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**Semi-annual Consolidated Report of
Bank Gospodarki
Żywnościowej S.A. Group
for the 6-month period
ending 30 June 2013**

Warsaw, 13 August 2013

Bank Gospodarki Żywnościowej S.A. Group

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I INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

	Note	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Interest income	9	487 171	1 024 100	528 243	1 033 609
Interest expense	9	(244 634)	(542 528)	(270 787)	(531 348)
Net interest income		242 537	481 572	257 456	502 261
Fee and commission income	10	76 231	157 609	91 302	174 133
Fee and commission expense	10	(15 460)	(27 509)	(13 729)	(25 951)
Net fee and commission income		60 771	130 100	77 573	148 182
Dividend income		2 837	2 837	3 396	3 396
Net trading income	11	31 638	48 751	11 213	39 992
Result on investing activities		20 613	20 613	9 930	17 545
Result on hedge accounting		99	(1 099)	-	-
Other operating income	13	10 125	16 026	7 763	17 063
Net impairment losses on financial assets and contingent liabilities	16	(58 567)	(91 323)	(114 708)	(156 068)
General administrative expenses	12	(213 449)	(443 892)	(222 777)	(454 672)
Depreciation and amortization	14	(24 782)	(49 257)	(23 297)	(45 425)
Other operating expenses	15	(4 604)	(8 848)	(6 556)	(17 787)
Operating result		67 218	105 480	(7)	54 487
Share in profit (loss) of associates		(1 165)	(1 314)	(1 778)	(892)
Profit (loss) before income tax		66 053	104 166	(1 785)	53 595
Income tax expense	17	(13 065)	(21 634)	762	(14 139)
Net profit (loss) for the period		52 988	82 532	(1 023)	39 456
– attributable to equity holders of the Bank		52 988	82 532	(1 023)	39 456
Earnings per share (in PLN per share)					
Basic		1.04	1.61	(0.02)	0.91
Diluted		1.04	1.61	(0.02)	0.91

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Consolidated statement of other comprehensive income

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Net profit (loss) for the period	52 988	82 532	(1 023)	39 456
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Net change in valuation of financial assets available for sale	(82 207)	(118 668)	25 864	54 735
Net change in valuation of cash flow hedges	(757)	1 808	5 250	5 250
Income tax expense on other comprehensive income	15 763	22 203	(5 911)	(11 397)
Other comprehensive income (net of tax)	(67 201)	(94 657)	25 203	48 588
Total comprehensive income for the period	(14 213)	(12 125)	24 180	88 044

Consolidated statement of financial position

	Note	30.06.2013	31.12.2012
ASSETS			
Cash and balances with the Central Bank		1 347 978	2 106 657
Loans and advances to banks	18	238 510	104 035
Reverse repo transactions	19	249 837	104 369
Debt securities held for trading	20	1 021 476	219 051
Derivative financial instruments	21	322 529	380 473
Hedging instruments	22	36 668	69 179
Loans and advances to customers	23	25 968 836	26 323 700
Available for sale financial assets	24	6 535 385	6 867 557
Investment property		62 301	62 301
Investments in associates		44 816	46 139
Intangible assets	25	148 235	152 674
Property, plant and equipment	26	456 384	469 098
Deferred tax assets		131 660	130 818
Current tax assets		-	10 318
Other assets	27	137 358	200 365
TOTAL ASSETS		36 701 973	37 246 734

Consolidated statement of financial position (continued)

	Note	30.06.2013	31.12.2012
LIABILITIES			
Amounts due to banks	28	3 652 564	4 094 436
Repo transactions	29	224 639	32 341
Financial liabilities held for trading	20	93 374	72 005
Derivative financial instruments	21	278 696	326 215
Amounts due to customers	30	26 677 885	26 941 971
Debt securities issued	31	1 880 228	1 852 931
Other liabilities	32	369 975	379 207
Deferred tax liabilities		9 510	9 510
Provisions	33	54 293	65 501
TOTAL LIABILITIES		33 241 164	33 774 117
EQUITY			
Share capital	39	51 137	51 137
Other supplementary capital		3 085 059	2 950 716
Other reserve capital		235 694	330 351
Retained earnings		88 919	140 413
- retained profit		6 387	10 364
- net profit for the period		82 532	130 049
TOTAL EQUITY		3 460 809	3 472 617
TOTAL LIABILITIES AND EQUITY		36 701 973	37 246 734

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Consolidated statement of changes in equity

	Share capital	Other supplementary capital	Other reserve capital	Retained earnings		Total
				Retained profit	Net profit for the period	
Balance at 1 January 2013	51 137	2 950 716	330 351	10 364	130 049	3 472 617
Total comprehensive income for the period	-	-	(94 657)	-	82 532	(12 125)
Net profit for the period	-	-	-	-	82 532	82 532
Other comprehensive income for the period	-	-	(94 657)	-	-	(94 657)
Appropriation of retained earnings	-	134 343	-	(4 294)	(130 049)	-
Appropriation of retained earnings to other supplementary capital	-	134 343	-	(4 294)	(130 049)	-
Other	-	-	-	317	-	317
Balance at 30 June 2013	51 137	3 085 059	235 694	6 387	82 532	3 460 809

Consolidated statement of changes in equity (continued)

	Share capital	Other supplementary capital	Other reserve capital	Retained earnings		Total
				Retained profit	Net profit for the period	
Balance at 1 January 2012	43 137	2 332 656	125 645	8 327	128 097	2 637 862
Share issue	8 000	492 000	-	-	-	500 000
Total comprehensive income for the period	-	-	204 706	-	130 049	334 755
Net profit for the period	-	-	-	-	130 049	130 049
Other comprehensive income for the period	-	-	204 706	-	-	204 706
Appropriation of retained earnings	-	126 060	-	2 037	(128 097)	-
Appropriation of retained earnings to other supplementary capital	-	126 060	-	2 037	(128 097)	-
Balance at 31 December 2012	51 137	2 950 716	330 351	10 364	130 049	3 472 617

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Consolidated statement of changes in equity (continued)

	Retained earnings					
	Share capital	Other supplementary capital	Other reserve capital	Retained profit	Net profit for the period	Total
Balance at 1 January 2012	43 137	2 332 656	125 645	8 327	128 097	2 637 862
Total comprehensive income for the period	-	-	48 588	-	39 456	88 044
Net profit for the period	-	-	-	-	39 456	39 456
Other comprehensive income for the period	-	-	48 588	-	-	48 588
Appropriation of retained earnings	-	126 060	-	2 037	(128 097)	-
Appropriation of retained earnings to other supplementary capital	-	126 060	-	2 037	(128 097)	-
Balance at 30 June 2012	43 137	2 458 716	174 233	10 364	39 456	2 725 906

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Consolidated statement of cash flows

Note	1 st half of 2013 from 01.01.2013 to 30.06.2013	1 st half of 2012 from 01.01.2012 to 30.06.2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit (loss) for the period	82 532	39 456
Adjustments for:	(831 888)	250 168
Income tax expense	21 634	14 139
Depreciation and amortization	49 257	45 425
Dividends received	(2 837)	(3 396)
Result on investing activities	-	(18 049)
Interest income	(1 024 100)	(1 032 580)
Interest expense	542 528	531 348
Interest received	856 205	863 441
Interest paid	(591 388)	(510 036)
Change in provisions	(11 208)	2 070
Change in loans and advances to banks	(2)	3 237
Change in reverse repo transactions	(140 953)	(296 074)
Change in debt securities held for trading	(783 832)	(578 228)
Change in derivative financial instruments (assets)	57 944	546 764
Change in hedging instruments	-	(10 303)
Change in loans and advances to customers	395 158	(1 013 194)
Taxes returned	10 318	-
Change in amounts due to banks	(235 957)	(247 164)
Change in repo transactions	191 766	1 393 100
Change in financial liabilities held for trading	21 369	-
Change in derivative financial instruments (liabilities)	(47 519)	(452 665)
Change in amounts due to customers	(197 252)	1 158 569
Change in other assets and current tax assets	64 407	(54 427)
Change in other liabilities and deferred tax liability	(9 232)	(88 867)
Other adjustments	1 806	(2 942)
NET CASH FLOW FROM OPERATING ACTIVITIES	(749 356)	289 624

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Consolidated statement of cash flows (continued)

		1 st half of 2013 from 01.01.2013 to 30.06.2013	1 st half of 2012 from 01.01.2012 to 30.06.2012
CASH FLOW FROM INVESTING ACTIVITIES:			
Investing activities inflows		119 704 766	38 287 473
Sale of financial assets available for sale		119 702 826	38 284 077
Dividends received and other investing activities inflows		1 940	3 396
Investing activities outflows		(119 382 126)	(38 190 529)
Purchase of financial assets available for sale		(119 348 984)	(38 167 183)
Purchase of intangible assets, and property, plant and equipment		(33 142)	(23 235)
Other investing activities outflows		-	(111)
NET CASH FLOW FROM INVESTING ACTIVITIES		322 640	96 944
CASH FLOW FROM FINANCING ACTIVITIES:			
Financing activities inflows		613 000	2 405 500
Issue of debt securities		613 000	2 405 500
Financing activities outflows		(809 061)	(2 617 350)
Repayment of long-term loans and advances to banks		(203 061)	(147 850)
Redemption of debt securities issued		(606 000)	(2 469 500)
NET CASH FLOW FROM FINANCING ACTIVITIES		(196 061)	(211 850)
TOTAL NET CASH FLOW		(622 777)	174 718
Cash and cash equivalents at the beginning of the period		2 204 297	1 592 649
Cash and cash equivalents at the end of the period, of which:	34	1 581 520	1 767 367
effect of exchange rate fluctuations on cash and cash equivalents held		10 086	(4 268)
of restricted use		2 211	1 227

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Bank Gospodarki Żywnościowej Spółka Akcyjna is the parent company of Bank Gospodarki Żywnościowej S.A. Group ('the Group').

Bank Gospodarki Żywnościowej Spółka Akcyjna ('the Bank' or 'BGŻ S.A. '), with its registered office in Warsaw, at 10/16 Kasprzaka Street, is entered in the National Court Register maintained by the District Court for the Capital City Warsaw in Warsaw, XII Commercial Department, under the reference number KRS 0000011571. The Bank and its subsidiaries have been established for an indefinite period of time.

2. Basis for the preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements for the first half ended 30 June 2013 have been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union and other applicable regulations. The accounting policies applied in these interim condensed consolidated financial statements are the same as those that applied to the consolidated financial statements for the year ended 31 December 2012. These policies were described in detail in the consolidated financial statements of the Group for the year ended 31 December 2012, except for the changes described in Note 5 of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not include all information and disclosures required for annual financial statements, and shall be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2012.

These financial statements comply with all the International Accounting Standards and the International Financial Reporting Standards endorsed by the European Union, and the interpretations related to them, except for those standards and interpretations listed below which await endorsement of the European Union or which have been endorsed by the European Union but entered or will enter into force after the balance sheet date.

In the period covered by the financial statements, the Group has not decided for early application of the standards and interpretations which have been endorsed by the European Union, but entered or will enter into force after the balance sheet date.

Standards and interpretations that have been approved by the European Union and are effective from 1 January 2013:

- Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* – binding for annual periods beginning on or after 1 July 2012,
- IAS 19 *Employee Benefits* – binding for annual periods beginning on or after 1 January 2013,
- Amendments to IFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* - binding for annual periods beginning on or after 1 January 2013,
- IFRS 13 *Fair Value Measurement* - binding for annual periods beginning on or after 1 January 2013,
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* - binding for annual periods beginning on or after 1 January 2013,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Government Loans* - binding for annual periods beginning on or after 1 January 2013,
- Amendments to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* – binding for annual periods beginning on or after 1 January 2013,
- Amendments to IAS 12 *Income taxes - Deferred Tax: Recovery of Underlying Assets* - binding for annual periods beginning on or after 1 January 2013,

- Improvements to IFRS (2009 - 2011) - binding for annual periods beginning on or after 1 January 2013.

Standards and interpretations that have been approved by the European Union but are not yet binding or have not been adopted early:

- IFRS 10 *Consolidated Financial Statements* – binding for annual periods beginning on or after 1 January 2014,
- IFRS 11 *Joint Arrangements* – binding for annual periods beginning on or after 1 January 2014,
- IFRS 12 *Disclosure of Interests in Other Entities* – binding for annual periods beginning on or after 1 January 2014,
- Amendments to IFRS 10, IFRS 11 and IFRS 12: *Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities* - binding for annual periods beginning on or after 1 January 2014,
- IAS 27 *Separate financial statement* - binding for annual periods beginning on or after 1 January 2014,
- IAS 28 *Investments in Associates and Joint Ventures* - binding for annual periods beginning on or after 1 January 2014,
- Amendments to IAS 32 *Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities* - binding for annual periods beginning on or after 1 January 2014.

Standards and interpretations not yet approved by the European Union:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) - binding for annual periods beginning on or after 1 January 2014,
- IFRS 9 *Financial Instruments* - binding for annual periods beginning on or after 1 January 2015,
- Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* - binding for annual periods beginning on or after 1 January 2015.

The Management Board does not expect the application of the above standards and interpretations have material impact on the accounting policies applied by the Group, except for IFRS 9. As far as IFRS 9 *Financial instruments* is concerned, the Group is currently analyzing the impact of the application of this standard on the financial statements.

3. Going concern

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue its business operations substantially unchanged in scope in the foreseeable future, i.e. for the period of at least 12 months following the reporting date.

4. Approval of the financial statements

This semi-annual consolidated report of Bank Gospodarki Żywnościowej S.A. Group for the 6-month period ending 30 June 2013 was approved for publication by the Management Board on 13 August 2013.

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5. Changes in accounting policies and changes in presentation of financial data

In these financial statements, the Group changed the accounting policy in respect to revenue recognition of fees for:

- distribution of insurance products, and
- loan commitments.

Upon changes made, the net fees for distribution of insurance products relating to the creation of financial assets or financial liabilities are deferred and recognized in the income statement as interest income using the effective interest rate method.

The fees for loan commitments are deferred until the loan is disbursed and then are amortized using the effective interest rate method or the straight line method, depending on the loan is with or without a defined repayment schedule.

The changes made to revenue recognition of fees for distribution of insurance products appropriately reflect the substance of the transaction and the products' characteristics.

The described changes in accounting policy were made prospectively due to immaterial impact on these financial statements.

As a result of adoption of requirements of IFRS 13 Fair Value Measurement, the Group has modified the principles for valuation of derivative financial instruments, however the impact of these changes on these financial statements is immaterial. The implementation of IFRS 13 requirements has significantly impacted the scope of fair value disclosures as presented in these financial statements.

Additionally the Group made the described below changes in presentation of financial data. In order to ensure the comparability of financial data, the Group made appropriate changes in presentation of 2012 financial data in comparison to the data published in the 'Consolidated financial statements of Bank Gospodarki Żywnościowej S.A. Group for the year ended 31 December 2012'. These changes referred to the methods of grouping and presentation of financial data in the consolidated income statement and the consolidated statement of financial position and do not affect the net profit of the Group.

Consolidated income statement

		2 nd quarter of 2012 prior to changes	Changes in presentation	2 nd quarter of 2012 after changes	1 st half of 2012 prior to changes	Changes in presentation	1 st half of 2012 after changes
Other operating income	1,2	17 998	(10 235)	7 763	33 968	(16 905)	17 063
Net impairment losses on financial assets and contingent liabilities	1	(115 422)	714	(114 708)	(157 681)	1 613	(156 068)
General administrative expenses	2,3	(229 745)	6 968	(222 777)	(459 236)	4 564	(454 672)
Depreciation and amortization	4	-	(23 297)	(23 297)	-	(45 425)	(45 425)
Other operating expenses	3,4	(32 406)	25 850	(6 556)	(73 940)	56 153	(17 787)

1. The Group made changes to presentation of income on uncollectable receivables from the line 'Other operating income' to the line 'Net impairment losses on financial assets and contingent liabilities'.

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- The Group made changes to presentation of income on release of provisions for unused holidays, provisions for retirement benefits, provisions for non-personnel expenses and provisions for personnel expenses from the line 'Other operating income' to the line 'General administrative expenses'.
- The Group made changes to presentation of costs of provisions for unused holidays and provisions for retirement benefits from the line 'Other operating expenses' to the line 'General administrative expenses'.
- The Group separated the line 'Depreciation and amortization' from the line 'Other operating expenses'.

Consolidated statement of financial position

		31.12.2012 prior to changes	Changes in presentation	31.12.2012 after changes
Assets				
Derivative financial instruments	1	404 879	(24 406)	380 473
Others assets	2	125 888	74 477	200 365
Liabilities				
Repo transactions	3	104 346	(72 005)	32 341
Financial liabilities held for trading	3	-	72 005	72 005
Derivative financial instruments	1	350 621	(24 406)	326 215
Other liabilities	2,4	292 168	87 039	379 207
Provisions	5	51 094	14 407	65 501
Liabilities arising from employee benefits	4,5	26 969	(26 969)	-

- The Group presented the valuation of FX Swap transactions denominated in foreign currencies on a net basis.
- The Group made changes to presentation of 'Cards settlements'.
- The Group made changes to presentation of short sale of debt securities held for trading from the line 'Repo transactions' to the line 'Financial liabilities held for trading'.
- The Group made changes to presentation of provisions for unused holidays from the line 'Liabilities arising from employee benefits' to the line 'Other liabilities'.
- The Group made changes to presentation of provisions for retirement benefits from the line 'Liabilities arising from employee benefits' to the line 'Provisions'.

6. Seasonality or periodicity of operations

The operations of the Group are not subject to any material seasonal or periodical occurrences.

7. Estimates

The Group makes estimates and adopts assumptions that affect the value of the assets and liabilities recognized in the following period. The estimates and assumptions are reviewed on an ongoing basis and rely on historic data and other factors, including expectations of the future events, which seem to be justified in given circumstances.

a) Impairment of loans and advances

At each balance sheet date the Group considers the evidence of impairment of loans and advances to customers at both a specific asset and collective level.

All individually significant assets are assessed for impairment triggers on an individual basis. The individual assessment of impairment involves an estimate of the expected future cash flows, and the impairment loss is measured as the difference between the carrying amount of an individually significant financial asset, and the value of future cash flows, discounted using the effective interest rate defined at the date of impairment recognition. Future cash flows also include cash flows from collaterals.

A collective assessment is performed for assets classified as individually insignificant and those individually significant assets for which there are no impairment triggers identified. For such group of assets, the Group calculates the impairment loss, if impairment trigger is identified on a collective basis, or the Group calculates the amount of the IBNR (Incurred But Not Reported) allowance if no impairment trigger is identified. Expected future cash flows related to a group of financial assets, tested collectively for impairment, are estimated using the historical loss parameters, recognized on assets with similar risk characteristics.

In December 2012, the Group updated the parameters of the model for impairment calculation. The update includes:

- matching of the loan portfolios segmentation to the Group's current structure of receivables,
- removal of assumptions regarding recoverability of restructuring exposures (replacement of existing expert-based assumptions with estimates based on the factual data),
- introduction of the quarantine concept (exposure is not classified as 'Impaired' after a certain period of servicing liability by the customer in a timely manner),
- introduction of a uniform, 6-month loss identification period for all portfolios assessed under IBNR approach by extending the period for certain portfolios from 3 and 4 months,
- reflecting the current circumstances in impairment estimations (the concept of "point-in-time").

The update of parameters was performed due to more precise repayment historic data available and therefore the Group is not obliged to use expert-based assumptions regarding the repayment of exposures under restructuring. The modifications impacted impairment losses recognized.

b) Fair value of derivative financial instruments

The fair value of financial instruments not quoted on active markets is determined using valuation methods (e.g. pricing models). These methods are assessed and reviewed on a regular basis by qualified independent employees, i.e. employees not involved in their development. Before application, all models are approved and adjusted to ensure that the results obtained reflect the factual data and comparable market prices.

c) Impairment of non-current assets

At the end of each reporting period, the Group reviews its non-current assets for triggers of impairment. Where such impairment triggers exist, the Group makes an estimation of the recoverable value. The recoverable value of an assets or cash-generating unit is the higher of the two following: its fair value less cost to sell, or its value-in-use. Estimation of the value-in-use of non-current assets requires assumptions to be made regarding, among other, future cash flows which the Group may obtain from the given asset, any changes in amount or timing of occurrence of these cash flows and other factors. In estimating the fair value less cost to sell, Group relies on the available market data or valuations made by independent experts, which in fact are also based on estimates.

d) Provision for retirement benefits

The provision for retirement benefits is estimated on the basis of an actuarial methods performed by an external independent actuary. The actuarial assumptions are updated at the end of each reporting period.

The estimates did not change significantly in comparison to 31 December 2012.

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8. General information on the Group

Bank Gospodarki Żywnościowej Spółka Akcyjna is a part of the Rabobank Group, whose parent company is Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Bank Gospodarki Żywnościowej S.A. Group consists of Bank Gospodarki Żywnościowej S.A. as the parent company and the subsidiary Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o. ('Actus') with its registered office in Warsaw, at 10/16 Kasprzaka Street. The Actus's main activities include:

- acquisition and disposal of real estate and limited property rights relating to real estate,
- management of own and third-party construction projects,
- real estate trading intermediary services and lease of premises,
- lease of real estate and rental of premises,
- services relating to real estate valuation, management and advisory (real estate management agency activities).

The Bank holds 100% of shares in the share capital of Actus and 100% of the votes at the Shareholders' Meeting.

Bank Gospodarki Żywnościowej S.A. has 49% share in the associate BGŻ Leasing Sp. z o.o and 49% of the votes at the Shareholders' Meeting. The remaining 51% of the shares in the share capital is held by De Lage Landen, which is a part of Rabobank Group.

According to IFRS, as at 30 June 2013, all subsidiaries have been consolidated. The consolidation scope has not changed in comparison to 31 December 2012.

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9. Net interest income

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Interest income				
Loans and advances to banks	8 551	19 054	10 641	21 061
Loans and advances to customers in current accounts	67 738	142 429	78 368	150 851
Loans and advances to customers, in this:	313 795	660 866	366 642	719 590
– corporate	102 708	221 053	129 747	258 827
– households	207 080	431 095	230 002	448 287
– budget entities	3 096	6 863	3 758	7 585
– other entities	911	1 855	3 135	4 891
Hedging instruments	5 766	8 622	(395)	(395)
Debt securities, in this:	91 321	193 129	72 987	142 502
– held for trading	19 662	42 367	16 672	33 899
– available for sale	71 659	150 762	56 315	108 603
	487 171	1 024 100	528 243	1 033 609
Interest expense				
Amounts due to banks	(22 442)	(41 179)	(19 201)	(38 458)
Debt securities issued	(23 212)	(48 578)	(27 369)	(52 517)
Amounts due to customers:	(198 980)	(452 771)	(224 217)	(440 373)
– corporate	(38 925)	(83 787)	(53 567)	(112 487)
– households	(124 105)	(279 679)	(142 364)	(277 483)
– budget entities	(5 523)	(11 815)	(8 095)	(17 314)
– other entities	(30 427)	(77 490)	(20 191)	(33 089)
	(244 634)	(542 528)	(270 787)	(531 348)
Net interest income	242 557	481 572	257 456	502 261

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10. Net fee and commission income

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Fee and commission income				
– loans and advances	23 172	46 864	29 360	55 064
– settlements	4 464	8 557	5 276	10 259
– account maintenance	21 545	42 554	23 961	49 527
– guarantee commitments	2 891	5 669	2 831	5 677
– brokerage operations	3 119	5 656	2 792	5 598
– payment cards	19 124	38 778	18 088	35 881
– insurance activity	(188)	5 306	7 066	9 656
– other	2 104	4 225	1 928	2 471
	76 231	157 609	91 302	174 133
Fee and commission expense				
– loans and advances	(180)	(346)	(1 428)	(2 345)
– payment cards	(7 957)	(15 068)	(5 989)	(11 800)
– insurance activity	(4 908)	(7 100)	(3 435)	(5 722)
– other	(2 415)	(4 995)	(2 877)	(6 084)
	(15 460)	(27 509)	(13 729)	(25 951)
Net fee and commission income	60 771	130 100	77 573	148 182

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11. Net trading income

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Debt instruments	5	(8 162)	(845)	9 097
Derivative financial instruments	5 909	8 176	(2 776)	(133 071)
Foreign currency exchange result	25 724	48 737	14 834	163 966
Net trading income	31 638	48 751	11 213	39 992

12. General administrative expenses

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Personnel expenses, in this:	(115 361)	(245 855)	(112 058)	(241 591)
– wages and salaries	(87 455)	(191 945)	(92 045)	(194 885)
– social benefits and other fringe benefits	(27 906)	(53 910)	(20 013)	(46 706)
Marketing	(13 965)	(26 788)	(23 212)	(39 356)
IT	(18 738)	(38 480)	(18 015)	(36 950)
Rental expenses	(22 671)	(46 076)	(22 947)	(46 662)
Other non-personnel expenses	(10 549)	(22 060)	(14 668)	(27 239)
External services	(23 268)	(47 031)	(23 913)	(47 012)
Bank Guarantee Fund fee	(6 749)	(13 498)	(6 137)	(12 275)
Polish Financial Supervision Authority fee	(2 148)	(4 104)	(1 827)	(3 587)
Total general administrative	(213 449)	(443 892)	(222 777)	(454 672)

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13. Other operating income

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Sale or liquidation of property, plant and equipment, intangible assets and assets held for sale	1 220	1 541	473	481
Sales of goods and services	2 457	4 208	2 497	4 685
Release of provisions for litigation and claims, and other liabilities	1	918	8	461
Recovery of debt collection costs	475	999	656	1 202
Other	5 972	8 360	4 129	10 234
Total other operating income	10 125	16 026	7 763	17 063

14. Depreciation and amortization

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Property, plant and equipment	(13 125)	(26 103)	(12 925)	(25 129)
Intangible assets	(11 657)	(23 154)	(10 372)	(20 296)
Total depreciation and amortization	(24 782)	(49 257)	(23 297)	(45 425)

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15. Other operating expenses

	2 nd quarter of 2013	1 st half of 2013	2 nd quarter of 2012	1 st half of 2012
	from 01.04.2013 to 30.06.2013	from 01.01.2013 to 30.06.2013	from 01.04.2012 to 30.06.2012	from 01.01.2012 to 30.06.2012
Sale or liquidation of property, plant and equipment, intangible assets	(871)	(1 106)	(484)	(592)
Impairment charges on other receivables	(420)	(600)	(565)	(5 331)
Provisions for litigation and claims, and other liabilities	(263)	(699)	(2 822)	(6 201)
Debt collection	(1 939)	(3 630)	(1 475)	(3 327)
Donations made	(748)	(1 375)	(734)	(1 380)
Other	(363)	(1 438)	(476)	(956)
Total other operating expenses	(4 604)	(8 848)	(6 556)	(17 787)

16. Net impairment losses on financial assets and contingent liabilities

	2 nd quarter of 2013	1 st half of 2013	2 nd quarter of 2012	1 st half of 2012
	from 01.04.2013 to 30.06.2013	from 01.01.2013 to 30.06.2013	from 01.04.2012 to 30.06.2012	from 01.01.2012 to 30.06.2012
Loans and advances to banks	10	7	(2)	16
Loans and advances to customers	(58 535)	(92 283)	(112 866)	(154 698)
Contingent commitments granted	(42)	953	(1 840)	(1 386)
Total impairment losses on financial assets and contingent liabilities	(58 567)	(91 323)	(114 708)	(156 068)

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17. Income tax expense

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Current income tax	(273)	(273)	15 114	(302)
Deferred income tax	(12 792)	(21 361)	(14 352)	(13 837)
Total income tax	(13 065)	(21 634)	762	(14 139)
Profit before income tax	66 053	104 166	(1 785)	53 595
Income tax expense according to applicable tax rate at 19%	(12 551)	(19 792)	339	(10 183)
Permanent differences	(514)	(1 842)	423	(3 956)
Non tax deductible costs	(579)	(1 196)	(1 050)	(3 633)
Other differences	65	(646)	1 473	(323)
Total income tax charge on gross profit	(13 065)	(21 634)	762	(14 139)

18. Loans and advances to banks

	30.06.2013	31.12.2012
Current accounts	58 877	91 177
Interbank placements	168 256	191
Loans and advances	12 395	13 679
Total loans and advances to banks (gross)	239 528	105 047
Impairment allowances on loans and advances to banks	(1 018)	(1 012)
Total loans and advances to banks (net)	238 510	104 035
	30.06.2013	31.12.2012
Impairment allowances on loans and advances to banks at the beginning of the period	1 012	1 041
Impairment charges	58	273
Release of impairment charges	(65)	(264)
Other changes	13	(38)
Impairment allowances on loans and advances to banks at the end of the period	1 018	1 012

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Loans and advances to banks grouped by individual and collective assessment.

30.06.2013	Assessed individually	Assessed collectively	Total
Current accounts	-	58 877	58 877
Interbank placements	-	168 256	168 256
Loans and advances	920	11 475	12 395
Total loans and advances to banks (gross)	920	238 608	239 528
31.12.2012			
Current accounts	-	91 177	91 177
Interbank placements	-	191	191
Loans and advances	908	12 771	13 679
Total loans and advances to banks (gross)	908	104 139	105 047

Impairment allowances on loans and advances to banks grouped by individual and collective assessment.

	30.06.2013	31.12.2012
Assessed individually	838	827
Assessed collectively	180	185
Total impairment allowances	1 018	1 012

19. Reverse repo transactions

	30.06.2013	31.12.2012
Receivables from customers	249 837	104 369
Total reverse repo transactions	249 837	104 369

20. Debt securities held for trading

	30.06.2013		31.12.2012	
	Assets	Liabilities	Assets	Liabilities
Securities issued by government:				
- T-bonds	1 021 476	93 374	219 051	72 005
Total debt securities held for trading	1 021 476	93 374	219 051	72 005
<i>of which: valued using the market quotation method</i>	1 021 476	93 374	219 051	72 005

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21. Derivative financial instruments

30.06.2013	Nominal value	Fair value	
		Assets	Liabilities
Trading derivatives			
Currency derivatives:			
- Foreign Exchange Spot (FX Spot)	478 559	358	(286)
- Non-deliverable Forward (NDF)	815 767	12 397	(1 724)
- Foreign Exchange Forward (FX Forward)	734 565	5 094	(1 515)
- Currency Swaps (FX Swap)	22 550 435	48 560	(47 463)
- OTC currency options	132 483	895	(1 718)
Total OTC currency derivatives	24 711 809	67 304	(52 706)
Interest rate derivatives:			
- Interest Rate Swaps (IRS)	19 828 398	221 770	(187 481)
- Currency Interest Rate Swaps (CIRS)	1 305 167	7 600	(17 228)
- Forward Rate Agreements (FRA)	9 450 000	1 728	(1 555)
- OTC interest rate options	151 675	2 892	(3 984)
- Other	3 457 477	5 394	(5 181)
Total OTC interest rate derivatives	34 192 717	239 384	(215 429)
Futures	15 301	-	(18)
Total interest rate derivatives in trade	15 301	-	(18)
OTC options	156 603	4 298	(7 544)
Total OTC derivatives based on equity securities	156 603	4 298	(7 544)
OTC options	14 715	814	(814)
OTC commodity derivatives	14 715	814	(814)
TOTAL	59 091 145	311 800	(276 511)
<i>of which:</i>			
- valued using the market quotation method	15 301	-	(18)
- valued using model-based method	59 075 844	311 800	(276 493)
Settlements in respect of the purchase and sale of derivatives	X	199	(73)
Settlements in respect of the purchase and sale of options	X	10 530	(2 112)
TOTAL	59 091 145	322 529	(278 696)

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31.12.2012	Nominal value	Fair value	
		Assets	Liabilities
Trading derivatives			
Currency derivatives:			
- Foreign Exchange Spot (FX Spot)	402 164	328	(430)
- Non-deliverable Forward (NDF)	583 560	10 424	(4 138)
- Foreign Exchange Forward (FX Forward)	434 854	709	(2 546)
- Currency Swaps (FX Swap)	6 653 110	24 873	(22 879)
- OTC currency options	102 992	1 076	(1 702)
Total OTC currency derivatives	8 176 680	37 410	(31 695)
Interest rate derivatives:			
- Interest Rate Swaps (IRS)	19 910 109	324 356	(280 164)
- Currency Interest Rate Swaps (CIRS)	711 728	4 019	(48)
- Forward Rate Agreements (FRA)	7 200 000	4 301	(7 170)
- Other	185 619	439	(142)
Total OTC interest rate derivatives	28 007 456	333 115	(287 524)
OTC options	116 600	3 056	(4 645)
Total OTC derivatives based on equity securities	116 600	3 056	(4 645)
OTC options	14 743	1 116	(1 116)
OTC commodity swaps	7 436	86	(45)
OTC commodity derivatives	22 179	1 202	(1 161)
TOTAL:	36 322 915	374 783	(325 025)
<i>of which:</i>			
- valued using the market quotation method	-	-	-
- valued using model-based method	36 322 915	374 783	(325 025)
Settlements in respect of the purchase and sale of derivatives	X	38	-
Settlements in respect of the purchase and sale of options	X	5 652	(1 190)
TOTAL	36 322 915	380 473	(326 215)

22. Hedge accounting

Starting from 2012, the Group has been applying cash flow hedge accounting.

Description of hedging relationship	The Bank hedges a portion of the interest rate risk arising from interest on preferential loans with subsidies from The Agency for Restructuring and Modernization of Agriculture (ARiMR) above rediscount rate of NBP, resulting from the multiplier effect of the interest rate.			
Hedged items	Highly probable future cash flows arising from a portion of preferential loans portfolio.			
Hedging instruments	PLN IRS transactions	Nominal value	Fair value	
			Assets	Liabilities
	30.06.2013	1 500 000	36 668	-
	31.12.2012	1 500 000	69 179	-
Presentation of the result on the hedged and hedging transactions	Effective part of change in the valuation to fair value of hedging instruments is recognized in Revaluation reserves (Other reserve capital), while ineffective part of the change is recognized in the Result on hedge accounting. Interest on both the hedged and the hedging items is recognized in Interest income.			

Amounts recognized in the Income statement and Revaluation reserves related to cash flow hedge accounting

	30.06.2013	31.12.2012
Revaluation reserves (deferral of fair value changes of hedging instruments related to the portion recognized as effective hedge - gross value)	23 665	21 857
Interest income on hedging derivatives	8 622	(1 154)
Ineffective part of change in fair value of hedging transactions recognized in the Result on hedge accounting	(1 099)	1 233

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23. Loans and advances to customers

	30.06.2013	31.12.2012
Current accounts, in this:	4 167 490	4 292 333
- corporate	2 031 975	2 251 740
- households:	2 096 085	2 010 043
- individual customers	96 231	107 615
- individual entrepreneurs	326 648	345 581
- farmers	1 673 206	1 556 847
Non-current loans and advances:	22 948 389	23 101 303
- corporate, in this:	7 238 932	8 034 999
- investment loans	4 535 650	4 850 132
- revolving loans	1 675 785	2 088 980
- households:	15 369 859	14 689 030
- individual customers, in this:	9 240 588	8 867 163
- mortgage loans	7 892 242	7 600 490
- individual entrepreneurs	1 220 963	1 242 443
- farmers	4 908 308	4 579 424
- budget entities	272 937	313 976
- other entities	66 661	63 298
Total loans and advances to customers (gross)	27 115 879	27 393 636
Impairment allowances	(1 147 043)	(1 069 936)
Total loans and advances to customers (net)	25 968 836	26 323 700

Preferential loans and advances to corporate, farmers and individual entrepreneurs amounted to PLN 4 451 979 thousand as at 30 June 2013 and PLN 4 208 569 thousand as at 31 December 2012.

The receivables purchased amounted to PLN 305 228 thousand as at 30 June 2013 and PLN 354 991 thousand as at 31 December 2012.

Loans and advances to customers impaired and not impaired

	30.06.2013	31.12.2012
Not impaired exposures		
Gross exposure	24 964 957	25 457 786
Impairment allowances on receivables assessed collectively with no impairment recognized	(80 639)	(77 081)
Net exposure	24 884 318	25 380 705
Impaired exposures		
Gross exposure	2 150 922	1 935 850
Impairment allowances on receivables assessed collectively and individually	(1 066 404)	(992 855)
Net exposure	1 084 518	942 995

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Impairment allowances on loans and advances

	30.06.2013	31.12.2012
Current accounts, in this:	167 536	147 457
- corporate	95 393	78 430
- households:	71 780	68 889
- individual customers	11 633	11 869
- individual entrepreneurs	42 489	38 129
- farmers	17 658	18 891
Non-current loans and advances:	979 507	922 479
- corporate, in this:	440 799	389 681
- investment loans	68 597	60 776
- revolving loans	260 650	232 344
- households:	531 373	525 371
- individual customers, of which:	344 585	346 013
- mortgage loans	180 828	181 958
- individual entrepreneurs	76 787	69 761
- farmers	110 001	109 597
- budget entities	376	445
- other entities	6 959	6 982
Total impairment allowances	1 147 043	1 069 936

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Loans and advances to customers (gross) assessed individually and collectively

30.06.2013	Assessed individually	Assessed collectively	Total
Current accounts, in this:	109 417	4 058 073	4 167 490
- corporate	107 506	1 924 469	2 031 975
- households:	1 911	2 094 174	2 096 085
- individual customers	-	96 231	96 231
- individual entrepreneurs	1 911	324 737	326 648
- farmers	-	1 673 206	1 673 206
Non-current loans and advances:	1 071 427	21 876 962	22 948 389
– corporate	825 423	6 413 509	7 238 932
– households:	239 148	15 130 711	15 369 859
– individual customers	79 639	9 160 949	9 240 588
– individual entrepreneurs	64 004	1 156 959	1 220 963
– farmers	95 505	4 812 803	4 908 308
– budget entities	114	272 823	272 937
– other entities	6 742	59 919	66 661
Total loans and advances to customers (gross)	1 180 844	25 935 035	27 115 879
31.12.2012			
Current accounts, in this:	94 792	4 197 541	4 292 333
- corporate	82 481	2 169 259	2 251 740
- households:	12 310	1 997 733	2 010 043
- individual customers	-	107 615	107 615
- individual entrepreneurs	12 204	333 377	345 581
- farmers	106	1 556 741	1 556 847
Non-current loans and advances:	931 374	22 169 929	23 101 303
– corporate	724 856	7 310 143	8 034 999
– households:	199 641	14 489 389	14 689 030
– individual customers	55 483	8 811 680	8 867 163
– individual entrepreneurs	54 493	1 187 950	1 242 443
– farmers	89 665	4 489 759	4 579 424
– budget entities	135	313 841	313 976
– other entities	6 742	56 556	63 298
Total loans and advances to customers (gross)	1 026 166	26 367 470	27 393 636

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Impairment losses on loans and advances assessed individually and collectively

30.06.2013	Assessed individually	Assessed collectively	Total
Current accounts, in this:	35 977	131 559	167 536
– corporate	35 812	59 581	95 393
– households:	164	71 616	71 780
– individual customers	-	11 633	11 633
– individual entrepreneurs	164	42 325	42 489
– farmers	-	17 658	17 658
Non-current loans and advances:	446 495	533 012	979 507
– corporate	347 229	93 570	440 799
– households:	92 447	438 926	531 373
– individual customers	29 427	315 158	344 585
– individual entrepreneurs	21 909	54 878	76 787
– farmers	41 111	68 890	110 001
– budget entities	76	300	376
– other entities	6 743	216	6 959
Total impairment allowances	482 472	664 571	1 147 043
31.12.2012			
Current accounts, in this:	28 014	119 443	147 457
– corporate	28 014	50 416	78 430
– households:	-	68 889	68 889
– individual customers	-	11 869	11 869
– individual entrepreneurs	-	38 129	38 129
– farmers	-	18 891	18 891
Non-current loans and advances:	394 253	528 226	922 479
– corporate	302 366	87 315	389 681
– households:	85 063	440 308	525 371
– individual customers	22 634	323 379	346 013
– individual entrepreneurs	20 365	49 396	69 761
– farmers	42 064	67 533	109 597
– budget entities	82	363	445
– other entities	6 742	240	6 982
Total impairment allowances	422 267	647 669	1 069 936

Impairment allowances on preferential loans and advances to corporate, farmers and individual entrepreneurs amounted to PLN 83 914 thousand as at 30 June 2013 and PLN 82 590 thousand as at 31 December 2012.

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Loans and advances to customers not impaired

	30.06.2013	31.12.2012
Loans and advances to customers with no impairment triggers	24 964 957	25 457 786
Loans and advances to customers with impairment triggers, but no impairment identified, in this:	257 445	220 236
- exposures with collateral value included in expected discounted cash flows	257 445	220 236
- past due exposures	136 152	149 917
Total loans and advances to customers not impaired (gross)	25 222 402	25 678 022
IBNR provision	(80 639)	(77 081)
Total loans and advances to customers not impaired (net)	25 141 763	25 600 941

	30.06.2013	31.12.2012
Impairment allowances - Opening balance	1 069 936	882 905
Impairment charges	688 195	1 566 073
Release of impairment charges	(595 912)	(1 297 339)
Write-off	(21 746)	(84 713)
Other changes (including FX differences)	6 570	3 010
Impairment allowances - Closing balance	1 147 043	1 069 936

On 28 March 2013, the Group sold 1 224 loans, including 1 203 loans to individual customers and 21 loans to individual entrepreneurs. Gross value of the sold portfolio amounted to PLN 17 096 thousand. The income on sale amounted to PLN 1 699 thousand, what constituted 9.94% of the portfolio.

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24. Available for sale financial assets

	30.06.2013	31.12.2012
Debt securities available for sale:	6 530 652	6 863 027
- issued by central banks - NBP bills	3 248 414	3 798 533
- issued by governments - T-bonds	3 251 035	3 033 720
- issued by financial institutions – bonds	5 104	5 118
- issued by budget entities – municipal bonds	26 099	25 656
Equity securities available for sale	4 733	4 530
Total available for sale financial assets	6 535 385	6 867 557
<i>of which:</i>		
- valued using the market quotation method	3 254 888	3 037 358
- valued using model-based method	3 280 497	3 830 199

25. Intangible assets

	30.06.2013	31.12.2012
Licenses	121 755	131 644
Other intangible assets	480	618
Expenditures on intangible assets	26 000	20 412
Total intangible assets	148 235	152 674

In the first half of 2013, the Group acquired the 'Intangible assets' items in the amount of PLN 18 787 thousand (PLN 49 827 thousand in 2012), while the Group did not sell any 'Intangible assets' items in both periods.

26. Property, plant and equipment

	30.06.2013	31.12.2012
Non-current assets, in this:	440 350	454 077
- land and buildings	264 109	269 175
- IT equipment	35 092	40 237
- office equipment	61 296	61 376
- other	79 853	83 289
Assets under construction	16 034	15 021
Total property, plant and equipment	456 384	469 098

In the first half of 2013, the Group acquired the 'Property, plant and equipment' items in the amount of PLN 14 355 thousand (PLN 36 133 thousand in 2012), while the value of 'Property, plant and equipment' items sold amounted to PLN 1 696 thousand (PLN 21 060 thousand in 2012).

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27. Other assets

	30.06.2013	31.12.2012
Other assets		
– other debtors	69 722	110 054
– interbank and intersystem settlements	5 890	16 999
– prepaid expenses	29 198	5 786
– accrued income	4 192	5 347
– cards settlements	52 778	88 458
– other	4 143	2 048
Total other assets (gross)	165 923	228 692
Impairment allowances on other receivables	(28 565)	(28 327)
Total other assets (net)	137 358	200 365

28. Amounts due to banks

	30.06.2013	31.12.2012
Current accounts	50 772	60 886
Interbank deposits	65 856	372 560
Loans and advances received	3 474 165	3 558 377
Other liabilities	61 771	102 613
Total amounts due to banks	3 652 564	4 094 436

On 22 April 2011, the Bank and Coöperatieve Centrale Raiffeisen–Boerenleenbank B.A. (Rabobank) entered into an agreement, as a result of which the Bank received CHF 1 008 000 thousand for 12 years tenor, in order to finance existing mortgage portfolio denominated in CHF. The facility was disbursed in tranches from 29 April 2011 to 30 September 2011. As at 30 June 2013 the loan capital amounted to PLN 2 983 384 thousand.

The Bank received two loans from the European Bank of Reconstruction and Development (EBOiR) in the amount of EUR 50 000 thousand each. The first loan was disbursed in the first half of 2010, whereas the second one - in August 2011. As at 30 June 2013 the loan capital amounted to PLN 278 306 thousand.

In November 2012, the Bank received a loan from the European Investment Bank (EBI) in the amount of PLN 205 440 thousand (equivalent of EUR 50 million at the exchange rate set by the EBI for 2 days before disbursement of the loan) for a tenor of 10 years. The loan was secured by a guarantee issued by Rabobank. The guarantee agreement is three-sided, i.e. two agreements were signed: between Rabobank and EBI, in which Rabobank guarantees (up to 120% of the loan amount) the repayment of the loan and interest by the Bank in accordance with the schedule, and between Rabobank and the Bank, whereas the Bank agrees to pay the cost of guarantees in the amount of 0.95% on 120% of the outstanding loan amount. As at 30 June 2013, the loan capital amounted to PLN 205 440 thousand.

There have been no breaches of the loan agreements and relevant covenants relating to the financial position of the Bank and its information obligations in both 2013 and 2012.

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29. Repo transactions

	30.06.2013	31.12.2012
Due to banks	86 291	-
Due to customers	138 348	32 341
Total repo transactions	224 639	32 341

30. Amounts due to customers

	30.06.2013	31.12.2012
Other financial institutions:	1 064 957	2 537 917
Current accounts	12 097	9 268
Term deposits	1 052 849	2 528 638
Other liabilities, in this:	11	11
- other	11	11
Individual customers:	16 349 654	15 802 420
Current accounts	10 869 480	8 439 404
Term deposits	5 469 447	7 351 820
Other liabilities, in this:	10 727	11 196
- cash collaterals	7 457	6 671
- other	3 270	4 525
Corporate:	8 498 249	7 924 560
Current accounts	4 476 755	3 974 931
Term deposits	3 947 843	3 871 567
Other liabilities, in this:	73 651	78 062
- cash collaterals	72 854	77 184
- other	797	878
Of which farmers:	1 235 686	1 009 139
Current accounts	1 070 874	856 815
Term deposits	157 188	143 693
Other liabilities, in this:	7 624	8 631
- cash collaterals	7 602	8 599
- other	22	32
Budget entities:	765 025	677 074
Current accounts	473 172	484 830
Term deposits	291 727	192 118
Other liabilities, in this:	126	126
- cash collaterals	126	124
- other	-	2
Total amounts due to customers	26 677 885	26 941 971

31. Debt securities issued

Changes in debt securities issued

	30.06.2013	31.12.2012
Balance at the beginning of the period	1 852 931	2 033 267
<i>Increases:</i>	<i>661 578</i>	<i>4 407 755</i>
- issuance of certificates of deposit	613 000	4 300 000
- accrued discount/interest from certificates of deposit	48 578	107 755
<i>Decreases:</i>	<i>(634 281)</i>	<i>(4 588 091)</i>
- redemption of certificates of deposit and Quatro securities	(606 000)	(4 468 205)
- sold discount from certificates of deposit	(11 279)	(97 844)
- repurchased interest from certificates of deposit and Quatro securities	(16 707)	(21 486)
- commission and other fees on certificates of deposit amortized using EIR	(295)	(556)
Balance of debt securities issued at the end of the period	1 880 228	1 852 931

In 2008, the Bank signed with three financing banks a number of agreements for issue of bearer bank securities (Certificates of Deposit – ‘CDs’) in material form, denominated in PLN.

In the first quarter of 2013, the Bank as the issuer of debt securities entered into the Dealers Agreement and Issuance Agreement for the execution of the Debt Securities Issuance Program (‘Program’) with Bank Handlowy w Warszawie S.A., Bank Pekao S.A., BRE Bank S.A. and ING Bank Śląski S.A., acting as market makers. The Program assumes multiple issuance of Certificates of Deposit (‘CDs’) and the Bank’s bonds (‘bonds’) denominated in PLN for the total amount not exceeding PLN 3 500 million. The Bank will issue zero-coupon and coupon CDs for the period no longer than 5 years and zero-coupon and coupon bonds with the maximum maturity of 10 years. The agreements were signed for an indefinite period of time.

The Program is designed to finance current lending activity of the Bank.

The agreements renew and expand by inclusion of bond issuance the Debt Securities Program dated 14 March 2008.

The value of CDs issued equals to PLN 1 884 000 thousand (nominal value) as at 31 June 2013 and PLN 1 877 000 thousand (nominal value) as at 31 December 2012.

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32. Other liabilities

	30.06.2013	31.12.2012
Interbank and intersystem settlements	95 251	83 512
Other creditors	70 336	74 681
Card settlements	57 658	74 477
Provisions for non-personnel expenses	33 660	31 857
Provisions for other employee-related liabilities	37 966	57 585
Provisions for unused holidays	15 938	12 563
Deferred income	30 263	15 189
Other public settlements	28 903	29 343
Total other liabilities	369 975	379 207

33. Provisions

	30.06.2013	31.12.2012
Provisions for restructuring	574	13 515
Provisions for retirement benefits	19 664	14 407
Provisions for guarantees, surety ships and undrawn credit facilities	6 252	7 257
Provisions for litigation and claims	26 621	28 736
Other provisions	1 182	1 586
Total provisions	542 293	65 501

Provision for restructuring	30.06.2013	31.12.2012
Opening balance	13 515	-
Provision charges	2 370	16 901
Provision utilization	(15 311)	(3 386)
Closing balance	574	13 515

Provision for retirement benefits	30.06.2013	31.12.2012
Opening balance	14 407	16 459
Provision charges	6 392	683
Provision release	(1 135)	(2 735)
Closing balance	19 664	14 407

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	30.06.2013	31.12.2012
Provisions for guarantees, surety ships and undrawn credit facilities		
Opening balance	7 257	6 018
Provision charges	8 264	57 754
Provision release	(9 217)	(56 064)
Other changes	(52)	(451)
Closing balance	6 252	7 257

	30.06.2013	31.12.2012
Provision for litigation and claims		
Opening balance	28 736	34 684
Provision charges	689	8 158
Provision utilization	(1 886)	(8 246)
Provision releases	(918)	(5 860)
Closing balance	26 621	28 736

	30.06.2013	31.12.2012
Other provisions		
Opening balance	1 586	1 224
Provision charges	10	280
Provision utilization	(89)	(23)
Provision releases	-	(105)
Other changes	(325)	210
Closing balance	1 182	1 586

34. Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows comprise the following balances with maturity up to 3 months.

	30.06.2013	30.06.2012
Cash and balances with the Central Bank	1 347 978	1 502 744
Current accounts of banks and other receivables	65 336	81 679
Interbank placements	168 033	182 944
Loans and advances	173	-
Total cash and cash equivalents	1 581 520	1 767 367

35. Contingent liabilities

	30.06.2013	31.12.2012
Contingent commitments granted	4 096 746	4 610 161
- Financial commitments	3 518 293	3 994 542
- Guarantees	578 453	615 619
Contingent commitments received	515 547	283 191
- Financial commitments	508 533	278 855
- Guarantees	7 014	4 336

36. Fair value of financial assets and liabilities

The Bank classifies the financial assets and liabilities measured at fair value into the following categories, broken down by valuation method:

Level 1

Assets and liabilities valued on the basis of prices quoted in active markets for identical assets or liabilities.

Level 2

Assets and liabilities valued using valuation techniques based on directly or indirectly observable market quotations, or other information based on market quotations.

Level 3

Assets and liabilities valued using valuation techniques based on input data derived from other sources than observable market quotations.

The Bank carries out a periodical evaluation (at least once a quarter) of assets and liabilities classification to the respective levels of fair value hierarchy. The allocation to the respective levels of hierarchy is performed based on the input data used in the valuation model, which are market quotations or other information. The classification of asset or liability to respective level of hierarchy is determined by the lowest quality level of input data used in the model, which have a significant impact on the determination of fair value.

In case of change of used input data to the data of other level, for example due to change in valuation methodology or change in the source of market data, the Bank transfers asset or liability to an appropriate level of valuation in the reporting period, in which the change occurred.

In the first half of 2013 and 2012 the Bank did not implement any changes in the re-measurement to fair value method, which would result in transfers of financial assets and liabilities between the individual levels referred to above.

Presented below are the carrying amounts of financial assets and liabilities re-measured to fair value, by the valuation levels described above:

30.06.2013	Level 1	Level 2	Level 3	Total
Assets re-measured to fair value	4 276 364	3 611 200	90 795	7 978 359
Debt securities held for trading	1 021 476	-	-	1 021 476
Derivative financial instruments	-	321 014	1 515	322 529
Hedging instruments	-	36 668	-	36 668
Available for sale financial assets	3 254 888	3 253 518	26 979	6 535 385
Investment property	-	-	62 301	62 301
Liabilities re-measured to fair value	93 392	277 157	1 521	372 070
Financial liabilities held for trading	93 374	-	-	93 374
Derivative financial instruments	18	277 157	1 521	278 696

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31.12.2012	Level 1	Level 2	Level 3	Total
Assets re-measured to fair value	3 256 409	4 253 303	88 849	7 598 561
Debt securities held for trading	219 051	-	-	219 051
Derivative financial instruments	-	380 473	-	380 473
Hedging instruments	-	69 179	-	69 179
Available for sale financial assets	3 037 358	3 803 651	26 548	6 867 557
Investment property	-	-	62 301	62 301
Liabilities re-measured to fair value	72 005	326 215	-	398 220
Financial liabilities held for trading	72 005	-	-	72 005
Derivative financial instruments	-	326 215	-	326 215

The fair value of financial instruments from level 2 and 3 is determined using valuation techniques (e.g. models). These methods are assessed and reviewed on a regular basis by qualified independent employees, i.e., employees not involved in developing these methods. All models are approved before they are used, and adjusted to ensure that the results obtained reflect the factual data and comparable market prices. The models that the Group currently applies are based both on observable data and directly unobservable.

The fair value valuation of available for sale financial assets classified to the level 3 takes into account estimated credit risk margin equal to market margin for instruments of similar characteristics. Impact of credit margin changes on changes in fair value is negligible.

The input data for valuation purposes of investment property comprise offer prices for comparable properties, factual property transaction prices and other information concerning real estate market conditions in the area. The adoption of other estimates than those used as at 30 June 2013 would result in a significant valuation change of investment property. However, the Bank does not have reliable estimates of their impact on the property fair value.

Changes in valuation of assets and liabilities classified to level 3 as well as amounts transferred to income statement and statement of comprehensive income for financial assets and liabilities are presented below.

	Derivative financial instruments (assets)	Available for sale financial assets	Investment property	Derivative financial instruments (liabilities)
Balance at 01.01.2013	-	26 548	62 301	-
Total gains or losses recognized in:	-	431	-	680
Net interest income	-	595	-	-
Net trading income	-	-	-	680
Statement of other comprehensive income	-	(164)	-	-
Purchase	1 515	-	-	841
Balance at 30.06.2013	1 515	26 979	62 301	1 521
Unrealized gains or losses relating to assets and liabilities held at the end of the reporting period, recognized in:	-	431	-	680
Net interest income	-	595	-	-
Net trading income	-	-	-	680
Statement of other comprehensive income	-	(164)	-	-

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	Derivative financial instruments (assets)	Available for sale financial assets	Investment property	Derivative financial instruments (liabilities)
Balance at 01.01.2012	-	159 270	63 401	-
Total gains or losses recognized in:	-	6 867	(1 100)	-
Net interest income	-	5 422	-	-
Net trading income	-	1 445	-	-
Other operating expenses	-	-	(1 100)	-
Settlement	-	(139 589)	-	-
Balance at 31.12.2012	-	26 548	62 301	-
Unrealized gains or losses relating to assets and liabilities held at the end of the reporting period, recognized in:	-	6 867	(1 100)	-
Net interest income	-	5 422	-	-
Net trading income	-	1 445	-	-
Other operating expenses	-	-	(1 100)	-

The table below presents the carrying amount and the fair value of those financial assets and liabilities that were not presented at fair value in the statement of financial position of the Group.

30.06.2013	Carrying amount	Fair value
Financial assets		
Loans and advances to banks	238 510	235 232
Reverse repo transactions	249 837	249 837
Loans and advances to customers	25 968 836	26 034 316
Financial liabilities		
Amounts due to banks	3 652 564	3 675 424
Repo transactions	224 639	224 639
Amounts due to customers	26 677 885	26 688 296
Debt securities issued	1 880 228	1 884 766
31.12.2012	Carrying value	Fair value
Financial assets		
Loans and advances to banks	104 035	102 125
Reverse repo transactions	104 369	104 369
Loans and advances to customers	26 323 700	26 452 667
Financial liabilities		
Amounts due to banks	4 094 436	4 128 355
Repo transactions	32 341	32 341
Amounts due to customers	26 941 971	26 919 442
Debt securities issued	1 852 931	1 837 553

a) Loans and advances to banks

Loans and advances to banks consist of interbank placements. The fair value of fixed and variable interest rate placements is based on future cash flows discounted using the money market interest rates for items with similar credit risk and similar period remaining to maturity.

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b) Loans and advances to customers

The estimated fair value of loans and advances to customers is calculated as the discounted value of future cash flows to be received. In order to determine the fair value of loans and advances granted to customers, the amounts to be received are discounted using current interest rates. Market rates used for discounting are adjusted to the actual cost of raising funds for lending and credit risk cost for each product group.

c) Amounts due to other banks

Amounts due to other banks include interbank deposits. The fair value of fixed and variable interest rate deposits is based on future cash flows discounted using the money market interest rates for items with similar credit risk and similar period remaining to maturity.

d) Amounts due to customers

The fair value of fixed and variable interest rate deposits is based on future cash flows discounted using the money market interest rates revised with liquidity margin. In relation to deposits on demand it is assumed that the fair value equals to their carrying amount.

e) Debt securities issued

The fair value of debt securities issued is estimated using a model for discounting future cash flows from the investment, based on market interest rate curves revised with the issuer's credit risk.

37. Related party transactions

All transactions of the Bank and its subsidiaries with related parties in the first half of 2013 resulted from current operating activities.

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Transactions with the Bank's shareholders and related parties

30.06.2013	RABOBANK INTERNATIONAL HOLDING B.V.	COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.	SUBSIDIARIES of RABOBANK	KEY PERSONNEL	TOTAL
Assets	-	43 217	66 702	-	109 919
Current accounts, interbank placements and loans and advances to banks and customers	-	2 490	63 033	-	65 523
Derivative financial instruments	-	40 589	3 669	-	44 258
Other assets	-	138	-	-	138
Liabilities	-	3 041 418	3 640	2 200	3 047 258
Loans and advances received	-	2 989 698	-	-	2 989 698
Interbank deposits and current accounts	-	1 281	5	2 200	3 486
Derivative financial instruments	-	34 926	3 635	-	38 561
Other liabilities	-	15 513	-	-	15 513
Contingent liabilities					
Financial commitments granted	-	-	-	-	-
Guarantees granted	-	980	-	-	980
Commitments received	-	260 732	-	-	260 732
Derivative financial instruments (face value)	-	15 062 065	300 000	-	15 362 065
1st half of 2013 from 01.01.2013 to 30.06.2013					
Income statement	-	(65 057)	(255)	(33)	(65 345)
Interest income	-	301	415	-	716
Interest expense	-	(21 805)	(1)	(33)	(21 839)
Fee and commission expense	-	(4)	-	-	(4)
Net trading income	-	(36 777)	(669)	-	(37 446)
Other operating income	-	1 530	-	-	1 530
Other operating expenses	-	(8 302)	-	-	(8 302)

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31.12.2012	RABOBANK INTERNATIONAL HOLDING B.V.	COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.	SUBSIDIARIES of RABOBANK	KEY PERSONNEL	TOTAL
Assets	334	31 778	6 975	-	39 087
Current accounts, interbank placements and loans and advances to banks and customers	-	197	-	-	197
Derivative financial instruments	-	31 581	6 975	-	38 556
Other assets	334	-	-	-	334
Liabilities	-	3 064 117	7 005	3 108	3 074 230
Loans and advances received	-	3 030 812	-	-	3 030 812
Interbank deposits and current accounts	-	11 040	30	3 108	14 178
Derivative financial instruments	-	11 952	6 975	-	18 927
Other liabilities	-	10 313	-	-	10 313
Contingent liabilities			-		
Financial commitments granted	-	490 000	-	-	490 000
Guarantees granted	-	826	-	-	826
Commitments received	-	247 118	-	-	247 118
Derivative financial instruments (face value)	-	4 354 870	300 000	-	4 654 870
1st half of 2012					
from 01.01.2012 to 30.06.2012					
Income statement	-	(4 832)	(1 632)	(35)	(6 499)
Interest income	-	170	312	-	482
Interest expense	-	(23 535)	(1)	(35)	(23 571)
Fee and commission expense	-	(18)	-	-	(18)
Net trading income	-	25 471	(1 943)	-	23 528
Other operating expenses	-	(6 920)	-	-	(6 920)

38. Operating segments

Segment reporting

The Group has divided its operations and applied identification of income and expenses as well as assets and liabilities into the following reporting operating segments: Retail and Business Banking (including the direct banking channel BGŻOptima, an offer for affluent customers that was introduced in December 2012 – Individual Banking, and an offer for micro companies), Corporate Banking, Financial Markets and Assets and Liabilities Management (“ALCO”), and Other. This division reflects the principles of classification of customers into segments in accordance with the Group’s business model which is based on type of business and financial criteria as well as the type of activity.

Monitoring of managerial results in the Group takes into account all components of the income statement of particular segment to the level of gross profit, i.e. for each segment revenues, expenses and net impairment losses are reported. Managerial revenues include cash flows between the customer segments and the unit responsible for assets and liabilities management, valued using internal transfer pricing of funds based on market prices and liquidity margins determined for a given maturity and currency. Managerial costs include the direct costs of their activities and costs allocated in accordance with the allocation model adopted by the Group. In addition, the managerial results of segments include settlements of business lines for services provided between them (the data is assigned to particular clients of the Bank). The settlements include incomes and expenses. Under income the Group recognizes banknotes transactions’ commission, i.e. the commissions for the purchase of cash for the clients on the market and the net interest income referring to a transfer fund price assigned to cash balance available for clients. Under expenses the Group recognizes settlements for basic banking facilities (their price is annually agreed upon by business line representatives) and settlements for counting and transportation of cash to clients.

Operating activity of the Group is limited to Poland. No material differences are identified in risks that could be influenced by the geographical location of Group’s branches, and therefore the Group has not disclosed geographical information.

The Group applied unified and detailed rules for all distinguished segments. In case of revenues, apart from standard positions, the components of segments’ results on interests were separated – i.e. internal and external revenues and expenses. For general expenses, the Group allocates indirect costs to segments through separation of tens cost aggregates, homogeneous in the aspect of the area and the scope of activity of the Group’s units. For each aggregate separate, tailored specifically to the aggregate allocation principles were used, that transfer their costs on revenue segments.

Within the operations of the Bank, Agro customers segment is separated due to its significance to the development of the Group’s business activity, its influence on the financial results of the institutions, and the separate level of monitoring carried for the Group’s management reporting.

Due to the nature of the Group’s activity, there is no seasonality or cyclical phenomenon. The Group provides financial services for which demand is stable, and the impact of seasonality is negligible.

Changes in the composition of reporting segments

In the last quarter of 2012 and in the first quarter of 2013 the Group made changes to composition of its reporting segments on the basis of resolutions made by Management Board. The Group introduced a number of financial and non-financial criteria in order to tailor the product offer to a more accurate clients’ division. Following the changes in the composition of reporting segments, the Group restated the corresponding information for 2012 and first quarter of 2013.

Business segments characteristics

The Retail and Business Banking Segment includes sales of products and services performed for individuals and micro companies, including maintaining current accounts and deposit accounts, gathering term deposits, granting housing loans, cash loans, mortgage loans, revolving loans, overdrafts, loans dedicated to micro companies, issuance of debit and credit cards, service of foreign cash transfers, entering into foreign exchange transactions, sale of insurance products and other services with a minor impact on the Group's revenue. The Retail and Business Banking Segment includes also: balances and results of direct banking channel BGŻOptima, income from brokerage services and distribution of investment funds' share units.

The services for the clients belonging to the Retail and Business Banking Segment are rendered by branches of the Group and through alternative channels, i.e. internet banking (eBGŻ, TeleBGŻ), telephone banking (TeleBGŻ), direct banking channel BGŻOptima as well as Private Banking channel. Additionally, sale of particular products is realized through financial intermediaries, both on local and national level.

The Corporate Banking Segment includes sales of products and services rendered to enterprises, companies, cooperatives, individual entrepreneurs, individual farmers, non-profit institutions and public sector entities. The Corporate Banking Segment is divided into: Large, Small and Medium enterprises. The services are rendered by Consultants working at Corporate Centers. Operational support for all segments is carried by the Group's Branches, and additionally they also have access to telephone banking (TeleBGŻ) and internet banking (eBGŻ Firma). Moreover, a sale of particular products is realized through financial intermediaries, both on local and national level.

Products and services for Corporate Clients include maintaining current and saving accounts, gathering term deposits (including negotiable deposits), issuing business-type cards, granting overdrafts, investing commercial loans and revolving loans, agro-business financing loans (including preferential loans, revolving loans for farmers, agricultural procurement loans, loans with refinancing from the European Bank for Reconstruction and Development, overdrafts secured with mortgages on agricultural land, loans for realization of projects co-financed with the subsidies from the European Union), insurance for farmers, issuing of debt securities, financing trading activities (including guarantees, surety ships, letters of credit, discounting of bills and factoring), leasing (in cooperation with BGŻ Leasing) and entering into foreign exchange and derivative transactions.

Within the Corporate Banking Segment and the Retail and Business Banking Segment, the Group separated Agro Clients i.e. individual farmers and companies operating in the food and agriculture sector. According to the principles of customer segmentation in the Group, farmers include individuals, legal persons and organizational entities not being legal persons involved in agricultural activity in accordance with the Act on Agricultural Tax, whereas the segmentation of companies is done using activities classification codes (PKD 2007). The main classes of activity of Agro clients include: food, beverages and tobacco production, retail sale and wholesale of food, forestry and logging, manufacture of machinery and other means of production for agriculture and forestry, wholesale of agriculture machinery and equipment, manufacture of wood products, paper and paper products, packaging production, manufacture of machinery for food, beverage and tobacco processing.

The Financial Markets and ALCO Segments cover activities in the area of financial markets performed on Group's own interest and in the liquidity management area as well as assets and liabilities management activity (including debt securities investment portfolio, issued certificates of deposits, loans from other banks, balance of liquidity margin, spread ask/bid between transfer prices of funds allocated to assets and liabilities).

The **Other** segment includes results that are not attributable to any of above listed segments (i.e. the loan portfolio under vindication and restructuring procedures, capital investments, results attributable to the Group's own accounts and to clients' accounts not attributed to the specified segment). Before 1 January 2011, the loan portfolio under vindication and restructuring procedures were transferred to a separate, specialized entity.

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Non-performing loans, created after 1 January 2011, are presented in the respective segments – the Retail and Business Banking or the Corporate Banking.

Reconciliation of results with financial reporting data

Result on financial operations and foreign exchange result from the statement by operating segments reconciles with the sum of the following items from the income statement:

- Dividend income
- Net trading income
- Result on investing activities
- Result on hedge accounting
- Share in profit (loss) of associates

Result on other operations from the statement by operating segments reconciles with the sum of the following items from the income statement:

- Other operating income
- Other operating expenses

	1 st of from 01.01. to 30.06.	1 st half of 2013 from 01.01.2013 to 30.06.2013
Statement by operating segments		
Result on financial operations	36 981	26 634
Foreign exchange result	32 807	33 407
	69 788	60 041
Income statement:		
Dividend income	2 837	3 396
Net trading income	48 751	39 992
Result on investing activities	20 613	17 545
Result on hedging accounting	(1 099)	-
Share in profit (loss) of associates	(1 314)	(892)
	69 788	60 041
Statement by operating segments		
Result on other operations	7 178	(724)
	7 178	(724)
Income statement:		
Other operating income	16 026	17 063
Other operating expenses	(8 848)	(17 787)
	7 178	(724)

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	Retail and Business Banking	Corporate Banking	including: Agro Clients*	Financial Markets and ALCO	Other	Total
1st half of 2013						
Income Statement						
Net interest income	261 993	130 358	133 216	121 375	(32 154)	481 572
external interest income	431 756	374 707	365 963	185 743	31 894	1 024 100
external interest expense	(296 403)	(119 815)	(54 298)	(126 136)	(174)	(542 528)
internal interest income	419 138	161 395	90 187	(580 901)	368	-
internal interest expense	(292 498)	(285 929)	(268 636)	642 669	(64 242)	-
Net fee and commission income	81 212	48 349	45 957	(2 760)	3 299	130 100
Result on financial operations	29	3 412	2 069	30 703	2 837	36 981
Foreign exchange result	16 173	16 614	10 123	-	20	32 807
Result on other operations	1 769	(79)	(111)	(4 096)	9 584	7 178
Net impairment losses on financial assets and contingent liabilities	(31 464)	(57 715)	(17 308)	(2 188)	44	(91 323)
General administrative expenses	(327 758)	(104 766)	(97 399)	(13 367)	1 999	(443 892)
Depreciation and amortization	(35 743)	(10 133)	(9 449)	(1 347)	(2 034)	(49 257)
Segment result	(33 789)	26 040	67 098	128 320	(16 405)	104 166
Profit (loss) before income tax	-	-	-	-	-	104 166
Income tax expense	-	-	-	-	-	(21 634)
Net profit (loss) for the period	-	-	-	-	-	82 532
Statement of financial position						
30.06.2013						
Segment assets	14 201 781	12 162 210	11 881 313	6 836 238	3 501 744	36 701 973
Segment liabilities	19 518 636	7 157 956	4 503 448	5 027 247	1 537 325	33 241 164

*Includes clients classified both to the Retail and Business Banking Segment, and the Corporate Banking Segment

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	Retail and Business Banking	Corporate Banking	including: Agro Clients*	Financial Markets and ALCO	Other	Total
1st half of 2012						
Income Statement						
Net interest income	263 049	130 904	129 601	117 547	(9 239)	502 261
external interest income	393 621	457 923	431 184	143 060	39 005	1 033 609
external interest expense	(322 034)	(172 588)	(54 549)	(36 723)	(3)	(531 348)
internal interest income	374 420	202 737	76 333	(577 178)	21	-
internal interest expense	(182 958)	(357 168)	(323 367)	588 388	(48 262)	-
Net fee and commission income	90 597	55 567	47 171	(1 343)	3 361	148 182
Result on financial operations	20	2 699	1 123	20 518	3 396	26 633
Foreign exchange result	14 874	19 062	8 614	-	(528)	33 408
Result on other operations	(4 164)	(42)	(39)	(4 750)	8 232	(724)
Net impairment losses on financial assets and contingent liabilities	(65 215)	(70 683)	(21 172)	2 485	(22 655)	(156 068)
General administrative expenses	(336 272)	(113 552)	(98 988)	(13 314)	8 466	(454 672)
Depreciation and amortization	(33 896)	(9 228)	(7 717)	(1 440)	(861)	(45 425)
Segment result	(71 007)	14 727	58 593	119 703	(9 828)	53 595
Profit (loss) before income tax	-	-	-	-	-	53 595
Income tax expense	-	-	-	-	-	(14 139)
Net profit (loss) for the period	-	-	-	-	-	39 456
Statement of financial position						
31.12.2012						
Segment assets	13 590 572	13 076 087	12 016 961	6 906 838	3 673 237	37 246 734
Segment liabilities	18 668 815	8 230 400	3 491 047	5 393 362	1 481 540	33 774 117

*Includes clients classified both to the Retail and Business Banking Segment, and the Corporate Banking Segment

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39. The shareholders' structure of Bank Gospodarki Żywnościowej S.A.

Shareholders	30.06.2013		31.12.2012	
	Number of shares	Structure (%)	Number of shares	Structure (%)
Rabobank International Holding B.V.*	45 941 751	89.84	45 941 751	89.84
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.*	4 303 695	8.42	4 303 695	8.42
Other shareholders	891 318	1.74	891 318	1.74
TOTAL	51 136 764	100.00	51 136 764	100.00

* Rabobank Group

As at 30 June 2013 and 31 December 2012 none of the members of the Management Board and Supervisory Board, and key personnel held the Bank's shares.

40. Dividends paid

In 2012 the Bank did not paid out the dividend. By the decision of the General Shareholders' Meeting dated 28 June 2013, net profit for the year 2012 was allocated to Other supplementary capital.

41. Legal issues

As at 30 June 2013 the total value of the legal proceedings against the Bank amounted to PLN 75 742 thousand, whereas the total value of the legal proceedings in which the Bank is a plaintiff amounted to PLN 83 533 thousand. As at 31 December 2012 the total value of the legal proceedings against the Bank amounted to PLN 105 314 thousand, and the total value of the legal proceedings in which the Bank is a plaintiff amounted to PLN 92 129 thousand.

The Bank and its subsidiary are not involved in any proceedings before a court, arbitration body, or public administration authorities which represent at least 10% of the equity.

42. Risk management

The most significant changes to credit risk management made in the first half of 2013 and main measures of market risk are described below. In reference to other risks that the Group has to face, the approach has not been changes significantly.

CREDIT RISK

The main activities in respect to credit risk realized by the Group in the first half of 2013 are as follows:

- review and update of the risk appetite,
- review and update of the system of key credit risk limits and concentration limits in order to more effectively managing of portfolio risk and concentration risk,
- implementation of a new credit worthiness assessment model for institutional clients using simplified reporting,
- development of risk base pricing model for institutional clients using simplified reporting,

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- implementation of new more conservative rules of financing retail clients applying for mortgage products (underwriting criteria)
- review of collaterals' rules of loans, collaterals monitoring and the range of gathered information about collaterals in order to, among others, meet the requirements ensuing from Recommendation "J" and "S" of Polish Financial Supervisory Authority and more effectively managing the residual risk by the Group.

MARKET RISK

Market risk in the banking book

As at the end of June 2013, the value of the „duration” measure, i.e. the average weighted period to repricing of interest rate for assets remained on the level of 2.9 months (at the end of 2012 - 2.8 months), whereas for liabilities – equaled to 3 months (previously 2.6 months). The duration of net capital in the ALM portfolio decreased from 5.2 months at the end of 2012 to 1.4 months at the end of June. The repricing period for almost 92% of assets and liabilities was lower than 6 months (at the end of 2012 - 93%), however almost 53% of assets and liabilities are to be re-valued within one month (previously - 59%).

In the first half of 2013, the interest rate risk (measured IaR) has increased, reaching the average level of PLN 12.8 million in a scenario of 200 bps increase in interest rates and PLN 12.0 million in a scenario of 200 bps decrease in interest rates, in comparison to PLN 1.3 million and PLN 1.9 million respectively in the first half of 2012 (decrease in net interest income in the first half of 2013 would occur if the interest rates decreased). However, the interest rate risk remained on a low level in relation to 12-month net interest income (PLN 1 021.4 million in 2012). The biggest change of exposure concerned debt securities portfolio and deposit base (not renewed most expensive negotiable deposits, increasing volume of progressive deposits, stable level of BGŻ Optima deposits) with worse than planned lending activities. At the same time shortening residual maturity of OIS transactions hedging interest rate risk in ALM portfolio impacted the structure of repricing gap.

The sensitivity of net interest income (IaR) was as follows as at 30 June 2013:

- an immediate increase in interest rates by 50 bps: increase in net interest income during one year by PLN 13.7 million (at the end of 2012: decrease by PLN 1.3 million),
- an immediate decrease in interest rates by 50 bps: decrease in net interest income during one year by PLN 14.6 million (at the end of 2012: increase by PLN 3.5 million),
- a gradual increase in interest rates by 200 bps during one year: increase in net interest income by PLN 27.6 million (at the end of 2012: decrease by PLN 4.0 million),
- a gradual decrease in interest rates by 200 bps during one year: decrease in net interest income by PLN 29.0 million (at the end of 2012: increase by PLN 8.8 million).

The exposure of Money Market portfolio was dominated by positions in 7-day NBP monetary bills (held for a short-term liquidity management purposes) and Interest Rate Swaps transactions (OIS and IRS – exposure adjusting, hedging the price risk) and FX Swap transaction (the financing of the Group in foreign currencies). In the first half of 2013 the average utilization of VaR limits remained on 60% (42% in the second half of 2012). In terms of the currency structure, the exposures in PLN (over 45% of the sensitivity measured in BPV and over 70% in the second half of 2012), USD (23%), EUR, and CHF had the biggest share.

Market risk in the trading book

At the end of 2012 the Group performed a review of limits in the trading book. As a result, the delta limit (BPV) for PLN and EUR increased, whereas VaR limits and stress test remained unchanged. The higher limits are effective since the beginning of 2013. Simultaneously the Group

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introduced the extended list of stress test scenarios (additional standard scenarios of Rabobank Group).

Higher level of utilization of VaR limit in the trading book was mainly affected by higher delta limits and increasing volatilities of main risk factors (PLN swap curves, PLN OIS, PLN GOVT). The profile of interest rate risk changed gradually during the first half of 2013. The position in debt securities issued by governments (mainly low price-risk securities) generally did not exceed PLN 1 billion during the first half of 2013, whereas the positive sensitivity of outbalancing interest rates swaps accounted for the counterweight for the position in bonds. As a consequence, the trading portfolio was generally exposed to interest rates decrease scenario. The currency risk remained at low level, and the activity was focused on EUR and partially on USD. During the first half of 2013 the currency exposure of the Group generally has been reducing at the end of the day, mainly due to clients' activity.

The value at risk, which is the measure of trading portfolio exposure to the price risk, remained on the average level of 75% of the limit in the first half of 2013 (in the second half of 2012 - 70%). This was mainly affected by interest rate exposure. VaR for interest rate risk average accounted for 77% of limit (in the second half of 2012 - 75%), whereas for currency risk - 16% of the limit (in the second half of 2012 - 7%). The VaR limit for interest rate risk was exceeded one time during the first half of 2013 (by 3%).

43. Changes in the Bank's Management

On 24 February 2013, the Management Board of the Bank was notified that Mr. Jacek Bartkiewicz submitted his resignation from the position of the President of the Management Board of Bank Gospodarki Żywnościowej S.A. effective from 31 March 2013.

On 1 March 2013, the Management Board of the Bank was informed about the resignation of Ms. Monika Nachyła from the position of the Supervisory Board Member effective from that day. Simultaneously, the Supervisory Board appointed Ms. Monika Nachyła as Vice President of the Management Board of the Bank coming into force since 1 April 2013 and assigned her responsibilities of President of the Management Board of the Bank. The Supervisory Board passed a resolution on the appointment of Ms. Monika Nachyła as President of the Management Board of the Bank, which would come into force once the appointment would be approved by the Polish Financial Supervision Authority under article 22b of the Banking Act.

On 28 June 2013, the Supervisory Board overruled Resolution No. 6/2013 dated 1 March 2013 on the appointment of Ms. Monika Nachyła as President of the Management Board of the Bank. The Supervisory Board Resolution does not include reasoning.

Appointment of the Supervisory Board for the new term

On 28 June 2013 the General Shareholders' Meeting passed the resolution on appointment of the Supervisory Board constituting of six members, for three-year term of office. The resolution came into force on 28 June 2013. Members of the Supervisory Board, that have been appointed, are enlisted below:

- Tanja Cuppen,
- Evert Derks Drok,
- Dariusz Filar,
- Jarosław Iwanicki,
- Jan Alexander Pruijs,
- Mariusz Warych.

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44. Subsequent events

On 24 July 2013, the Supervisory Board has changed the resolution no. 5/2013, overruling the appointment of the Vice-President - Mrs Monika Nachyła to act as the President of the Management Board.

Simultaneously, on 24 July 2013, the Supervisory Board has appointed the first Vice-President of the Management Board - Mr. Gerardus Cornelis Embrechts as the Acting President of the Management Board.

The Supervisory Board also decided to start the recruitment process for the position of the President of The Management Board.

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Income statement

	2 nd quarter of 2013 from 01.04.2013 to 30.06.2013	1 st half of 2013 from 01.01.2013 to 30.06.2013	2 nd quarter of 2012 from 01.04.2012 to 30.06.2012	1 st half of 2012 from 01.01.2012 to 30.06.2012
Interest income	488 194	1 025 123	528 243	1 033 609
Interest expense	(244 634)	(542 528)	(270 787)	(531 348)
Net interest income	243 560	482 595	257 456	502 261
Fee and commission income	76 231	157 609	91 301	174 133
Fee and commission expense	(15 460)	(27 509)	(13 728)	(25 951)
Net fee and commission income	60 771	130 100	77 573	148 182
Dividend income	2 837	2 837	3 396	3 396
Net trading income	31 638	48 751	11 213	39 992
Result on investing activities	20 613	20 613	9 930	17 545
Result on hedge accounting	99	(1 099)	-	-
Other operating income	9 620	16 033	8 246	18 063
Net impairment losses on financial assets and contingent liabilities	(58 567)	(91 323)	(115 191)	(157 069)
General administrative expenses	(213 364)	(443 755)	(222 726)	(454 563)
Depreciation and amortization	(24 782)	(49 257)	(23 297)	(45 425)
Other operating expenses	(4 604)	(8 848)	(6 556)	(17 786)
Operating result	67 821	106 647	44	54 596
Profit (loss) before income tax	67 821	106 647	44	54 596
Income tax expense	(13 065)	(21 634)	762	(14 139)
Net profit (loss) for the period	54 756	85 013	806	40 457
– attributable to equity holders of the Bank	54 756	85 013	806	40 457
Earnings per share (in PLN per share)				
Basic	1.07	1.66	0.02	0.94
Diluted	1.07	1.66	0.02	0.94

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Statement of other comprehensive income

	2 nd quarter of 2013	1 st half of 2013	2 nd quarter of 2013	1 st half of 2013
	from 01.04.2013 to 30.06.2013	from 01.01.2013 to 30.06.2013	from 01.04.2012 to 30.06.2012	from 01.01.2012 to 30.06.2012
Net profit (loss) for the period	54 756	85 013	806	40 457
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Net change in valuation of financial assets available for sale	(82 207)	(118 668)	25 864	54 735
Net change in valuation of cash flow hedges	(757)	1 808	5 250	5 250
Income tax expense on other comprehensive income	15 763	22 203	(5 911)	(11 397)
Other comprehensive income (net of tax)	(67 201)	(94 657)	25 203	48 588
Total comprehensive income for the period	(12 445)	(9 644)	26 009	89 045

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Statement of financial position

	30.06.2013	31.12.2012
ASSETS		
Cash and balances with the Central Bank	1 347 978	2 106 657
Loans and advances to banks	238 510	104 035
Reverse repo transactions	249 837	104 369
Debt securities held for trading	1 021 476	219 051
Derivative financial instruments	322 529	380 473
Hedging instruments	36 668	69 179
Loans and advances to customers	26 003 682	26 357 522
Available for sale financial assets	6 535 385	6 867 557
Investments in associates	58 849	58 720
Intangible assets	148 235	152 674
Property, plant and equipment	456 384	469 098
Deferred tax assets	131 660	130 818
Current tax assets	-	10 318
Other assets	137 200	200 222
TOTAL ASSETS	36 688 393	37 230 693

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Statement of financial position (continued)

	30.06.2013	31.12.2012
LIABILITIES		
Amounts due to banks	3 652 564	4 094 436
Repo transactions	224 639	32 341
Financial liabilities held for trading	93 374	72 005
Derivative financial instruments	278 696	326 215
Amounts due to customers	26 677 894	26 942 029
Debt securities issued	1 880 073	1 852 776
Other liabilities	369 957	379 168
Provisions	54 293	65 176
TOTAL LIABILITIES	33 231 490	33 764 146
EQUITY		
Share capital	51 137	51 137
Other supplementary capital	3 085 059	2 950 716
Other reserve capital	235 694	330 351
Retained earnings	85 013	134 343
- net profit for the period	85 013	134 343
TOTAL EQUITY	3 456 903	3 466 547
TOTAL LIABILITIES AND EQUITY	36 688 393	37 230 693

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Statement of changes in equity

	Share capital	Other supplementary capital	Other reserve capital	Retained earnings	
				Net profit for the period	Total
Balance at 1 January 2013	51 137	2 950 716	330 351	134 343	3 466 547
Total comprehensive income for the period	-	-	(94 657)	85 013	(9 644)
Net profit for the period	-	-	-	85 013	85 013
Other comprehensive income for the period	-	-	(94 657)	-	(94 657)
Appropriation of retained earnings	-	134 343	-	(134 343)	-
Appropriation of retained earnings to other supplementary capital	-	134 343	-	(134 343)	-
Balance at 30 June 2013	51 137	3 085 059	235 694	85 013	3 456 903

Statement of changes in equity (continued)

	Share capital	Other supplementary capital	Other reserve capital	Retained earnings	
				Net profit for the period	Total
Balance at 1 January 2012	43 137	2 332 656	125 645	126 060	2 627 498
Share issue	8 000	492 000	-	-	500 000
Total comprehensive income for the period	-	-	204 706	134 343	339 049
Net profit for the period	-	-	-	134 343	134 343
Other comprehensive income for the period	-	-	204 706	-	204 706
Appropriation of retained earnings	-	126 060	-	(126 060)	-
Appropriation of retained earnings to other supplementary capital	-	126 060	-	(126 060)	-
Balance at 31 December 2012	51 137	2 950 716	330 351	134 343	3 466 547

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Statement of changes in equity (continued)

	Retained earnings				
	Share capital	Other supplementary capital	Other reserve capital	Net profit for the period	Total
Balance at 1 January 2012	43 137	2 332 656	125 645	126 060	2 627 498
Total comprehensive income for the period	-	-	48 588	40 457	89 045
Net profit for the period	-	-	-	40 457	40 457
Other comprehensive income for the period	-	-	48 588	-	48 588
Appropriation of retained earnings	-	126 060	-	(126 060)	-
Appropriation of retained earnings to other supplementary capital	-	126 060	-	(126 060)	-
Balance at 30 June 2012	43 137	2 458 716	174 233	40 457	2 716 543

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Statement of cash flows

	1 st half of 2013 from 01.01.2013 to 30.06.2013	1 st half of 2012 from 01.01.2012 to 30.06.2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit for the period	85 013	40 457
Adjustments:	(834 239)	249 245
Income tax expense	21 634	14 139
Depreciation and amortization	49 257	45 425
Dividends received	(2 837)	(3 396)
Result on investing activities	-	(18 049)
Interest income	(1 025 123)	(1 033 609)
Interest expense	542 528	531 348
Interest received	856 205	875 031
Interest paid	(591 388)	(510 036)
Change in provisions	(10 883)	1 860
Change in loans and advances to banks	(2)	3 237
Change in reverse repo transactions	(140 953)	(296 074)
Change in debt securities held for trading	(783 832)	(578 228)
Change in derivative financial instruments (assets)	57 944	546 764
Change in hedging instruments	-	(10 303)
Change in loans and advances to customers	395 236	(1 024 785)
Tax returned	10 318	-
Change in amounts due to banks	(236 232)	(247 164)
Change in repo transactions	191 766	1 393 100
Change in financial liabilities held for trading	21 369	
Change in derivative financial instruments (liabilities)	(47 519)	(452 665)
Change in amounts due to customers	(197 301)	1 158 538
Change in other assets and current tax assets	64 422	(54 419)
Change in other liabilities and deferred tax liability	(9 211)	(88 845)
Other adjustments	363	(2 624)
NET CASH FLOW FROM OPERATING ACTIVITIES	(749 226)	289 702

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Statement of cash flows (continued)

	1 st half of 2013 from 01.01.2013 to 30.06.2013	1 st half of 2012 from 01.01.2012 to 30.06.2012
CASH FLOW FROM INVESTING ACTIVITIES:		
Investing activities inflows	119 704 766	38 287 473
Sale of financial assets available for sale	119 702 826	38 284 077
Dividends received and other investing activities inflows	1 940	3 396
Investing activities outflows	(119 382 256)	(38 190 607)
Purchase of financial assets available for sale	(119 348 984)	(38 167 183)
Purchase of intangible assets, and property, plant and equipment	(33 142)	(23 235)
Other investing activities outflows	(130)	(189)
NET CASH FLOW FROM INVESTING ACTIVITIES	322 510	96 866
CASH FLOW FROM FINANCING ACTIVITIES:		
Financing activities inflows	613 000	2 405 500
Issue of debt securities	613 000	2 405 500
Financing activities outflows	(809 061)	(2 617 350)
Repayment of long-term loans and advances to banks	(203 061)	(147 850)
Redemption of debt securities issued	(606 000)	(2 469 500)
NET CASH FLOW FROM FINANCING ACTIVITIES	(196 061)	(211 850)
TOTAL NET CASH FLOW	(622 777)	174 718
Cash and cash equivalents at the beginning of the period	2 204 297	1 592 649
Cash and cash equivalents at the end of the period, of which:	1 581 520	1 767 367
effect of exchange rate fluctuations on cash and cash equivalents held	10 086	(4 268)
of restricted use	2 211	1 227

EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. Basis for the preparation of the interim condensed separate financial statements

Interim condensed separate financial statements for the first half of 2013 ended 30 June 2013 have been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union and with other applicable policies.

Interim condensed separate financial statements do not include all information and disclosures required for the annual financial statements, and shall be read in conjunction with the interim condensed consolidated financial statements for the first half of 2013 and with the Bank's financial statements for the year ended 31 December 2012 that were approved by the Management on 4 March 2013.

Accounting policies and methods relating to accounting estimates adopted during the preparation of the Bank's interim condensed separate financial statements are consistent with the accounting policies adopted for the Group's interim condensed consolidated financial statements, which are described in sections 2 and 5, except for the valuation of associates, which are recognized at purchase price in the interim condensed separate financial statements.

2. Changes in accounting policies and changes in presentation of financial data

The changes in accounting policies made by the Bank in these interim condensed separate statements were described in section 5 of the interim condensed consolidated financial statements.

Additionally the Bank made the described below changes in presentation of financial data. In order to ensure the comparability of financial data, the Bank made appropriate changes in presentation of 2012 financial data in comparison to the data published in the 'Financial statements of the Bank Gospodarki Żywnościowej S.A. for the year ended 31 December 2012'. These changes referred to the methods of grouping and presentation of financial data in the income statement and the statement of financial position and do not affect the net profit of the Bank.

Separate income statement

		2 nd quarter of 2012 prior to changes	Changes in presentation	2 nd quarter of 2012 after changes	1 st half of 2012 prior to changes	Changes in presentation	1 st half of 2012 after changes
Other operating income	1,2	18 480	(10 234)	8 246	34 968	(16 905)	18 063
Net impairment losses on financial assets and contingent liabilities	1	(115 904)	713	(115 191)	(158 682)	1 613	(157 069)
General administrative expenses	2,3	(229 694)	6 968	(222 726)	(459 127)	4 564	(454 563)
Depreciation and amortization	4	-	(23 297)	(23 297)	-	(45 425)	(45 425)
Other operating expenses	3,4	(32 406)	25 850	(6 556)	(73 939)	56 153	(17 786)

- The Bank made changes to presentation of income on uncollectable receivables from the line 'Other operating income' to the line 'Net impairment losses on financial assets and contingent liabilities'.

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2. The Bank made changes to presentation of income on release of provisions for unused holidays, provisions for retirement benefits, provisions for non-personnel expenses and provisions for personnel expenses from the line 'Other operating income' to the line 'General administrative expenses'.
3. The Bank made changes to presentation of costs of provisions for unused holidays and provisions for retirement benefits from the line 'Other operating expenses' to the line 'General administrative expenses'.
4. The Bank separated the line 'Depreciation and amortization' from the line 'Other operating expenses'.

Separate statement of financial position

		31.12.2012 prior to changes	Changes in presentation	31.12.2012 after changes
Assets				
Derivative financial instruments	1	404 879	(24 406)	380 473
Loans and advances to customers	2	26 341 646	15 876	26 357 522
Other debt securities	2	15 876	(15 876)	-
Other assets	3	125 745	74 477	200 222
Liabilities				
Repo transactions	4	104 346	(72 005)	32 341
Financial liabilities held for trading	4	-	72 005	72 005
Derivative financial instruments	1	350 621	(24 406)	326 215
Other liabilities	3,5	292 129	87 039	379 168
Provisions	6	50 769	14 407	65 176
Liabilities arising from employee benefits	5,6	26 969	(26 969)	-

1. The Bank presented the valuation of FX Swap transactions denominated in foreign currencies on a net basis.
2. The Bank made changes to presentation of receivables from bonds issued by associate entities from the line 'Other debt securities' to the line 'Loans and advances to customers'.
3. The Group made changes to presentation of 'Cards settlements'.
4. The Bank made changes to preparation of short sale of debt securities held for trading from the line 'Repo transactions' to the line 'Financial liabilities held for trading'.
5. The Bank made changes to presentation of provisions for unused holidays from the line 'Liabilities arising from employee benefits' to the line 'Other liabilities'.
6. The Bank made changes to presentation of provisions for retirement benefits from the line 'Liabilities arising from employee benefits' to the line 'Provisions'.

3. Related party transactions

The Bank presents transactions with its subsidiaries and main shareholders.

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Transactions with the Bank's shareholders and related parties

30.06.2013	RABOBANK INTERNATIONAL HOLDING B.V.	COÖPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK B.A.	SUBSIDIARIES of RABOBANK	KEY PERSONNEL	BGŻ LEASING SP. Z O.O.	ACTUS SP Z O.O.	TOTAL
Assets	-	43 217	66 702	-	23 557	34 846	168 322
Current accounts, interbank placements and loans and advances to banks and customers	-	2 490	63 033	-	22 712	34 846	123 081
Derivative financial instruments	-	40 589	3 669	-	-	-	44 258
Other assets	-	138	-	-	845	-	983
Liabilities	-	3 041 418	3 640	2 200	55 718	9	3 102 985
Loans and advances received	-	2 989 698	-	-	-	-	2 989 698
Interbank deposits and current accounts	-	1 281	5	2 200	55 718	9	59 213
Derivative financial instruments	-	34 926	3 635	-	-	-	38 561
Other liabilities	-	15 513	-	-	-	-	15 513
Contingent liabilities							
Financial commitments granted	-	-	-	-	13 866	-	13 866
Guarantees granted	-	980	-	-	-	-	980
Commitments received	-	260 732	-	-	-	-	260 732
Derivative financial instruments (face value)	-	15 062 065	300 000	-	-	-	15 362 065
1st half of 2013 from 01 .01.2013 to 30.06.2013							
Income statement	-	(65 057)	(255)	(33)	567	1 030	(63 748)
Interest income	-	301	415	-	305	1 023	2 044
Interest expense	-	(21 805)	(1)	(33)	(1 107)	-	(22 946)
Fee and commission income	-	-	-	-	1 457	-	1 457
Fee and commission expense	-	(4)	-	-	(96)	-	(100)
Net trading income	-	(36 777)	(669)	-	(8)	-	(37 454)
Other operating income	-	1 530	-	-	16	7	1 553
Other operating expenses	-	(8 302)	-	-	-	-	(8 302)

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31.12.2012	RABOBANK INTERNATIONAL HOLDING B.V.	COÖPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK B.A.	SUBSIDIARIES of RABOBANK	KEY PERSONNEL	BGŻ LEASING SP. Z O.O.	ACTUS SP Z O.O.	TOTAL
Assets	334	31 778	6 975	-	27 976	33 822	100 885
Current accounts, interbank placements and loans and advances to banks and customers	-	197	-	-	26 844	33 822	60 863
Derivative financial instruments	-	31 581	6 975	-	-	-	38 556
Other assets	334	-	-	-	1 132	-	1 466
Liabilities	-	3 064 117	7 005	3 108	55 678	58	3 129 966
Loans and advances received	-	3 030 812	30	-	-	-	3 030 842
Interbank deposits and current accounts	-	11 040	6 975	3 108	55 663	58	76 844
Derivative financial instruments	-	11 952	-	-	-	-	11 952
Other liabilities	-	10 313	-	-	15	-	10 328
Contingent liabilities							
Financial commitments granted	-	490 000	-	-	9 313	-	499 313
Guarantees granted	-	826	-	-	-	-	826
Commitments received	-	247 118	-	-	-	-	247 118
Derivative financial instruments (face value)	-	4 354 870	300 000	-	-	-	4 654 870
1st half of 2012 from 01 .01.2012 to 30.06.2012							
Income statement	-	(4 832)	(1 632)	(35)	92	1 036	(5 371)
Interest income	-	170	312	-	274	1 029	1 785
Interest expense	-	(23 535)	(1)	(35)	(1 340)	-	(24 911)
Fee and commission income	-	-	-	-	13	-	13
Fee and commission expense	-	(18)	-	-	(69)	-	(87)
Net trading income	-	25 471	(1 943)	-	1 199	-	24 727
Other operating income	-	-	-	-	15	7	22
Other operating expenses	-	(6 920)	-	-	-	-	(6 920)

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4. Seasonality and periodicity of operations

The operations of the Bank are not subject to any material seasonal or periodical occurrences.

5. Debt securities issued and redeemed

The issue and redemption of debt securities is described in the note 31 of the interim condensed consolidated financial statements for the first half of 2013.

6. Dividends paid

In 2012 the Bank did not paid out the dividend. By the decision of the General Shareholders' Meeting dated 28 June 2013, net profit for the year 2012 was allocated to Other supplementary capital.

7. Contingent liabilities

	30.06.2013	31.12.2012
Contingent commitments granted	4 096 746	4 610 161
- Financial commitments	3 518 293	3 994 542
- Guarantees	578 453	615 619
Contingent commitments received	515 547	283 191
- Financial commitments	508 533	278 855
- Guarantees	7 014	4 336

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8. Subsequent events

On 24 July 2013, the Supervisory Board has changed the resolution no. 5/2013, overruling the appointment of the Vice-President – Mrs. Monika Nachyła to act as the President of the Management Board.

Simultaneously, on 24 July 2013, the Supervisory Board has appointed the first Vice-President of the Management Board - Mr. Gerardus Cornelis Embrechts as the Acting President of the Management Board.

The Supervisory Board also decided to start the recruitment process for the position of the President of The Management Board.

/ - /

Gerardus Cornelis Embrechts
*The first Vice-President of the
Management Board
acting President of the
Management Board*

/ - /

Witold Okarma
*Vice-President of the Management
Board*

/ - /

Monika Nachyła
*Vice-President of the Management
Board*

/ - /

Andrzej Sieradz
*Vice-President of the Management
Board*

/ - /

Johannes Gerardus Beuming
*Vice-President of the Management
Board*

/ - /

Dariusz Odzioba
*Vice-President of the Management
Board*

/ - /

Wojciech Sass
*Vice-President of the Management
Board*

/ - /

Magdalena Legęć
*Vice-President of the Management
Board*

/ - /

Katarzyna Romaszewska–Rosiak
*Chief Financial Officer
Chief Accountant*

Warsaw, 13 August 2013