



Bank Polski

Financial Results of PKO Bank Polski S.A. Group for 2012

Success of the Strategy „Lider” 2010-2012

Warsaw, 4th March 2013



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Executive summary



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- **Implementation of targets of the Strategy „Lider” for 2010-2012**
 - ⇒ Strengthening of leading position in Polish banking sector
 - ⇒ Growth of PKO Bank Polski Group cumulative net profit by 63% (PLN +1.4 bn) and assets by 24% (PLN + 37 bn) in 2010-2012
- **High level of net profit**
 - ⇒ High level of net profit maintained mainly due to increase in result on business activity
- **High operating efficiency and cost discipline**
 - ⇒ Cost to income ratio (C/I) maintained below 40%
- **Return on equity and assets at high level**
 - ⇒ ROE at 16%
 - ⇒ ROA at 2%
- **Strong liquidity and capital position**
 - ⇒ Growth of balance sheet total due to growth of net loans financed by customer deposits increase and securities issues
 - ⇒ Loans to stable financing resources ratio below 90%
 - ⇒ CAR at safe level 13% (Core Tier 1: 12%)
- **Further diversification of funding sources by debt instruments issues**
 - ⇒ First issuance on US market of notes under 144A Rule
 - ⇒ Issuance of notes under EMTN Programme
 - ⇒ Subordinated bonds issue assigned for increasing the Bank’s supplementary funds

Implementation of the Strategy „Lider” for 2010-2012



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Leader on the Polish banking market

Balance sheet growth, strong capital base and financial credibility

Transparent, continuous modernisation of product offer

Centralisation of the function of sales support and processes

High cost effectiveness

Basic financial targets	Target 2012	Realisation	Cumulative growth in 2010-2012
Balance sheet taergets (PLN bn)			
Assets	above 200	193.5	+23.6%
Loans	above 160	143.9	+23.4%
Deposits	above 160	146.2	+16.9%
Toatal equity	above 25	24.7	+20.9%
Pofit and loss account taergets (PLN bn)			
Result on business activity	above 11	11.6	+30.5%
Net profit	above 4	3.7	+62.6%
Basic effectivness indicators			
ROE	above 16%	15.9%	+1.1 pp.
ROA	above 2%	2.0%	+0.4 pp.
C/I	below 45%	39.9%	-7.9 pp.
CAR	above 12%	13.1%	-1.6 pp.

- Stable financial results and growing effectiveness of activities
- Significant share in all important market segments
- Systematic application of the sales model to customer needs
- Qualitative changes in product offer, sales and support processes and service standards
- Increased role of remote, call-center and self-service device communications channels
- New standards and optimisation of branch network
- Improvement of corporate culture, including increased level of employee satisfaction and effectiveness
- Modernisation of the Bank’s logo and image
- Stable level of share value and investor trust

A measurable effect of the implementation of the bank’s strategy is its strong position on the financial services market and the level of net profit achieved in 2010-2012

Implementation of the Strategy „Lider” for 2010-2012 - selected items



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Retail Market

- Introduction of a new ROR (current accounts) offer
- Revitalisation and start of a new School Savings Bank (SKO) programme
- Introduction of a new Private Banking customer service model
- Building up the Bank's competence in serving Personal Banking customers
- Development of a new SME services model, simplification of procedures, new product packages for customers
- Introduction of a new classification of Bank branches and continuation of branch modernisation
- Development of the Bank's offer through remote channels

Corporate Market

- Centralisation of the Bank's strategic customer services
- Optimisation of the credit process
- Expansion of the iPKO biznes electronic banking system
- Construction of a CRM platform
- Centralisation of corporate operations
- Development of transactional banking and winning over new customers with regard to mass payments

Investment Banking

- Development of the treasury product offer
- Introduction and modernisation of internet transaction applications
- Optimisation and expansion of the Dom Maklerski (Brokerage House) product offer
- Development, restructuring and modernisation of the Dom Maklerski sales network and improvement of customer services standards (rising on 3.-4. position among brokerage houses on WSE)
- Development of structural financing (incl. issues of non-treasury debt securities, active participation in issues of eurobonds for domestic entities, consortium credit)
- Takeover by PKO BP Bankowy PTE of assets managed by POLSAT Open Pension Fund

Support processes

- Development of HR functions, model of competences and motivational system
- Centralisation of the support function and associated organisational changes
- Introduction of a modern, specialised work flow serving individual product processes
- Development of methods of evaluating credit risk, including scoring tools
- Introduction of advances methods of measuring operational risk
- Standardisation, centralisation and simplification of IT architecture
- Optimisation of the purchase process and implementation of a costs allocation model
- Amendment of the Bank Capital Group operational model

Basic financial data



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	2012	2011	Change r/r	Q4'12	Q3'12	Change q/q	
Financial result (PLN mn)	Net interest income	7 883	7 609	+3.6%	1 863	1 977	-5.8%
	Net F&C income	3 071	3 101	-1.0%	807	762	+5.9%
	Result on business activity	11 570	11 142	+3.8%	2 854	2 925	-2.4%
	Administrative expenses	-4 618	-4 411	+4.7%	-1 241	-1 131	+9.7%
	Net impairment allowance	-2 325	-1 930	+20.5%	-566	-658	-13.9%
	Net profit	3 749	3 807	-1.5%	874	921	-5.1%
Balance sheet (PLN bn)	Assets	193.5	190.7	+1.4%	193.5	193.2	+0.1%
	Net loans	143.9	141.6	+1.6%	143.9	142.7	+0.8%
	Deposits	146.2	146.5	-0.2%	146.2	145.4	+0.5%
	Stable financial resources	160.6	160.2	+0.3%	160.6	161.8	-0.7%
	Total equity	24.7	22.8	+8.3%	24.7	23.8	+3.9%
Quality of loan portfolio	NPL ratio ¹⁾ (%)	8.9	8.0	+0.9 pp.	8.9	8.9	0.0 pp.
	Coverage ratio ²⁾ (%)	50.4	48.0	+2.4 pp.	50.4	49.0	+1.4 pp.
	Cost of risk (bp)	144	130	+14	144	144	0
Capital position	CAR (%)	13.1	12.4	+0.7 pp.	13.1	12.9	+0.2 pp.
	Core Tier 1 (%)	12.0	11.2	+0.7 pp.	12.0	11.9	+0.1 pp.

(1) Share of loans with recognized impairment in total gross loan

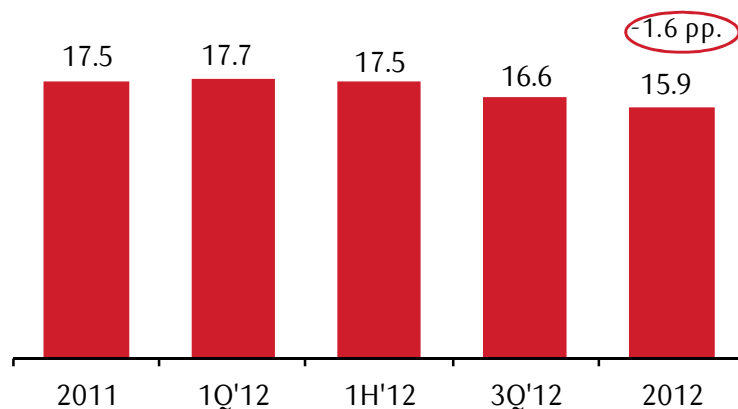
(2) Coverage of loans with recognized impairment by impairment allowances



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Financial ratios

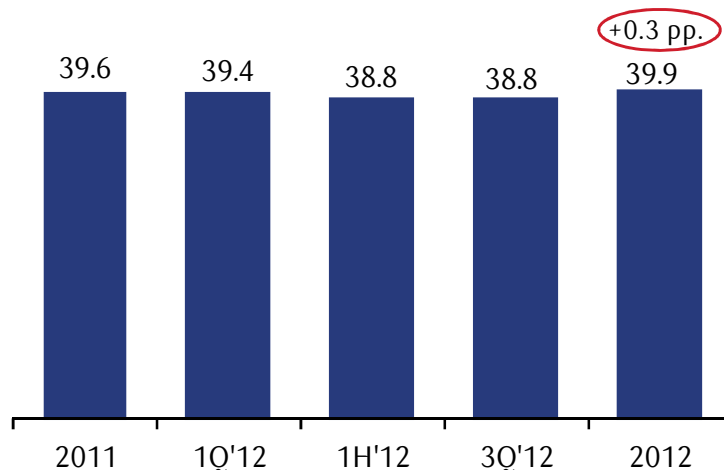
ROE net



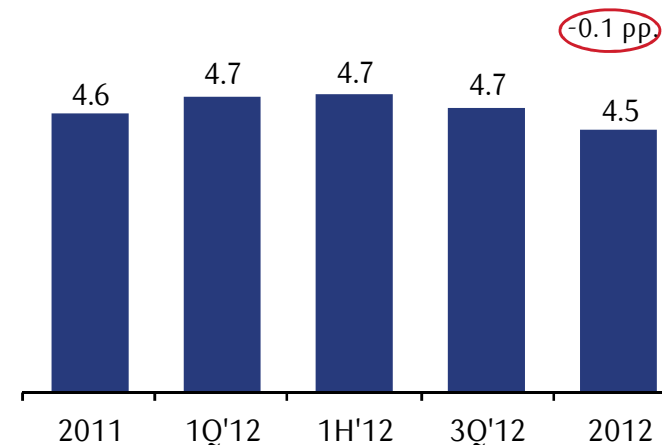
ROA net



C/I



Net Interest Margin¹⁾



% Change y/y

(1) Net interest margin = net Interest income for last 4 quarters / average interest bearing assets at the beginning and the end of the period of last 4 quarters (formula consistent with that applied in the PKO Bank Polski Group Directors' Report)

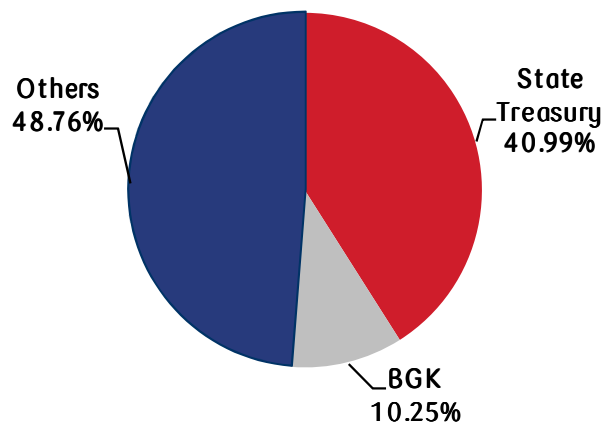
Change in shareholders structure of PKO Bank Polski



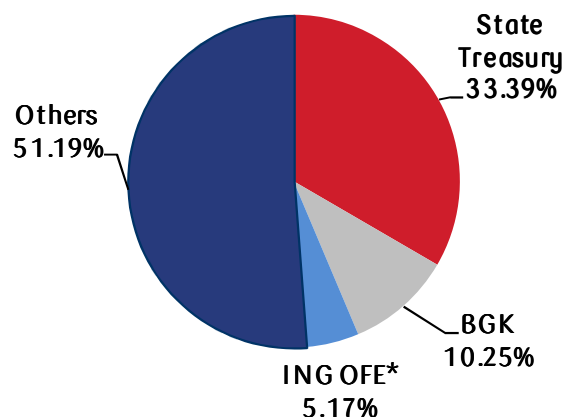
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Shareholders structure:

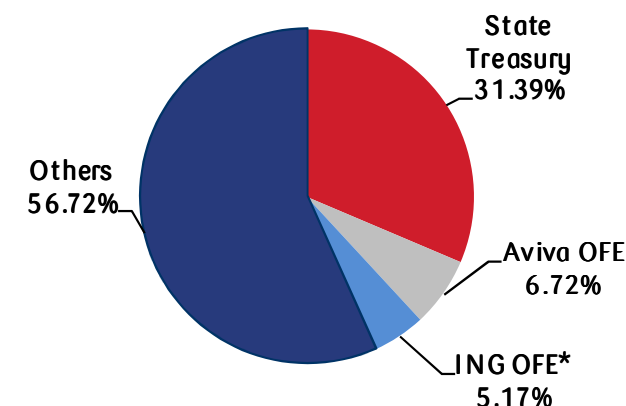
As at end-2011



As at end-2012



As at 29 January 2013
(after settlement of transaction of 153.1 mn shares sale by BGK and State Treasury)



	31.12.11	31.12.12	28.02.13
Bank capitalization (PLN bn)	40.2	46.1	44.5
Free float (%)	48.8%	56.4%	68.6%
Free float (mn of shares)	609.5	704.5	857.6
Share in WIG 20	14.5%	15.0%	15.0%
Share in WIG	9.8%	10.0%	10.0%
Share in MSCI Poland	13.5%	15.0%	16.5%

- In July 2012 State Treasury sold off in block transactions 95 mn of PKO Bank Polski shares
- In January 2013 in block transactions State Treasury sold off 25 mn and BGK sold off all possessed Bank shares (128,1 mln)
- Due to the transaction the Bank's shareholders structure has changed:
 - State Treasury share decreased by 9.60 pp.
 - BGK is not the Bank shareholder
 - Two entities i.e. ING OFE and Aviva OFE exceeded the threshold 5% of total number of votes at GM of PKO Bank Polski

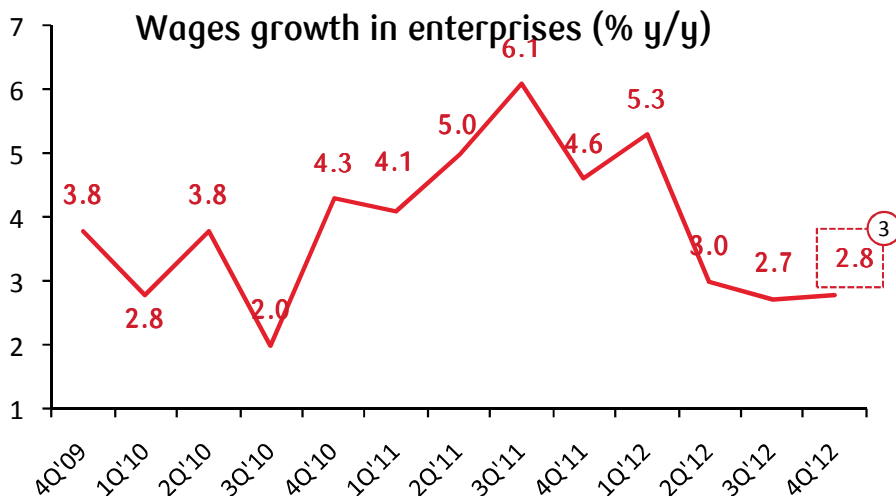
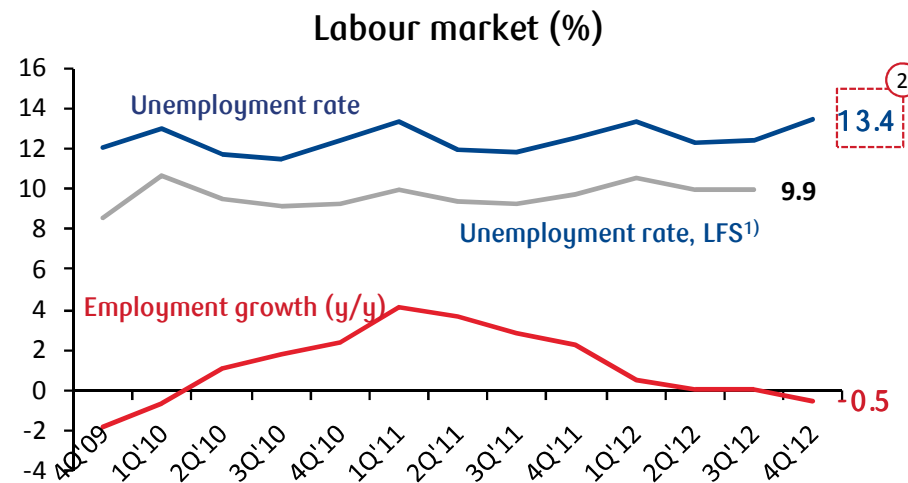
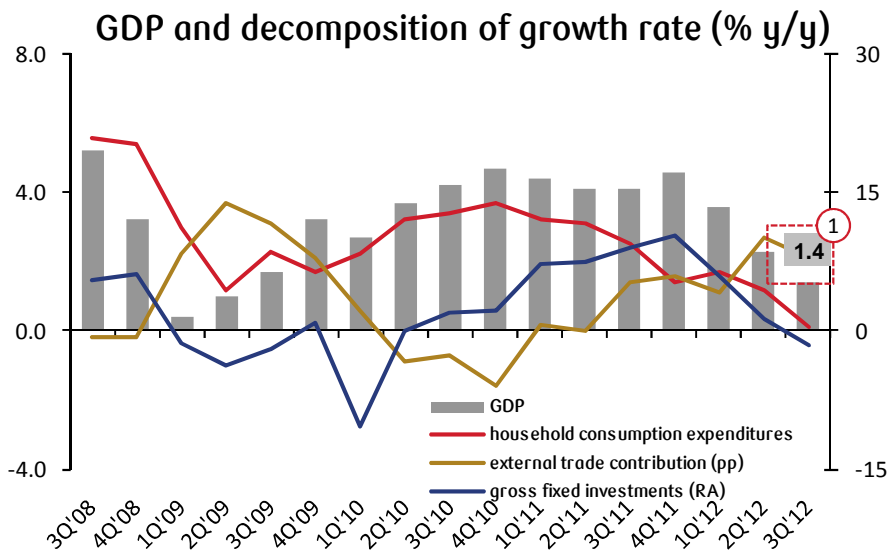
*) Share as on 24 July 2012 reported by ING OFE after exceeding the threshold 5% of total number of votes at GM of PKO Bank Polski

Macroeconomic environment

GDP growth to slows to c. 1% in end-2012



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- ① GDP growth slowdown to c.1% in 4q 2012 driven by subdued private consumption (partly due to changes in Common Agricultural Policy transfers schedule - 2012 transfers were front-loaded at the beginning of 2012) and weaker investments (sharp decline in public investment demand)
- ② Cyclical rise in the unemployment rate (c.1 pp .yoy) due to below-potential GDP growth (c. 3%)
- ③ Moderate nominal wage growth - at a rate close to CPI inflation - implies stagnation in real wage growth

(1) Percentage share of the number of unemployed population in the number of economically active population (i.e. employed and unemployed persons) - according to EU methodology.

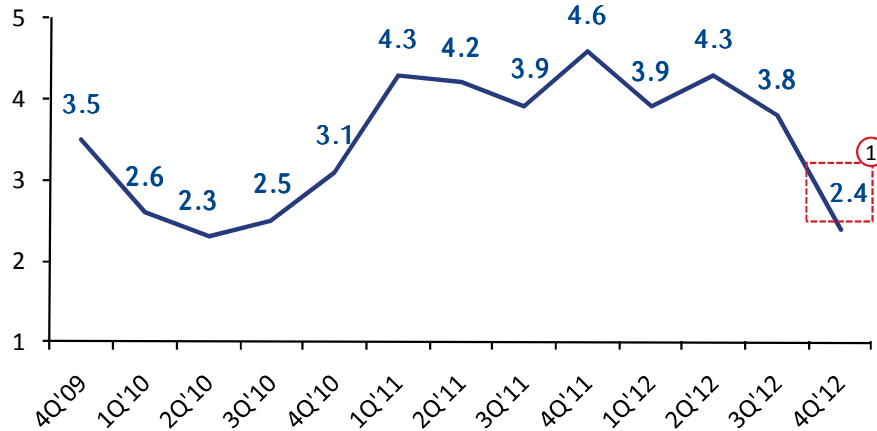
Macroeconomic environment

Lower inflation, stronger PLN, and lower yields

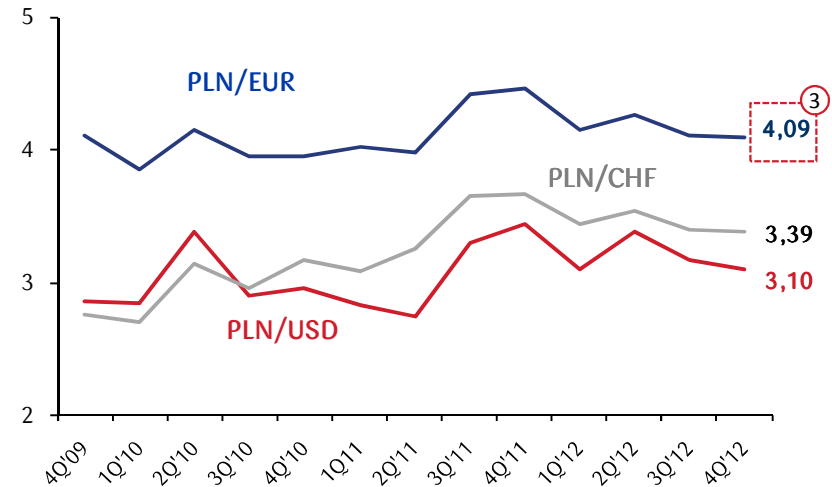


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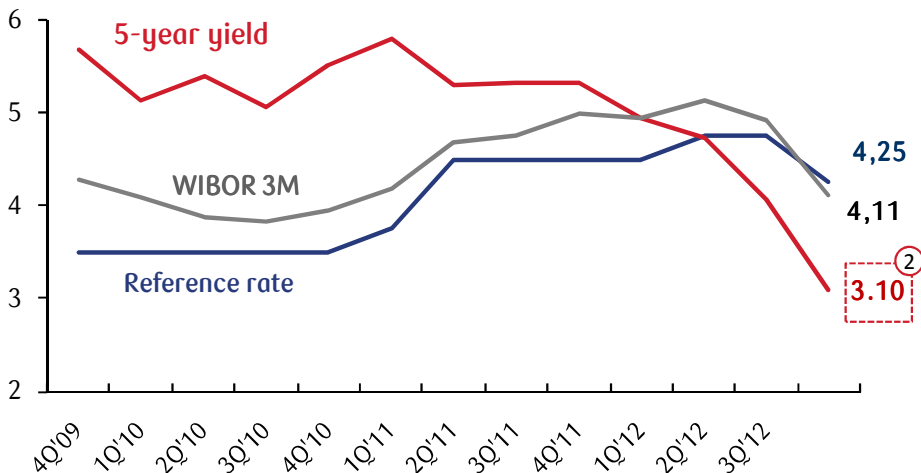
Inflation rate (% y/y)



PLN exchange rates



Interest rates (% eop)



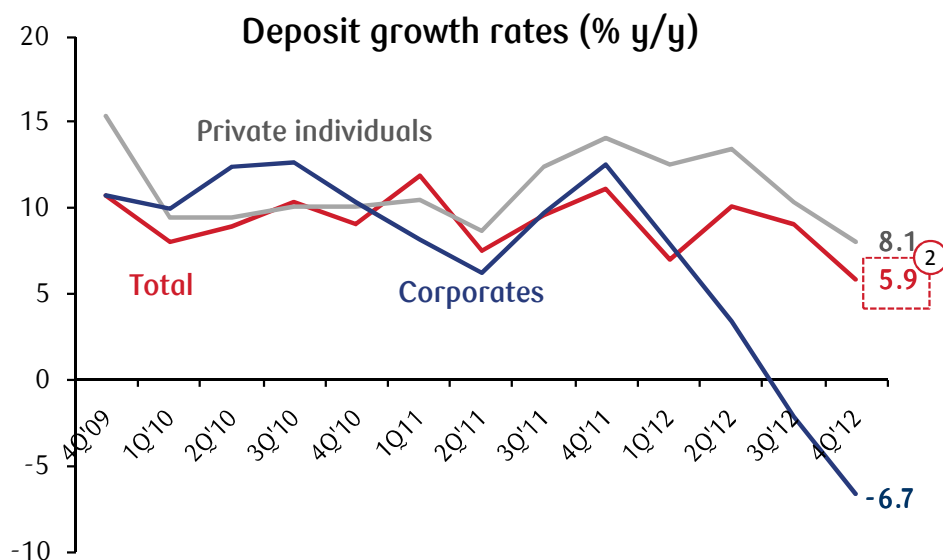
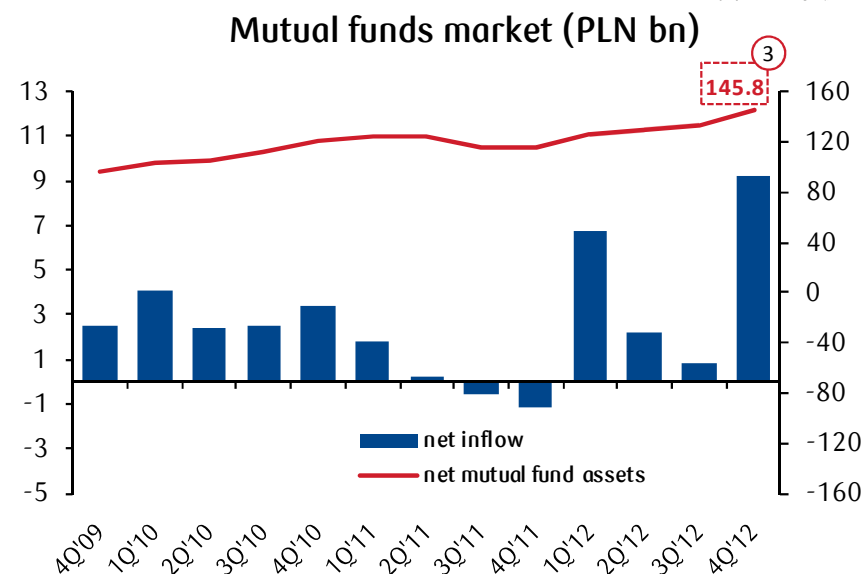
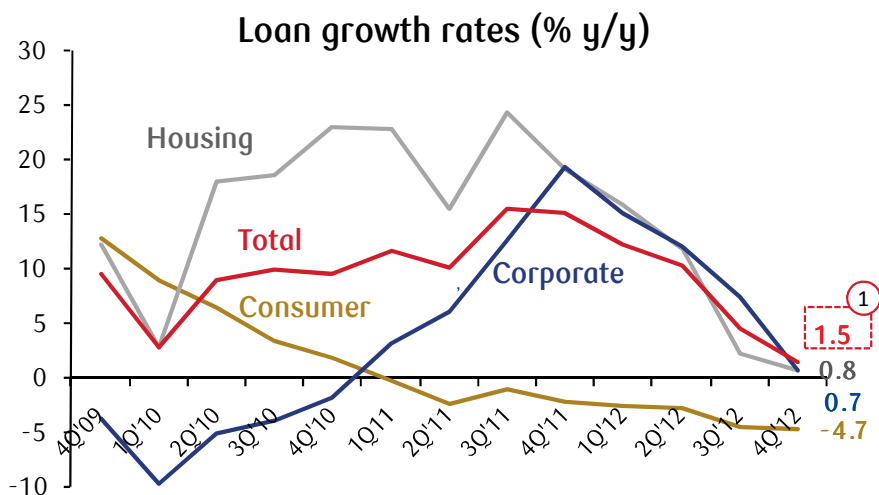
- ① Sharp decline in CPI inflation to 2,4% y/y in 4q 2012 - below the NBP target for the first time in over 2 years - was driven by a mix of falling fuel prices, food disinflation, base effects and moderate underlying inflation. Inflation trend is running at around 2%.
- ② The NBP's Monetary Policy Council monetary policy easing brought down the main policy rate down by 50bps in 4q 2012, to 4,25%. Market expectations of further interest rate cuts and strong foreign demand for Polish bonds resulted in a strong rally in POLGBs - with 5-year yield falling almost 100 bps.
- ③ Despite strong interest rate movements, exchange rates remained relatively stable EUR/PLN in 4,05-4,20 range in 4q 2012.

Financial Market

Weakening loans and deposits growth



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- 1 Continued deceleration in loans growth across-the-board, with slower mortgages dynamics, moderation in corporate lending, and contracting consumer credit
- 2 Slower deposits growth trend driven by continued contraction in corporate deposits and slower household deposits growth
- 3 Inflow to mutual funds in Q4 2012 - due to better market sentiment in both bond and equity markets - contributed to a deceleration in household deposits growth

2013 macroeconomic and banking sector outlook



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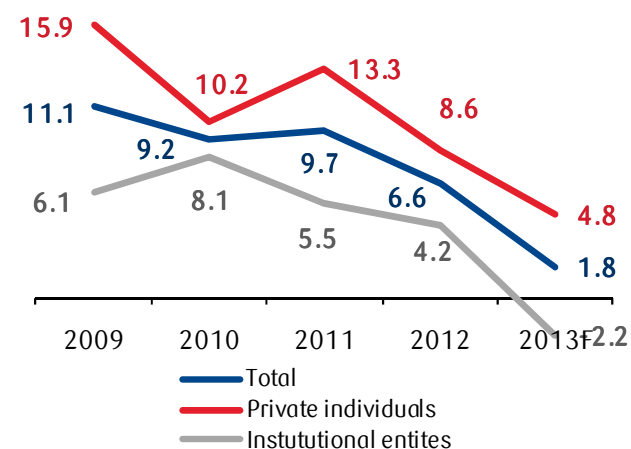
		2011	2012	2013F
GDP	% y/y	4.3	2.0	1.6
Consumption	% y/y	2.5	0.5	1.1
Investments	% y/y	9.0	0.6	-3.8
Public sector deficit ¹⁾	% GDP	-5.0	-3.5	-3,5/-4,5
Public debt ²⁾	% GDP	53.5	52.9	53.0
CPI	%	4.3	3.7	2.2
Unemployment rate	% eop	12.5	13.4	14.4
WIBOR 3M	% eop	4.99	4.11	3.65
Reference rate	% eop	4.50	4.25	3,50/3,75
PLN/EUR exchange rate	PLN eop	4.42	4.09	3.9
PLN/USD exchange rate	PLN eop	3.42	3.10	3.00

1) According to methodology ESA95

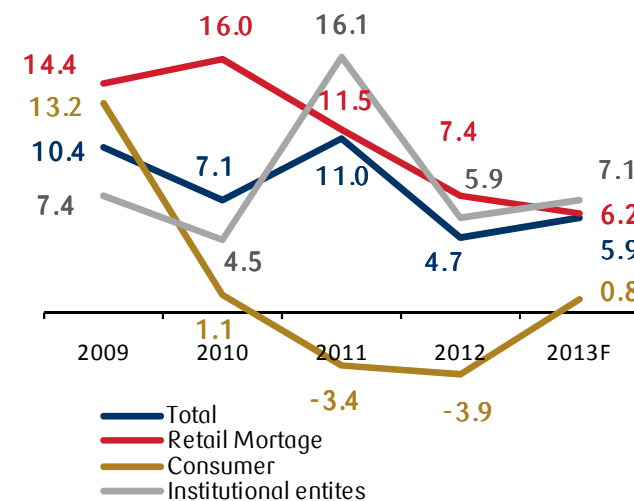
2) According to domestic methodology SNA93

Source: Bank's forecasts

Deposits - FX adjusted growth rate (%)



Loans- FX adjusted growth rate (%)

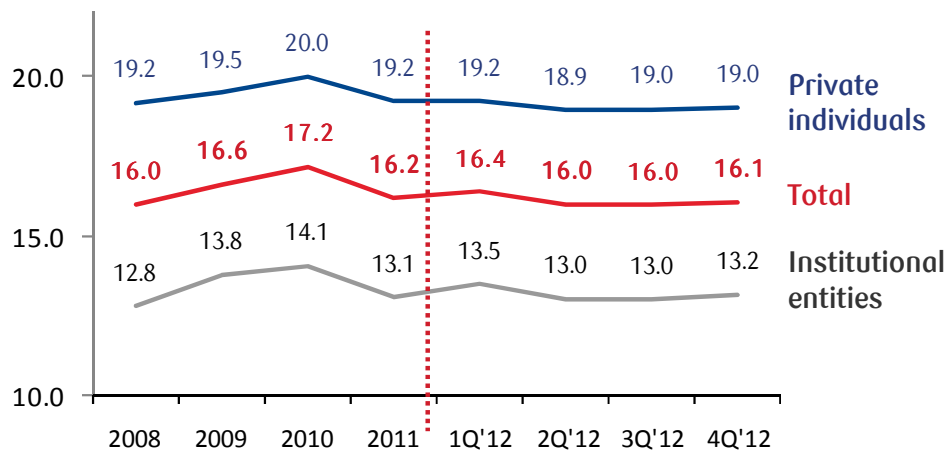




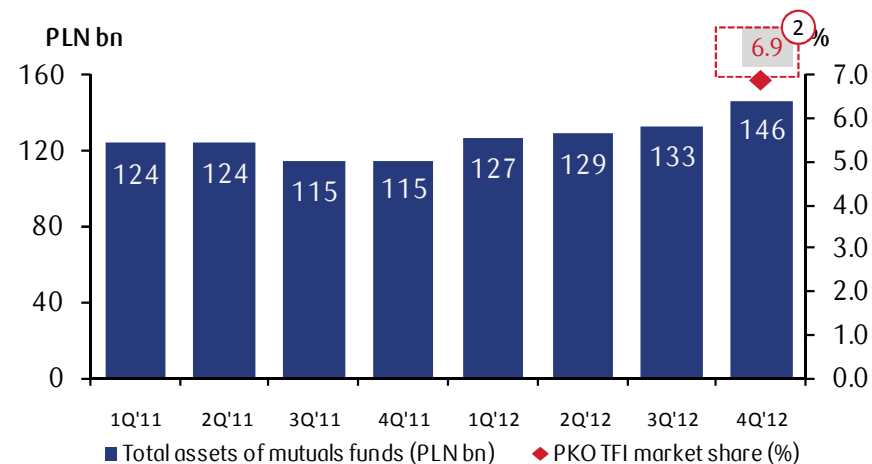
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Market share

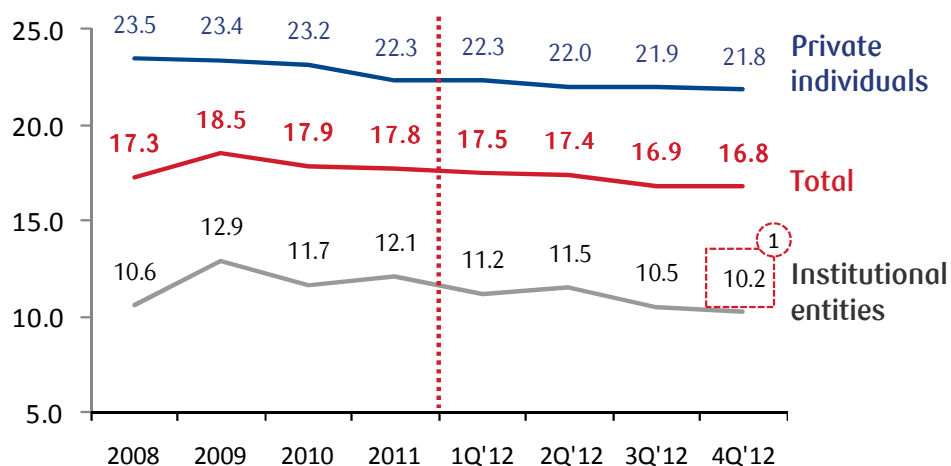
Loans market share (%)



Mutual funds market share



Deposits market share (%)



- ① Market share decrease on yearly basis in deposits of institutional entities due to replacement by debt instrument issues
- ② Growth of PKO TFI market share in total assets of mutual funds by 0.2 pp. q/q and moving up on 4th market position



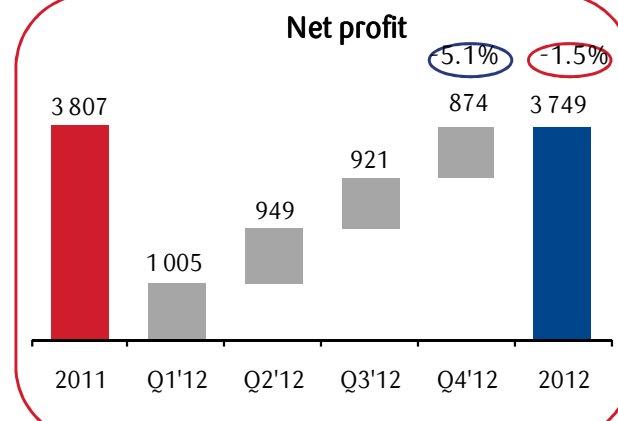
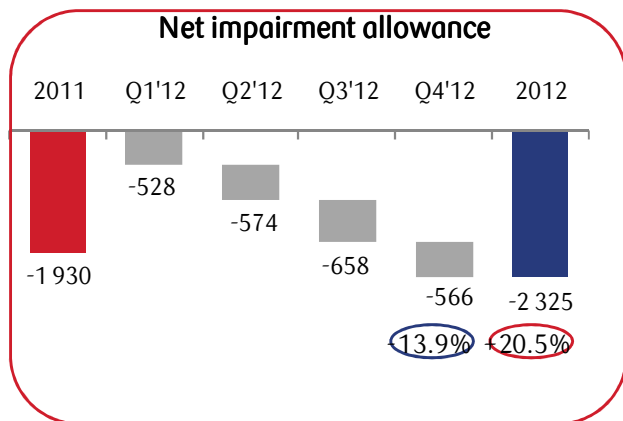
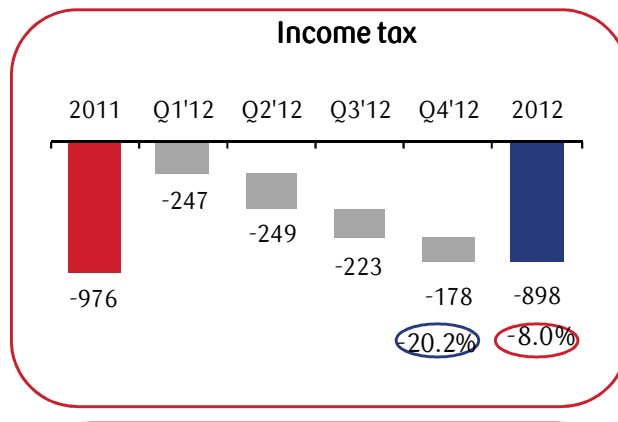
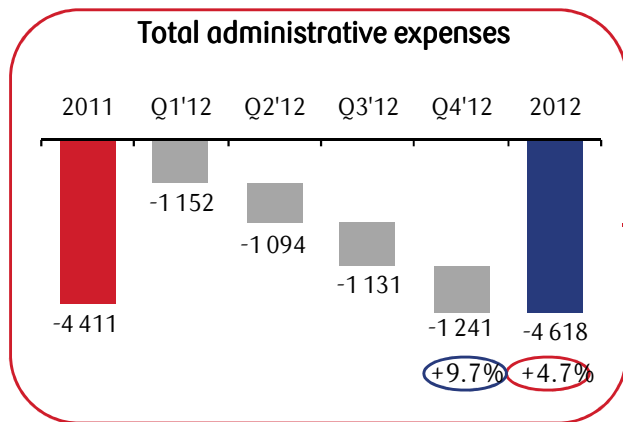
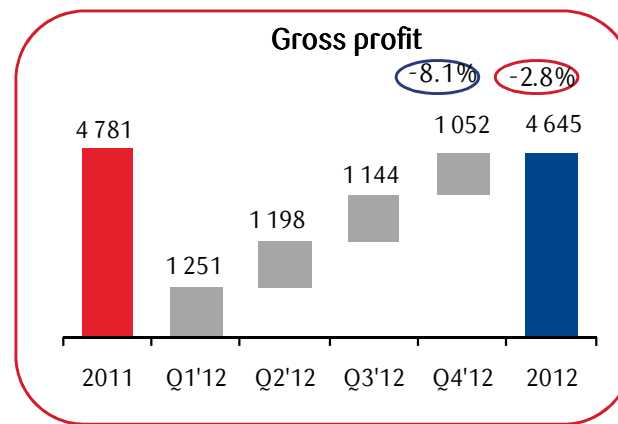
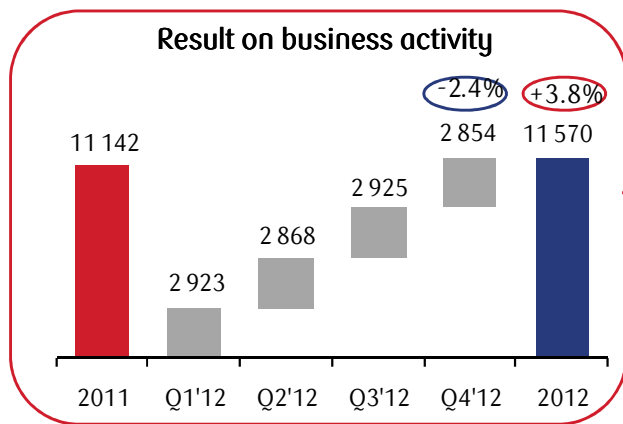
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Profit and loss account



% Change y/y

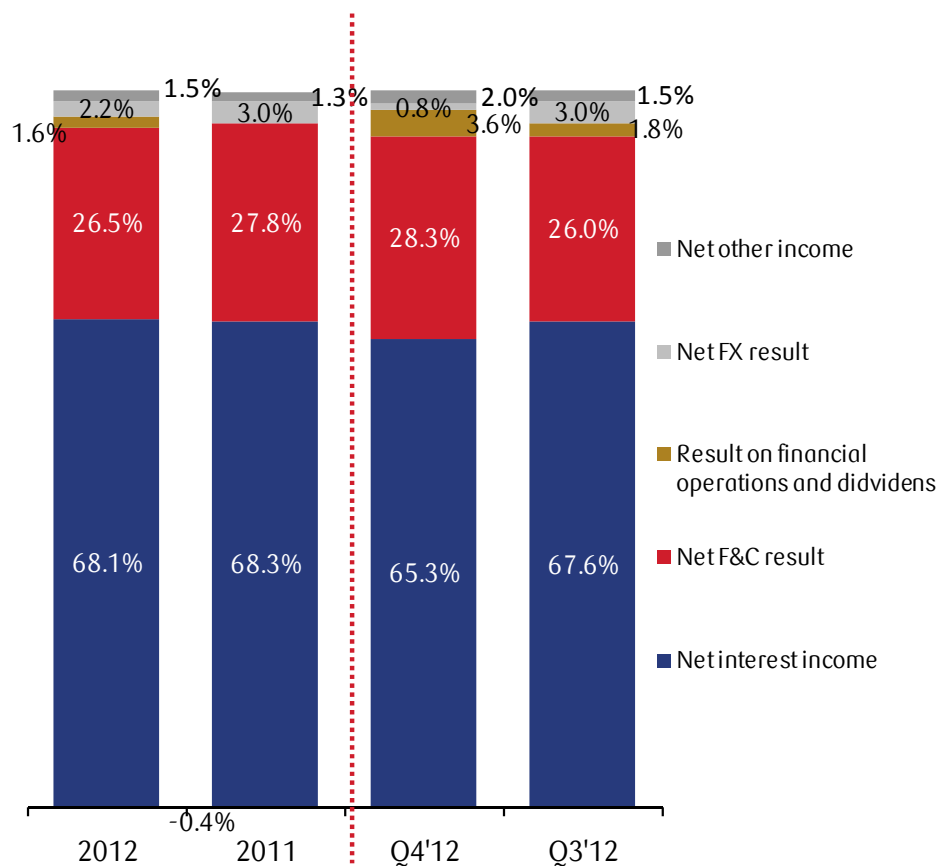
% Change q/q



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Result on business activity

Split of result on business activity

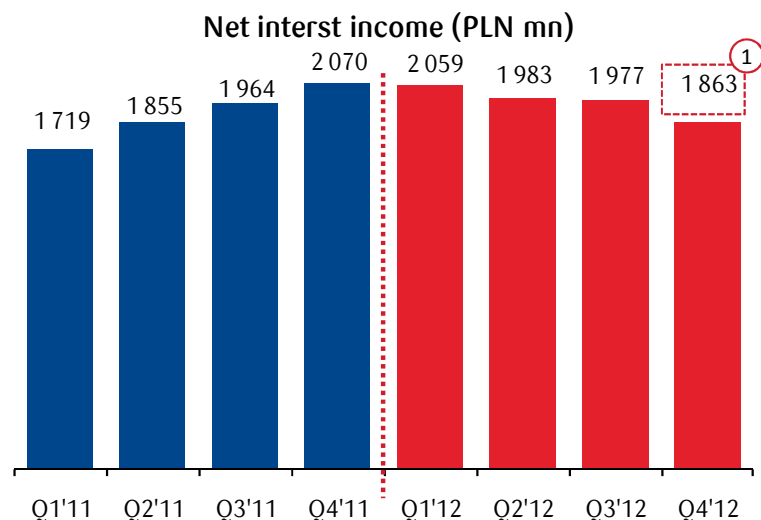


	<i>PLN mn</i>	2012	2011	Change y/y	Q4'12	Q3'12	Change q/q
Net interest income		7 883	7 609	+3.6%	1 863	1 977	-5.8%
Net F&C result		3 071	3 101	-1.0%	807	762	+5.9%
Result on financial operations and dividends		182	-48	x	104	52	+98.8%
Net FX result		256	337	-24.1%	23	89	-74.4%
Net other income		178	143	+24.6%	58	45	+29.3%
Result on business activity		11 570	11 142	+3.8%	2 854	2 925	-2.4%

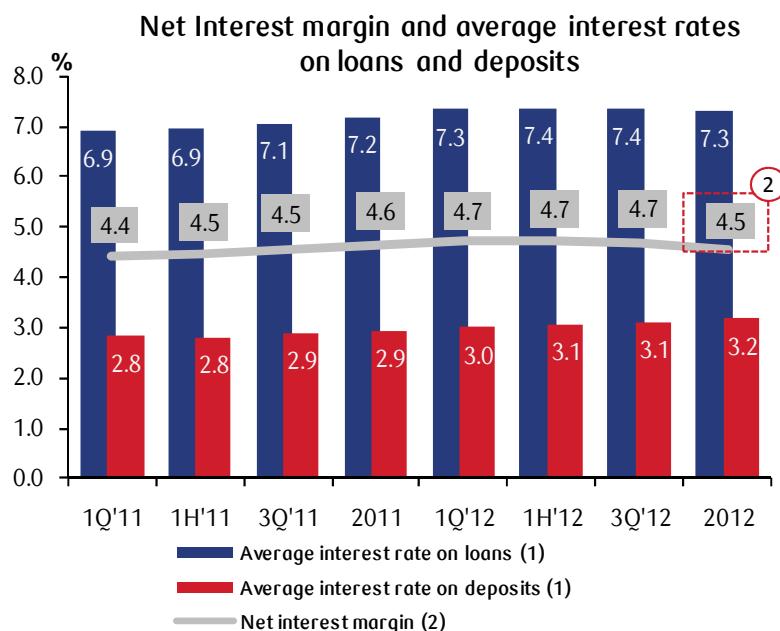
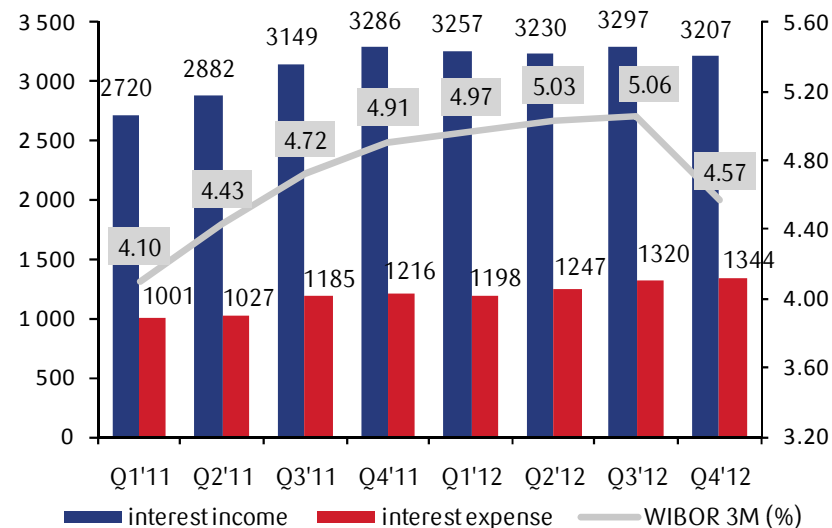
Net interest income



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Interest income and expense (PLN mn) and WIBOR 3M average in the period



- ① Decrease in Q4'12 result mainly due to drop of market interest rates (average WIBOR 3M lower by 49 bp. q/q)
- ② Decrease in the net interest margin by 0.1 pp. y/y mainly due to an increase in interest expense and change in structure of interest-bearing assets consisting of the increase in share of securities and amounts due from banks at the expense of share of loans

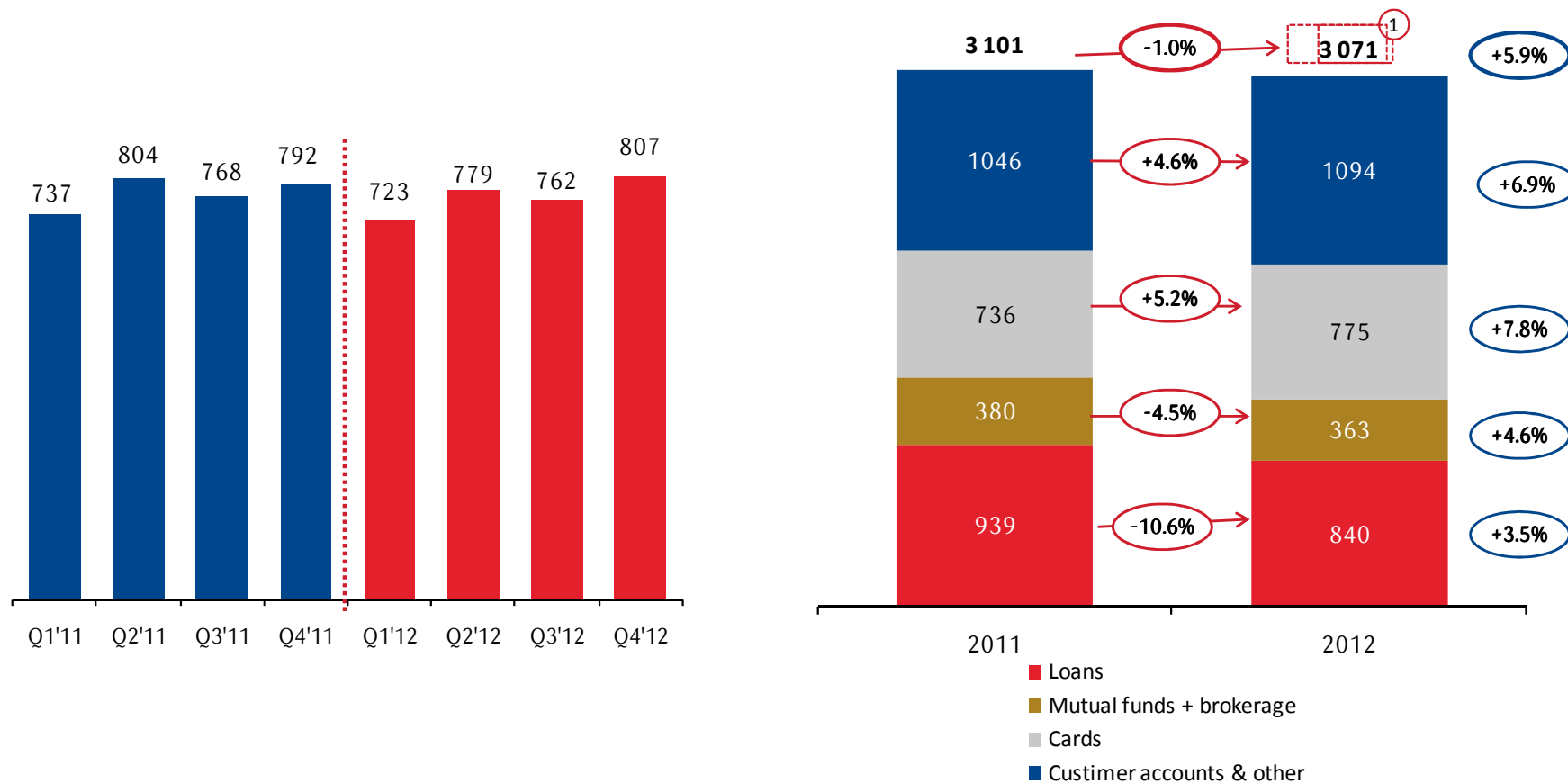
(1) Interest income (expense) for last 4 quarters / average net loans (deposits) at the beginning and the end of the period of last 4 quarters
 (2) Net Interest income for last 4 quarters / average interest bearing assets at the beginning and the end of the period of last 4 quarters
 (formula consistent with that applied in the PKO Bank Polski Group Directors' Report)

Net F&C income



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Net fee and commission income (PLN mn)



¹ Stable level of net F&C income as an effect of lower sale of loans and corresponding insurance, compensated by increase in result on cards and customer accounts

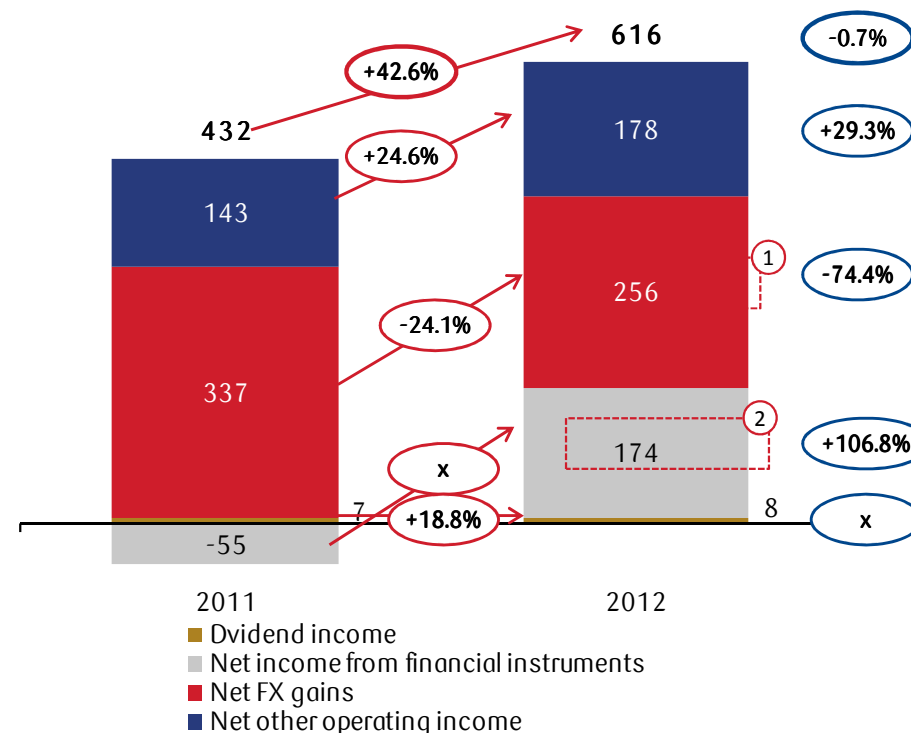
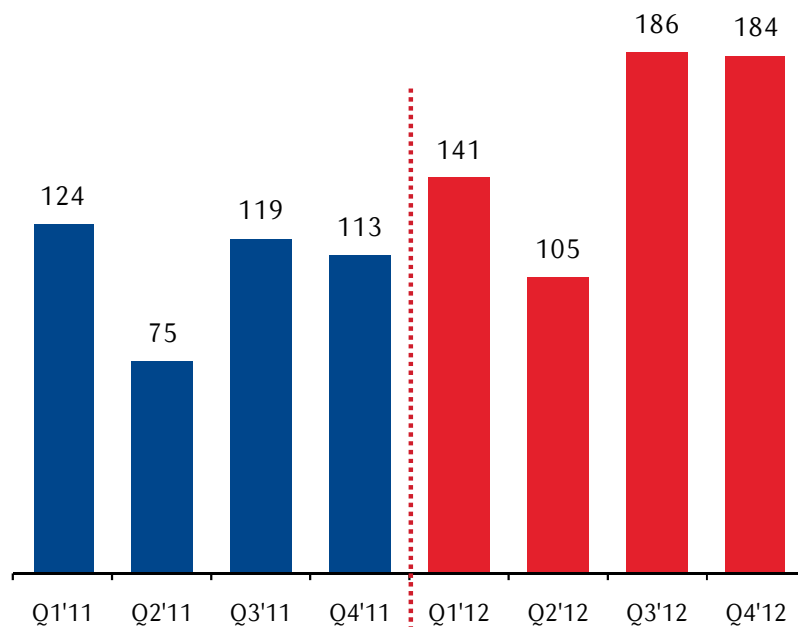
% Change y/y % Change q/q



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Net other income

Net other income (PLN mn)



- 2 Decrease in net result by PLN 81 mln y/y mainly due to: (i) lower net other FX differences in connection with drop in 2012 CHF exchange rate by 0,25 PLN (in 2011 growth by 0,47 PLN) (ii) lower result on SWAP transactions (iii) lower result on structured derivatives
- 3 The result on financial operations in 2012 was significantly affected by a decrease in the profitability of Polish bonds. Increase in this item was mainly due to growth of: (i) net income from financial instruments designated at fair value increased by PLN 169 mn y/y, which was mainly due to disposals of securities and an increase in their valuation (ii) net income from investment securities increased by PLN 60 mn y/y mainly due to disposals of Treasury securities

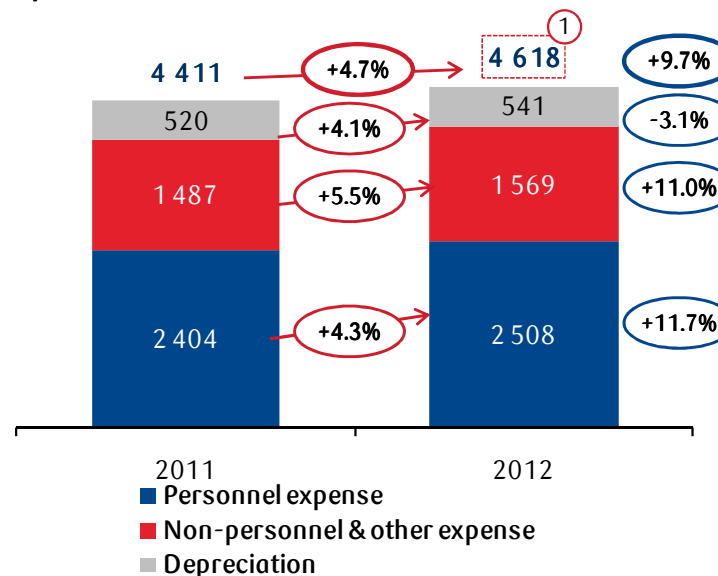
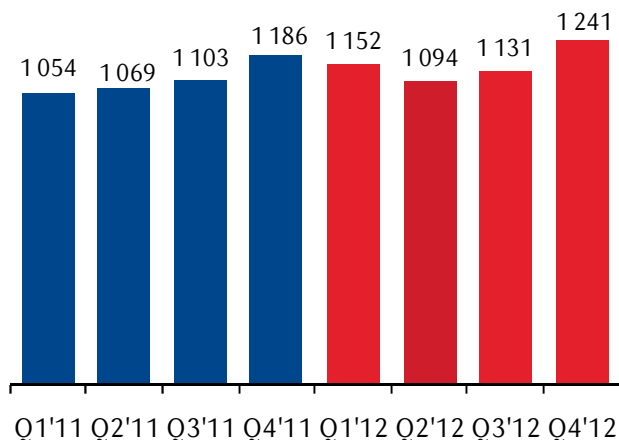
% Change y/y
 % Change q/q



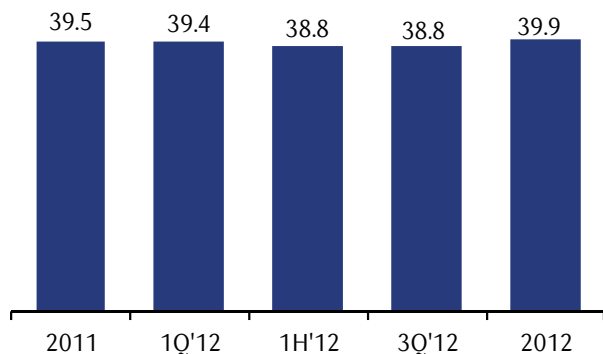
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Administrative expenses

Administrative expenses (PLN mn)



C/I ratio



Employment (FTEs)

	2012	2011	Change y/y	
			FTEs	%
Bank	25 399	25 908	-509	-2.0%
Subsidiaries	3 157	3 015	142	4.7%
Total Group	28 556	28 924	-368	-1.3%

1 The of costs in 2012 was determined by (i) increase in employee benefits (+4.3% y/y), affected by both the increase in wages and salaries (+3.0% y/y) and employee insurance expense (+12.7% y/y) (ii) increase in amortisation and depreciation by 4.1% y/y - mainly as a result of increase in amortisation of intangible assets (3) increase in overheads and other expense (+5.5% y/y) - i.a. as a result of an increase in the BGF expenses, IT expenses and other overheads.

2 Increase in the scale of activity in Ukraine is the main reason of employment growth in subsidiaries. of which due to development by Kredobank new network for car loans sales and purchase of Inter-Risk Ukraina company in 1Q'12. Moreover, employment increased in Qualia Group as an effect of purchase Qualia Residence company (former Bank's training and holiday resort in Zakopane) and take some tasks from external firm by Inteligo Financial Services.

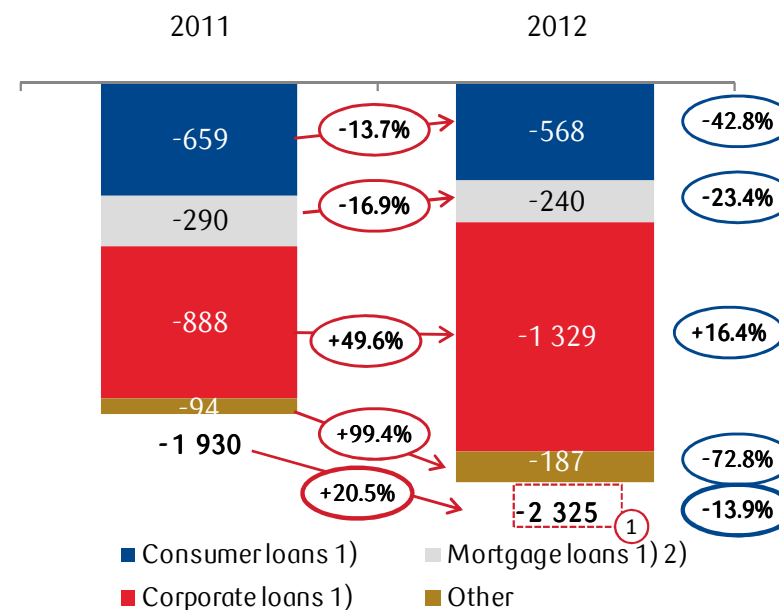
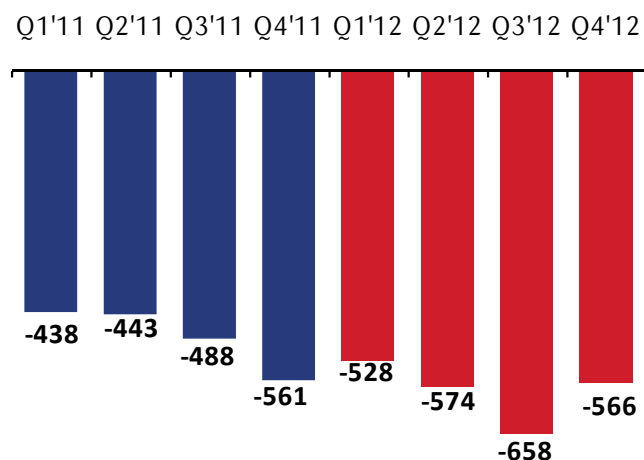
% Change y/y
 % Change q/q



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Net impairment allowance

Net impairment allowance and write-offs (PLN mn)



Share of loans with recognized impairment³⁾

	2012	2011	Change y/y
Consumer loans	8.9%	8.3%	+0.5 pp.
Mortgage loans	3.7%	3.4%	+0.3 pp.
PLN	3.6%	3.4%	+0.2 pp.
FX	4.0%	3.4%	+0.6 pp.
Corporate loans	14.1%	12.8%	+1.3 pp.
Total	8.9%	8.0%	+0.9 pp.

¹⁾ The increase in negative result on net impairment allowance is a result of the deterioration in the quality of the corporate loans portfolio, which was i.a. a consequence of deterioration of market situation of construction companies as well as deterioration of quality of SME portfolio, along with the improvement in the result on consumer loans.

(1) Management data (2) Housing loans for individuals

(3) Calculated by dividing the gross carrying amount of impaired loans and advances to customers by the gross carrying amount of loans and advances to customers

% Change y/y

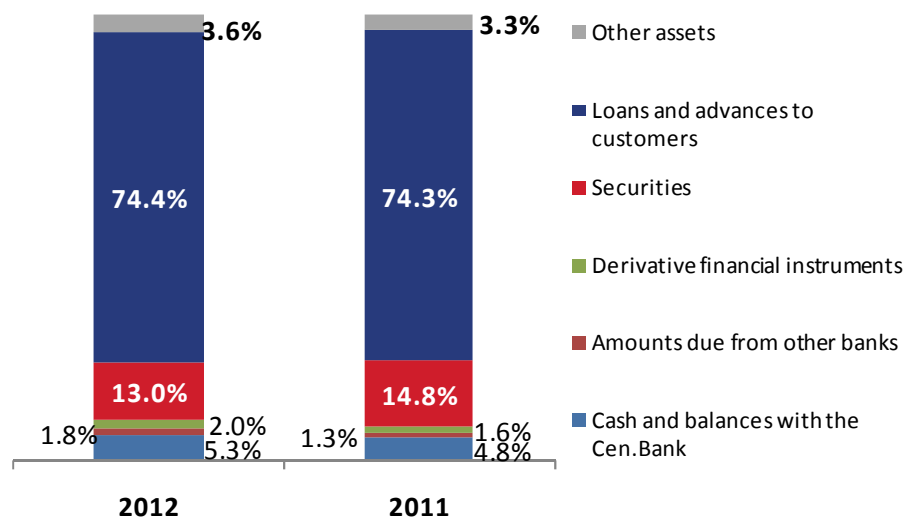
% Change q/q

Consolidated balance sheet



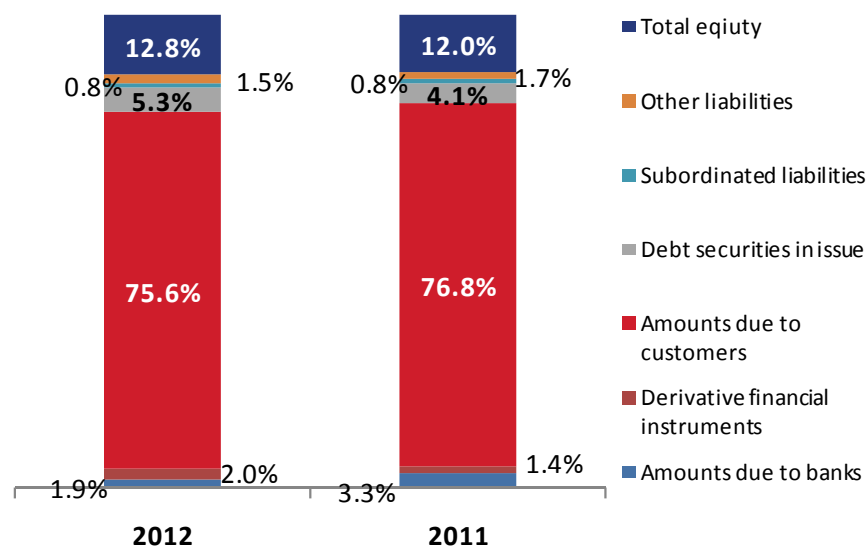
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Total assets



	<i>PLN bn</i>	2012	2011	Change y/y
Cash and balances with the Cen.Bank		10.3	9.1	+12.5%
Amounts due from other banks		3.4	2.4	+41.6%
Derivative financial instruments		3.9	3.1	+26.0%
Securities		25.2	28.2	-10.7%
Loans and advances to customers		143.9	141.6	+1.6%
Other assets		6.9	6.3	+8.9%
Total assets		193.5	190.7	+1.4%

Total equity and liabilities



	<i>PLN bn</i>	2012	2011	Change y/y
Amounts due to banks		3.7	6.2	-40.1%
Derivative financial instruments		4.0	2.6	+49.9%
Amounts due to customers		146.2	146.5	-0.2%
Debt securities in issue		10.3	7.8	+32.2%
Subordinated liabilities		1.6	1.6	+1.0%
Other liabilities		3.0	3.2	-6.4%
Total equity		24.7	22.8	+8.3%
Total equity and liabilities		193.5	190.7	+1.4%



Bank Polski

Loans and deposits

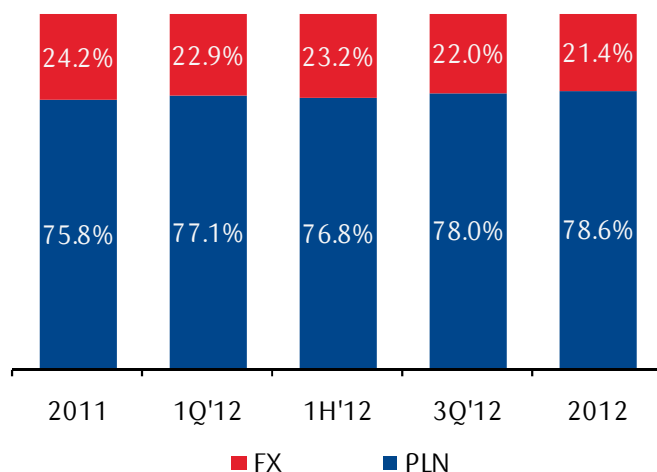
Gross loans (PLN bn)

2011	1Q'12	1H'12	3Q'12	2012
147.3	146.9	147.3	149.2	150.7

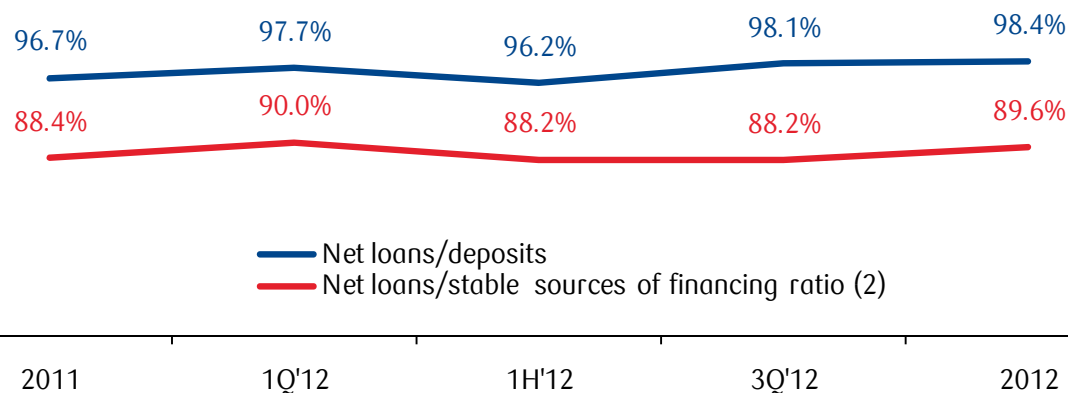
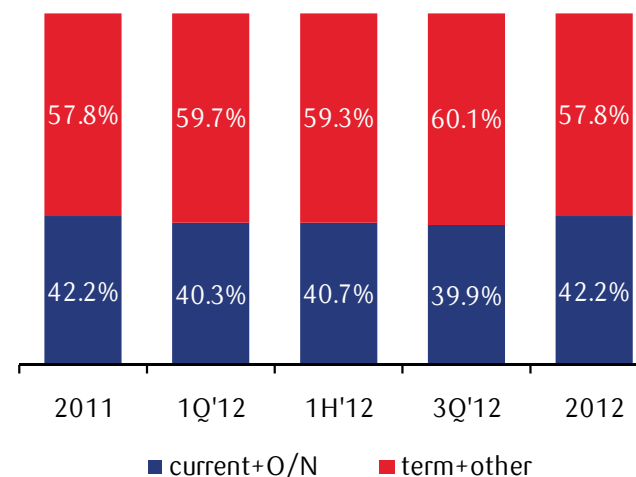
Deposits⁽¹⁾ (PLN bn)

2011	1Q'12	1H'12	3Q'12	2012
146.5	144.2	147.0	145.4	146.2

Currency structure of gross loans portfolio



Term structure of total deposits¹⁾



(1) Amounts due to customers

(2) Amounts due to customers and long-term external financing in the form of: issue of securities (incl. funds from the issuance of EMTN carried out by PKO Finance AB), subordinated liabilities and amounts due to financial institutions

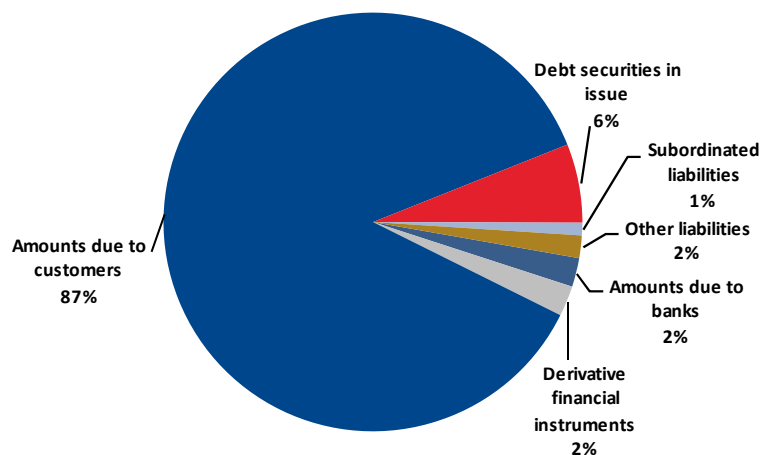


Bank Polski

Funding sources

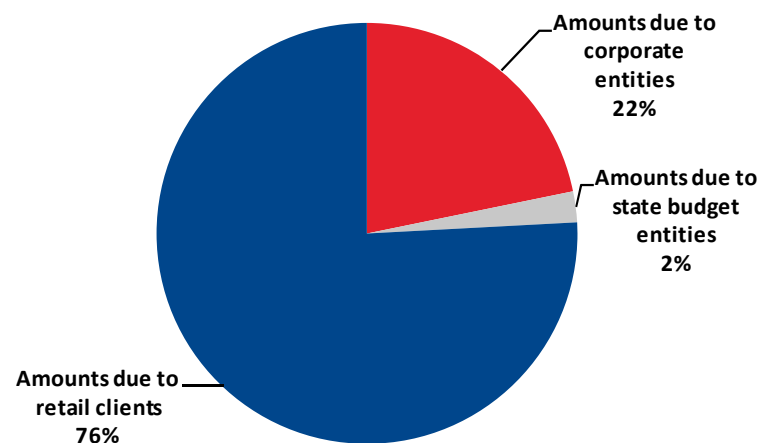
Liabilities structure

(total as at 31 December 2012: PLN 168.8 bn)



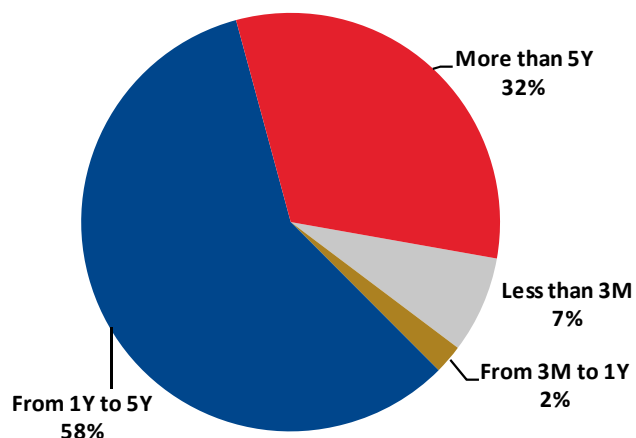
Deposit structure

(total as at 31 December 2012: PLN 146.2 bn)



Debt securities structure

(total as at 31 December 2012: PLN 10.3 bn)

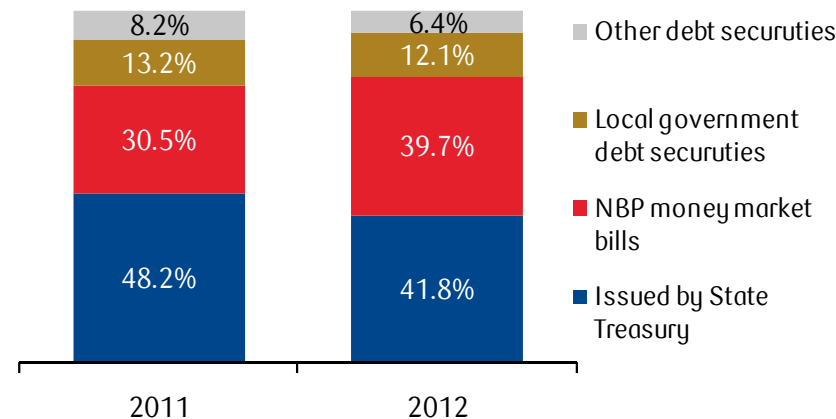
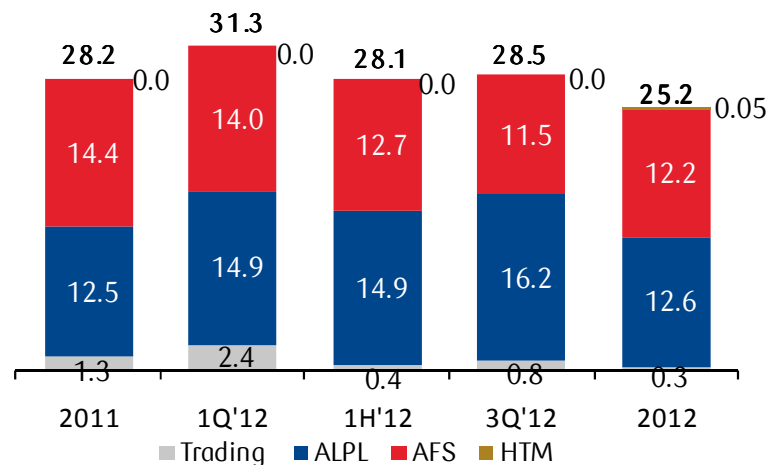


- Retail and corporate deposits are the primary source of funding
- Financing agreements as at end-2012 included:
 - CHF 410 mn 3-year credit facility opened in July 2012
 - EUR 800 mn 5Y Eurobonds raised in October 2010
 - CHF 250 mn 5Y bonds issuance in July 2011
 - CHF 500 mn 3.25 Y bonds issuance in September 2012
 - USD 1,000 mn 10Y notes issued in September 2012 on US market under 144A Rule
 - PLN 500 mn domestic issue (short term)

Securities – split of portfolio

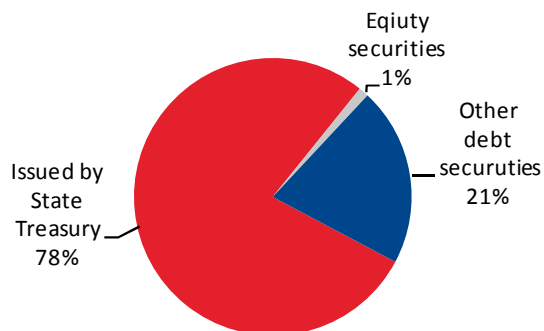


Bank Polski

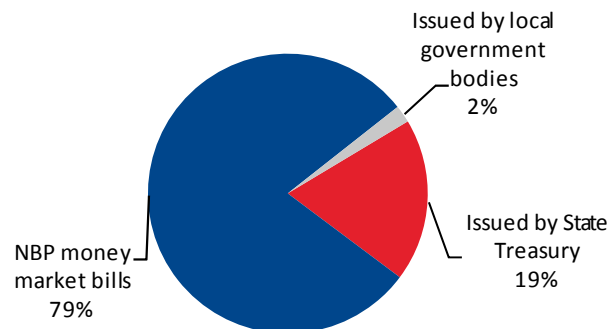


Structure as at end-2012

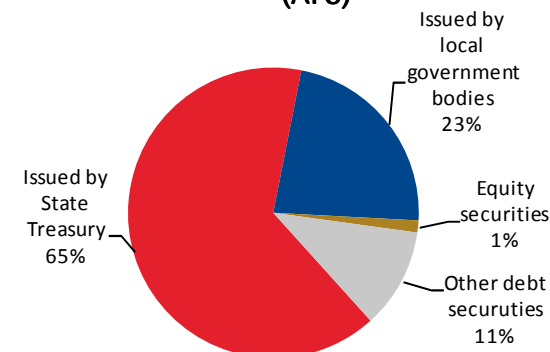
Trading assets



Financial assets designated at fair value through P&L (ALPL)



Investment securities available for sale (AFS)





Bank Polski

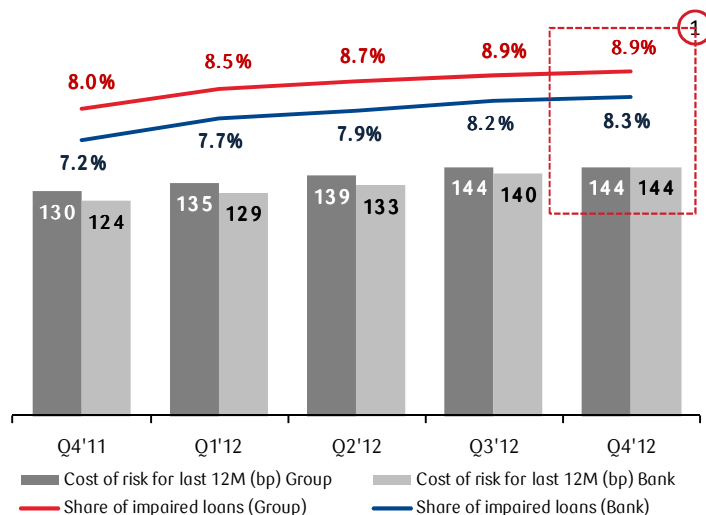
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Quality of loan portfolio

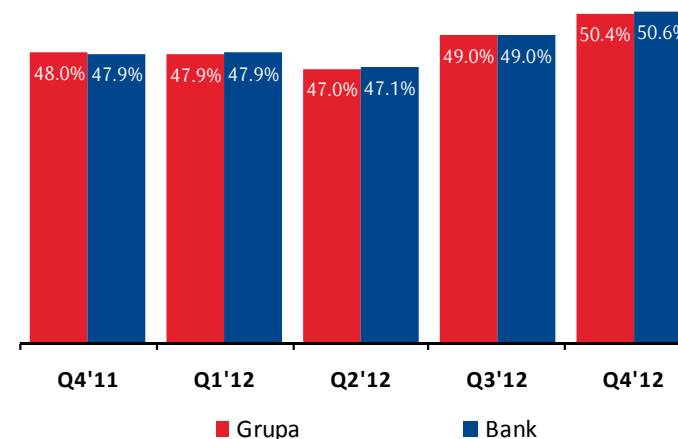


Bank Polski

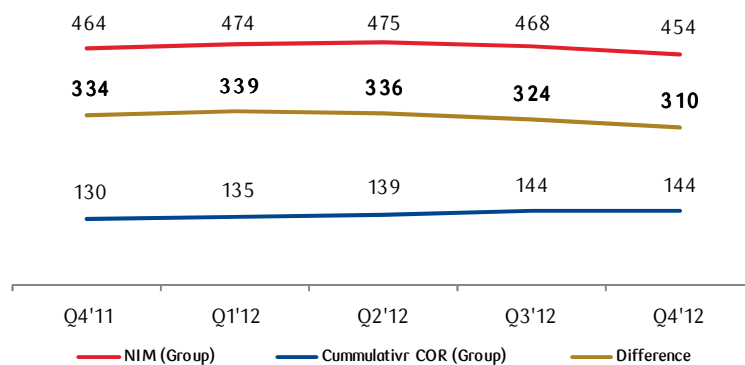
Share of loans with recognized impairment and cost of risk



Coverage of loans with recognized impairment by impairment allowance



Cost of risk vs. net interest margin



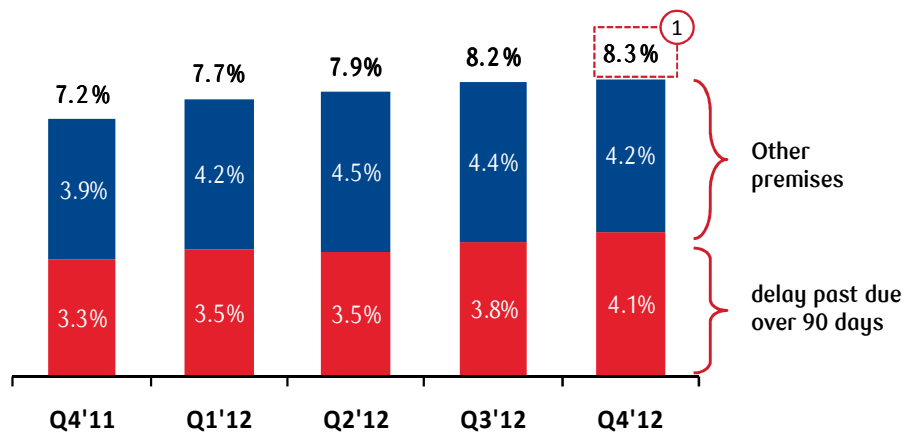
1 Share of loans with recognized impairment for the Group was at the same level in last two quarters. For the Bank in Q4'12 was the lowest increase in share of loans with recognized impairment as compared to last few quarters. Cost of risk in last 12M subjected to similar trends, as mentioned above share of loans with recognized impairment.

Quality of loan portfolio

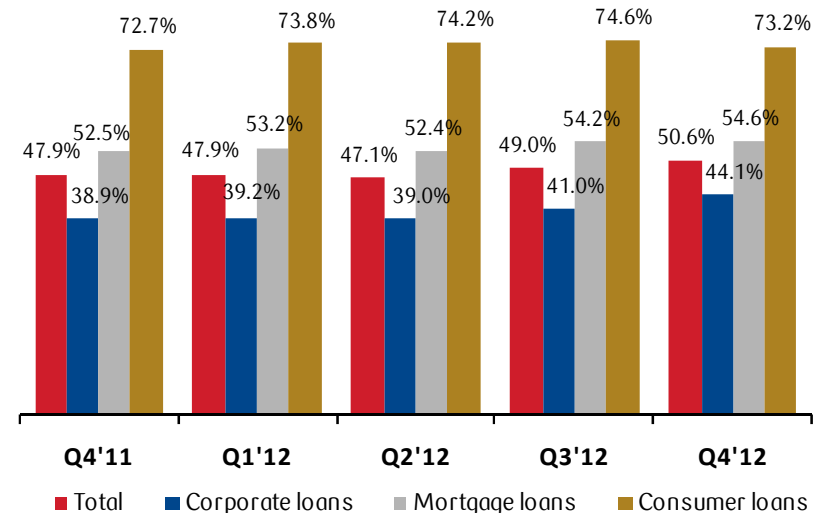


Bank Polski

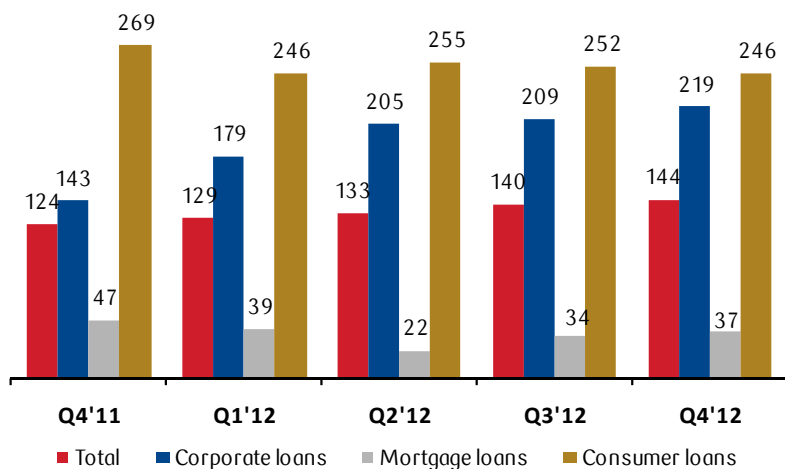
Share of loans with recognized impairment



Coverage of loans with recognized impairment by impairment allowance



Cost of risk for last 12M (bp.)

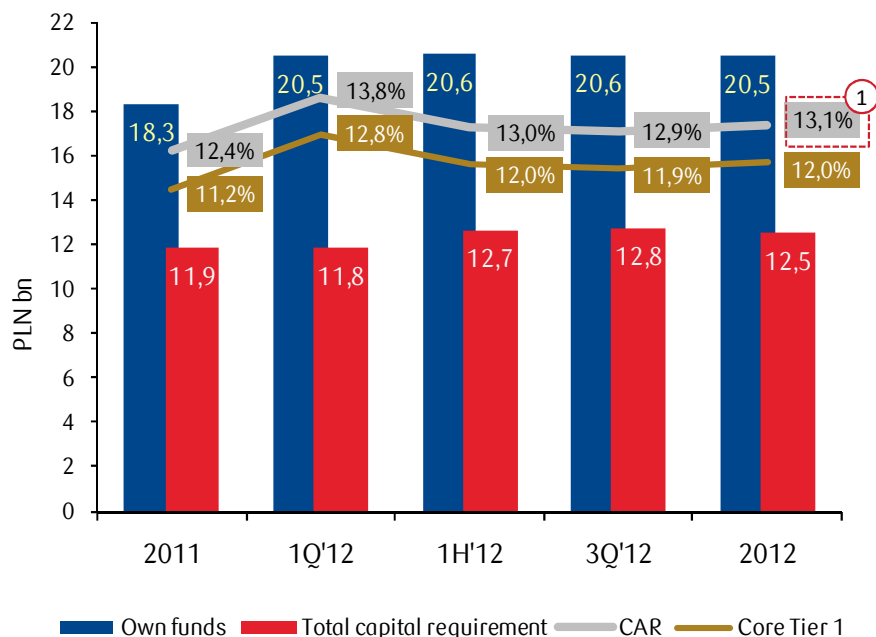
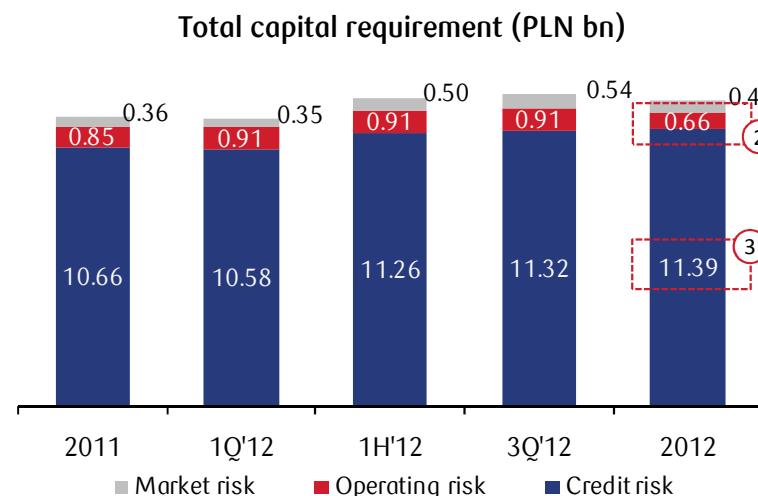
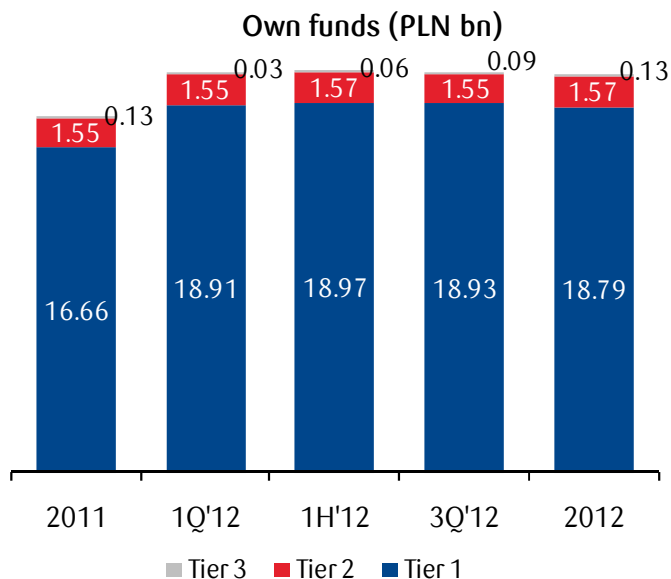


① Value of exposures meeting the premise „delay past due over 90 days” constitutes less than half of loans with recognized impairment. During last year share of these exposures increased by 0.8 pp. The strongest influence on this state had corporate loans due to deterioration of economic and financial standing of corporates due to general macroeconomic situation.



Bank Polski

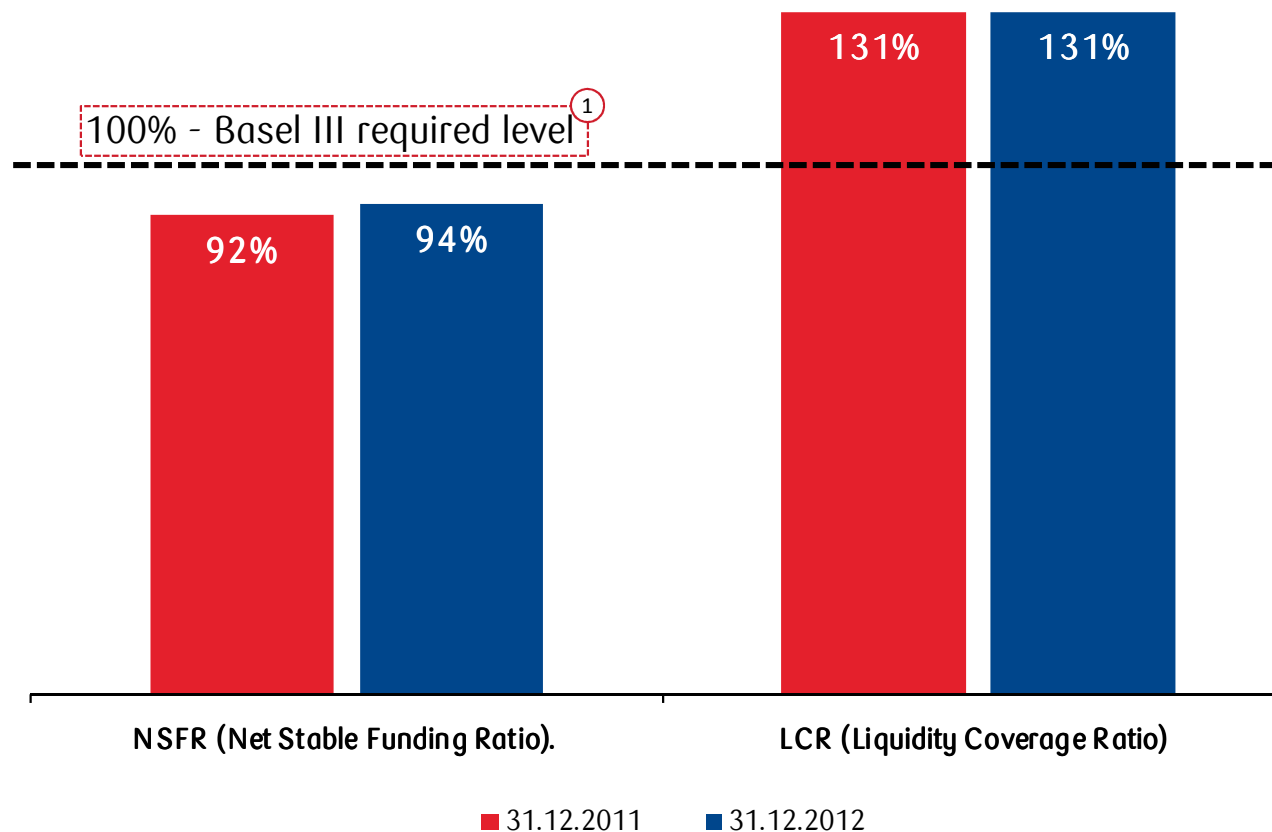
Capital adequacy



- ① Growth of CAR by 0.7 pp. y/y mainly due to increase in own funds
- ② Decrease in capital requirement in respect of operating risk thanks to implementation advanced measurement approach (AMA)
- ③ An increase in the capital requirement in respect of credit risk by 6.8% y/y resulted from a significant increase in the volume of loan portfolio (statement of financial position and off-balance-sheet exposure) and entry into force the provision of the Resolution No. 153/2011 of the PFSA due to which from the date of 30 June 2012, there was an increase in risk weights (from 75% to 100%) for retail exposures and for exposures secured on residential property, in which the installment of principal or interest depends on changes in the exchange rate of the currency or currencies other than the currency of revenues generated by the debtor



Basel III and CRD IV since 2019 – liquidity ratios



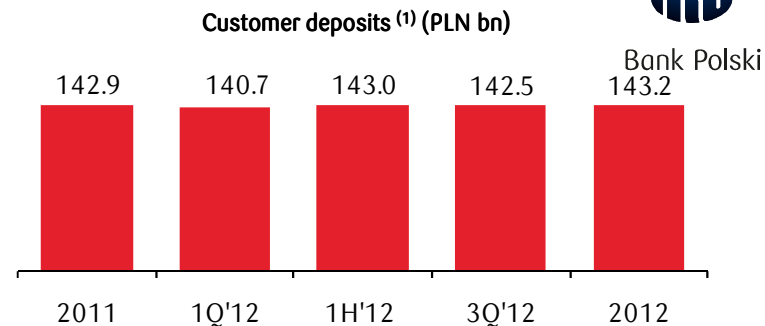
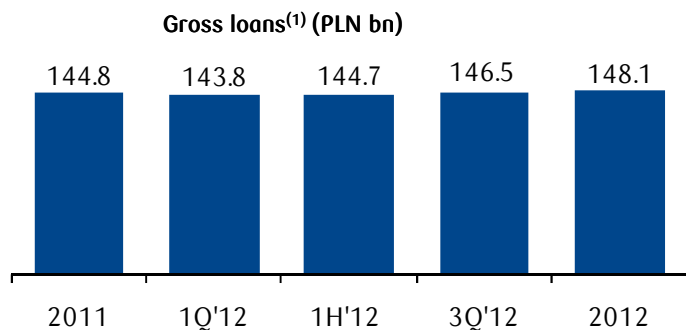
¹ On 1 January 2019 will entry into force Capital Requirements Directive IV, which implements two liquidity ratios: short-term – LCR and long-term – NSFR. These ratios should reach the required levels: NSFR >100%, LCR ≥ 100%



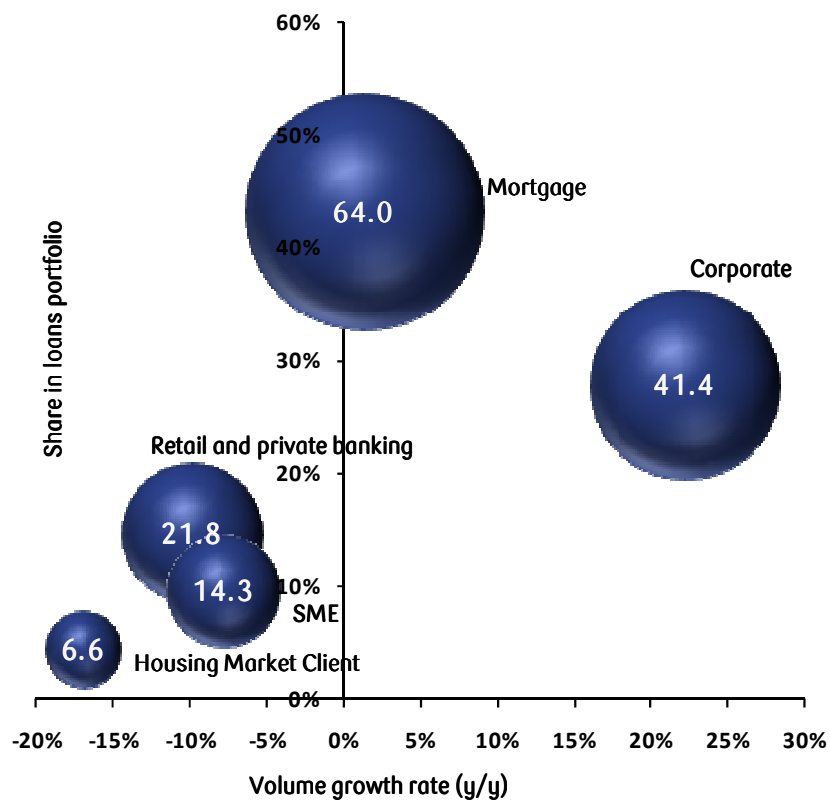
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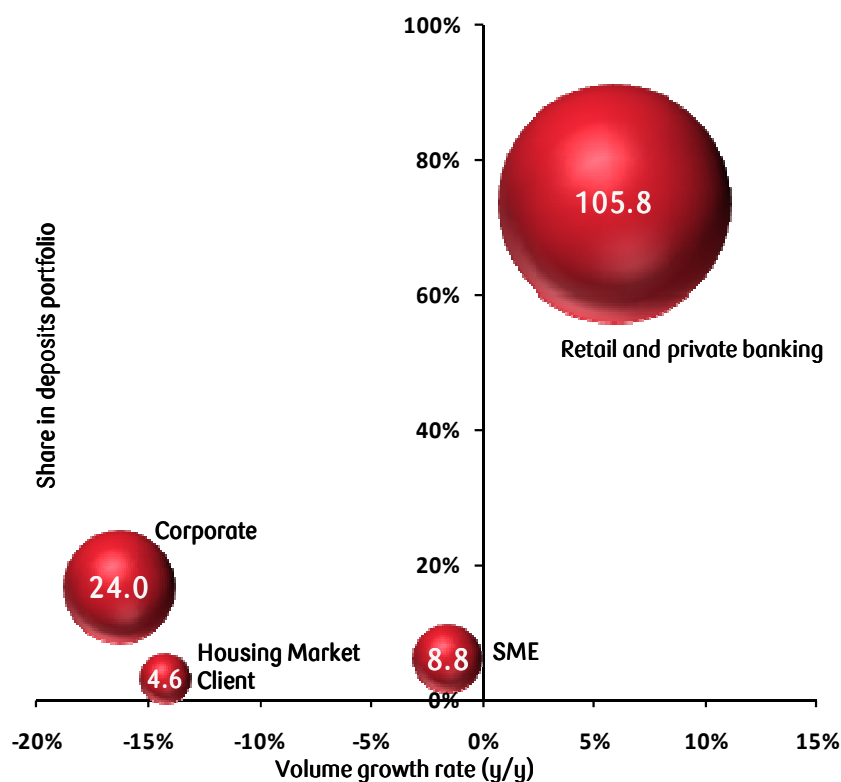
Business activity - volumes



Gross loans by business lines (as at 31.12.2012)¹⁾



Customer deposits by business lines (as at 31.12.2012)¹⁾



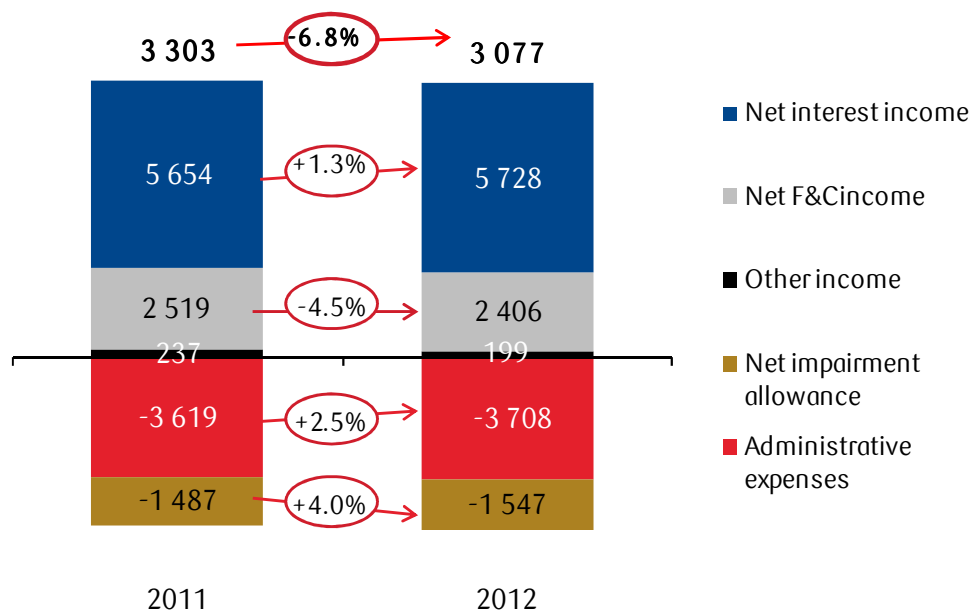
(1) Bank's management data

Retail segment

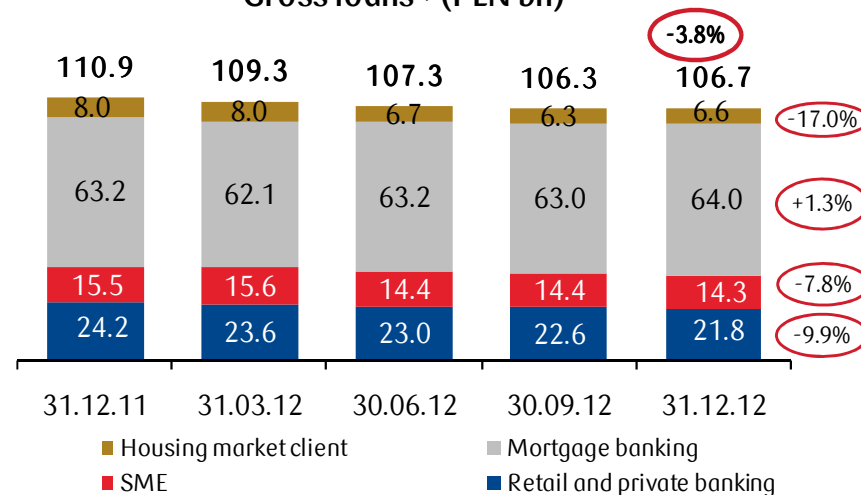


Bank Polski

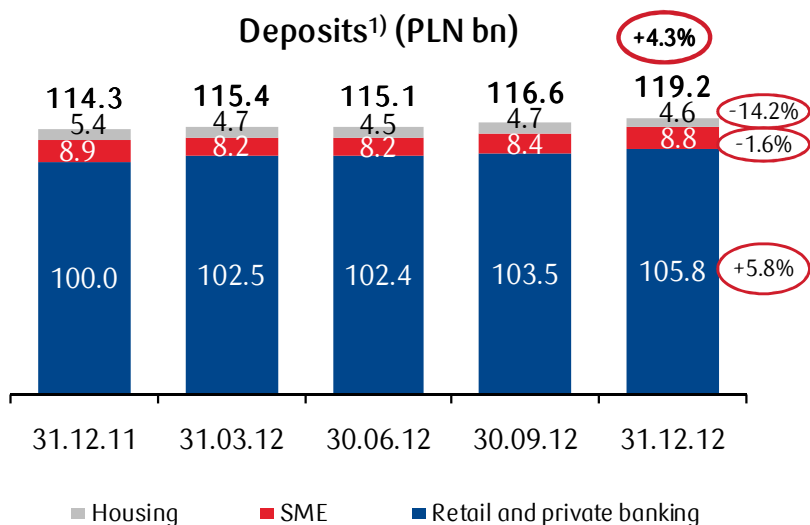
Gross financial result of retail segment (PLN mn)



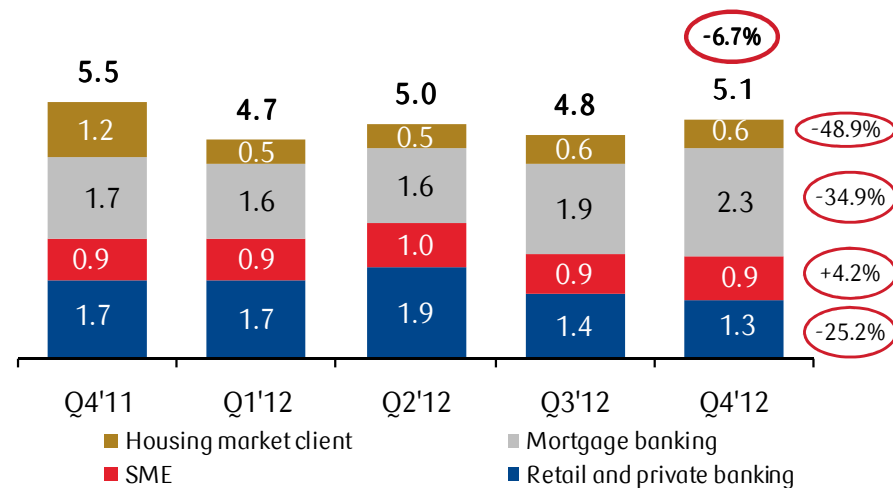
Gross loans¹⁾ (PLN bn)



Deposits¹⁾ (PLN bn)



New sales of loans¹⁾ (PLN bn)



○ Change y/y

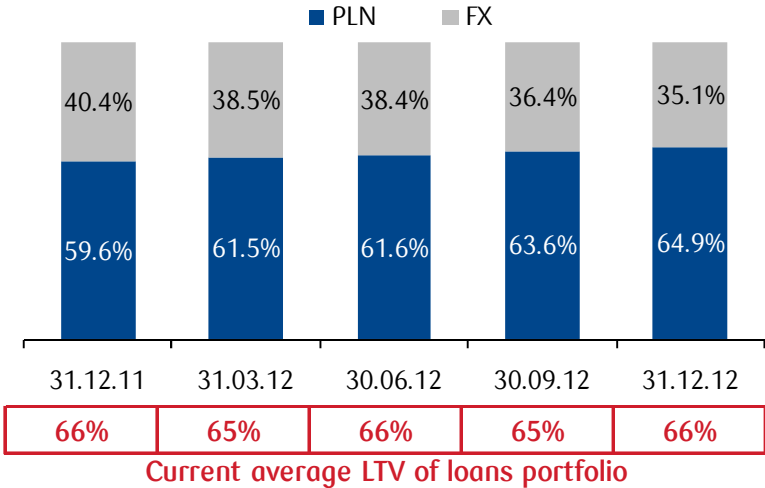
(1) Bank's management data. Change in relation to business volumes previously presented results from a change in presentation; i.e. volumes currently presented include valuation adjustments and accrued interest. Additionally, the mortgage loan for consumer purposes was presented in loans and advances of retail and private banking.



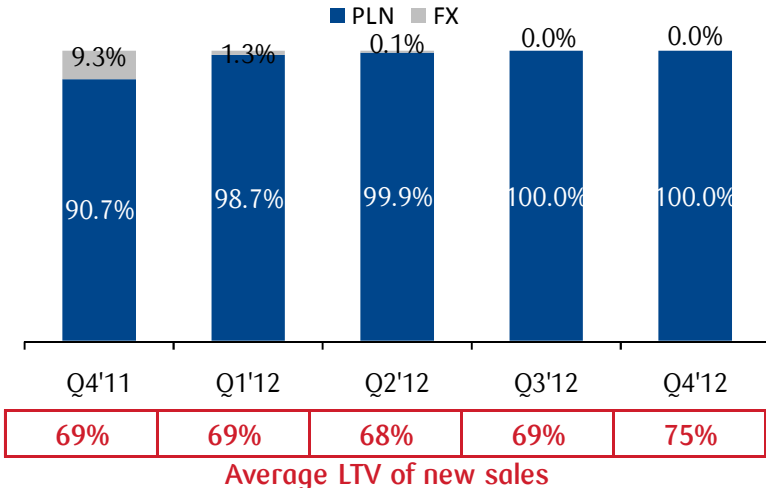
Bank Polski

Retail segment – mortgage loans

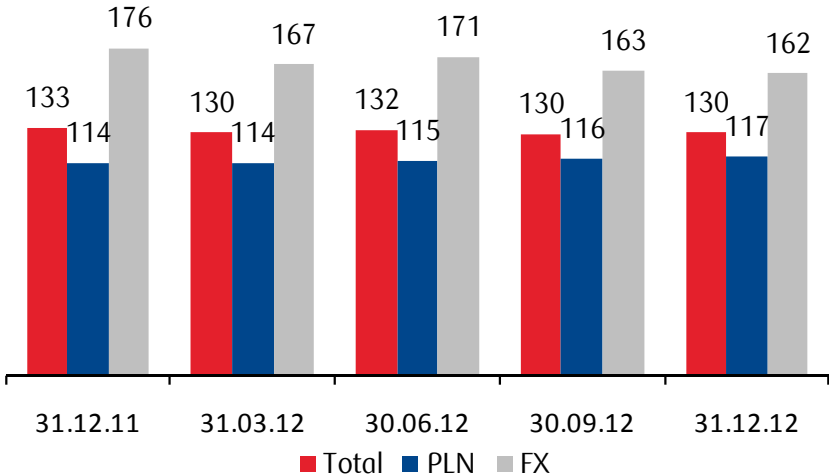
Structure of mortgage loans portfolio



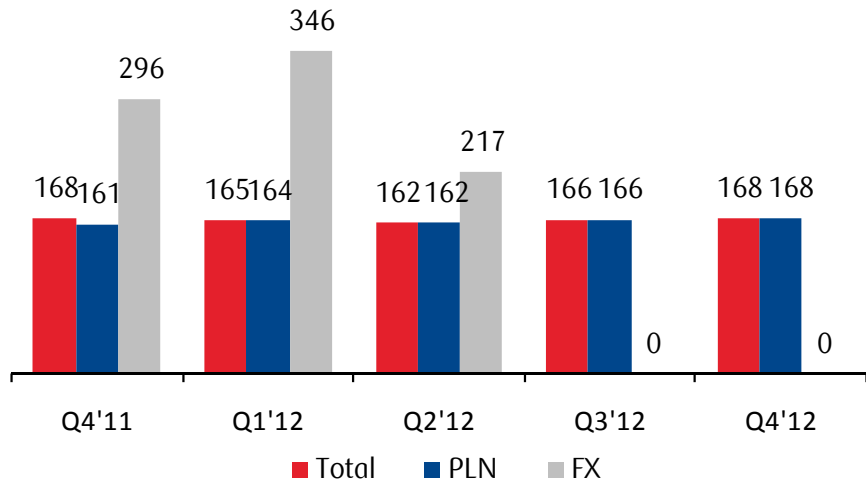
Structure of new sales of mortgage loans



Average carrying value of mortgage loan (PLN '000)



Average value of mortgage loan in new sales (PLN '000)

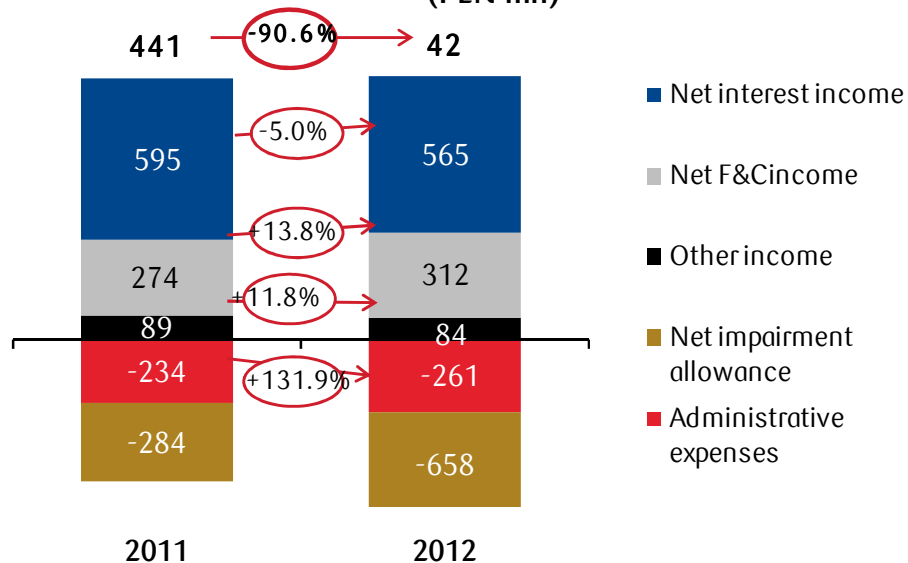


Corporate segment

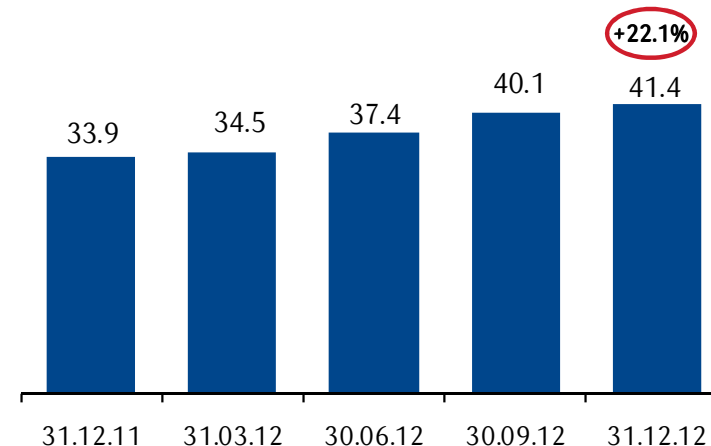


Bank Polski

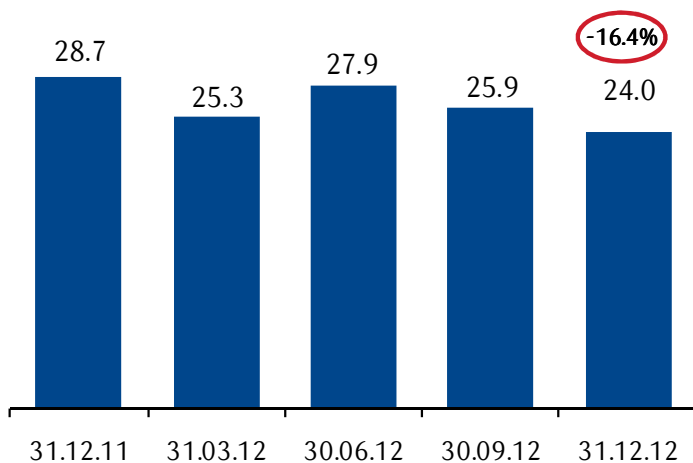
Gross financial result of corporate segment (PLN mn)



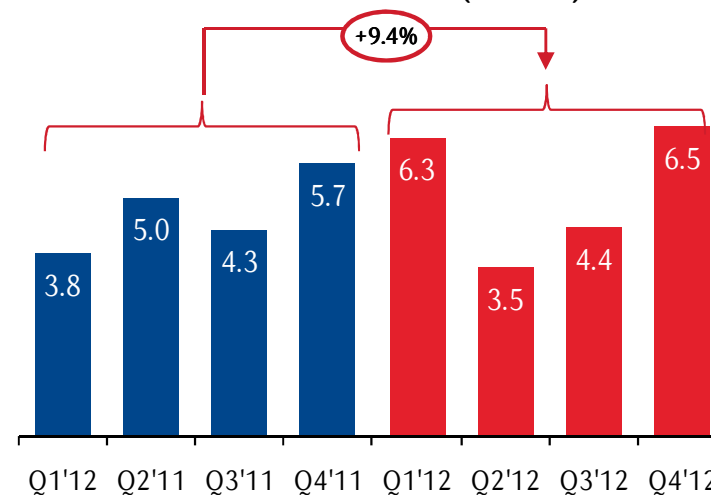
Gross loans¹⁾ (PLN bn)



Deposits¹⁾ (PLN bn)



New sales of loans¹⁾ (PLN bn)



Change y/y

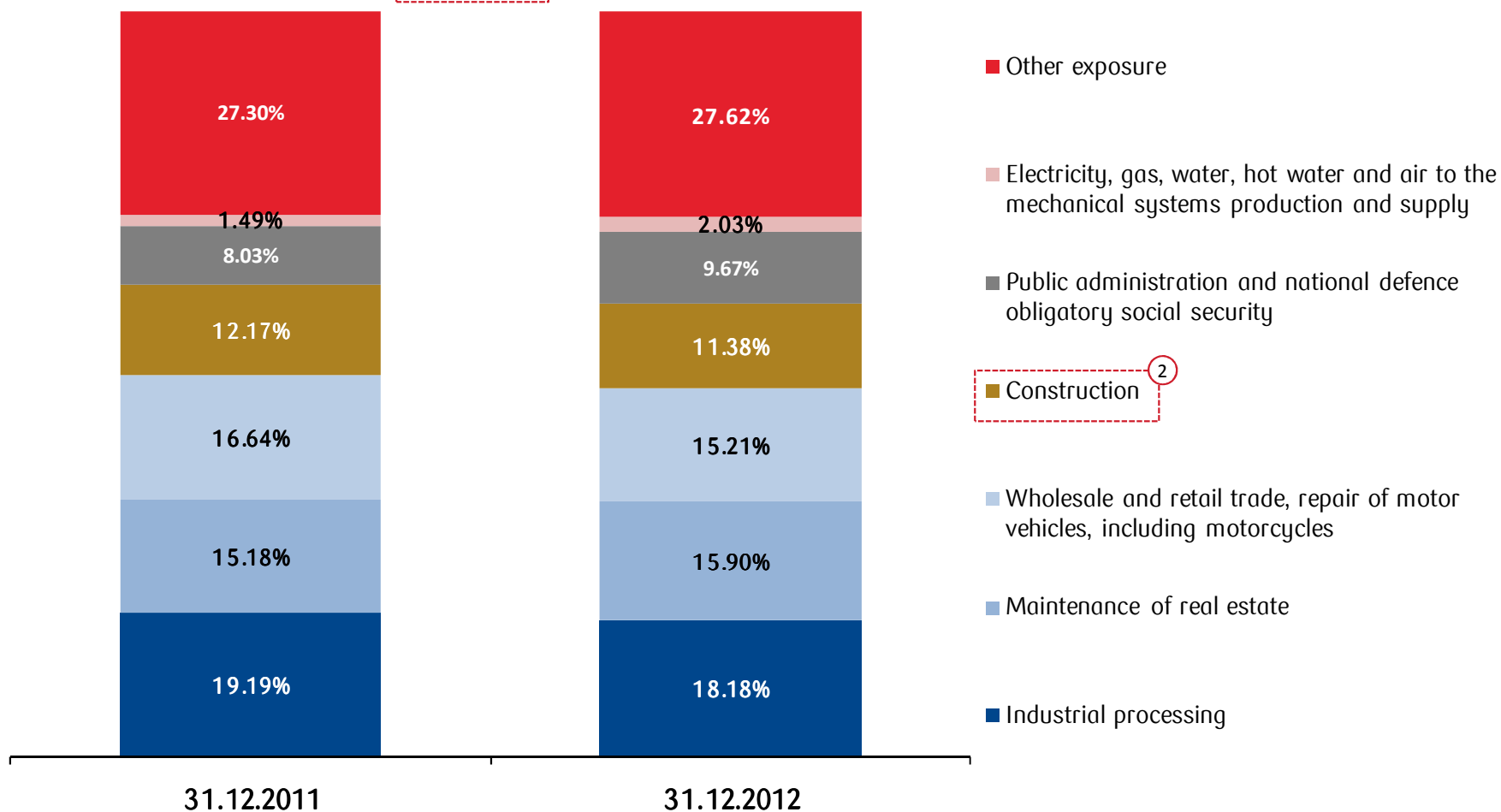
(1) Bank's management data. Change in relation to business volumes previously presented results from a change in presentation; i.a. volumes currently presented include valuation adjustments and accrued interest.



Bank Polski

Credit risk concentration

¹ Structure of corporate loans¹⁾ by industry segment



¹ Strongly diversified loan portfolio indicates low concentration by industry. The biggest share in portfolio has section „Industrial processing”, which was at level 18.8% as at end-2012. The highest growth as compared to previous year noted section „Public administration and national defence, obligatory social security”

² As at end-2012 share of section „Construction” in total gross loans at 5.0%, 0.1 pp lower y/y

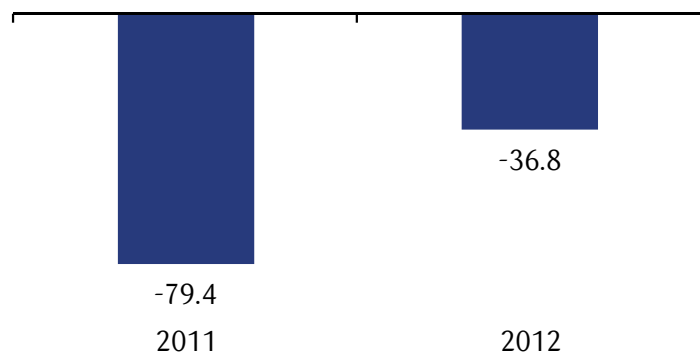
(1) Gross loans of non-financial and state budget entities

Ukraine operations - Kredobank

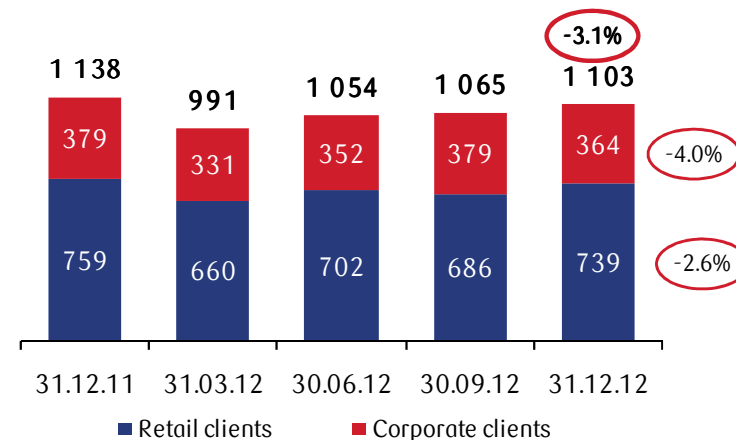


Bank Polski

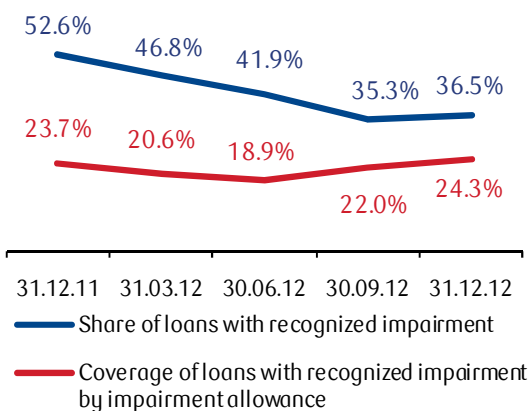
Net financial result of Kredobank (PLN mn)



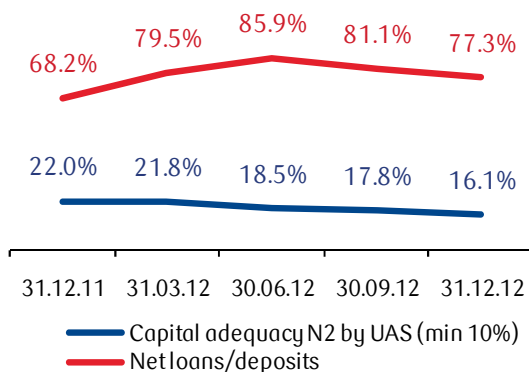
Total deposits (PLN mn)



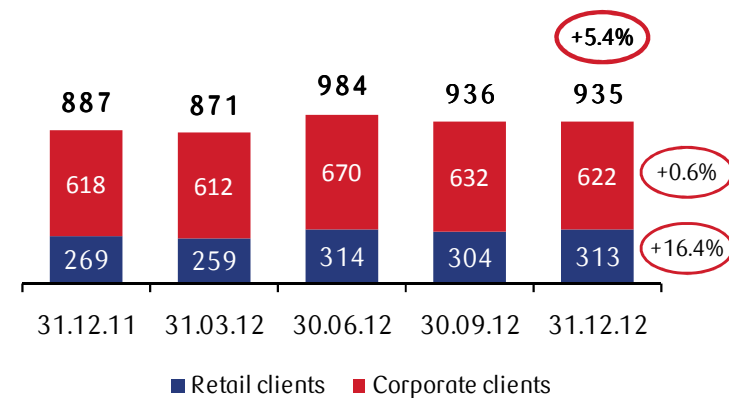
Quality of loan portfolio



Capital adequacy



Total gross loans (PLN mn)



○ Change y/y

Net financial result of Group Entities



Bank Polski

	PLN mn	2011	2012	Change
	Consolidated net profit	3 807.2	3 748.6	-1.5%
Bank Polski	Banking	3 953.6	3 592.6	-9.1%
TFI	Mutual funds	37.8	23.8	-37.0% ¹
Bankowy OFE	Pension fund	4.7	16.8	+256.4% ²
Leasing	Leasing	8.4	11.6	+37.9%
platforma inteligo	Internet banking support	19.9	20.4	+2.7%
eService SA	Payments	23.7	25.2	+6.1%
КРЕДОВАНК GRUPA PKO BP	Banking in Ukraine	-79.4	-36.8	+53.7%
QUALIA DEVELOPMENT	Real estate development	-2.5	-1.4	+43.6%

- ¹ Decrease in net profit mainly due to lower revenues (sale of funds with low level of management fee accompanied with buy-back of funds with higher management fee).
- ² Growth of net profit mainly due to increase in revenues in respect of management along with drop of operational costs i.a. thanks to cut of employment due to organizational changes in the Company after entry into force law on functioning of pension funds (which introduces acquisition ban from 2012) and in consequence adjustment the Company's employment structure.

Basic operational data



Bank Polski

Item (eop)	2011	1Q'12	1H'12	3Q'12	2012	Change	
						y/y	q/q
Number of current accounts ('000) ¹⁾	6 146	6 123	6 126	6 135	6 220	+1.2%	+1.4%
Number of banking cards ('000)	7 166	7 125	7 122	7 158	7 164	-0.0%	+0.1%
<i>of which: credit cards</i>	<i>1 009</i>	<i>998</i>	<i>977</i>	<i>978</i>	<i>980</i>	<i>-2.9%</i>	<i>0.0%</i>
Number of branches:	1 198	1 196	1 197	1 196	1 198	0.0%	+0.2%
- retail	1 131	1 132	1 133	1 132	1 134	+0.3%	+0.2%
- corporate	67	64	64	64	64	-4.5%	0.0%
Number of agencies	1 400	1 253	1 218	1 210	1 208	-13.7%	-0.2%
Number of ATMs	2 457	2 465	2 525	2 569	2 803	+14.1%	+9.1%

(1) Change in number of current accounts for 2011 resulting from accounts reclassification.



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Profit and loss of PKO Bank Polski Group



Bank Polski

Profit and loss account (PLN '000)	2011	2012	Change y/y
Net interest income	7 609 116	7 882 786	+3.6%
Net fee and commission income	3 101 444	3 071 202	-1.0%
Other income	431 756	615 873	+42.6%
Dividend income	6 800	8 081	+18.8%
Net income from financial instruments designated at fair value	(75 056)	94 188	n.m.
Gains less losses from investment securities	20 179	79 813	+295.5%
Net foreign exchange gains	337 296	256 137	-24.1%
Net other operating income and expense	142 537	177 654	+24.6%
Total income items	11 142 316	11 569 861	+3.8%
Net impairment allowance and write-offs	(1 930 447)	(2 325 228)	+20.5%
Administrative expenses	(4 411 357)	(4 618 397)	+4.7%
Share in net profit (losses) of associates and jointly controlled entities	(19 652)	19 025	n.m.
Profit before income tax	4 780 860	4 645 261	-2.8%
Income tax expense	(976 115)	(897 818)	-8.0%
Net profit attributable to non-controlling shareholders	(2 450)	(1 178)	-51.9%
Net profit attributable to the parent company	3 807 195	3 748 621	-1.5%

Profit and loss of PKO Bank Polski Group by quarters



Bank Polski

Profit and loss account (PLN '000)	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q4'12/ Q4'11	Q4'12/ Q3'12
Net interest income	2 070 435	2 059 186	1 983 059	1 977 413	1 863 128	-10.0%	-5.8%
Net fee and commission income	791 739	723 440	779 259	761 679	806 824	+1.9%	+5.9%
Other income	113 085	140 666	105 242	185 621	184 344	+63.0%	-0.7%
Dividend income	-	-	6 077	2 004	-	n.m.	n.m.
Net income from financial instruments designated at fair value	(11 188)	14 513	872	32 843	45 960	n.m.	+39.9%
Gains less losses from investment securities	3 572	(707)	5 349	17 348	57 823	+1518.8%	+233.3%
Net foreign exchange gains	89 809	91 779	52 876	88 732	22 750	-74.7%	-74.4%
Net other operating income and expense	30 892	35 081	40 068	44 694	57 811	+87.1%	+29.3%
Total income items	2 975 259	2 923 292	2 867 560	2 924 713	2 854 296	-4.1%	-2.4%
Net impairment allowance and write-offs	(561 311)	(527 526)	(573 759)	(657 627)	(566 316)	+0.9%	-13.9%
Administrative expenses	(1 185 644)	(1 152 330)	(1 094 011)	(1 131 433)	(1 240 623)	+4.6%	+9.7%
Share in net profit (losses) of associates and jointly controlled entities	(16 534)	8 011	(1 983)	8 399	4 598	-127.8%	-45.3%
Profit before income tax	1 211 770	1 251 447	1 197 807	1 144 052	1 051 955	-13.2%	-8.1%
Income tax expense	(260 866)	(246 974)	(249 475)	(223 285)	(178 084)	-31.7%	-20.2%
Net profit attributable to non-controlling shareholders	(952)	(314)	(242)	(249)	(373)	-60.8%	+49.8%
Net profit attributable to the parent company	951 856	1 004 787	948 574	921 016	874 244	-8.2%	-5.1%

Consolidated statement of financial position of PKO Bank Polski Group



Bank Polski

Assets (PLN '000)	31.12.11	31.03.12	30.06.12	30.09.12	31.12.12	Change y/y	Change q/q
Cash and balances with the Central Bank	9 142 168	6 125 548	8 837 388	6 718 060	10 289 451	+12.5%	+53.2%
Amounts due from other banks	2 396 227	1 926 589	2 761 316	5 163 845	3 392 486	+41.6%	-34.3%
Trading assets	1 311 089	2 447 677	389 610	763 014	277 566	-78.8%	-63.6%
Derivative financial instruments	3 064 733	2 852 895	2 857 209	3 533 570	3 860 561	+26.0%	+9.3%
Financial assets designated at fair value through P&L and held to maturity	12 467 201	14 867 729	14 946 799	16 220 526	12 629 711	+1.3%	-22.1%
Loans and advances to customers	141 634 494	140 947 277	141 331 155	142 705 562	143 875 644	+1.6%	+0.8%
Investment securities available for sale and securities held to maturity	14 393 276	13 980 883	12 741 997	11 539 407	12 252 101	-14.9%	+6.2%
Tangible fixed assets	2 541 317	2 486 673	2 494 788	2 524 543	2 650 597	+4.3%	+5.0%
Other assets	3 797 532	4 097 281	4 077 609	4 078 835	4 251 511	+12.0%	+4.2%
TOTAL ASSETS	190 748 037	189 732 552	190 437 871	193 247 362	193 479 628	+1.4%	+0.1%
Liabilities and equity (PLN '000)	31.12.11	31.03.12	30.06.12	30.09.12	31.12.12	Change y/y	Change q/q
Amounts due to the central bank	3 454	2 949	2 868	2 856	3 128	-9.4%	+9.5%
Amounts due to banks	6 239 164	7 467 020	5 740 840	3 632 951	3 733 947	-40.2%	+2.8%
Derivative financial instruments	2 645 281	2 480 821	2 759 720	3 356 751	3 964 098	+49.9%	+18.1%
Amounts due to customers	146 473 897	144 202 352	146 986 505	145 444 287	146 193 570	-0.2%	+0.5%
Debt securities in issue	7 771 779	6 615 787	7 303 275	10 766 512	10 270 783	+32.2%	-4.6%
Subordinated liabilities	1 614 377	1 638 201	1 614 369	3 244 162	1 631 256	+1.0%	-49.7%
Other liabilities	3 178 101	3 696 489	3 022 565	3 029 836	2 975 196	-6.4%	-1.8%
Total equity	22 821 984	23 628 933	23 007 729	23 770 007	24 707 650	+8.3%	+3.9%
TOTAL EQUITY AND LIABILITIES	190 748 037	189 732 552	190 437 871	193 247 362	193 479 628	+1.4%	+0.1%

Profit and loss of PKO Bank Polski



Bank Polski

Profit and loss account (PLN '000)	2011	2012	Change y/y
Net interest income	7 504 969	7 772 436	+3.6%
Net fees and commission income	2 872 801	2 804 584	-2.4%
Other income	406 773	537 132	+32.0%
Dividend income	94 028	93 200	-0.9%
Net income from financial instruments designated at fair value	(78 538)	95 092	n.m.
Gains less losses from investment securities	16 303	81 605	+400.6%
Net foreign exchange gains	331 367	254 153	-23.3%
Net other operating income and expense	43 613	13 082	-70.0%
Total income items	10 784 543	11 114 152	+3.1%
Net impairment allowance and write-offs	(1 812 122)	(2 458 590)	+35.7%
Administrative expenses	(4 058 490)	(4 192 757)	+3.3%
Profit before income tax	4 913 931	4 462 805	-9.2%
Income tax expense	(960 309)	(870 188)	-9.4%
Net profit	3 953 622	3 592 617	-9.1%

Profit and loss of PKO Bank Polski by quarters



Bank Polski

Profit and loss account (PLN '000)	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q4'12/ Q4'11	Q4'12/ Q3'12
Net interest income	2 032 790	2 030 741	1 955 994	1 950 160	1 835 541	-9.7%	-5.9%
Net fees and commission income	736 070	665 161	714 027	691 249	734 147	-0.3%	+6.2%
Other income	103 387	126 661	135 238	141 101	134 132	+29.7%	-4.9%
Dividend income	-	16 119	75 077	2 004	-	n.m.	n.m.
Net income from financial instruments designated at fair value	(14 757)	14 551	245	32 814	47 482	-421.8%	+44.7%
Gains less losses from investment securities	263	(803)	6 377	17 668	58 363	222x	+230.3%
Net foreign exchange gains	86 518	89 955	53 018	88 238	22 942	-73.5%	-74.0%
Net other operating income and expense	31 363	6 839	521	377	5 345	-83.0%	14x
Total income items	2 872 247	2 822 563	2 805 259	2 782 510	2 703 820	-5.9%	-2.8%
Net impairment allowances	(481 253)	(521 775)	(570 264)	(645 386)	(721 165)	+49.9%	+11.7%
General administrative expenses	(1 071 674)	(1 056 545)	(986 168)	(1 025 908)	(1 124 136)	+4.9%	+9.6%
Profit before income tax	1 319 320	1 244 243	1 248 827	1 111 216	858 519	-34.9%	-22.7%
Income tax expense	(262 438)	(245 568)	(241 816)	(216 928)	(165 876)	-36.8%	-23.5%
Net profit	1 056 882	998 675	1 007 011	894 288	692 643	-34.5%	-22.5%

Basic information



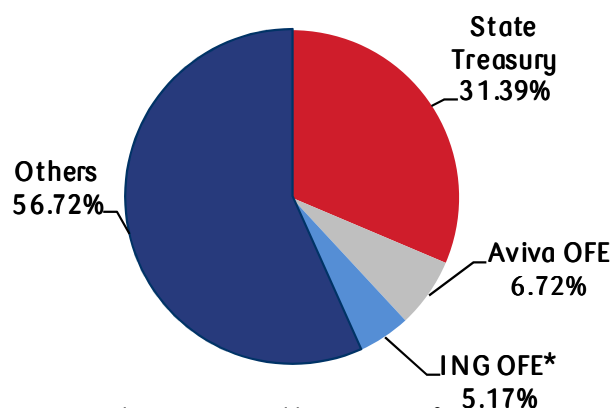
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Basic information on shares

- **Listed:** Warsaw Stock Exchange since 10.11.2004 r.
- **Indices:** WIG, WIG20, WIG Banki
- **ISIN:** PLPKO0000016
- **Bloomberg:** PKO PW
- **Reuters:** PKOB WA

Shareholders structure as at 29.01.2013

Number of shares: 1 250 mn



*) Share as on 24 July 2012 reported by ING OFE after exceeding the threshold 5% of total number of votes at GM of PKO Bank Polski

Dividend policy adopted on 4th April 2012 assumes:

- to maintain a stable level of dividend payments in the long term, in compliance with the principles of prudent bank management and with consideration of the financial strength of the Bank and the Bank's Capital Group as determined on the basis of the adopted criteria
- an optimization of the capital structure, taking into account the return on capital and its cost, capital needs for development, while ensuring an appropriate level of capital adequacy ratios
- to recommend in the future the payment of dividend in an amount ensuring that the capital adequacy ratios are maintained at the following levels:
 - capital adequacy ratio above 12 per cent while maintaining the necessary capital buffer
 - common equity Tier 1 ratio above 9 per cent while maintaining the necessary capital buffer

Rating

Rating Agency:	Long-term	Short-term	Financial strength	Support
Moody's	A2 with negative outlook	P-1	C- with negative outlook	
Standard&Poor's	A- with stable outlook	A-2 with stable outlook		
Fitch (not requested)				2

Dividend

Payment from the net profit of the year	DPS (PLN)	Dividend yield (Div. Day)	Payout ratio
2011	1.27	3.9%	40.15%
2010	1.98	5.5%	74.75%
2009	1,90	4.2%	97.65%
2008	1.00	2.9%	34.71%
2007	1.09	2.2%	40.07%
2006	0,98	1.7%	47.87%
2005	0.80	2.1%	47.71%
2004	1.00	3.6%	66,18%

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Investors calendar:

4 March 2013	Publication of Annual Report 2012
13 May 2013	Publication of 1Q 2013 Report
5 August 2013	Publication of 1H 2013 Report
13 November 2013	Publication of 3Q 2013 Report
3 March 2014	Publication of Annual Report 2013