14 537
Share-based payments	3 133	6 561
Change in loans and receivables	-2 243 297	-3 080 136
Change in financial assets available for sale	604 321	874 041
Change in financial assets held for trading	-41 517	-91 678
Change in hedging derivatives - assets	-3 572	-476
Change in other assets	97 430	142 779
Change in deposits	240 583	1 312 378
Change in issued debt	346 605	202 183
Change in financial liabilities held for trading	41 898	27 610
Change in hedging derivatives - liabilities	0	11 300
Change in other liabilities	428 145	-50 326
Income tax paid	-56 408	-35 255
Net cash flow from operating activities	-329 351	-468 411
Investing activities		
Outflows:	-34 037	-32 454
Purchase of property, plant and equipment	-13 104	-11 833
Purchase of intangible assets	-16 289	-20 621
Purchase of shares in subordinated companies	-4 644	0
Inflows:	16	4 404
Disposal of property, subordinated companies	16	4 404
Net cash flow from investing activities	-34 021	-28 050
Financing activities		
Outflows:	-74 730	-16 264
Repayment of long-term liabilities	-74 730	-16 264
Inflows:	457 995	0
Inflows from share issue	457 995	0
Net cash flow from financing activities	383 265	-16 264
Total net cash flow	19 893	-512 725
<i>incl. foreign exchange from revaluation of cash and cash equivalents</i>	<i>2 166</i>	<i>6 926</i>
Balance sheet change in cash and cash equivalents	19 893	-512 725
Cash and cash equivalents, opening balance	1 251 673	1 310 432
Cash and cash equivalents, closing balance	1 271 566	797 707
Additional disclosures on operating cash flows		
Interest income received	825 976	674 448
Interest expense paid	-241 293	-287 960
Dividend received	25 538	1 780

The notes presented on pages 67-98 are an integral part of these condensed interim consolidated financial statements.

1. Basis of preparation

Scope and comparatives

The condensed interim financial statements of Alior Bank S.A. cover the 6-month period ended 30 June 2014 and comprise the comparatives for the 6-month period ended 30 June 2013 (as regards the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement) and the comparatives as at 31 December 2013 (as regards the statement of financial position and statement of changes in equity). The condensed interim financial statements have been prepared in the Polish zloties. Unless otherwise stated, the amounts are presented in PLN thousands.

Due to changes in the accounting policy concerning bancassurance income (the details are provided in the annual financial statements of Alior Bank S.A. for the financial year from 1 January 2013 to 31 December 2013), the comparatives in the condensed interim financial statements of Alior Bank S.A. were brought to comparability with the current period.

Presented below is the effect of the changes resulting from bringing the data to comparability on the individual income statement, statement of financial position and cash flow statement items.

Income statement

1.01.2013 - 31.03.2013	Financial statement as at 30.06.2013	Amount of adjustments	Restated amounts as at 30.06.2013
Interest income	700 380	42 816	743 196
Net interest income	415 866	42 816	458 682
Fee and commission income	323 760	-110 497	213 263
Fee and commission expense	-115 364	12 111	-103 253
Net fee and commission income	208 396	-98 386	110 010
General administrative expenses	-404 436	7 673	-396 763
Impairment losses	-166 302	6 103	-160 199
Gross profit	203 139	-41 794	161 345
Income tax	-40 627	7 941	-32 686
Net profit	162 512	-33 853	128 659
Total comprehensive income, net	120 042	-33 853	86 189

Statement of financial position

Statement of financial position line item	Financial statement as at 30.06.2013	Amount of adjustments	Restated amounts as at 30.06.2013
Loans and advances to customers	17 661 499	-284 764	17 376 735
Amounts due from banks*	170 021	-501	169 520
Income tax asset	52 123	72 537	124 660
Deferred	48 003	72 537	120 540
TOTAL ASSETS	23 018 575	-212 728	22 805 847
Other liabilities	516 188	96 507	612 695
Total liabilities	20 647 277	96 507	20 743 784
Equity	2 371 298	-309 235	2 062 063
TOTAL LIABILITIES AND EQUITY	23 018 575	-212 728	22 805 847

* adjustment of presentation not related to bancassurance adjustments

Statement of cash flows

1.01.2013 - 30.06.2013	Financial statement as at 30.06.2013	Amount of adjustments	Restated amounts as at 30.06.2013
Net profit	162 512	-33 853	128 659
Income tax presented in the income statement	5 372	27 314	32 686
Change in loans and receivables	-3 129 550	48 913	-3 080 637
Change in other liabilities	-42 706	-7 119	-49 825
Income tax paid*	0	-35 255	-35 255
Net cash flow from operating activities	-468 411	0	-468 411
Total net cash flow	-512 725	0	-512 725

* adjustment of presentation not related to bancassurance adjustments

Statement of compliance

These interim condensed financial statements of Alior Bank Spółka Akcyjna for the first half of 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of 30 June 2014, and in accordance with the requirements of the Decree of 19 February 2009 on current and periodic information to be prepared by issuers of securities and conditions for considering as equivalent the information required by the provisions of the law of a non-EU state (Journal of Laws of 2009 No. 33, item 259, as amended).

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

The interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the financial period from 1 January 2014 to 30 June 2014, and the interim condensed statement of financial position as at 30 June 2014, including the comparatives, have been prepared in accordance with the same accounting policies as those applied in the last annual financial statements, with the exception of amendments which are binding from 1 January 2014.

Going concern

The interim condensed financial statements of Alior Bank Spółka Akcyjna have been prepared on the assumption that the Bank will continue as a going concern for a period of at least 12 months after the balance sheet date, i.e. after 30 June 2014.

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

2. Accounting policies

The detailed accounting policies have been presented in the annual financial statements of Alior Bank S.A. for the financial year from 1 January 2013 to 31 December 2013, published on 6 March 2014 and available on the Alior Bank S.A. website.

In 2014, as a result of an assessment of the current state and the expected future benefits, the depreciation and amortization periods of property, plant and equipment and intangible assets were changed. The changes in the depreciation/amortization periods affected the Bank's results in the first half of 2014. The estimated effect of the changes was approx. PLN 3.2 million. The description of the changes is provided in the interim condensed consolidated financial statements of the Bank for the first quarter of 2014.

Changes in accounting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with the accounting policies applied in the preparation of the financial statements for the financial year ended 31 December 2013, except for the following amendments to standards and new interpretations binding for annual periods starting on or after 1 January 2014:

- IFRS 10 "Consolidated Financial Statements" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IFRS 11 "Joint Arrangements" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IFRS 12 "Disclosure of Interests in Other Entities" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- Amendments to IFRS 10, IFRS 11 and IFRS 12, *Transitional provisions* – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- Amendments to IFRS 10, IFRS 12 and IAS 27 – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IAS 27 "Separate Financial Statements" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- IAS 28 "Investments in Associates and Joint Ventures" – applicable to annual periods starting on or after 1 January 2013 – in the EU applicable at the latest to annual periods starting on or after 1 January 2014;
- Amendments to IAS 32 "Financial Instruments: Presentation": *Offsetting of Financial Assets and Financial Liabilities* – applicable to annual periods starting on or after 1 January 2014;
- IFRIC 21 "Levies" – applicable to annual periods starting on or after 1 January 2014;
- Amendments to IAS 39, *Novation of Derivatives and Continuation of Hedge Accounting* (published on 27 June 2013) – applicable to annual periods starting on or after 1 January 2014;
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets* (published on 19 December 2013) – applicable to annual periods starting on or after 1 January 2014;

The Bank concluded that the above changes did not have a significant effect on its financial position or results of operations.

New standards and interpretations, which have been published but are not yet effective

The following standards and interpretations have been published by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, but are not yet effective:

- Phase 1 of IFRS 9, *Financial Instruments* – applicable to annual periods starting on or after 1 January 2015, by the date of approving these financial statements, not endorsed by the EU;
- IFRS 14, *Regulatory Defferal Accounts* - applicable to annual periods starting on or after 1 January 2016 – by the date of approving these financial statements, not endorsed by the EU;
- IFRS 15, *Revenue from Contracts with Customers* - applicable to annual periods starting on or after 1 January 2017, by the date of approving these financial statements, not endorsed by the EU;
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* - applicable to annual periods starting on or after 1 January 2016, by the date of approving these financial statements, not endorsed by the EU;
- Amendments to IFRS 11 *Joint Arrangements: Acquisition of an interest in a joint operation* - applicable to annual periods starting on or after 1 January 2016, by the date of approving these financial statements, not endorsed by the EU;
- Amendments to IAS 19, *Defined Benefit Plans: Employee Contributions* (published on 21 November 2012) – applicable to annual periods starting on or after 1 January 2014 – by the date of approving these financial statements, not endorsed by the EU;
- Amendments arising from the IFRS 2010-2012 improvement project – some changes are applicable to annual periods starting on or after 1 January 2014 and some prospectively to transactions concluded on 1 July 2014 or later – by the date of approving these financial statements, not endorsed by the EU;
- Amendments arising from the IFRS 2011-2013 improvement project – applicable to annual periods starting on or after 1 July 2014 – by the date of approving these financial statements, not endorsed by the EU;

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

Notes to the separate income statement

3. Separate net interest income

3.1. Net interest income by entity	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Interest income	811 608	743 196
financial sector	52 037	46 922
non-financial sector	729 297	651 485
central and local government institutions	30 274	44 789
Interest expense	-246 496	-284 514
financial sector	-73 200	-48 499
non-financial sector	-172 759	-235 205
central and local government institutions	-537	-810
Net interest income	565 112	458 682

3.2. Net interest income by product	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Interest income	811 608	743 196
current accounts	9 135	9 850
overnight deposits	307	491
term deposits	46	901
loans	717 298	646 184
debt instruments	47 487	64 773
receivables acquired	15 729	18 732
hedging derivatives	20 887	1 775
other	719	490
Interest expense	-246 496	-284 514
current deposits	-32 931	-27 901
term deposits	-146 180	-213 035
repo transactions in securities	-6 313	-7 952
cash deposits	-2 300	-3 450
own issue	-37 142	-28 697
hedging derivatives	-19 814	-1 798
other	-1 816	-1 681
Net interest income	565 112	458 682

4. Separate net fee and commission income

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Fee and commission income from	263 922	213 263
brokerage commissions	27 866	19 930
payment cards	60 694	49 556
revenue from bancassurance activity	75 853	65 357
loans and advances	29 302	18 243
accounts maintenance	23 491	17 990
transfers	15 290	13 891
remittances and withdrawals services	9 733	8 378
acquired receivables	6 575	4 722
guarantees, letters of credit, collections, promises	6 247	5 015
other commissions	8 871	10 181
Fee and commission expense from	-96 528	-103 253
brokerage commissions	-2 840	-2 835
costs of card transactions and ATM , including costs of payment card issue	-29 315	-25 505

insurance of bank products	-7 607	-4 571
commissions for ATM sharing	-10 914	-8 401
fees paid under service agreements	-9 542	-14 049
compensation and awards to customers	-9 242	-15 423
commissions paid to agents	-6 299	-14 763
assistance services	-3 991	-5 950
costs of customers acquisition	-1 568	-313
other commissions	-15 210	-11 443
Net fee and commission income	167 394	110 010

5. Separate trading result

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013
Foreign exchange transactions result	93 349	70 023
Interest rate transactions result	26 284	54 369
Other financial instruments result	1 334	2 844
Trading result	120 967	127 236

6. Separate net gain realized on other financial instruments

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013
Financial assets available for sale	2 119	7 131
Own issue	51	-170
- income from re-purchase	105	27
- losses on repurchase	-54	-197
Net gain realized on other financial instruments	2 170	6 961

7. Separate net other operating income

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013
Other operating income from:	25 684	26 942
management of third party assets	8 518	5 138
received compensations, fines and penalties	118	58
fees paid by counterparts	3 010	2 855
acquisition of receivables	22	1 956
reimbursement of litigation costs	6 605	6 220
accrued income of tax from the tax office	2 416	5 383
income from sales of services	4	2 303
other	4 991	3 029
Other operating expenses due to:	-8 048	-13 309
management of third party assets	-1 898	-1 121
paid compensations, fines and penalties	-385	-258
awards given to customers	-438	-805
operating risk	-911	-2 070
litigation costs	-2 435	-3 672
lump sum reimbursement of costs incurred by the insurer in connection with the Bank exercising insurance actions	0	-1 556
acquisition of receivables	0	-2 014
other	-1 981	-1 813
Net other operating income and expense	17 636	13 633

8. Separate general administrative expenses

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Payroll costs	-246 749	-213 873
remuneration due to employment contracts	-202 029	-172 660
remuneration surcharges	-37 928	-32 185
share-based payments	-3 133	-6 561
other	-3 659	-2 467
General and administrative costs	-157 387	-142 527
IT costs	-17 445	-14 384
lease and building maintenance expenses	-71 089	-67 256
marketing costs	-15 415	-21 783
training costs	-5 850	-5 978
cost of advisory services	-7 924	-4 575
costs of Banking Guarantee Fund	-14 949	-7 141
lease of property, plant and equipment and intangible assets	-2 403	-3 370
costs of telecommunications services	-8 173	-6 615
external services	-6 976	-5 377
other	-7 163	-6 048
Amortization and depreciation	-39 276	-36 929
property, plant and equipment	-23 970	-24 255
intangible assets	-15 306	-12 674
Taxes and fees	-4 285	-3 434
Total general administrative expenses	-447 697	-396 763

9. Separate net impairment losses

	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Impairment losses on impaired loans and advances to customers	-229 667	-167 830
financial sector	-612	-510
non-financial sector	-229 055	-167 320
retail customers	-141 368	-76 191
business customers	-87 687	-91 129
Debt securities	0	-181
IBNR for customers without impairment losses	-17 392	8 519
financial sector	-144	567
non-financial sector	-17 248	7 952
retail customers	-17 798	3 767
business customers	550	4 185
Off-balance reserve	-85	-732
Property, plant and equipment and intangible assets	-7	25
Net impairment losses	-247 151	-160 199

10. Separate corporate income tax

10.1 Presented in the income statement	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Current tax	43 139	0
current year	43 139	0
Prior year tax adjustment	-8 757	32 686
origination and reversal of temporary differences	-8 757	32 686
Accounting tax recognized in the income statement	34 382	32 686

10.2 Effective tax rate calculation	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013 Restated amounts
Profit before tax	203 971	161 345
Income tax at 19%	38 754	30 656
Non-tax deductible expenses	4 104	2 439
Representation costs	39	223
PFRON	538	395
Impairment losses on loans in the part not covered with deferred tax	2 669	0
Costs of provisions for management options	595	1 247
Donations	22	2
Other	241	572
Non-taxable revenues	-5 577	-561
Release of loan impairment allowances in the part not covered with the deferred tax	-4	-214
Dividends received	-4 853	-339
Other	-720	-8
Tax deductible expenses not being accounting expenses	0	-497
Amortization of goodwill for tax purposes	0	-497
Recognition of assets related to contribution of receivables to Obrót Wierzytelnościami Alior Polska sp. z o.o. S.K.A	-2 897	129
Other	-2	520
Accounting tax recognized in the income statement	34 382	32 686
Effective tax rate	16.86%	20.26%

Notes to the separate statement of financial position

11. Cash and balances with the Central Bank

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Current account with the Central Bank	858 218	870 579	548 366
Cash	199 195	196 648	173 614
Cash and balances with the central bank	1 057 413	1 067 227	721 980

12. Available-for-sale financial assets

12.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Debt instruments	2 783 526	3 388 218	3 445 417
issued by the State Treasury	2 206 343	2 441 675	2 445 171
T-bonds	2 206 343	2 441 675	2 445 171
issued by monetary institutions	99 421	539 075	774 002
bonds	99 421	139 270	174 185
money bills	0	399 805	599 817
issued by other financial institutions	125 543	64 627	67 354
bonds	105 007	43 743	46 334
Eurobonds	20 536	20 884	21 020
issued by companies	352 219	342 841	158 890
bonds	352 219	342 841	158 890
Equity instruments	678	307	1 289
Available-for-sale financial assets	2 784 204	3 388 525	3 446 706

12.2 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
without set maturity date	678	307	1 289
≤ 1M	40 093	477 226	600 098
> 1M ≤ 3M	0	57 248	39 340
> 3M ≤ 6M	99 421	199 230	3 925
> 6M ≤ 1Y	356 848	109 031	311 341
> 1Y ≤ 2Y	335 357	616 796	466 856
> 2Y ≤ 5Y	1 353 709	1 334 376	1 430 793
> 5Y ≤ 10Y	598 098	594 311	593 064
Available-for-sale financial assets	2 784 204	3 388 525	3 446 706

12.3 Impairment allowance on debt instruments	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Debt instruments	4 316	4 316	4 316
issued by companies	4 316	4 316	4 316
Bonds	4 316	4 316	4 316

The schedules below show the prioritization of the measurement methods of available-for-sale financial assets measured at fair value as at 30 June 2014 and comparative data as at 30 June 2013.

In accordance with IFRS 13, the Bank classified:

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

This group includes mainly debt Treasury securities. The fair value is determined based on the purchase price from the quotations on the interbank market, brokers' quotations and BondSpot quotations.

- to level 2 – instruments for which prices are not directly observable, but the prices used for measurement are based on quotations from active transaction markets.

This group includes NBP bills and debt commercial securities.

The fair value is determined based on the discounted future cash flows method which assumes that the profitability curves will be based on quotations of profitability of securities on the interbank market.

Debt commercial securities are measured based on profitability curves adjusted by the credit spread, if the spread may be determined on the basis of observable market quotations, e.g. based on quotations of credit swaps.

Debt commercial securities quoted on exchanges, with low transaction volumes on the market, were also recognized in this level.

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

This group shows the Bank's position in debt commercial securities the fair values of which are impacted, apart from parameters derived from market quotations, also by the observable credit spread. The spread is calculated based on the prices on the primary market or prices at the moment of the transaction. The spread value is periodically updated in periods when reliable market quotations are available or when prices from similar volume transactions are known. The amount of the spread also changes on the basis of information on changes in the financial standing of the security issuer. At 30 June 2014 sensitivity of these assets valuation amounts 10 PLN thousand/1 basis point of spread.

In the first half of 2014 year a corporate bond was transferred from level 2 to level 3. In case of this bond there are no enough liquid market quotations and the Bank used credit spread as unobservable factor. Instruments are transferred between particular levels at the end of the reporting period. The premises for the transfers are based on the terms and conditions described in international financial reporting standards, i.e., *inter alia*, on the availability of quotations of the instruments on active markets, availability of quotations regarding measurement components, or the existence of unobservable factors on the fair value.

12.4 Fair value	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 1	2 271 250	2 506 302	2 611 612
T-bonds	2 206 343	2 441 675	2 445 171
Other bonds	64 907	64 627	166 441
Level 2	0	591 186	833 805
Money bills	0	399 805	599 817
Other bonds	0	191 381	233 988
Level 3	512 954	291 037	1 289
Other bonds	512 276	290 730	0
Equity instruments	678	307	1 289
Available-for-sale financial assets	2 784 204	3 388 525	3 446 706

12.5 Movements on financial assets available for sale classified as level 3	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Opening balance	291 037	243	243
Reclassification	151 275	98 855	0
Increases, including	100 945	240 745	1 046
Acquisition	100 125	237 820	1 000
Revenue recognised in income statement	0	806	0
Other changes recognised in income statement	820	975	0
Fair value adjustment	0	1 141	32
Foreign exchange differences	0	3	14
Decreases, including	-30 303	-48 806	0
Sale	-29 118	-48 806	0
Other changes recognised in income statement	-426	0	0
Fair value adjustment	-758	0	0
Foreign exchange differences	-1	0	0
Financial assets available for sale classified as level 3 at the end of the period	512 954	291 037	1 289

13. Amounts due from customers

13.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment	11 798 127	10 585 360	9 073 920
Working capital facility	138 923	118 342	114 043
Consumer loans	5 759 201	5 240 515	4 750 709
Consumer finance loans	653 218	650 741	276 757
Loans for purchase of securities	165 108	160 678	174 622
Credit card borrowings loans	193 662	193 157	177 874
Loans for residential real estate	4 022 934	3 393 901	2 750 664
Other mortgage loans	834 135	797 964	800 774
Other receivables	30 946	30 062	28 477
Corporate segment	10 084 398	9 072 540	8 302 815
Working capital facility	5 665 472	4 854 894	4 657 396
Car loans	189 317	239 497	304 591
Investment loans	3 659 108	3 366 771	2 649 019
Acquired receivables	550 711	561 826	641 934
Other receivables	19 790	49 552	49 875
Amounts due from customers	21 882 525	19 657 900	17 376 735

13.2 By gross amounts and carrying amounts	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment (the carrying value)	11 798 127	10 585 360	9 073 920
Loans for residential real estate (the carrying value)	4 022 934	3 393 901	2 750 664
unimpaired (gross value)	3 940 966	3 336 934	2 726 385
impaired (gross value)	99 978	68 766	36 403
IBNR	-3 005	-2 380	-5 475
Impairment allowance	-15 005	-9 419	-6 649
Consumer finance loans (the carrying value)	653 218	650 741	276 757

unimpaired (gross value)	643 991	645 989	276 198
impaired (gross value)	39 270	21 014	3 284
IBNR	-3 350	-2 793	-581
Impairment allowance	-26 693	-13 469	-2 144
Other retail loans (the carrying value)	7 121 975	6 540 718	6 046 499
unimpaired (gross value)	6 865 713	6 303 837	5 855 660
impaired (gross value)	862 829	704 269	562 803
IBNR	-62 510	-45 921	-40 366
Impairment allowance	-544 056	-421 467	-331 598
Corporate segment (the carrying value)	10 084 398	9 072 540	8 302 815
unimpaired (gross value)	9 602 170	8 838 080	8 071 861
impaired (gross value)	928 857	612 385	576 829
IBNR	-16 394	-15 789	-21 096
Impairment allowance	-430 236	-362 136	-324 779
Amounts due from customers (the carrying value)	21 882 525	19 657 900	17 376 735

13.3 Receivables from customers impaired	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Receivables from customers individually assessed	744 810	482 847	423 421
Retail segment	284 039	251 106	186 150
Amounts due from customers	563 630	473 440	351 318
Impairment allowance	-279 591	-222 334	-165 168
Corporate segment	460 771	231 741	237 271
Amounts due from customers	820 107	556 406	500 271
Impairment allowance	-359 336	-324 665	-263 000
Receivables from customers collectively assessed	170 134	117 096	90 728
Retail segment	132 284	98 588	75 949
Amounts due from customers	438 447	320 609	251 172
Impairment allowance	-306 163	-222 021	-175 223
Corporate segment	37 850	18 508	14 779
Amounts due from customers	108 750	55 979	76 558
Impairment allowance	-70 900	-37 471	-61 779
Receivables from customers impaired	914 944	599 943	514 149

13.4 Change in the balance of receivables impairment allowances (net of IBNR)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Opening balance	806 491	495 983	495 983
Changes during the year:	209 499	310 508	169 187
Increases	403 326	721 430	307 549
Retail segment	222 802	419 434	179 956
Loans for residential real estate	11 697	14 699	6 190
Other loans	211 105	404 735	173 766
Corporate segment	180 524	301 996	127 593
Other loans	144 781	284 157	124 705
Acquired receivables	34 084	12 611	1 949
Other receivables	1 659	5 228	939
Decreases	-173 659	-332 973	-139 719

Retail segment	-81 434	-217 832	-103 765
Loans for residential real estate	-6 107	-9 966	-4 282
Other loans	-75 327	-207 866	-99 483
Corporate segment	-92 225	-115 141	-35 954
Other loans	-84 224	-108 369	-32 506
Acquired receivables	-7 921	-5 089	-2 585
Other receivables	-80	-1 683	-863
Other changes	0	-23 775	1 515
Transfer to costs	-20 357	-53 906	-378
Foreign exchange differences	189	-268	220
Impairment allowances at the end of the period	1 015 990	806 491	665 170

13.5 By maturity (as at the balance sheet date)

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment	11 798 127	10 585 360	9 073 920
≤ 1M	1 914 343	1 703 657	955 714
> 1M ≤ 3M	294 561	520 859	266 996
> 3M ≤ 6M	389 332	300 675	254 218
> 6M ≤ 1Y	589 871	281 584	438 547
>1Y ≤ 2Y	972 705	891 093	736 035
>2Y ≤ 5Y	2 244 103	2 078 983	1 889 750
>5Y ≤ 10Y	2 219 342	2 044 339	1 915 182
>10Y ≤ 20Y	1 697 829	1 470 208	1 260 668
>20Y	1 476 041	1 293 962	1 356 810
Corporate segment	10 084 398	9 072 540	8 302 815
≤ 1M	3 997 134	3 600 406	3 020 878
> 1M ≤ 3M	635 103	972 840	782 301
> 3M ≤ 6M	218 065	494 160	337 247
> 6M ≤ 1Y	797 448	373 558	1 029 653
>1Y ≤ 2Y	965 916	860 571	701 741
>2Y ≤ 5Y	2 001 784	1 635 095	1 442 182
>5Y ≤ 10Y	1 158 869	888 140	805 333
>10Y ≤ 20Y	310 079	247 770	183 480
Amounts due from customers	21 882 525	19 657 900	17 376 735

13.6 By currency

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Retail segment	11 798 127	10 585 360	9 073 920
PLN	10 817 383	9 564 603	7 955 302
Other	980 744	1 020 757	1 118 618
Corporate segment	10 084 398	9 072 540	8 302 815
PLN	7 719 348	7 275 394	7 029 142
Other	2 365 050	1 797 146	1 273 673
Total receivables	21 882 525	19 657 900	17 376 735

14. Amounts due from banks

14.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Current accounts	52 955	99 822	19 869
Overnight Deposits (O/N)	152 553	82 157	55 863
Term deposits	8 645	2 468	0
Security deposits granted	61 284	57 280	77 407
Other	27 141	12 472	16 381
Amounts due from banks	302 578	254 199	169 520

14.2 By maturity (as at the balance sheet date)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
≤ 1M	302 578	254 199	169 520
Amounts due from banks	302 578	254 199	169 520

14.3 By currency	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
PLN	8 078	7 323	3 527
EUR	139 474	94 043	27 360
GBP	21 787	30 779	4 762
USD	92 219	76 164	99 916
CHF	12 498	20 430	1 004
Other currencies	28 522	25 460	32 951
Amounts due from banks	302 578	254 199	169 520

Forward repo/reverse repo transactions are concluded by the Bank to optimize current liquidity management; therefore, they are classified exclusively to the banking portfolio. Sporadic transactions appearing in the trading book result from risk-free arbitrage. Repo and reverse repo transactions are short-term and mature no later than within one month, they are concluded mainly in PLN, decidedly less frequently in EUR and USD. Net balances of repo and reverse repo transactions which mature within one month are included in the Bank's liquidity buffer (liquid assets). As at the end of June 2014 the Bank did not have any reverse repo transactions.

The security deposits granted relate to security transferred to other banks under the settlements related to CSA (Credit Support Annex).

15. Other assets

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Sundry debtors	199 869	304 255	226 258
Settlements of payment cards	82 382	86 528	41 085
Receivables related to the sale of goods and services (including insurance)	48 331	169 338	131 001
Guarantee deposits	11 500	12 025	13 608
Other settlements	57 656	36 364	40 564
Deferred costs	40 713	33 522	36 210
Settlements of rental charges and utilities	136	832	1 590
Maintenance and support of systems, servicing of plant and equipment	7 002	5 236	6 753
Mandatory costs of Banking Guarantee Fund	13 213	0	7 141
Accrued income on PCC settlements with the Tax Office	2 500	10 043	2 500
VAT settlements	1 407	4 174	4 174
Other deferred costs	16 455	13 237	14 052
Other assets	240 582	337 777	262 468

The receivables related to the sale of goods and services cover mainly fees from insurance companies for servicing insurance.

16. Financial liabilities measured at amortized cost

16.1 By type	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Due to banks	1 565 145	817 973	539 106
Term deposits	11 019	11 023	0
Current deposits	47 546	27 002	0
Term deposits	169 051	0	0
Credit received	0	62 228	64 954
Other liabilities	67 615	33 796	12 465
Repo	1 269 914	683 924	461 687
Due to customers	21 447 355	20 871 012	19 066 356
Current deposits	9 447 311	8 166 025	5 952 441
Term deposits	10 212 916	11 253 619	11 940 098
Own issue of Banking Securities	1 492 227	1 145 622	858 238
Other liabilities	294 901	305 746	315 579
Total liabilities	23 012 500	21 688 985	19 605 462

16.2 By customer type and segment	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Retail segment	13 803 981	14 223 512	13 073 067
Current deposits	6 956 189	5 864 001	4 132 338
Term deposits	6 528 896	8 134 966	8 773 680
Banking securities issued	167 505	96 814	62 774
Other liabilities	151 391	127 731	104 275
Corporate segment	7 643 374	6 647 500	5 993 289
Current deposits	2 491 122	2 302 024	1 820 103
Term deposits	3 684 020	3 118 653	3 166 418
Banking securities issued	1 324 722	1 048 808	795 464
Other liabilities	143 510	178 015	211 304
Total amounts due to customers	21 447 355	20 871 012	19 066 356

16.3 By maturity (as at the balance sheet date)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Retail segment	13 803 981	14 223 512	13 073 067
≤ 1M	9 108 960	7 529 896	7 940 867
> 1M ≤ 3M	1 912 625	2 672 427	3 171 721
> 3M ≤ 1Y	2 072 235	3 895 267	1 903 221
> 1Y ≤ 5Y	704 141	121 184	53 644
>5Y	6 020	4 738	3 614
Corporate segment	7 643 374	6 647 500	5 993 289
≤ 1M	4 899 867	4 721 607	4 096 133
> 1M ≤ 3M	927 612	464 113	835 201
> 3M ≤ 1Y	704 108	608 319	469 372
> 1Y ≤ 5Y	1 104 700	846 247	590 560
>5Y	7 087	7 214	2 023
Total amounts due to customers	21 447 355	20 871 012	19 066 356

16.4 By currency	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Retail segment	13 803 981	14 223 512	13 073 067
PLN	11 748 612	12 328 403	11 523 858
Other	2 055 369	1 895 109	1 549 209
Corporate segment	7 643 374	6 647 500	5 993 289
PLN	6 356 345	5 542 507	4 847 724
Other	1 287 029	1 104 993	1 145 565
Total amounts due to customers	21 447 355	20 871 012	19 066 356

In 2009 the Group started issuing banking securities. This activity was continued in years 2011-2014. Basic information on each issue of those securities was presented in note 18.8 in interim condensed consolidated financial statement.

17. Provisions

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2014	258	10 316	10 574
Provisions recorded	1 379	53 853	55 232
Provisions released	-126	0	-126
Provisions utilized	-1 109	-56 664	-57 773
As at 30 June 2014	402	7 505	7 907

	Provisions for disputed claims	Provisions for employee benefits	Total provisions
As at 1 January 2013	840	11 709	12 549
Provisions recorded	1 221	104 354	105 575
Provisions released	-818	-4 978	-5 796
Provisions utilized	-985	-100 769	-101 754
As at 31 December 2013	258	10 316	10 574

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

Provisions for employee benefits consist primarily of:

- provision for post-employment benefits;
- provision for unused holidays;
- provision for bonuses and awards.

The provision for old age and disability allowance is recognized for each employee based on an actuarial valuation prepared by an independent actuarial company. The basis for determining the value of the provision is the expected value of the old age or disability allowance which the Bank commits to paying based on the Remuneration Regulations. The provision for unused holiday is created individually for each employee based on the number of days of unused leave attributable to employees.

In accordance with IAS 19, the financial discount rate to calculate the provision was determined based on the market rate of return on Treasury bonds, whose currency and maturity dates are similar to those prevailing for the Bank's liabilities under employee benefits.

18. Other liabilities

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Interbank settlements	221 345	181 057	238 647
Taxation, customs duty, social and health insurance payables and other public settlements	21 278	20 573	20 253
Liabilities in respect of payment card settlements	4 097	5 310	32 978
Other settlements	167 194	160 780	124 839
including settlements with insurers	48 607	127 581	107 651
Accruals	185 659	155 654	68 109
Provision related to anticipated bancassurance withdrawals or resignations	102 109	113 147	122 370
Other liabilities	5 121	4 757	5 499
Unregistered capital	0	464 156	0
Total other liabilities	706 803	1 105 434	612 695

Settlements with insurers comprise insurance premiums relating to the cover granted by the Bank to its Customers under one of the Group insurance contracts (concluded by the Bank with insurers and offered to its Customers).

As at 31 December 2013 – as a result of the Bank's data recorded in escrow accounts – other liabilities comprise capital reported for registration. The capital was registered on 2 January 2014.

19. Financial assets and financial liabilities held for trading

The Bank classified derivative instruments and securities (shares, bonds) to the category financial of assets and liabilities held for trading as at 30 June 2014, 31 December 2013 and 30 June 2013. Derivative transactions are concluded for trading purposes and for the purpose of managing market risk. The Bank concludes the following derivative transactions: FX-Forward, FX-Swap, IRS, CIRS, FRA, Commodity Futures, Commodity Forwards and Forward security transactions. Derivative financial instruments are measured on a daily basis using the discounted cash flow method. The Bank also enters into option transactions. In accordance with the binding laws, in concluding option transactions, the Bank executes them in a manner ensuring the simultaneous (each time and immediate) conclusion of an opposite option transaction with the same transaction parameters (back to back).

19.1 Derivative financial instruments (nominal value)	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Interest rate transactions	17 901 227	14 702 308	12 590 048
SWAP	14 375 327	13 534 516	12 153 437
FRA	400 000	0	0
Cap Floor Options	3 125 900	1 167 792	436 611
Foreign exchange transactions	4 681 320	4 966 064	4 339 339
FX swap	1 530 362	2 490 943	1 157 684
FX forward	1 405 252	966 688	1 496 826
CIRS	1 467 511	1 219 714	1 325 499
FX options	278 195	288 719	359 330
Other options	2 320 426	2 091 796	1 483 640
Other instruments	491 119	353 894	553 178
Derivative financial instruments (nominal value)	25 394 092	22 114 062	18 966 205

19.2 Financial assets held for trading	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Shares	2 623	1 971	1 996
Bonds	890	418	853
Interest rate transactions	160 057	120 294	109 167
SWAP	151 170	116 229	106 042
FRA	154	0	0
Cap Floor Options	8 733	4 065	3 125
Foreign exchange transactions	49 188	57 842	93 189
FX swap	4 632	13 121	11 938
FX forward	17 125	20 294	46 173
CIRS	26 668	23 883	33 304
FX options	763	544	1 774
Other options	59 276	46 618	13 301
Other instruments	12 774	16 148	46 878
Financial assets held for trading	284 808	243 291	265 384

19.3 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Without specified maturity date	2 623	1 971	1 996
≤ 1W	11 591	10 783	13 487
> 1W ≤ 1M	16 374	20 221	55 161
> 1M ≤ 3M	24 939	57 215	32 163
> 3M ≤ 6M	14 987	20 757	29 719
> 6M ≤ 1Y	34 920	28 281	41 074
> 1Y ≤ 2Y	48 674	43 088	16 643
> 2Y ≤ 5Y	108 766	46 895	60 219
> 5Y ≤ 10Y	21 934	14 080	14 922
Financial assets held for trading	284 808	243 291	265 384

19.4 Financial liabilities held for trading	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Interest rate transactions	127 551	78 002	57 213
SWAP	118 793	73 937	54 088
Cap Floor Options	8 758	4 065	3 125
Foreign exchange transactions	28 659	49 499	57 330
FX swap	5 443	20 997	5 759
FX forward	6 984	8 137	20 208
CIRS	15 468	19 377	29 589
FX options	764	988	1 774
Other options	59 276	46 618	13 301
Other instruments	10 502	9 971	28 873
Financial liabilities held for trading	225 988	184 090	156 717

19.5 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
≤ 1W	1 885	5 017	6 889
> 1W ≤ 1M	10 039	15 550	42 156
> 1M ≤ 3M	9 616	16 477	10 209
> 3M ≤ 6M	8 680	31 756	6 232
> 6M ≤ 1Y	28 996	10 739	16 335
> 1Y ≤ 2Y	56 679	45 855	22 457
> 2Y ≤ 5Y	96 203	53 900	47 751
> 5Y ≤ 10Y	13 890	4 796	4 688
Financial liabilities held for trading	225 988	184 090	156 717

The listing below shows the hierarchy of measurement methods of financial instruments held for trading measured to fair value as at 30 June 2014 and comparative data as at 31 December 2013 and as at 30 June 2013.

In accordance with IFRS 13, the Bank classified:

- to level 1 – all instruments for which price quotations on active financial markets are available;

- to level 2 – instruments whose prices cannot be observed directly, but valuation is based on market quotations;

To instruments of this level the discounted cash flows method is used, on the assumption that profitability curves are based on interbank market quotations (including: deposit rates, rates from: FRA, OIS, IRS, basis swap, fx swap; forex transactions).

- to level 3 – instruments for which at least one factor affecting the price is not based on observable market data.

Instruments of this level include options embedded in deposit certificates issued by the Bank and options concluded on the interbank market to hedge embedded option positions. The fair value is determined on the basis of an internal model in consideration of both observable parameters (e.g. price of the base instrument, quotations from the secondary option market), and non-observable parameters (e.g. fluctuations, correlations between base instruments in options based on baskets of instruments). Model parameters are set on the basis of statistical analysis. As the market risk position in respect of the specified options is in exact opposition, changes in the adopted model assumptions have no impact on changes in the fair value of the Bank's position in respect of level 3 option transactions. As at 31 December 2013, the Bank classified other options to level 3 (reclassification of financial assets in the amount of 3 703 PLN thousand and financial liabilities in the amount of 42 915 PLN thousand) which reflects better character of valuation.

19.6 Valuation of financial assets	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 1	11 655	10 976	2 849
Shares	2 623	1 971	1 996
Bonds	890	418	853
Other instruments	8 142	8 587	0
Level 2	213 877	185 697	249 234
SWAP	151 170	116 229	106 042
FRA	154	0	0
Cap Floor Options	8 733	4 065	3 125
FX swap	4 632	13 121	11 938
FX forward	17 125	20 294	46 173
CIRS	26 668	23 883	33 304
FX options	763	544	1 774
Other instruments	4 632	7 561	46 878
Level 3	59 276	46 618	13 301
Other options	59 276	46 618	13 301
Total financial assets	284 808	243 291	265 384

19.7 Movements on financial assets classified as level 3	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Opening balance	46 618	26 669	26 669
Increases, including	55 513	65 792	33 618
Derivatives revaluation of previous year	16 778	22 552	22 552
Derivatives transactions	14 579	24 567	10 215
Positive valuation of derivatives	24 156	18 673	851
Decreases, including	-42 855	-45 843	-46 986
Derivatives revaluation of previous year	-18 673	-4 884	-4 884
Settlement/redemption	-14 250	-24 181	-17 186
Negative valuation of derivatives	-9 932	-16 778	-24 916
Financial assets classified as level 3 at the end of the period	59 276	46 618	13 301

19.8 Valuation of financial liabilities	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 1	7 638	7 064	0
Other instruments	7 638	7 064	0
Level 2	159 074	130 408	143 416
SWAP	118 793	73 937	54 088
Cap Floor Options	8 758	4 065	3 125
FX swap	5 443	20 997	5 759
FX forward	6 984	8 137	20 208
CIRS	15 468	19 377	29 589
FX options	764	988	1 774
Other instruments	2 864	2 907	28 873
Level 3	59 276	46 618	13 301
Other options	59 276	46 618	13 301
Total financial liabilities	225 988	184 090	156 717

19.8 Movements on financial liabilities classified as level 3	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Opening balance	46 618	26 669	26 669
Increases, including	55 513	65 792	33 618
Derivatives revaluation of previous year	16 778	22 552	22 552
Derivatives transactions	14 579	24 567	10 215
Positive valuation of derivatives	24 156	18 673	851
Decreases, including	-42 855	-45 843	-46 986
Derivatives revaluation of previous year	-18 673	-4 884	-4 884
Settlement/redemption	-14 250	-24 181	-17 186
Negative valuation of derivatives	-9 932	-16 778	-24 916
Financial liabilities classified as level 3 at the end of the period	59 276	46 618	13 301

20. Hedge accounting

The Group has been applying cash flow hedges. The hedging strategy is aimed at securing interest rate risk resulting from fluctuations in cash flows from assets with a variable interest rate, using PLN IRS transactions. In the hedge relationships set up hedged items constitute cash flows on the PLN loans and advances portfolio bearing a fluctuating interest rate, and hedging instruments are IRS transactions, where the Group receives interest based on a fixed interest rate and pays interest based on a variable interest rate. Hedged items are measured at amortized cost, and hedging instruments at fair value.

20.1 Hedging instruments - nominal value	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Interest rate transactions	2 500 000	1 150 000	1 150 000
SWAP	2 500 000	1 150 000	1 150 000
Hedging instruments - nominal value	2 500 000	1 150 000	1 150 000

20.2 Hedging instruments - assets	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 2	15 671	12 099	476
Interest rate transactions	15 671	12 099	476
SWAP	15 671	12 099	476
Hedging instruments - assets	15 671	12 099	476

20.3 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
> 3M ≤ 6M	0	1 868	0
> 6M ≤ 1Y	2 173	0	0
> 1Y ≤ 2Y	8 154	7 579	476
> 2Y ≤ 5Y	5 344	2 652	0
Hedging instruments - assets	15 671	12 099	476

20.4 Hedging instruments - liabilities	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 2	0	0	11 300
Interest rate transactions	0	0	11 300
SWAP	0	0	11 300
Hedging instruments - liabilities	0	0	11 300

20.5 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
> 6M ≤ 1Y	0	0	222
> 1Y ≤ 2Y	0	0	1 022
> 2Y ≤ 5Y	0	0	10 056
Hedging instruments - liabilities	0	0	11 300

21. Subordinated liabilities

On 15 November 2011, the Polish Financial Supervision Authority granted its permission to include the subordinated loan of EUR 10 million, concluded on 12 October 2011 by and between Alior Bank S.A. and Erste Group Bank AG, in the supplementary funds of Alior Bank S.A. The borrowing agreement was concluded for a period of 8 years, and the interest rate is based on 3M EURIBOR. The loan may be repaid early, if written notification is submitted 30 days before the planned payment date. As at 30 June 2014, 31 December 2013 and 30 June 2013, the carrying amounts of the borrowing were PLN 41 877 thousand, PLN 41 657 thousand and PLN 43 484 thousand respectively.

On 3 February 2012 the subscription period for C-series bonds issued by Alior Bank S.A. ended. The total nominal value of the bonds is PLN 280 million. The bonds were purchased by open pension funds (OFE), investment fund management companies (TFI) and insurance companies. The bonds were issued for a period of 8 years (the date of redemption is 14 February 2020), and they bear an interest rate based on WIBOR 6M. On 20 March 2012, the Bank obtained the consent of PFSA to include the bonds in its own supplementary funds. As of 14 February 2015 the Issuer shall be entitled to early redemption of C-Series bonds, if the Polish Financial Supervision Authority approves. The carrying amount of the bonds as at 30 June 2014 was PLN 287 868 thousand, as at 31 December 2013 PLN 288 008 thousand and at 30 June 2013: PLN 288 932 thousand.

On 28 March 2012, PFSA gave its consent to including the subordinated bonds issued for a period of 8 years (to be redeemed on 31 January 2020), in the amount of EUR 4 500 000, bearing an interest rate of 6M LIBOR for 6-month EUR deposits, in the Bank's own supplementary funds. As of 31 January 2015 the Issuer shall be entitled to early redemption of Series B bonds, if the Polish Financial Supervision Authority approves. The carrying amount of the bonds as at 30 June 2014 was PLN 19 217 thousand, as at 31 December 2013 PLN 19 156 thousand and at 30 June 2013: PLN 19 987 thousand.

22. Equity

22.1 Equity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Share capital	699 413	635 830	635 830
Supplementary capital	1 773 494	1 434 712	1 434 712
Other capital	179 924	176 792	169 938
Share-based payments – equity component	179 924	176 792	169 938
Undistributed result of previous years	0	-275 382	-275 382
Revaluation reserve	6 082	-16 777	-31 694
On measurement of available for sale assets	-6 145	-13 757	-22 951
On measurement of hedging derivatives	12 227	-3 020	-8 743
Profit/(loss) for the year	169 589	219 752	128 659
Total equity	2 828 502	2 174 927	2 062 063

22.2 Revaluation reserve	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Valuation of financial assets available for sale	-6 145	-13 757	-22 951
treasury bonds	-8 373	-17 701	-29 888
other bonds	786	717	1 553
deferred tax	1 442	3 227	5 384
Valuation of hedging instruments	12 227	-3 020	-8 743
IRS	15 095	-3 728	-10 794
deferred tax	-2 868	708	2 051
Revaluation reserve	6 082	-16 777	-31 694

23. Fair value

Fair value is the price which would be received on the sale of an asset or paid for settling a liability in a transaction concluded on an arm's length basis on the main (or most favourable) market as at the measurement date in prevailing market conditions (i.e. the selling price irrespective of whether it is directly observable or estimated using another measurement technique).

The fair value of financial instruments is based on prices quoted on an active main (or most favourable) market, and is not decreased by transaction costs. If the market price is not available, the fair value of an instrument is determined using valuation models or discounted cash flow techniques.

The following are used in valuation techniques:

- latest market transactions concluded directly between informed and interested parties, if such information is available;
- references to present fair value of another instrument with nearly identical characteristics;
- the discounted cash flow method.

If there is a measurement technique universally used by market participants for measuring instruments and it was shown to deliver a reliable estimate of prices in actual market transactions, the Bank uses that method. Selected measurement techniques mainly use market data. They are only based to a small extent on data specific for the Bank. The measurement technique covers all the factors which would be taken into consideration by market participants when determining the price, and complies with the economically accepted methods of valuation of financial instruments. The Bank verifies the correctness of valuation using the prices obtained from available market transactions for the same instrument or based on other available market data.

Balance-sheet items measured at fair value

Financial instrument	Frequency	Recognition/presentation
Available-for-sale financial assets	Every day	Other comprehensive income
Fx forward, fx swap, fx options	Every day	Income statement
CIRS, FRA, IRS	Every day	Income statement
Other derivative instruments	Every day	Income statement

The fair value of the Bank's financial instruments presented in the statement of financial position at fair value as at 30 June 2014, 31 December 2013 and 30 June 2013 was equal to their carrying amounts.

As of 2013 Alior Bank SA adjusts the measurement of its assets by counterparty credit risk. The amount of the adjustment is equivalent to the change in the measurement of derivatives resulting from any party's default (the Bilateral Credit Value Adjustment). As at 30 June 2014, the BCVA adjustment amounted to PLN (696) thousand. The total BCVA amount comprises the CVA adjustment (reflecting exclusively counterparty default risk) amounting to PLN (743) thousand and DVA adjustment (reflecting the risk of the Bank's insolvency) of PLN 47 thousand. The amount of the adjustment is calculated based on estimates of the following parameters: bilateral probability of default (PD), the LGD ratio (Loss Given Default), the expected exposure or negative exposure on the transaction (EE and NEE).

The PD and LGD ratios are assessed using internal models used by the Bank, and with the use of market quotations of credit risk. Counterparty exposure is calculated in consideration of the current measurement and its projection calculated based on expected changes in market conditions. Additionally, in assessing the credit risk adjustment mutual liabilities are taken into consideration following from hedging contracts regulating the relations between the parties to the transaction.

Fair value measurement for disclosure purposes

The carrying amounts and fair values of assets and liabilities which are not shown in the statement of financial position at fair value are presented below. Conducted estimates indicate that, apart from amounts due from customers, fair value of other financial instruments approximates their carrying value. The method of calculating the fair value of amounts due from customers applied by the Bank (with the exception of overdraft facilities) the Group compares the margins earned on newly extended loans (in the month preceding the reporting date) with the margins on the whole credit portfolio. The fair value is calculated as loans balance sheet value multiplied by difference between margins on the whole credit portfolio and margins earned on newly extended loans in the last reporting period (broken down by products and currencies). Aggregated fair value is translated at average exchange rate of the National Bank of Poland as of the balance sheet date. If the margins on newly extended loans are higher than the margins on the current portfolio, the fair value of the loan is lower than its carrying amount. Fair value of other financial instruments is equal to their carrying amounts.

Financial instrument	As at 30.06.2014		As at 31.12.2013		As at 30.06.2013	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with the Central Bank	1 057 413	1 057 413	1 067 227	1 067 227	721 980	721 980
Amounts due from customers	21 882 525	17 393 572	19 657 900	19 413 520	17 376 735	17 101 808
Amounts due from banks	302 578	302 578	254 199	254 199	169 520	169 520
Other assets	199 869	199 869	304 255	304 255	226 258	226 258
Non-current asset held for sale	38 335	38 335	38 335	38 335	62 298	62 298
Financial liabilities measured at amortized cost	23 012 500	23 012 500	21 688 985	21 688 985	19 605 462	19 605 462
Subordinated loans	348 962	348 962	348 821	348 821	352 403	352 403
Other liabilities	392 636	392 636	347 147	347 147	396 464	396 464

All positions presented in the table below are classified to level 3.

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Level 3			
Cash and balances with the Central Bank	1 057 413	1 067 227	721 980
Amounts due from customers	17 393 572	19 413 520	17 101 808
Amounts due from banks	302 578	254 199	169 520
Other assets	199 869	304 255	226 258
Non-current asset held for sale	38 335	38 335	62 298
Financial liabilities measured at amortized cost	23 012 500	21 688 985	19 605 462
Subordinated loans	348 962	348 821	352 403
Other liabilities	392 636	347 147	396 464

24. Capital adequacy and the Tier 1 ratio

Calculation of funds and capital adequacy ratio	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013 Restated amounts
Total own funds for the capital adequacy ratio	2 794 048	2 324 302	2 239 190
Common equity Tier I capital (CET1)	2 453 715	1 984 096	1 894 963
Tier II capital	340 333	340 206	344 227
Capital requirements	1 704 736	1 543 111	1 402 822
Capital requirements for the following risks: credit, counterparty, credit valuation adjustment, dilution and delivery of instruments to be settled at a later date	1 517 738	1 398 651	1 253 429
Total capital requirements for the following risks: equity instrument price risk, debt instrument price risk, commodity prices and FX risk	1 832	2 431	1 403
Capital requirement for general interest rate risks	26 554	25 766	19 112
Capital requirements for operating risk	158 612	116 263	128 878
Tier 1	11.51%	10.29%	10.81%
Capital adequacy ratio	13.11%	12.05%	12.77%

As at 30 June 2014 the capital adequacy ratio and the Tier 1 ratio were calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No. 575/2013 dated 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ("CRR Regulation"). Until the date of these financial statements, part of the regulations relating to the determination of own funds and capital requirements (so-called national options) have not been used or published by a Polish authority or public entity authorized to supervise credit institutions and investment companies. A conservative approach was adopted for calculating the capital adequacy ratio in the unregulated scope, which related – among other things – to percentage amounts in the transitional period and to risk weights in respect of mortgage-secured foreign currency exposures for which this assumption was recommended by the PFSA as potentially "national options". It should be emphasized that with reference to the determination and publication of "national options" the Group's capital adequacy ratio as at 30 June 2014 could differ from that published in these financial statements.

As at 31 December 2013 and as at 30 June 2013 equity and capital requirements were calculated in accordance with Art. 128 of the Banking Law of 29 August 1997, as amended.

25. Off-balance sheet items

25.1 Off-balance sheet contingent liabilities granted to customers	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Off-balance sheet liabilities granted	7 372 672	7 078 830	6 452 529
Relating to financing	5 874 738	5 735 711	5 315 750
Guarantees	1 497 934	1 343 119	1 136 779

25.2 By maturity	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
≤ 1W	4 906	1 570	6 792
> 1W ≤ 1M	25 223	43 322	16 096
> 1M ≤ 3M	101 608	71 822	113 175
> 3M ≤ 6M	120 765	166 456	94 546
> 6M ≤ 1Y	254 698	231 507	263 871
> 1Y ≤ 2Y	272 383	162 171	172 462
> 2Y ≤ 5Y	224 072	299 313	259 080
> 5Y ≤ 10Y	471 939	362 684	193 888
> 10Y ≤ 20Y	22 340	4 274	16 869
Off-balance sheet liabilities granted in respect of guarantees	1 497 934	1 343 119	1 136 779

The Bank offers its individual customers renewable checking account overdraft limits and credit cards, which are granted for an indefinite period; at the same time, close monitoring of cash inflows to the account is conducted.

The Bank grants contingent liabilities to business customers in respect of:

- current account limits for a period of 12 months;
- guarantees, for a maximum period of 6 years;
- credit cards for an indefinite period (with conducting of close monitoring of cash inflows to the account);
- loans launched in tranches for a period of up to 2 years.

The guarantee amounts shown in the table above reflect the maximum possible loss which would be disclosed as at the reporting date had all customers defaulted.

26. Assets pledged as collateral

Balance sheet value value	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Treasury bonds blocked with BFG	111 835	97 724	85 570
Bonds blocked with REPO transactions	1 280 321	683 197	460 844
Deposit as collateral of transactions performed in Alior Trader	18 901	4 539	13 652
Deposits as derivative transactions (ISDA) collateral	61 284	57 280	77 407

27. Related-party transactions

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

On 30 June 2014 the Bank's subsidiaries comprised:

- Alior Services Sp. z o.o. (previously Alior Raty sp. z o.o. – the change of the company's name was registered on 23 May 2014) – direct subsidiary (100% interest in the share capital), company established on 3 February 2012;
- Centrum Obrotu Wierzytelnościami Sp. z o.o. S.K.A. (100% interest in the share capital, company established on 23 October 2013);
- Money Makers S.A. – 57.6% interest in the share capital, acquired in February 2014.

As at 31 December 2013 the Bank's subsidiaries comprised:

- Alior Instytut Szkoleń Sp. z o.o.– direct subsidiary (100% interest in the share capital, company established on 28 September 2011);
- Alior Raty Sp. z o.o.– direct subsidiary (100% interest in the share capital, company established on 3 February 2012, until 8 October 2012 operating under the business name Alior Sync Sp. z o.o.);
- Obrót wierzytelnościami Alior Polska sp. z o.o. spółka komandytowo-akcyjna (joint stock partnership) – subsidiary (100% interest in the share capital, company established on 25 May 2012);
- Centrum Obrotu Wierzytelnościami Sp. z o.o. S.K.A. (100% interest in the share capital, company established on 23 October 2013).

On 30 June 2013 the Bank's subsidiaries comprised:

- Alior Instytut Szkoleń Sp. z o.o.– direct subsidiary (100% interest in the share capital, company established on 28 September 2011);
- Alior Raty Sp. z o.o.,– direct subsidiary (100% interest in the share capital, company established on 3 February 2012, until 8 October 2012 operating under the business name Alior Sync Sp. z o.o.);
- Obrót wierzytelnościami Alior Polska sp. z o.o. spółka komandytowo-akcyjna (joint stock partnership) – subsidiary (100% interest in the share capital, company established on 25 May 2012).

Subsidiaries	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Assets			
Other assets	25 538	7	4 399
Total assets	25 538	7	4 399
Liabilities and equity			
Financial liabilities measured at amortized cost	29 621	28 553	14 748
Total liabilities and equity	29 621	28 553	14 748

Affiliates	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Assets			
Loans and advances to customers	60 078	58 697	52 600
Non-current asset held for sale	38 298	38 298	62 298
Total assets	98 376	96 995	114 898
Liabilities and equity			
Financial liabilities measured at amortized cost	128 767	130 471	139 020
Other liabilities	56	65	33
Total liabilities and equity	128 823	130 536	139 053

Affiliates	As at 30.06.2014	As at 31.12.2013	As at 30.06.2013
Off-balance sheet liabilities granted to customers	25 259	20 039	26 906
Relating to financing	9 012	10 363	10 360
Guarantees	16 247	9 676	16 546

Subsidiaries	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013
Interest expense	-206	-113
Dividend income	25 538	1 780
Fee and commission income	5	25
Fee and commission expense	-20	0
Other operating income	257	2 312
Other operating costs	-8	-48
General administrative expenses	12	20
Total	25 578	3 976

Affiliates	1.01.2014- 30.06.2014	1.01.2013- 30.06.2013
Interest income	1 547	1 516
Interest expense	-1 320	-1 042
Trading result	0	26
Other operating income	48	34
General administrative expenses	-29 641	-27 316
Impairment losses	0	2 578
Total	-28 631	-24 044

Nature of related party transactions

All transactions with related entities are conducted in accordance with the regulations relating to banking products, on an arm's length basis.

In the reporting period, agreements between the Bank and Alior Polska Sp. z o.o. relating to the sublease of office space were in force.

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

28. Transactions with members of the Bank's management and supervisory bodies

All transactions with members of the Banks's management and supervisory bodies are conducted in accordance with the regulations relating to banking products, on an arm's length basis.

Supervisory Board	As at 30.06.2014	As at 31.12.2013	30.06.2013
Assets			
Financial assets held for trading	0	3	0
Loans and advances to customers	1	0	39
Other assets	0	1	0
Total assets	1	4	39

Liabilities and equity			
Financial liabilities measured at amortized cost	25 127	27 867	30 516
Other liabilities	0	1	0
Total liabilities and equity	25 127	27 868	30 516

Supervisory Board	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Off-balance sheet liabilities granted to customers	39	40	61
Relating to financing	39	40	61
Guarantees			

Instrumenty pochodne (wartość nominalna)	0	1 244	0
Other options	0	1 244	0

Management Borad	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Assets			
Loans and advances to customers	6 080	6 116	6 724
Total assets	6 080	6 116	6 724

Liabilities and equity			
Financial liabilities measured at amortized cost	2 784	10 126	3 170
Other liabilities	1	2	1
Total liabilities and equity	2 785	10 128	3 171

Management Borad	Stan 30.06.2014	Stan 31.12.2013	30.06.2013
Off-balance sheet liabilities granted to customers	608	1 689	795
Relating to financing	608	1 689	795

Information on the total amount of remuneration paid or payable, broken down by Management and Supervisory Board members	1.01.2014 - 30.06.2014	1.01.2013 - 30.06.2013
Management Borad	8 291	8 448
short-term employee benefits	8 291	8 448
Supervisory Board	353	304
short-term employee benefits	353	304

Number of shares held by the Supervisory Board	As at 30.06.2014	As at 31.12.2013
Helene Zaleski	210 774	186 159
Małgorzata Iwanicz- Drozdowska	1 465	1 465
Total	212 239	187 624

Number of shares held by the Management Board	As at 30.06.2014	As at 31.12.2013
Wojciech Sobieraj	71 322	71 322
Krzysztof Czuba	168	168
Michał Hucal	70	70
Niels Lundorff*	0	83 021
Artur Maliszewski*	0	3 042
Witold Skrok	168	168
Katarzyna Sułkowska	2 851	2 851
Total	74 579	160 642

* On 9 April 2014 Mr Niels Lundorff and Mr Artur Maliszewski submitted a resignation from applying for the election for further 3 year term of office of the Management Board of the Bank, which began on 21 April 2014.

29. Acquisitions and disposals of tangible fixed asset items

In the first half of 2014, there were no material transactions of acquisition or disposal of any tangible fixed assets.

30. Appropriation of profit for 2013 and information about lack of dividends paid

On 15 May 2014 the Ordinary General Shareholders' Meeting of Alior Bank Spółka Akcyjna passed a resolution on appropriating the profit for 2013 of PLN 219 751 608.89. The Bank's Ordinary General Shareholders' Meeting decided to appropriate the whole net profit for 2013 for offsetting accumulated losses shown in the Bank's statement of financial position as at 31 December 2013.

The Bank did not pay dividends for year 2013.

31. Significant non-adjusting events after the balance sheet date

Events as indicated above did not occur in the Group.

Signatures of all Members of the Management Board

6.08.2014	Wojciech Sobieraj Chair of the Management Board Signature
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6.08.2014	Krzysztof Czuba Deputy Chair of the Board Signature
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6.08.2014	Michał Hucal Deputy Chair of the Board Signature
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6.08.2014	Witold Skrok Deputy Chair of the Board Signature
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6.08.2014	Katarzyna Sułkowska Deputy Chair of the Board Signature
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