



PKO BANK POLSKI
SPÓŁKA AKCYJNA

*INTERIM FINANCIAL STATEMENTS OF THE
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA
FOR THE THIRD QUARTER OF 2008*

*Prepared in accordance with
International Financial Reporting Standards*

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1. KEY FINANCIAL INDICATORS

NET PROFIT	PLN 2 752.5 MLN	+ 35.7%	(y/y)	as a result of increase in income items by 26.6% (y/y), with 9.2% (y/y) increase in costs
RESULT ON BUSINESS ACTIVITIES*	PLN 6 933.6 MLN	+ 26.6%	(y/y)	following increase in interest result by 35.3% (y/y) and in foreign exchange result by 44.2% (y/y)
NET INTEREST INCOME	PLN 4 506.1 MLN	+ 35.3%	(y/y)	as a result of higher deposit margins and increase in net loan portfolio volume
NET FEE AND COMMISSION INCOME	PLN 1 766.4 MLN	+ 4.6%	(y/y)	as a result of 3.1% (y/y) increase in the number of banking cards and transactions made using those cards as well as increase in fee and commission income due to granted loans
COSTS	PLN -3 056.6 MLN	+ 9.2%	(y/y)	as a result of 8.3% (y/y) increase in personal costs and non-personnel costs by 11.1% (y/y)
ROE net	29.3%	+ 4.1	pp.	following 35.7% (y/y) increase in net profit and an increase in equity by a total of 22.4% (y/y)
ROA net	3.1%	+ 0.6	pp.	with 12.1% (y/y) increase in assets

* Result on business activities as the total of income items

KEY FINANCIAL INDICATORS
derived from the financial statements of the PKO BP SA Group

	period from 01.01.2008 to 30.09.2008	period from 01.01.2007 to 30.09.2007	period from 01.01.2008 to 30.09.2008	period from 01.01.2007 to 30.09.2007
	PLN thousand		EUR thousand	
Result on business activities*:	6 933 556	5 477 532	2 024 560	1 429 659
Net interest income	4 506 064	3 330 007	1 315 746	869 146
Net fees and commission income	1 766 409	1 689 513	515 782	440 970
Net other income	661 083	458 012	193 033	119 543
Administrative expenses	(3 056 647)	(2 798 539)	(892 524)	(730 431)
Operating profit	3 448 880	2 541 707	1 007 054	663 396
Net impairment allowance	(428 029)	(137 286)	(124 982)	(35 832)
Gross profit	3 468 181	2 542 638	1 012 690	663 639
Net profit for the period (including minority interest)	2 772 216	2 057 179	809 472	536 932
Net profit	2 752 493	2 028 861	803 713	529 541
Total net cash flows	(2 011)	(3 961 836)	(587)	(1 034 056)
Net cash flow from operating activities	1 024 928	(6 356 953)	299 273	(1 659 192)
Net cash flow from investing activities	(591 967)	1 033 284	(172 851)	269 691
Net cash flow from financing activities	(434 972)	1 361 833	(127 009)	355 444
Total equity	13 630 990	11 138 748	3 999 352	2 948 709
Attributable to equity holders of the parent company	13 583 142	11 091 297	3 985 313	2 936 147
Tier 1 capital	10 489 748	8 504 850	3 077 707	2 251 449
Tier 2 capital	1 481 655	-	434 720	-
Market indicators				
earnings per share for the period - basic	2.75	2.03	0.80	0.53
earnings per share for the period - diluted	2.75	2.03	0.80	0.53
P/BV	3.18	4.96	3.18	4.96
P/E	11.96	21.14	11.96	21.14

* result on business activities as the total of income items

KEY FINANCIAL INDICATORS
derived from the condensed financial statements of the PKO BP SA

	period from 01.01.2008 to 30.09.2008	period from 01.01.2007 to 30.09.2007	period from 01.01.2008 to 30.09.2008	period from 01.01.2007 to 30.09.2007
	PLN thousand		EUR thousand	
Result on business activities*:	6 609 188	5 112 128	1 929 846	1 334 287
Net interest income	4 396 818	3 227 572	1 283 847	842 410
Net fee and commission income	1 583 672	1 473 228	462 423	384 519
Net other income	628 698	411 328	183 576	107 358
Administrative expenses	(2 855 034)	(2 610 297)	(833 654)	(681 299)
Operating profit	3 334 703	2 369 567	973 715	618 467
Net impairment allowance	(419 451)	(132 264)	(122 477)	(34 521)
Gross profit	3 334 703	2 369 567	973 715	618 467
Net profit	2 681 460	1 927 857	782 972	503 179
Total net cash flows	98 207	(3 828 455)	28 676	(999 243)
Net cash flow from operating activities	1 759 493	(6 109 324)	513 762	(1 594 559)
Net cash flow from investing activities	(471 549)	1 121 765	(137 690)	292 785
Net cash flow from financing activities	(1 189 737)	1 159 104	(347 397)	302 531
Total equity	13 326 384	10 960 360	3 909 980	2 901 485
Tier 1 capital	10 191 351	8 051 658	2 990 157	2 131 478
Tier 2 capital	1 151 603	-	337 882	-
Market indicators				
earnings per share for the period - basic	2.68	1.93	0.78	0.50
earnings per share for the period - diluted	2.68	1.93	0.78	0.50
P/BV	3.26	5.04	3.26	5.04
P/E	12.49	22.23	12.49	22.23

* result on business activities as the total of income items

2. CONDENSED FINANCIAL INFORMATION ¹

2.1 CONDENSED FINANCIAL STATEMENTS OF THE PKO BP SA GROUP

INCOME STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

	Notes	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Interest income		2 318 783	6 494 281	1 683 339	4 711 493
Interest expense		(727 148)	(1 988 217)	(474 477)	(1 381 486)
Net interest income	1	1 591 635	4 506 064	1 208 862	3 330 007
Fee and commission income		772 586	2 304 639	786 612	2 219 057
Fee and commission expense		(178 370)	(538 230)	(188 646)	(529 544)
Net fee and commission income	2	594 216	1 766 409	597 966	1 689 513
Dividend income		40	3 900	107	3 271
Net income from financial instruments designated at fair value	3	(31 657)	(92 766)	(72 202)	(50 837)
Gains less losses from investment securities		733	550	2 012	4 380
Foreign exchange result		189 873	561 196	136 428	389 220
Other operating income		180 235	525 390	149 816	376 980
Other operating expenses		(112 277)	(337 187)	(103 166)	(265 002)
Net other operating income and expense	4	67 958	188 203	46 650	111 978
Net impairment allowance	5	(251 327)	(428 029)	(25 256)	(137 286)
Administrative expenses	6	(1 046 710)	(3 056 647)	(967 193)	(2 798 539)
Operating profit		1 114 761	3 448 880	927 374	2 541 707
Share of profit of associates and jointly controlled entities		2 479	19 301	1 253	931
Profit before income tax		1 117 240	3 468 181	928 627	2 542 638
Income tax expense		(207 876)	(695 965)	(172 241)	(485 459)
Net profit (including minority interest)		909 364	2 772 216	756 386	2 057 179
Profit attributable to minority shareholders		5 184	19 723	11 064	28 318
Net profit (attributable to the parent company)	7	904 180	2 752 493	745 322	2 028 861
Earnings per share for the period					
- basic		0.90	2.75	0.75	2.03
- diluted		0.90	2.75	0.75	2.03

¹ In this section, data is presented in PLN thousand.

BALANCE SHEET OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP			
ASSETS	Notes	As at 30.09.2008	As at 31.12.2007
Cash and balances with Central Bank		5 419 790	4 682 627
Amounts due from banks	9	4 774 362	5 261 236
Financial assets held for trading		1 671 021	1 202 919
Derivative financial instruments		1 587 284	1 556 736
Financial assets designated at fair value		5 373 688	8 314 444
Loans and advances to customers	10	91 272 581	76 417 149
Investment securities available for sale		6 084 991	5 716 238
Investments in subsidiaries, associates and jointly controlled entities		252 004	178 584
Inventory		559 601	365 304
Intangible assets		1 355 859	1 183 491
Tangible fixed assets		2 915 132	2 820 103
<i>of which: investment property</i>		31 546	32 766
Current tax receivables		7 930	187 939
Deferred income tax asset	11	115 495	72 154
Other assets		713 187	578 676
TOTAL ASSETS		122 102 925	108 537 600
LIABILITIES AND EQUITY	Notes	As at 30.09.2008	As at 31.12.2007
Liabilities			
Amounts due to the Central Bank		2 221	1 279
Amounts due to other banks		6 168 005	4 703 114
Derivative financial instruments		2 141 356	1 279 925
Amounts due to customers	12	95 224 671	86 579 510
Debt securities in issue		309 138	178 860
Subordinated liabilities		1 647 917	1 614 885
Other liabilities		2 153 485	1 732 333
Current income tax liabilities		381 022	9 932
Deferred income tax liability	11	10 903	4 446
Provisions	11	433 217	454 301
TOTAL LIABILITIES		108 471 935	96 558 585
Equity			
Share capital		1 000 000	1 000 000
Other capital		9 833 362	8 137 270
Currency translation differences from foreign operations		(53 463)	(47 761)
Retained earnings		50 750	(72 192)
Net profit for the period		2 752 493	2 903 632
Capital and reserves attributable to shareholders of the parent company		13 583 142	11 920 949
Minority interest		47 848	58 066
Total equity		13 630 990	11 979 015
TOTAL LIABILITIES AND EQUITY		122 102 925	108 537 600
Capital adequacy ratio (%)	13 - 19	11.48	12.02*

* comparative data for own funds (resulting from new amendments to Banking Law and the Banking Supervisory Commission Resolution no. 2/2007); lack of comparability for capital adequacy ratio (as at 30.09.2008 according to the Basel II capital adequacy rules; the major difference refers to the methodology of regulatory capital calculation for credit and operational risk)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

Items	Period from 01.01.2008 to 30.09.2008	Period from 01.01.2007 to 30.09.2007
Share capital	1 000 000	1 000 000
Other capital, of which:	9 833 362	8 160 599
Reserve capital	7 278 001	5 592 311
Revaluation reserve	(37 664)	(19 737)
<i>of which: fair value adjustments to available-for-sale financial assets</i>	<i>(37 664)</i>	<i>(19 737)</i>
Other reserves	1 523 025	1 518 025
General banking risk fund	1 070 000	1 070 000
Currency translation differences from foreign operations	(53 463)	(25 971)
Retained earnings	50 750	(72 192)
Net profit for the period	2 752 493	2 028 861
Attributable to shareholders of the parent company	13 583 142	11 091 297
Minority interest	47 848	47 451
<i>of which: net result for the current period</i>	<i>19 723</i>	<i>28 318</i>
Total equity	13 630 990	11 138 748
Sources of changes in equity		
Equity as at the end of the previous period	11 979 015	10 180 580
Changes in equity		
Net profit for the period attributable to the shareholders of the parent company	2 752 493	2 028 861
Profit of the minority shareholders	19 723	28 318
Fair value adjustments to available-for-sale financial assets recognised in the revaluation reserve	5 402	(23 571)
Currency translation differences from foreign operations	(5 702)	(12 299)
Other increases/decreases in equity	(1 119 941)	(1 063 141)
Total equity	13 630 990	11 138 748

**CONDENSED CASHFLOW STATEMENT OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

Items	Period from 01.01.2008 to 30.09.2008	Period from 01.01.2007 to 30.09.2007
Net cash flow from operating activities	1 024 928	(6 356 953)
Net cash flow from investing activities	(591 967)	1 033 284
Net cash flow from financing activities	(434 972)	1 361 833
Total net cash flow	(2 011)	(3 961 836)
Cash and cash equivalents at the beginning of the period	9 232 316	14 134 206
Cash and cash equivalents at the end of the period	9 230 305	10 172 370
Cash and cash equivalents, of which:	9 230 305	10 172 370
Cash in hand	1 813 873	1 427 593
Amounts due from the Central Bank	3 605 917	2 970 821
Current receivables from financial institutions	3 806 048	5 765 398
Cash of the brokerage house ('Dom Maklerski') in the Stock Exchange Guarantee Fund	4 467	8 558

**OFF-BALANCE SHEET ITEMS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

Items	As at 30.09.2008	As at 31.12.2007
Off-balance sheet contingent liabilities granted:	22 190 434	19 371 569
financial	17 440 598	15 486 297
guarantees	4 749 836	3 885 272
Liabilities arising from the purchase/sale transactions	421 659 925	418 646 951
Other, of which:	16 360 199	18 269 487
irrevocable liabilities	7 689 901	8 860 369
collateral received	8 670 298	9 409 118
Total off-balance sheet items	460 210 558	456 288 007

EXPLANATORY NOTES

NET INTEREST INCOME OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

Note 1	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Interest income, of which:	2 318 783	6 494 281	1 683 339	4 711 493
Loans and advances to customers	1 994 698	5 490 682	1 352 941	3 635 962
Financial assets designated at fair through profit or loss	94 902	331 632	128 717	431 334
Amounts due from other banks	106 124	313 937	113 379	390 837
Investment securities	82 363	238 369	59 686	183 919
Trading securities	13 935	45 767	8 919	17 418
Other	26 761	73 894	19 697	52 023
Interest expenses, of which:	(727 148)	(1 988 217)	(474 477)	(1 381 486)
Amounts due to customers	(662 657)	(1 770 207)	(449 080)	(1 250 081)
Placements with other banks	(27 074)	(72 047)	(15 143)	(70 524)
Debt securities in issue	(35 781)	(95 603)	(3 968)	(7 824)
Other	(1 636)	(50 360)	(6 286)	(53 057)
Net interest income	1 591 635	4 506 064	1 208 862	3 330 007

NET FEE AND COMMISSION INCOME OF THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 2	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Fee and commission income, of which:	772 586	2 304 639	786 612	2 219 057
Credit related fees and commissions	83 908	233 883	67 951	198 279
Maintenance of bank accounts	199 890	602 255	192 349	575 559
Payment cards	219 475	622 702	181 161	503 095
Portfolio and other management fees	85 187	314 103	167 533	414 750
Cash transactions	45 881	142 832	50 280	154 362
Loan insurance intermediary and other	138 245	388 864	127 338	373 012
Fee and commission expenses, of which:	(178 370)	(538 230)	(188 646)	(529 544)
Payment cards	(78 219)	(224 674)	(66 252)	(184 775)
Acquisition services	(32 862)	(98 212)	(31 228)	(94 101)
Asset management and related fees	(4 312)	(47 704)	(11 847)	(60 036)
Loan insurance intermediary and other	(62 977)	(167 640)	(79 319)	(190 632)
Net fee and commission income	594 216	1 766 409	597 966	1 689 513

RESULT ON THE FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE OF THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 3	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Net income from the trading portfolio	(37 856)	(46 104)	(56 840)	154 099
Financial assets held for trading	(387)	(7 734)	(1 629)	(5 054)
Derivatives	(37 468)	(38 410)	(55 212)	159 160
Other	(1)	40	1	(7)
Result from the financial assets and liabilities designated at fair value through profit or loss	6 199	(46 662)	(15 362)	(204 936)
TOTAL	(31 657)	(92 766)	(72 202)	(50 837)

OTHER OPERATING INCOME AND EXPENSES OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 4	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Other operating income, of which:	180 235	525 390	149 816	376 980
Sale of products, merchandise and materials	106 086	350 061	4 066	147 172
Sundry income	7 862	19 945	8 540	22 504
Sale of shares in subsidiaries	9 181	12 927	4 320	4 320
Sale, liquidation of tangible and intangible assets	3 267	11 463	2 193	7 790
Other	53 839	130 994	130 697	195 194
Other operating expenses, of which:	(112 277)	(337 187)	(103 166)	(265 002)
Sale of products, merchandise and materials	(61 312)	(223 345)	(73 811)	(161 988)
Sale, liquidation of tangible fixed assets, intangible assets and assets held for sale	(5 047)	(14 339)	(3 969)	(15 721)
Other	(45 918)	(99 503)	(25 386)	(87 293)
Total	67 958	188 203	46 650	111 978

ASSET AND LIABILITIES IMPAIRMENT ALLOWANCE RECORDED IN THE INCOME STATEMENT
OF THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 5	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Increases of impairment losses on:	(840 901)	(1 813 268)	(336 582)	(963 158)
loans and advances	(799 938)	(1 730 700)	(319 149)	(896 450)
off-balance sheet items	(23 581)	(55 810)	(6 108)	(44 285)
securities and financial assets	(476)	(6 612)	(5 781)	(8 696)
other liabilities and tangible fixed assets	(16 906)	(20 146)	(5 544)	(13 727)
Decreases of impairment losses on	589 574	1 385 239	311 326	825 872
loans and advances	570 745	1 258 022	297 869	782 224
off-balance sheet liabilities	1 101	38 416	7 612	30 913
securities and financial assets	382	70 263	2 304	3 704
other liabilities and tangible fixed assets	17 346	18 538	3 541	9 031
Total	(251 327)	(428 029)	(25 256)	(137 286)

ADMINISTRATIVE EXPENSES OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 6	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Staff costs	(587 392)	(1 745 774)	(566 563)	(1 611 572)
Non-personnel costs	(332 323)	(935 922)	(282 481)	(842 246)
Depreciation and amortisation	(106 604)	(314 536)	(100 099)	(284 379)
Other	(20 391)	(60 415)	(18 050)	(60 342)
Total	(1 046 710)	(3 056 647)	(967 193)	(2 798 539)

CONSOLIDATED NET PROFIT OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 7	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
PKO BP	856 715	2 681 460	677 915	1 927 857
PKO TFI	23 964	88 730	39 594	88 759
KREDOBANK	(2 208)	698	2 023	4 639
BFL Group	2 815	6 306	991	7 190
PTE Group	6 432	17 244	7 162	18 567
CFP	1 999	9 857	8	1 176
eService	6 192	18 871	5 507	14 836
PKO Inwestycje Group	779	3 188	6 568	(2 700)
Inteligo	10 443	22 313	8 422	15 311
BTK	1 330	1 037	1 618	(402)
PKO Finance AB	(29)	(29)	-	-
consolidation adjustments	(4 252)	(97 182)	(4 486)	(46 372)
Consolidated net profit	904 180	2 752 493	745 322	2 028 861

IMPAIRMENT ALLOWANCE OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 8	As at 30.09.2008	As at 31.12.2007
Loans, advances, realised guarantees and bank placements	2 493 368	2 415 879
Tangible and intangible assets	18 623	18 426
Financial assets	27 421	91 663
Other assets	82 162	84 546
Total	2 621 574	2 610 514

STRUCTURE OF AMOUNTS DUE FROM BANKS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 9	As at 30.09.2008	As at 31.12.2007
Gross amounts due from banks, of which:	4 796 830	5 261 512
Current accounts with other banks	147 254	152 701
Placements with other banks	3 719 421	4 676 670
Loans and advances with other banks	279 405	372 257
Other	650 750	59 884
Impairment allowance on amounts due from banks	(22 468)	(276)
Total	4 774 362	5 261 236

STRUCTURE OF LOANS AND ADVANCES TO CUSTOMERS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP

Note 10	As at 30.09.2008	As at 31.12.2007
Gross loans and advances, of which:	93 743 481	78 832 752
Consumer	20 245 035	18 303 165
Corporate	33 927 297	26 810 539
Mortgage	39 058 354	33 260 792
Accrued interest	512 795	458 256
Impairment allowance on loans and advances	(2 470 900)	(2 415 603)
Total	91 272 581	76 417 149

**PROVISIONS, DEFERRED TAX ASSETS AND LIABILITIES OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP**

Note 11	As at 30.09.2008	As at 31.12.2007
Deferred income tax liabilities	10 903	4 446
Deferred income tax asset	115 495	72 154
Provisions for off-balance sheet items	37 742	34 903
Provisions for future liabilities to employees	367 713	399 986
Provision for other future liabilities	27 762	19 412
Total	559 615	530 901

**AMOUNTS DUE TO CUSTOMERS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP**

Note 12	As at 30.09.2008	As at 31.12.2007
Deposits, of which:	95 224 671	86 579 510
current	43 000 464	39 360 526
term	52 224 207	47 218 984

**RISK WEIGHTED BALANCE SHEET ASSETS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP as at 30.09.2008**

Note 13	carrying amount	risk weighted value
Banking portfolio	118 210 999	78 408 285
Trading portfolio	3 891 926	1 209 631
Total	122 102 925	79 617 916

**OFF-BALANCE SHEET ITEMS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP as at 30.09.2008**

Note 14	credit equivalent	weighted value
Derivative instruments	246 712 915	1 199 574
Banking portfolio	36 617 192	323 019
of which: long term FX instruments	13 085 353	202 576
Trading portfolio	210 095 723	876 555
of which: long term FX instruments	1 457 387	83 950
Other off-balance sheet items	30 549 826	9 729 084
Banking portfolio	29 306 851	8 862 139
Trading portfolio	1 242 975	866 945
Total	277 262 741	10 928 658

**CAPITAL REQUIREMENTS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP as at 30.09.2008**

Note 15	risk weighted value	capital requirement
Banking portfolio - credit risk	87 593 443	7 007 475
Counterparty credit risk - trading portfolio	876 555	70 124
Market risk		196 984
Currency risk - both portfolios		-
Commodity price risk - trading portfolio		-
Equity securities price risk - trading portfolio		645
Debt instruments specific risk - trading portfolio		163 374
Interest rate risk - trading portfolio		32 965
Operational risk - both portfolios		1 089 024
Other		13
Settlement risk - counterparty's delivery - trading portfolio		13
Securities underwriting risk - trading portfolio		-
Other		-
Total capital requirement		8 363 621

**RISK WEIGHTED BALANCE SHEET ASSETS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP as at 31.12.2007***

Note 16	carrying amount	risk weighted value
Banking portfolio	105 568 443	74 699 683
Trading portfolio	3 000 241	1 099 072
Total	108 568 683	75 798 755

* comparative data for own funds (resulting from new amendments to Banking Law and the Banking Supervisory Commission Resolution no. 2/2007); lack of comparability for capital adequacy ratio (as at 30.09.2008 according to the Basel II capital adequacy rules; the major difference refers to the methodology of regulatory capital calculation for credit and operational risk).

**OFF-BALANCE SHEET ITEMS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP as at 31.12.2007***

Note 17	credit equivalent	weighted value
Derivative instruments	213 809 611	498 710
Banking portfolio	38 235 646	230 591
of which long term FX instruments	6 500 689	99 956
Trading portfolio	175 573 965	268 119
of which long term FX instruments	694 990	15 596
Other off-balance sheet items	29 406 484	6 334 030
Banking portfolio	27 941 868	5 085 761
Trading portfolio	1 464 616	1 248 269
Total	243 216 095	6 832 740

* comparative data for own funds (resulting from new amendments to Banking Law and the Banking Supervisory Commission Resolution no. 2/2007); lack of comparability for capital adequacy ratio (as at 30.09.2008 according to the Basel II capital adequacy rules; the major difference refers to the methodology of regulatory capital calculation for credit and operational risk).

**CAPITAL REQUIREMENTS OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP as at 31.12.2007***

Note 18	risk weighted value	capital requirement
Banking portfolio - credit risk	80 016 035	6 401 283
Counterparty credit risk - trading portfolio:	268 119	24 248
Market risk		220 143
Currency risk - both portfolios		-
Commodity price risk - trading portfolio		-
Equity securities price risk - trading portfolio		1 187
Debt instruments specific risk - trading portfolio		166 633
Interest rate risk - trading portfolio		52 322
Other		-
Settlement risk - counterparty's delivery - trading portfolio		-
Securities underwriting risk - trading portfolio		-
Other		-
Total capital requirement		6 645 674

* comparative data for own funds (resulting from new amendments to Banking Law and the Banking Supervisory Commission Resolution no. 2/2007); lack of comparability for capital adequacy ratio (as at 30.09.2008 according to the Basel II capital adequacy rules; the major difference refers to the methodology of regulatory capital calculation for credit and operational risk).

**OWN FUNDS AND SHORT-TERM CAPITAL OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP**

Note 19	As at 30.09.2008	As at 31.12.2007*
Tier 1 capital	10 489 748	8 449 415
Share capital	1 000 000	1 000 000
Reserve capital	7 278 001	5 592 311
Other reserves	1 523 025	1 518 025
General banking risk fund	1 070 000	1 070 000
Net income of the current period in the part verified by a certified auditor after reduction of forecasted charges	1 094 847	653 720
Retained earnings	50 750	(72 192)
Unrealised losses on debt and equity securities classified as available for sale	(46 356)	(55 228)
Capital exposure (50%)	(119 045)	(84 035)
Intangible assets	(1 355 859)	(1 183 491)
<i>of which: goodwill</i>	(241 013)	(234 066)
Currency translation differences from foreign operations	(53 463)	(47 761)
Minority interest	47 848	58 066
Tier 2 capital	1 481 655	1 517 988
Subordinated liabilities classified as supplementary funds	1 600 700	1 600 700
Unrealised profits on debt and equity securities classified as available-for-sale (60% of pre-tax balance)	-	1 323
Capital exposure (50%)	(119 045)	(84 035)
Tier 3 capital	25 492	15 997
Total own funds and short-term capital	11 996 895	9 983 400

* comparative data for own funds (resulting from new amendments to Banking Law and the Banking Supervisory Commission Resolution no. 2/2007); lack of comparability for capital adequacy ratio (as at 30.09.2008 according to the Basel II capital adequacy rules; the major difference refers to the methodology of regulatory capital calculation for credit and operational risk).

2.2 CONDENCED FINANCIAL STATEMENTS OF THE PKO BP SA

INCOME STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

	Notes	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Interest income		2 219 238	6 216 064	1 603 074	4 485 037
Interest expense		(665 901)	(1 819 246)	(429 052)	(1 257 465)
Net interest income	1	1 553 337	4 396 818	1 174 022	3 227 572
Fee and commission income		709 537	2 086 124	679 128	1 946 404
Fee and commission expense		(169 231)	(502 452)	(169 281)	(473 176)
Net fee and commission income	2	540 306	1 583 672	509 847	1 473 228
Dividend income		40	112 841	107	52 091
Net income from financial instruments designated at fair value	3	(29 761)	(90 668)	(74 350)	(55 013)
Gains less losses from investment securities		(28)	(1 631)	1 827	3 609
Foreign exchange result		184 384	550 669	134 531	384 024
Other operating income		48 908	123 814	30 496	92 644
Other operating expenses		(27 018)	(66 327)	(19 965)	(66 027)
Net other operating income and expenses	4	21 890	57 487	10 531	26 617
Net impairment allowance		(234 877)	(419 451)	(20 988)	(132 264)
Administrative expenses	5	(983 581)	(2 855 034)	(896 835)	(2 610 297)
Operating profit		1 051 710	3 334 703	838 692	2 369 567
Profit before income tax		1 051 710	3 334 703	838 692	2 369 567
Income tax expense		(194 995)	(653 243)	(160 777)	(441 710)
Net profit		856 715	2 681 460	677 915	1 927 857
Earnings per share for the period					
basic		0.86	2.68	0.68	1.93
diluted		0.86	2.68	0.68	1.93

BALANCE SHEET OF THE POWSZECHNA KASA OSZCZEDNOŚCI BANK POLSKI SA

ASSETS	As at 30.09.2008	As at 31.12.2007
Cash and balances with Central Bank	5 323 740	4 594 084
Amounts due from banks	5 021 474	5 315 799
Financial assets held for trading	1 671 021	1 202 919
Derivative financial instruments	1 587 297	1 556 750
Other financial instruments designated at fair value through profit or loss	5 307 464	8 101 534
Loans and advances to customers	88 296 635	73 822 193
Investment securities	6 109 358	5 841 553
Investments in subsidiaries, associates and jointly controlled entities	1 131 922	1 054 395
Intangible assets	1 090 634	927 610
Tangible fixed assets	2 377 899	2 270 480
<i>of which: investments property</i>	31 546	32 766
Current tax receivables	-	187 707
Deferred income tax asset	74 696	35 531
Other assets	611 654	429 699
TOTAL ASSETS	118 603 794	105 340 254
LIABILITIES AND EQUITY		
	As at 30.09.2008	As at 31.12.2007
Liabilities		
Amounts due to the Central Bank	2 221	1 279
Amounts due to other banks	4 906 187	3 624 455
Derivative financial instruments	2 141 353	1 280 265
Amounts due to customers	93 908 760	85 215 463
Subordinated liabilities	1 647 917	1 614 885
Other liabilities	1 866 586	1 421 321
Current income tax liabilities	373 909	-
Provisions	430 477	453 045
TOTAL LIABILITIES	105 277 410	93 610 713
Equity		
Share capital	1 000 000	1 000 000
Other capital	9 644 924	8 009 550
Net profit for the period	2 681 460	2 719 991
Total equity	13 326 384	11 729 541
TOTAL LIABILITIES AND EQUITY	118 603 794	105 340 254
Capital adequacy ratio (%)	11.31	11.87*

* comparative data for own funds (resulting from new amendments to Banking Law and the Banking Supervisory Commission Resolution no. 2/2007); lack of comparability for capital adequacy ratio (as at 30.09.2008 according to the Basel II capital adequacy rules; the major difference refers to the methodology of regulatory capital calculation for credit and operational risk).

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Items	Period from 01.01.2008 to 30.09.2008	Period from 01.01.2007 to 30.09.2007
Share capital	1 000 000	1 000 000
Other capital, of which:	9 644 924	8 032 503
Reserve capital	7 216 986	5 591 995
Revaluation reserve	(37 062)	(19 492)
<i>of which: fair value adjustments to available-for-sale financial assets</i>	<i>(37 062)</i>	<i>(19 492)</i>
Other reserves	1 395 000	1 390 000
General banking risk fund	1 070 000	1 070 000
Retained earnings	-	-
Net profit for the period	2 681 460	1 927 857
Total equity	13 326 384	10 960 360
Sources of changes in equity		
Equity as at the end of the previous period	11 729 541	10 035 724
Changes in equity		
Net profit (loss) of the Bank	2 681 460	1 927 857
Fair value adjustments to available-for-sale financial assets recognised in the revaluation reserve	5 383	(23 221)
Other increases/decreases in equity	(1 090 000)	(980 000)
Total equity	13 326 384	10 960 360

CONDENCED CASHFLOW STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Items	Period from 01.01.2008 to 30.09.2008	Period from 01.01.2007 to 30.09.2007
Net cash flow from operating activities	1 759 493	(6 109 324)
Net cash flow from investing activities	(471 549)	1 121 765
Net cash flow from financing activities	(1 189 737)	1 159 104
Total net cash flow	98 207	(3 828 455)
Cash and cash equivalents at the beginning of the period	9 001 426	13 850 691
Cash and cash equivalents at the end of the period	9 099 633	10 022 236
Cash and cash equivalents, of which:	9 099 633	10 022 236
Cash in hand	1 717 823	1 343 734
Amounts due from the Central Bank	3 605 917	2 970 821
Current receivables from financial institutions	3 771 426	5 699 123
Cash of the a brokerage house, Dom Maklerski, in the Stock Exchange Guarantee Fund	4 467	8 558

OFF-BALANCE SHEET ITEMS OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Items	As at 30.09.2008	As at 31.12.2007
Off-balance sheet contingent liabilities granted:	22 621 367	19 659 505
financial	17 548 456	15 442 749
guarantees	5 072 911	4 216 756
Liabilities arising from the purchase/sale transactions	421 762 099	418 738 219
Other, of which:	11 233 250	13 386 552
irrevocable liabilities	7 685 910	8 856 029
collateral received	3 547 340	4 530 523
Total off-balance sheet items	455 616 716	451 784 276

EXPLANATORY NOTES

NET INTEREST INCOME OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Note 1	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Interest income, of which:	2 219 238	6 216 064	1 603 074	4 485 037
Loans and advances to customers	1 891 938	5 211 312	1 275 037	3 418 460
Financial assets designated at fair value through profit or loss	92 535	324 189	127 274	424 036
Amounts due from other banks	105 968	313 294	114 196	388 185
Investment securities	88 200	247 715	60 699	184 932
Trading securities	13 935	45 767	6 177	17 418
Other	26 662	73 787	19 691	52 006
Interest expenses, of which:	(665 901)	(1 819 246)	(429 052)	(1 257 465)
Amounts due to customers	(607 801)	(1 658 108)	(401 533)	(1 141 441)
Placements with other banks	(27 034)	(72 038)	(20 713)	(76 086)
Debt securities in issue	(30 510)	(84 287)	-	-
Other	(556)	(4 813)	(6 806)	(39 938)
Net interest income	1 553 337	4 396 818	1 174 022	3 227 572

NET FEE AND COMMISSION INCOME OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Note 2	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Fee and commission income, of which:	709 537	2 086 124	679 128	1 946 404
Credit related fees and commissions	82 387	230 282	66 497	192 706
Maintenance of bank accounts	195 724	585 440	186 890	559 623
Payment cards	217 648	617 675	179 718	499 369
Portfolio and other management fees	35 978	131 937	74 054	180 102
Cash transactions	45 881	142 832	50 223	154 206
Loan insurance intermediary and other	131 919	377 958	121 746	360 398
Fee and commission expenses, of which:	(169 231)	(502 452)	(169 281)	(473 176)
Payment cards	(88 983)	(252 761)	(73 306)	(204 346)
Acquisition services	(32 861)	(98 208)	(31 227)	(94 098)
Loan insurance intermediary and other	(47 387)	(151 483)	(64 748)	(174 732)
Net fee and commission income	540 306	1 583 672	509 847	1 473 228

RESULT ON THE FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Note 3	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Result from the trading portfolio	(37 217)	(45 896)	(56 819)	154 159
Financial assets held for trading	(387)	(7 734)	(1 629)	(5 054)
Derivatives	(36 829)	(38 202)	(55 191)	159 220
Other	(1)	40	1	(7)
Result from financial assets and liabilities designated at fair value through profit or loss	7 456	(44 772)	(17 531)	(209 172)
TOTAL	(29 761)	(90 668)	(74 350)	(55 013)

OTHER OPERATING INCOME AND EXPENSES OF
THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA

Note 4	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Other operating income, of which:	48 908	123 814	30 496	92 644
Sundry income	7 224	18 094	8 816	21 624
Sale of shares in subsidiaries	-	3 746	-	-
Sale, liquidation of tangible and intangible assets	262	4 744	4 220	7 288
Other	41 422	97 230	17 460	63 732
Other operating expenses, of which:	(27 018)	(66 327)	(19 965)	(66 027)
Sale, liquidation of tangible fixed assets, intangible assets and assets held for sale	(1 608)	(3 549)	(1 678)	(10 072)
Other	(25 410)	(62 778)	(18 287)	(55 955)
Total	21 890	57 487	10 531	26 617

ADMINISTRATIVE EXPENSES OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Note 5	3rd quarter period from 01.07.2008 to 30.09.2008	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	3rd quarter period from 01.07.2007 to 30.09.2007	3rd quarter cumulatively period from 01.01.2007 to 30.09.2007
Staff costs	(547 128)	(1 629 386)	(533 058)	(1 516 436)
Non-personnel costs	(327 525)	(907 982)	(262 377)	(802 696)
Depreciation and amortisation	(91 945)	(266 569)	(83 522)	(239 341)
Other	(16 983)	(51 097)	(17 878)	(51 824)
Total	(983 581)	(2 855 034)	(896 835)	(2 610 297)

3. COMMENTARY ON THE CONDENSED FINANCIAL STATEMENTS

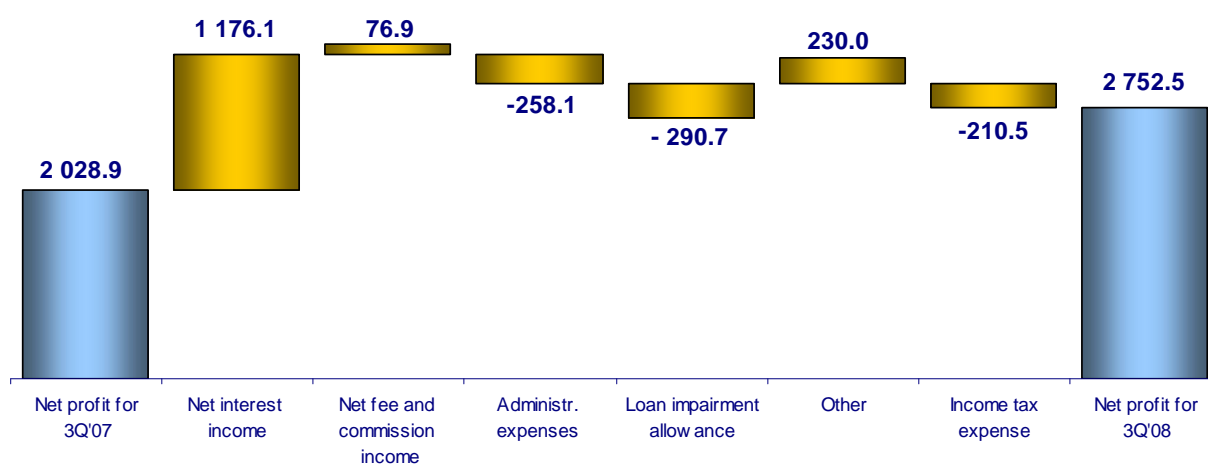
3.1 FINANCIAL RESULTS

3.1.1 The PKO BP SA Group

Financial results and profitability ratios

The consolidated net profit of the PKO BP SA Group (the 'Group') in the 3rd quarter of 2008 amounted to PLN 904.2 million and was PLN 158.9 million higher than in the 3rd quarter of 2007.

Chart 1. Movements in income statement items of the PKO BP SA Group (in PLN million)



The costs to income ratio (C/I), after the 3rd quarter of 2008, amounted to 44.1% and was 7.01 pp. lower than in the corresponding period of 2007. Return on assets and return on equity ratios are presented in the table below:

Table 1. The main financial indicators of the PKO BP SA Group

Ratios			
Items	As at 30.09.2008	As at 30.09.2007	Change
ROA gross (gross profit / average total assets)	3.9%	3.2%	0.77 pp.
ROA net (net profit / average total assets)	3.1%	2.5%	0.6 pp.
ROE gross (gross profit / average total equity)	36.6%	31.3%	5.28 pp.
ROE net (net profit / average total equity)	29.3%	25.2%	4.08 pp.
C/I (costs to income ratio)	44.1%	51.1%	-7.01 pp.

In the 3rd quarter of 2008 the total of consolidated income items amounted to PLN 2 412.8 million and was PLN 493.0 million (i.e. 25.7%) higher than in the 3rd quarter of 2007. The increase in income was mostly caused by an increase in net interest income, foreign exchange result and increase in net income from financial instruments designated at fair value (by PLN 382.8 million, PLN 53.4 million and PLN 40.5 million respectively).

The main consolidated income statement items are as follows:

Table 2. Movements in the profit and loss account items of the PKO BP SA Group (in PLN million)

Income statement items	3rd quarter period from 01.07.2008 to 30.09.2008	Change (3rd q 08/ 3rd q 07)	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	Change (3rd q 08/ 3rd q 07)	Comment
Net interest income	1 591.6	31.7% ↑	4 506.1	35.3% ↑	(+) 35.3% (y/y) mainly as a result of increase in deposit margins as a result of increased market interest rates and increase in the volume of the net loan portfolio.
Net fee and commission income	594.2	-0.6% ↑	1 766.4	4.6% ↑	(+) 4.6% (y/y) mainly as a result of increases in the number of payment cards (by 3.1% y/y) and related card transactions and growth of fee and commission income related to loan portfolio along with a decrease in fee and commission income related to portfolio and other management fees.
Other net income	226.9	2x ↑	661.1	44.3% ↑	(+) 44.3% (y/y) as a result of: 1) increase of foreign exchange result by PLN 172 million (44.2% y/y) - the effect of increased spreads between PLN interest rate and foreign interests rates and the effect of an increase in sales of loans denominated in foreign currencies, along with a decrease in net income from financial activities deriving from increased risk aversion on financial markets, 2) increase of net other operating income and expenses realized mainly by eService SA, PKO Inwestycje Group, BFL SA and IFS SA.
Administrative expenses	-1 046.7	8.2% ↓	-3 056.6	9.2% ↓	Increase of 9.2% (y/y) and C/I at the level of 44.1% (-7.01 pp. y/y) as a result of: 1) increase in staff costs by 8.3% (y/y) - along with employment reduction of 887 full time equivalents (y/y) at the Group, 2) increase in non-personnel expense of 11.1% (y/y), along with profitability increase of 26.6% y/y.
Impairment allowance	-251.3	10x ↓	-428.0	3.1x ↓	More than a threefold increase (y/y) resulting from the continuing trend in consumer loans and increase in impairment allowance on corporate loans.

Balance sheet and off-balance sheet items

Table 3. Movements in the balance sheet items of the PKO BP SA Group (in PLN thousand)

BALANCE SHEET OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI S.A. GROUP			
Items	As at 30.09.2008	Change 30.09.2008/ 31.12.2007	Comments
Cash and balances with Central Bank	5 419 790	15.7%	
Amounts due from banks	4 774 362	-9.3%	
Loans and advances to customers	91 272 581	19.4%	
Securities	13 129 700	-13.8%	
Other assets	7 506 492	8.1%	
Total assets	122 102 925	12.5%	
Amount due to banks	6 170 226	31.2%	
Amounts due to customers	95 224 671	10.0%	
Securities in issue and subordinated liabilities	1 957 055	9.1%	
Other liabilities	5 119 983	47.1%	
Total liabilities	108 471 935	12.3%	
Total equity	13 630 990	13.8%	
Total liabilities and equity	122 102 925	12.5%	
Loans/Deposits (Amounts due to customers)	95.8%	7.6 pp.	(+) 7.6 pp. along with increase in loans by 19.4% (3Q'08/2007) and increase in deposits by 10.0% (3Q'08/2007).
Interest bearing assets/Assets	89.4%	0.1 pp.	Ratio remained at a stable level.
Interest paying liabilities/Liabilities	84.6%	-1.1 pp.	Result of increase in proportion of other liabilities in the total balance of liabilities.

As at September 30, 2008, the total of off-balance sheet items of the PKO BP SA Group amounted to PLN 460.2 billion and increased by 0.9%, compared to December 31, 2007. The main share in that balance related to liabilities resulting from sale/purchase transactions, which equaled PLN 421.7 billion.

3.1.2 PKO BP SA

Financial result and profitability ratios

The net profit recorded by PKO BP SA (the 'Bank') in the 3rd quarter of 2008 amounted to PLN 856.7 million and was PLN 178.8 million higher than in the 3rd quarter of 2007.

Chart 2. Movements in the profit and loss account items of the PKO BP SA (in PLN million)

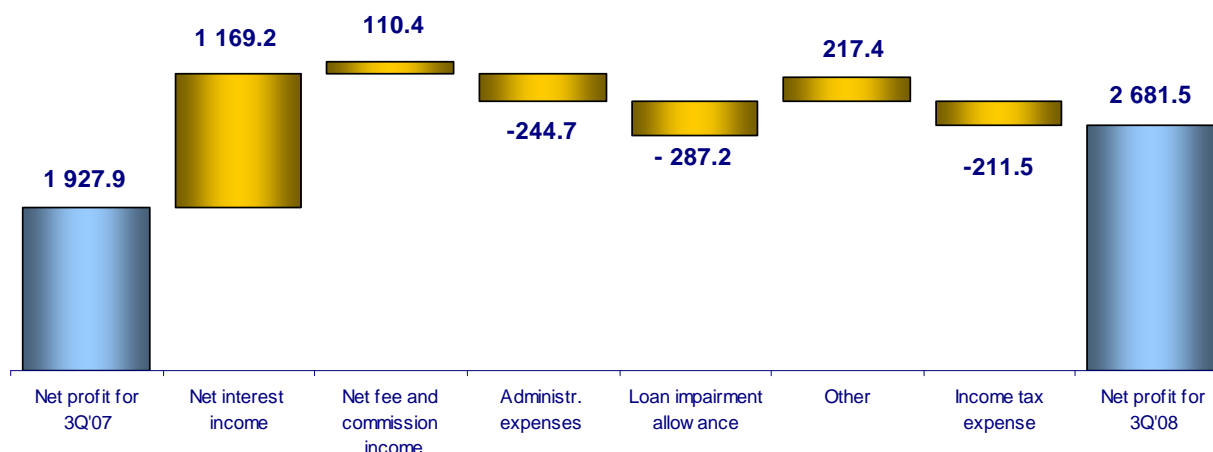


Table 4. The main financial indicators of the PKO BP SA

Ratios			
Items	As at 30.09.2008	As at 30.09.2007	Change
ROA gross (gross profit / average total assets)	3.8%	3.0%	0.8 pp.
ROA net (net profit / average total assets)	3.1%	2.5%	0.62 pp.
ROE gross (gross profit / average total equity)	35.3%	29.7%	5.62 pp.
ROE net (net profit / average total equity)	28.6%	24.3%	4.29 pp.
C/I (costs to income ratio)	43.2%	51.1%	-7.86 pp.

Table 5. Movements in the profit and loss account items of the PKO BP SA

Income statement items	3rd quarter period from 01.07.2008 to 30.09.2008	Change (3rd q 08/ 3rd q 07)	3rd quarter cumulatively period from 01.01.2008 to 30.09.2008	Change cumulatively (3rd q 08/ 3rd q 07)	Comment
Net interest income	1 553.3	32.3% ↑	4 396.8	36.2% ↑	(+) 36,2% (y/y) mainly as a result of increase in deposit margins as a result of increased market interest rates and increase in the volume of the net loan portfolio.
Net fee and commission income	540.3	6.0% ↑	1 583.7	7.5% ↑	(+) 7,5% (y/y) mainly as a result of increases in the number of payment cards (by 3,1% y/y) and related card transactions and fee and commission income relating to loan portfolio; along with decrease in fee and commission income related to portfolio and other management fees.
Other net income	176.5	2,4x ↑	628.7	52,8% ↑	(+) 52,8% as a result of: 1) higher by PLN 60.8 million dividend income, 2) increase of foreign exchange result by 43.4% (y/y) - the effect of increased spreads between PLN interest rate and foreign interests rates and the effect of an increase in sales of loans denominated in foreign currencies, along with decrease in net income from financial activities deriving from an increase of risk aversion on financial markets,
Administrative expenses	-983.6	9.7% ↓	-2 855.0	9.4% ↓	9.4% (y/y) increase and C/I at the level of 43.2% (-7.86 pp. y/y) together with: 1) staff costs increase of 7.4% and employment reduction of 1292 full time equivalents (y/y), 2) increase in non-personnel costs of 13.1% (y/y), i.a. as a result of increase in advertising and promotional costs along with an increase in income positions of 29.3% (y/y)
Loan impairment allowance	-234.9	11.2x ↓	-419.5	3.2x ↓	More than a threefold increase (y/y) resulting from the continuing trend in consumer loans and increase in impairment allowance on corporate loans.

3.2 BUSINESS DEVELOPMENT²

3.2.1 Segmentation of the activities of the PKO BP SA Group

The primary basis of the PKO BP SA Group reporting scheme is business segments. A business segment comprises delivery of products and services with similar business risk and profitability which are different than those of other business segments. As supplementary financial information, the PKO BP SA Group presents geographical segmentation which provides information about products or services delivered in a specific economic environment. These products or services are analysed separately because their risk and return on investment differ from those of segments operating in different economic environments.

The PKO BP SA Group typically settles inter-segment transactions as if they were concluded between unrelated parties, using internal settlement rates. The internal transfer of funds between the PKO BP SA Group entities is settled using transfer rates based on market interest rates. Transactions between business segments are carried out at arm's length basis.

The valuation of assets and liabilities as well as income and costs of business segments are based on the Group's internal management information. Assets and liabilities as well as income and costs related to specific segments have been allocated to them.

Business segments

Business segments have been distinguished basing on client group and product. This way of distinguishing segments is coherent with the management model of the PKO BP SA Group. Segmentation by business is as follows:

1. The retail segment comprises transactions of the parent entity with retail clients, small and medium-sized enterprises, mortgage market clients and operations of the following subsidiaries: KREDOBANK SA, the Powszechne Towarzystwo Emerytalne BANKOWY SA Group, PKO Towarzystwo Funduszy Inwestycyjnych SA, Inteligo Financial Services SA, Centrum Elektronicznych Usług Płatniczych eService SA and PKO Inwestycje Sp. z.o.o. Group,

This segment includes, i.a. the following products and services: current accounts, saving accounts, fixed-term deposit accounts, private-banking services, investment products, credit and debit cards, consumer and mortgage loans as well as loans for small and medium-sized enterprises and mortgage market clients.

2. The corporate segment includes transactions of the parent entity made with large corporate clients and operations of the Bankowy Fundusz Leasingowy SA Group.

This segment includes, i.a. the following products and services: current, saving and fixed-term deposit accounts, safekeeping of securities, currency and derivative products, sell-buy-back and buy-sell-back transactions, loans and leasing. This segment also includes financing large investment projects, either by the Group or in a consortium with other Banks.

3. The investment segment comprises investing and brokerage activities, inter-bank transactions, derivative instruments and debt securities transactions and BTK SA and PKO Finance AB activities.

Assets and liabilities of a given segment represent operating assets and liabilities used by the segment in its operating activities. Costs of a given segment comprise costs which can be directly attributed to the segment as well as costs based on rational allocation.

The tables below present data relating to revenue and results of individual industry segments of the PKO BP SA Group for the 9-month period ended 30 September 2008 and 30 September 2007, and selected assets and liabilities as at 30 September 2008 and 31 December 2007.

In January 2008, the PKO BP SA Group changed the method of business segment result calculation, as well as the manner and scope of business segment separation, i.e. the main criterion is based on clients' group. As a result, the mortgage segment, which consists mainly of mortgage loans, is currently reported as a part of the retail segment. The financial data for the year 2007 was respectively restated for comparability purposes.

² In this document, any differences in totals, percentages and ratios of changes are due to rounding of amounts to full million and rounding of percentages to one decimal place.

Geographical segments

The PKO BP SA Group conducts its business in Ukraine – through KREDOBANK SA and Ukrpolinwestycje Sp. z o.o. The results of these activities are relatively small compared to the total results of the PKO BP SA Group.

Table 6. Business segments of the PKO BP SA Group (in PLN million)

Continued activities				
Period from 01.01.2008 to 30.09.2008	Retail segment	Corporate segment	Investment segment	All activities of PKO BP SA Group
Net interest income	4 059.5	283.2	163.3	4 506.1
Net fee and commission income	1 581.2	116.0	69.2	1 766.4
Other net income	556.9	121.2	(17.0)	661.1
Result from financial operations	0.4	11.4	(104.0)	(92.2)
Foreign exchange result	374.7	106.2	80.3	561.2
Dividend income	-	-	3.9	3.9
Net other operating income	162.3	23.1	2.8	188.2
Income/expenses related to internal clients	19.5	(19.5)	-	-
Net loan impairment allowance	(360.9)	(130.8)	63.7	(428.0)
Administrative expenses, of which:	(2 784.3)	(197.6)	(74.7)	(3 056.6)
Depreciation and amortisation	(282.7)	(25.8)	(6.0)	(314.5)
Results of subsidiaries	-	-	-	19.3
Gross segment profit	3 052.3	192.1	204.5	3 468.2
Income tax expense				(696.0)
Minority interest				(19.7)
Net profit	3 052.3	192.1	204.5	2 752.5

Balance sheet items as at 30.09.2008	Retail segment	Corporate segment	Investment segment	All activities of PKO BP SA Group
Assets	78 285.9	28 871.8	14 945.3	122 102.9
investments in subsidiaries, associates and jointly controlled entities	-	-	-	252.0
Liabilities	82 074.5	20 170.2	6 227.3	108 471.9

Table 7. Business segments of the PKO BP SA Group (in PLN million)

Continued activities				
Period from 01.01.2007 to 30.09.2007	Retail segment	Corporate segment	Investment segment	All activities of PKO BP SA Group
Net interest income	2 946.6	191.9	191.5	3 330.0
Net fee and commission income	1 498.2	98.7	92.6	1 689.5
Other net income	345.5	51.5	61.0	458.0
Result from financial operations	5.6	3.5	(55.6)	(46.5)
Foreign exchange result	223.2	53.0	113.0	389.2
Dividend income	-	-	3.3	3.3
Net other operating income	99.2	12.5	0.3	112.0
Income/expenses related to internal clients	17.5	(17.5)	-	-
Net loan impairment allowance	(229.6)	82.7	9.6	(137.3)
Administrative expenses, of which:	(2 644.4)	(124.2)	(30.0)	(2 798.5)
Depreciation and amortisation	(266.1)	(15.4)	(2.9)	(284.4)
Results of subsidiaries	-	-	-	0.9
Gross segment profit	1 916.3	300.6	325.7	2 542.6
Income tax expense	-	-	-	(485.5)
Minority interest	-	-	-	(28.3)
Net profit	1 916.3	300.6	325.7	2 028.9

Balance sheet items as at 31.12.2007	Retail segment	Corporate segment	Investment segment	All activities of PKO BP SA Group
Assets	66 056.8	21 998.0	20 482.7	108 537.6
investments in subsidiaries, associates and jointly controlled entities	-	-	-	178.6
Liabilities	74 960.4	15 401.6	6 196.6	96 558.6

Table 8. Geographical segments of the PKO BP SA Group (in PLN million)

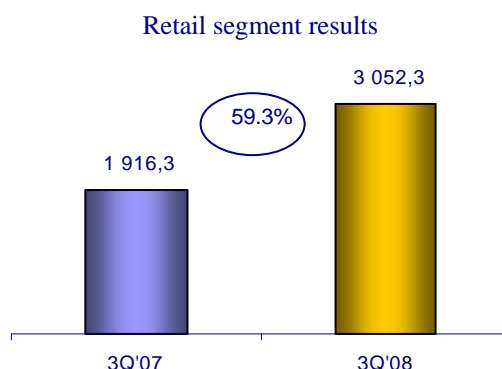
Continued activities			
Period from 01.01.2008 to 30.09.2008	Poland	Ukraine	All activities of PKO BP SA Group
Net interest income	4 411.0	95.0	4 506.1
Net fee and commission income	1 732.0	34.5	1 766.4
Other net income	673.7	(12.6)	661.1
Administrative expenses	(2 970.6)	(86.0)	(3 056.6)
Net loan impairment allowances	(410.4)	(17.7)	(428.0)
Gross segment profit	3 455.0	13.2	3 468.2
Net profit	2 741.1	11.4	2 752.5
Segment assets - as at 30.09.2008	119 773.6	2 329.4	122 102.9
Segment liabilities - as at 30.09.2008	106 732.1	1 739.9	108 471.9

Table 9. Geographical segments of the PKO BP SA Group (in PLN million)

Continued activities			
Period from 01.01.2007 to 30.09.2007	Poland	Ukraine	All activities of PKO BP SA Group
Net interest income	3 249.2	80.8	3 330.0
Net fee and commission income	1 659.8	29.7	1 689.5
Other net income	468.7	(10.7)	458.0
Administrative expenses	(2 727.3)	(71.2)	(2 798.5)
Net loan impairment allowance	(126.6)	(10.6)	(137.3)
Gross segment result	2 524.7	17.9	2 542.6
Net profit	2 015.5	13.4	2 028.9
Segment assets - as at 31.12.2007	106 566.5	1 971.1	108 537.6
Segment liabilities - as at 31.12.2007	94 808.5	1 750.1	96 558.6

3.2.2 Retail segment

The result of the retail segment increased by PLN 1 136.0 million, i.e. 59.3% (y/y). The increase of the segment's result was mainly determined by an increase of net interest income (by 37.8% y/y) due to an increase in deposit margins resulting from an increase in market interest rates and increase in the gross³ loan portfolio by 25.8% (y/y).



3.2.2.1 Activities of the PKO BP SA in the retail segment

As at September 30, 2008, the total value of deposits of the retail segment of the PKO BP SA and assets managed by PKO TFI was PLN 86.3 billion. Since the beginning of the year, volume decreased by PLN 1.4 billion (i.e. 1.6%) as a result of a depressed stock exchange (decrease of volume of the assets managed by PKO TFI by 34.8% since the beginning of the year, along with an increase in deposit volumes by 6.3% since the beginning of the year).

Table 10. Deposits of the PKO BP SA and assets managed by PKO TFI (in PLN million)⁴

Items	As at	As at	As at	Change since:	
	30.09.2008	31.12.2007	30.09.2007	31.12.2007	30.09.2007
Client deposits, of which:					
- retail and private banking	57 943	53 702	53 749	7.9%	7.8%
- small and medium enterprises	6 998	6 949	6 014	0.7%	16.4%
- housing	10 447	10 277	10 505	1.6%	-0.6%
Total deposits	75 388	70 928	70 268	6.3%	7.3%
Assets under PKO TFI's management	10 883	16 685	16 341	-34.8%	-33.4%
Total clients' savings	86 271	87 614	86 609	-1.5%	-0.4%

Source: Bank's Management information and data of PKO TFI

As at 30 September 2008, the gross value of loans and advances to the retail segment of PKO BP SA was PLN 66.9 billion and this was an increase by PLN 8.9 billion (i.e. 15.3%) since the beginning of the year.

Table 11. Gross loans and advances* of PKO BP SA (in PLN million)

Items	As at	As at	As at	Change since:	
	30.09.2008	31.12.2007**	30.09.2007**	31.12.2007	30.09.2007
Gross loans and advances*, of which:					
- retail and private banking	17 956	16 406	15 550	9.4%	15.5%
- small and medium enterprises	8 551	6 904	6 317	23.9%	35.4%
- mortgage banking	34 836	30 284	28 845	15.0%	20.8%
- housing market (including supported by state budget)	5 606	4 465	4 017	25.5%	39.5%
Total	66 949	58 059	54 728	15.3%	22.3%

* without interest due and interest not due

** data for the year 2007 restated for comparative purposes

Source: Bank's Management information.

Table 12. Accounts and banking cards of PKO BP SA (in thousands of units)

Items	As at	As at	As at	Change since:	
	30.09.2008	31.12.2007	30.09.2007	31.12.2007	30.09.2007
Total number of accounts, of which:	6 321	6 207	6 176	114	145
- current and savings accounts	5 635	5 548	5 533	87	101
- Inteligo current accounts	686	659	643	27	44
Total number of banking cards, of which:	7 467	7 296	7 244	171	222
- credit cards	1 051	1 010	1 002	42	49

³ According to Bank's Management information.

⁴ In the year of 2007 resegmentation of corporate deposits took place where a portion of corporate deposits was moved to small and medium enterprises category. The shift did not have a significant impact on the data presented.

Table 13. Branches and ATMs of the PKO BP SA

Items	As at	As at	As at	Change since:	
	30.09.2008	31.12.2007	30.09.2007	31.12.2007	30.09.2007
Total number of branches	1 218	1 233	1 233	(15)	(15)
- Retail Market Area:	1 150	1 150	1 150	-	-
Regional Retail Branches	12	12	12	-	-
independent branches	541	574	574	(33)	(33)
subordinated branches	597	564	564	33	33
Number of ATM's	2 287	2 106	2 091	181	196

Table 14. New products of the PKO BP SA in the retail segment in the 3rd quarter of 2008.

Product	Product's characteristics
Investment Strategy "Spectrum"	From 1 to 14 August 2008, the Bank offered an investment strategy called "Spectrum" addressed to private banking clients. It offered a 2-year structured bond denominated in PLN based on the BNP Paribas SPECTRUM Long / Short Style Excess Return Index, aiming at market neutral investment strategy (i.e. enabling to benefit from both increases and decreases on the market). The bonds were issued by the BNP Paribas Bank. The minimum investment amount was set on the level of PLN 250 000.
2-year Agriculture Bonds	From 10 to 30 September 2008, the Bank offered 2-year agriculture bonds issued by Barclays Bank PLC with a minimum subscription of PLN 20 000. The issuer guarantees payment of 100% of initial capital provided the bonds are held to their scheduled maturity. The bond is based on three agriculture products indices: S&P GSCI Soybeans Index Excess Return, S&P GSCI Sugar Index Excess Return and S&P GSCI Wheat Index Excess Return. If the value of all three indices, at the end of the investment, exceeds their value at the issue date, the bonds will generate a 20% profit.
"Progresja" Term Deposit	From 22 September to 31 December, the Bank offers a 18-month Term Deposit called 'Lokata Progresja', that allows for cash withdrawals without losing accrued interest (the accrued interest depends on the saving period). The interest rate is fixed at 7% annually. For the 18-month period the interest rate will amount to 10.5%. The minimum amount of the term deposit is PLN 5 000. There is no possibility to roll the deposit over to the next period after the 18 months.
Term Deposit 9, 12, 15	From 22 September to 31 December, the Bank offers 9-, 12-, 15-month term deposits with a fixed interest rate. The interest rate depends on the saving period, for a 9-month period it amounts to 5% annually, for 12-month to 5.50% annually and for 15-month accounts for 6.00% annually. The minimum amount of the deposit is PLN 5 000.
Standard term deposits	Since 25 September 2008, the Bank has increased the interest rate for standard term deposits and certain saving accounts by 1.0 p.p. (ranging from 0.8 p.p. for 1-month deposits to 1.05 p.p. for 12-month deposits).
Sales Package Rating	Since 1 September 2008, the Bank has offered a new leasing product called 'Sales Package Rating', which comprises an element of cooperation between the Bank and Bankowy Fundusz Leasingowy.

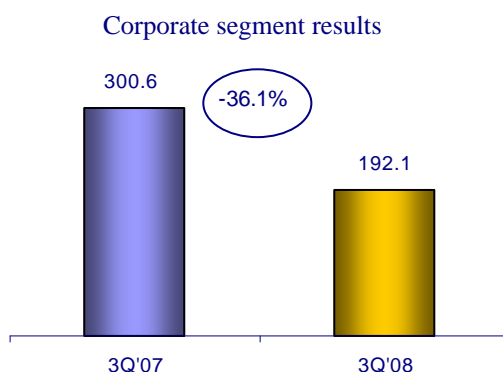
3.2.2.2 Activities of the PKO BP SA Group's entities in the retail segment

Table 15. Activities and achievements of the PKO BP SA Group's entities in the retail segment in the 3rd quarter of 2008

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2008
PKO Towarzystwo Funduszy Inwestycyjnych SA	<p>1. The value of the funds' assets managed by PKO Towarzystwo Funduszy Inwestycyjnych SA amounted to PLN 10.88 billion at the end of the 3rd quarter of 2008, which is a decrease of 10.0% as compared to the end of the 2nd quarter of 2008. The decrease in value of the funds' assets is a result of the overall deterioration on the Polish and international capital markets.</p> <p>2. PKO TFI SA has a 12.45% share in the investment funds market (share increase by 0.8 pp. y/y), which is the third largest market share.</p>
KREDOBANK SA	<p>1. Total assets of KREDOBANK SA in the 3rd quarter decreased by PLN 19.8 million, i.e. 0.8% and as at 30 September 2008 amounted to PLN 2 329.4 million (UAH 4 984.7 million).</p> <p>2. The Bank's loan portfolio (gross) in the 3rd quarter increased by PLN 28.7 million, i.e. 1.6% and as at 30 September 2008 amounted to PLN 1 882.6 million (UAH 4 028.6 million).</p> <p>3. Clients' term deposits in the 3rd quarter decreased by PLN 13.1 million, i.e. 1.1% and as at 30 September 2008 amounted to PLN 1 159.3 million (UAH 2 481.0 million).</p> <p>4. At the end of 30 September 2008, the outlets network of KREDOBANK SA consisted of 27 branches and 154 subordinated branches in 22 out of 24 Ukrainian districts and in the Independent Republic of the Crimea. During the 3rd quarter, the network increased by 1 department and decreased by 2 branches.</p> <p>5. In the 3rd quarter of 2008 KREDOBANK SA received from PKO BP SA a subordinated loan in the amount of USD 6 million.</p> <p>6. On 18 September 2008, the General Meeting of shareholders approved a share issue amounting to UAH 130.82 million. The Management Board of PKO BP SA passed a resolution to participate in the issue up to USD 27 million.</p> <p>The financial information of KREDOBANK SA as at 30 September 2008 was recalculated according to the average NBP exchange rate prevailing as at September 30 2008 (1UAH = PLN 0.4673).</p>
Powszechne Towarzystwo Emerytalne BANKOWY SA	<p>1. At the end of the 3rd quarter of 2008, the value of assets of Bankowy OFE, under PTE BANKOWY management amounted to PLN 4 123 million, which is an increase of PLN 52.6 million as compared to the end of the 2nd quarter of 2008.</p> <p>2. At the end of September of 2008, the position of the Bankowy OFE in the pension fund market remained unchanged (8th position in respect of OFEs' net assets value and 9th position in respect of the number of active member accounts).</p>
Inteligo Financial Services SA	<p>1. At the end of the 3rd quarter of 2008, the Company enabled access to electronic bank systems for 2.45 million of PKO BP SA customers using iPKO services.</p> <p>2. Within the Inteligo account offer, the Company serviced over 605 thousand clients. The number of customers having Inteligo accounts increased in the 3rd quarter by 8 thousand.</p> <p>3. At the end of September of the current year, Inteligo customers' deposits amounted to PLN 2.25 billion and increased by PLN 52 million as compared to the end of June 2008.</p>
Centrum Elektronicznych Usług Płatniczych eService SA	<p>1. In the 3rd quarter of 2008, transactions with a total value of PLN 4.661 billion were generated in the use of eService SA terminals.</p> <p>2. In terms of value of card transactions (including cash withdrawals), the Company's market share amounted to approximately 28.5% at the end of September of the current year (as estimated by the Company).</p> <p>3. The number of terminals installed at the end of the 3rd quarter amounted to 50 602 units, which constitutes a 3.1% increase as compared to the end of the 2nd quarter 2008.</p> <p>4. In terms of installed terminals, company's market share amounted to 29% (as estimated by the Company).</p>
PKO Inwestycje Sp. z o.o.	<p>1. In the 3rd quarter of 2008, PKO Inwestycje Sp. z o.o., with the use of SPV, continued implementation of investment projects, including:</p> <ul style="list-style-type: none"> - the 'Nowy Wilanów' project in Warsaw through the company Wilanów Investments Sp. z o.o., - the 'Neptun Park' project in Gdansk Jelitkowo through the company POMERANKA Sp. z o.o., - the 'Kuzminska' project in Kiev in Ukraine through the company UKRPOLINWESTYCJE Sp. z o.o., - the 'Osiedle Jantar' project in Miedzzyzdroje through the company PKO Inwestycje – Międzyzdroje Sp. z o.o., - the 'Osiedle Siemieńskiego' project in Rzeszów through the company WISŁOK Inwestycje Sp. z o.o., - the 'Osiedle Bąkowo' project near Gdansk through the company Baltic Dom 2 Sp. z o.o. <p>2. The company Fort Mokotów Sp. z o.o. continued warranty services for the completed project 'Marina Mokotów'.</p>

3.2.3. CORPORATE SEGMENT

The result of the corporate segment decreased by PLN 108.5 million, i.e. 36.1% (y/y). The changes were determined by a significant increase in the impairment allowance on corporate loans.



3.2.3.1 Activities of the PKO BP SA in the corporate segment

Table 16. Gross loans and advances* and deposits of PKO BP SA (in PLN million)⁴

Items	As at	As at	As at	Change since:	
	30.09.2008	31.12.2007	30.09.2007	31.12.2007	30.09.2007
Gross corporate loans*)	22 407	17 965	16 297	24.7%	37.5%
Corporate deposits	17 160	13 526	13 105	26.9%	30.9%

Source: Bank's Management information.

Table 17. Branches and ATM's of PKO BP SA

Items	As at	As at	As at	Change since:	
	30.09.2008	31.12.2007	30.09.2007	31.12.2007	30.09.2007
Total number of branches	1 218	1 233	1 233	(15)	(15)
- Corporate Market Area:	68	83	83	(15)	(15)
Regional Corporate Branches	13	13	13	-	-
Corporate Centers	55	70	70	(15)	(15)
Number of ATM's	2 287	2 106	2 091	181	196

Table 18. Activities and achievements of PKO BP SA in the corporate segment in the 3rd quarter of 2008

Scope of activity	Activity
Loan activity	The Bank organized 4 consortium loans in the amount of PLN 238.9 million (the Bank's share) and 6 bilateral loans, which amounted in total to PLN 363.3 million.
Issue of non-treasury debt securities	The Bank signed 20 contracts for the issue of municipal debt securities in the total amount of PLN 154.3 million and a contract for the issue of corporate debt securities with underwriting the issue in the amount of PLN 50 million.
Cooperation with banks and financial institutions	The Bank signed 2 general agreements and 3 appendices to previously signed general agreements for transactions with domestic financial institutions involving debt securities transactions.

International cooperation

PKO BP SA activities related do international cooperation:

- On July 25th in Warsaw and on July 31st in Paris, the Bank has signed an agreement with Council of Europe Development Bank. PKO BP SA has received an open credit line of EUR 100 million which will be used for financing of small and medium enterprises.
- The Bank has signed a USD 6 million loan agreement with direct subsidiary entity – KREDOBANK SA – the transaction has been concluded on arm's length basis
- The Bank has signed an ISDA contract with a foreign bank.

Other important events include:

- Signing two agreements with National Westminster Bank PLC, extending the cooperation with NatWest to 28.02.2009.
- Confirmation received by FSA of receiving PKO's note on intention to open a branch of the Bank in Great Britain. The branch will be allowed to operate as soon as it becomes eligible under the British Law. The list of eligibility requirements is being prepared by the FSA.

3.2.3.2 Activities of the PKO BP SA Group entities in the corporate segment

Table 19. Activities and achievements of the PKO BP SA Group entities in the corporate segment

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2008
Bankowy Fundusz Leasingowy SA	<p>1. In the 3rd quarter of 2008, the BFL SA Group's entities leased out a total net value of assets amounting to PLN 287.0 million.</p> <p>2. The total carrying amount of the lease investments of the BFL SA Group's entities amounted to PLN 2 064 million at the end of the 3rd quarter of 2008 and increased by 10.0% as compared to the end of June 2008.</p>

3.2.4. INVESTMENT SEGMENT

3.2.4.1 Activities of PKO BP SA in the investment segment

The 3rd quarter of 2008 was characterized by increased volatility on financial markets which suffered from loss of trust and credibility. In fear of poor financial standing of their counterparties, banks tended to withheld from interbank loan market. Rescue plans undertaken by leading Central Banks did not comfort investors who began to sell out their assets.

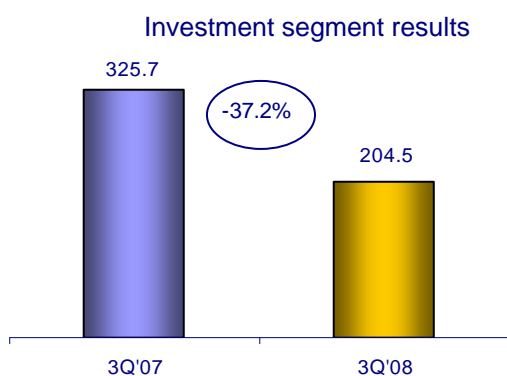


Table 20. Activities and achievements of PKO BP SA in the investment segment in the 3rd quarter of 2008

	Investment activity	Activity
Treasury activities	risk management	In response to the recent turbulence on the financial market the Bank increased its deposit base. The Bank held the attained funds on current accounts and invested them in liquid short-term securities. Bank strictly monitored the situation in the area of sales of loans denominated in CHF. Due to the increased volatility of financial markets the Bank took actions aiming at reducing the exposure to counterparty credit risk. Therefore, more conservative approach was implemented towards the sale of products of increased risk to non-banking clients. Changes in this approach embraced more conservative attitude towards risk generated by those transactions.
Brokerage activities	primary market	Within the primary market in the 3rd quarter the Bank finalized a subscription of the TOPSIDE bonds, whose issuer is Barclays Bank PLC, London.
	NewConnect market	On the NewConnect stock market the Bank executed a turnover of PLN 10.9 million in the third quarter, which represents 5th position on the market. The Bank acts as a market maker on the NewConnect market for 30 clients, i.e. 3 more than at the end of June 2008, being in first position on the market in terms of number of clients serviced.
	derivatives market	In the 3rd quarter of 2008 the Bank executed 180.6 thousand future contracts which was 7.5 thousand units more (4.35%) than in the 2nd quarter of the current year - giving 9th position on the market with a market share of 3.26%.
	options market	In the 3rd quarter of 2008 the Bank's turnover more than doubled, increasing by 17 thousand units to the level of 31.4 thousand. The Bank's market share increased from 11.6% (3rd position) in the second quarter to the level of 16.6% (2nd position) in the third quarter of the current year.
	bond market	In the third quarter of 2008 the Bank's bond turnover reached PLN 280.6 mln, i.e. 24.9% less than in the second quarter. The share of 45.58% of the total market in the third quarter enabled the bank to retain the leading market position.
	stock market	In the third quarter of 2008 the Bank's stock turnover reached PLN 4.7 billion, which was about PLN 1 billion more than in the second quarter of the current year. In the analyzed quarter the Bank retained its 7th position on the stock market with a market share of 6.25%.

3.2.4.2 Activities of the PKO BP SA Group entities in the investment segment

Table 21. Activities of the PKO BP SA Group entities in the investment segment

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2008
Bankowe Towarzystwo Kapitałowe SA	<p>1. On 15 September 2008, having fulfilled the terms of the contract of 10 July 2008, BTK SA sold shares of the FINDER SA company. As at 30 September 2008 the Company did not hold any investments in any other companies in its portfolio.</p> <p>2. On 30 September 2008, the Management Board of the Company passed a resolution to initiate the factoring activity in the PKO BP SA Group through the subsidiary BTK SA.</p>
PKO Finance AB	The Company's activity is to raise funds for PKO BP SA deriving from issue of eurobonds. The Company has not started its statutory activity.

3.2.5. Other areas of activity

Table 22. Other areas of activities of the PKO BP SA Group entities

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2008
Centrum Finansowe Puławska Sp. z o.o.	As at 30 September 2008, the Company rented 100% of the office and commercial space in the managed building Centrum Finansowe Puławska, of which 90.8% was rented by PKO BP SA Group entities.

4. ADDITIONAL INFORMATION

4.1 ACCOUNTING POLICIES APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The accounting policies applied in the 3rd quarter of 2008 do not differ from those applied in prior quarters. These policies were described in detail in the consolidated financial statements of PKO BP SA for the first half of 2008. When preparing the consolidated quarterly report, the Bank applied the following regulations:

1. International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC),
2. International Accounting Standard No. 34 „Interim Financial Reporting”,
3. Decree of the Minister of Finance dated 19 October 2005 on current and periodic information issued by the issuers of securities (Journal of Laws, No. 209, item 1744).

4.2 COMPARATIVE INFORMATION – CHANGES IN PRESENTATION

The following table shows significant changes in the presentation of prior period comparative information compared to that originally published.

Table 23. Financial data of the PKO BP SA Group

INCOME STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP			
	3rd quarter period from 01.01.2007 to 30.09.2007 previously presented	3rd quarter period from 01.01.2007 to 30.09.2007 comparative data	Difference
Interest income	4 730 687	4 711 493	(19 194) ¹⁾
Interest expense	(1 400 680)	(1 381 486)	19 194 ¹⁾
Fee and commission expense	(496 607)	(529 544)	(32 937) ^{1) 3)}
Net income from financial instruments designated at fair value	(56 034)	(50 837)	5 197 ^{1) 2)}
Other operating income	420 957	376 980	(43 977) ^{1) 2) 4)}
Other operating expenses	(243 212)	(265 002)	(21 790) ^{1) 2)}
Administrative expenses	(2 892 046)	(2 798 539)	93 507 ^{3) 4)}

1) Change in presentation of selected income and costs of a brokerage house, Dom Maklerski

2) Change in presentation of selected income and costs related to financial operations

3) Change in presentation of fees related to KIR, BIK and SWiFT services

4) Change in presentation of costs / revenues related to recharging mobile phones

Table 24. Financial data of the PKO BP SA Group – condensed cashflow statement

CONDENCED CASHFLOW STATEMENT OF THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP			
	3rd quarter period from 01.01.2007 to 30.09.2007 previously presented	3rd quarter period from 01.01.2007 to 30.09.2007 comparative data	Difference
Cash and cash equivalents at the end of the period	10 208 869	10 172 370	(36 499) ⁵⁾

5) Change in presentation - netting of selected balance sheet items related to transactions between Bank units.

Table 25. Financial data of the PKO BP SA Group – fee and commission income

FEE AND COMMISSION INCOME OF THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA GROUP			
Note 2	2nd quarter period from 01.01.2008 to 30.06.2008 previously presented	2nd quarter period from 01.01.2008 to 30.06.2008 comparative data	Difference
Fee and commission income, of which:	1 532 053	1 532 053	-
Credit related fees and commissions	123 288	149 975	26 687 ⁶⁾
Maintenance of bank accounts	416 376	402 365	(14 011) ⁶⁾
Payment cards	415 903	403 227	(12 676) ⁶⁾
Portfolio and other management fees	228 916	228 916	-
Cash transactions	96 951	96 951	-
Loan insurance intermediary and other	250 619	250 619	-

6) Change in presentation of fee and commission income related to change of fee and commission income classification.

Table 26. Financial data of the PKO BP SA - income statement

INCOME STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI S.A.			
Items	Period from 01.01.2007 to 30.09.2007 previously presented	Period from 01.01.2007 to 30.09.2007 comparative data	Difference
Interest income	4 504 231	4 485 037	(19 194) ¹⁾
Interest expense	(1 276 659)	(1 257 465)	19 194 ¹⁾
Fee and commission expense	(440 239)	(473 176)	(32 937) ³⁾
Net income from financial instruments designated at fair value	(60 210)	(55 013)	5 197 ²⁾
Other operating income	76 051	92 644	16 593 ²⁾
Other operating expenses	(44 237)	(66 027)	(21 790) ²⁾
Administrative expenses	(2 643 234)	(2 610 297)	32 937 ³⁾

1) Change in presentation of selected income and costs of a brokerage house, Dom Maklerski

2) Change in presentation of selected income and costs related to financial operations

3) Change in presentation of fees related to KIR, BIK and SWIFT services

Table 27. Financial data of the PKO BP SA – condensed cashflow statement

CONDENCED CASHFLOW STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA			
	3rd quarter period from 01.01.2007 to 30.09.2007 previously presented	3rd quarter period from 01.01.2007 to 30.09.2007 comparative data	Difference
Cash and cash equivalents at the end of the period	10 058 735	10 022 236	(36 499)⁴⁾

4) Change in presentation - netting of selected balance sheet items related to transactions between Bank units.

Table 28. Financial data of the PKO BP SA – fee and commission income

FEE AND COMMISSION INCOME OF THE POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA			
Note 2	2nd quarter period from 01.01.2008 to 30.06.2008 previously presented	2nd quarter period from 01.01.2008 to 30.06.2008 comparative data	Difference
Fee and commission income, of which:	1 376 587	1 376 587	-
Credit related fees and commissions	121 208	147 895	26 687 ⁵⁾
Maintenance of bank accounts	403 727	389 716	(14 011) ⁵⁾
Payment cards	412 703	400 027	(12 676) ⁵⁾
Portfolio and other management fees	95 959	95 959	-
Cash transactions	96 951	96 951	-
Loan insurance intermediary and other	246 039	246 039	-

5) Change in presentation of fee and commission income related to change of fee and commission income classification.

4.3 RISK MANAGEMENT

The majority of risk that the PKO BP Group is exposed to is generated by the Parent Entity of the Group. The detailed information about risk management is disclosed in the consolidated financial statements of the Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna Group for the six-month period ended June 30, 2008.

4.3.1. Managing credit, market and operational risk

The Bank is exposed to a number of risks, including credit risk, market risk, operational risk and business risk. Managing the impact of these risks on activities of PKO BP SA is one of the key objectives of the Bank's risk management, while the risk level is a key factor in the Bank's planning process.

The risk management process is supervised by the Bank's Supervisory Board. Information about the Bank's risk profile as well as the most important activities undertaken in the area of risk management is provided to the Board on a regular basis.

The Management Board is responsible for the risk management strategy, including supervising and monitoring of activities undertaken by the Bank in the area of risk management. The Management Board approves of the most important decisions affecting the risk profile of the Bank and internal regulations defining the risk management system. Operational risk management is conducted by organizational units of the Bank (within the scope of their competences), falling under the Banking Risk Division, the Restructuring and Debt Collection Division and the Credit Risk Assessment Department.

Management of market risk and portfolio credit risk is facilitated by the two committees (chaired by the Vice-President of the Bank's Management Board who is in charge of the Risk and Debt Collection Function):

- Assets and Liabilities Committee (ALCO),
- Credit Committee (CC).

ALCO takes decisions and issues recommendations addressed to the Bank's Management Board with regard to market risk management, portfolio credit risk management, and asset and liability management.

CC takes loan decisions with regard to significant individual loan exposures, or issues recommendations in this respect addressed to the Bank's Management Board. There are also other credit committees operating at various levels of the Bank. They are responsible for issuing recommendations with regard to loan decisions that are significant due to the level of risk involved or the size of loan exposures.

4.3.2. Credit risk

Credit risk is defined as the risk of loss due to default on payment by counterparty or the risk of decline in the economical value of the Bank's receivables due to deterioration of the counterparty's ability to settle their obligations towards the Bank.

The most important tools of credit risk management employed by the Bank include:

- loan granting criteria, including the cutoff point – the number of scoring points that a client must obtain in order to receive financing, facilitated by scoring measures (retail clients) or rating class/total rating measures (corporate clients),
- the minimum transaction parameters for specific types of transactions (eg. the minimum LtV, the minimum loan value, required collateral),
- the minimum loan margins,
- concentration limits,
- competence limits.

PKO BP SA measures credit risk and profitability of credit portfolios using the following methods:

- probability of default (PD),
- expected loss (EL),
- Credit Value-at-Risk (CVaR),
- scoring effectiveness measures (accuracy ratio),
- value and share of doubtful loans,
- value and structure of exposures where evidence of impairment exists.

As at September 30, 2008, the value of non-performing loans (NPL), measured as the ratio of the value of NPL's to the total value of loans, amounted to 3.6% (as compared to 3.7% as at December 31, 2007 and 3.9% as at September 30, 2007). NPL's are categorized according to the relevant guidelines set by the Decree of the Minister of Finance dated December 10, 2003 on principles for recording provisions for risks associated with banking activities.

The Bank constantly develops credit risk measures, including requirements set out by the internal rating based approach (IRB). Moreover, the Bank widens the range of application of the credit risk measures, with the ultimate goal of applying the measures to the entire loan portfolio.

The collateral policy employed by the Bank aims at securing interests of the Bank, mainly through establishing collateral that is likely to generate the largest possible recovery of funds in case of debt collection. Types of collateral depend on categories of products and clients.

The Bank prepares credit risk reports on monthly and quarterly basis. These reports contain historical values of credit risk as well as credit risk forecasts.

The Bank creates impairment allowances for loans, in accordance with the International Financial Reporting Standards, as approved by the European Union.

Table 29. Allowance rates applicable to NPL

	Allowance rates
Delay in payments above 30 months for consumers or above 48 months for other customers	100%
Delay in payments 12-30 months (for consumers) or 12-48 months for other customers	78%-85%
Delay in payments 6-12 months	54%-61%
Delay in payments 3-6 months	44%-53%
Delay in payments 1-3 months	9%-13%
Creditworthiness deterioration - rating "H"	31%
Creditworthiness deterioration - rating "G"	15%

4.3.3. Market risk

Interest rate risk

Interest rate risk is defined as the risk of loss resulting from adverse changes of market interest rates. In the process of interest rate risk management, the Bank measures risk using, among others, the internal Value at Risk ("VaR") model, stress tests and price sensitivity measures.

Table 30. Interest risk VaR level (PLN thousand)

	30.09.2008	31.12.2007
10 day 99.0 per cent. VaR	40 831	36 300*

*VaR calculated as at 31 December 2007 reflects the changes in the VaR methodology introduced in 2008. VaR calculated according to the methodology used in December 2007 amounted to PLN 10 521 thousand.

PKO BP SA prepares interest rate risk reports on daily, weekly, monthly, quarterly and semi-annual bases. Each report presents interest risk exposure and risk profile as well as utilization of interest risk limits.

Currency risk

Currency risk is the risk of loss resulting from adverse movements in foreign currency exchange rates. Foreign exchange risk results from the Bank having open positions in foreign currencies. Such positions are calculated as the difference between assets and liabilities, including off-balance sheet items. The Bank measures currency risk using the internal VaR model and stress tests.

The Bank's currency positions at the end of 3rd quarter of 2008 and at the end of 2007, and the currency VaR level are as follows:

Table 31. Value of currency positions and VaR (PLN thousand)

Currency	Currency position as at 30.09.2008	Currency position as at 31.12.2007
USD	-23 085	-32 684
GBP	-685	-3 137
CHF	32 457	37 786
EUR	-11 770	-32 882
other	14 313	11 637
	As at 30.09.2008	As at 31.12.2007
10 day 99.0 per cent. VaR	1 995	1 646

PKO BP SA prepares currency risk reports on daily, weekly and monthly, quarterly and semi-annual bases. Each report presents currency risk exposure and risk profile, as well as utilization of currency risk limits.

Liquidity risk

Liquidity risk is defined as the risk of the Bank's inability to discharge its liabilities in a timely manner because of an inappropriate balance sheet structure of assets and liabilities, unmatched current cashflows, clients' defaults on payments owed to the Bank, a sudden withdrawal of funds from the Bank or other negative events in the financial market.

PKO BP SA employs the following liquidity measures:

- the contractual liquidity gap and the liquidity gap in real terms;
- liquidity reserve;
- liquid assets to total assets ratio;
- analysis of stability of the deposit base and net outflows due to the growth of loan portfolio;
- stress testing.

Liquidity reserve at the end of the 3rd quarter of 2008 and at the end of 2007 is presented below.

Table 32. Liquidity reserve

	As at 30.09.2008	As at 31.12.2007
Liquidity reserve ⁵	6 946	9 248

The Bank changed its deposit policy on September 22, 2008. Liquidity reserve up to 1 month, as at October 15, 2008 was PLN 9 750 million.

4.3.4. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes and systems, human factors or external events. It includes legal risk, but excludes strategic and reputation risk. The structure of operational risk threats to the Bank is similar to those of other universal banks with a large number of branches.

In order to manage operational risk, the Bank has implemented internal policies and procedures aimed at identifying, monitoring, reporting and mitigating of operational risk. The Bank has also developed a formal process of collecting and reporting information about operational risk events and losses from such events. Impact of the Bank's operational risk events is immaterial.

4.3.5. Capital adequacy

Capital adequacy entails maintenance of a specific level of capital, which is sufficient to meet regulatory capital requirements (i.e. Pillar 1) and internal capital requirements (i.e. Pillar 2). The objective of capital adequacy management is to continuously maintain capital on a level that is adequate to the risk scale and profile of the Group's activities.

The process of managing the Group's capital adequacy comprises:

- identifying and monitoring of all significant types of risk;
- designating internal capital to cover for individual risk types;
- determining the total internal capital necessary to cover for all significant risk types;
- performing capital adequacy stress tests;
- monitoring, reporting, forecasting and limiting of capital adequacy;
- performing internal capital allocations to business lines in connection with profitability analyses;
- using tools affecting the capital adequacy level (including tools affecting the level of own funds, the level of own funds' reductions and the level of the loan portfolio).

The main measures of capital adequacy are:

- the capital adequacy ratio whose minimum level is 8%, in accordance with the Banking Act;
- the ratio of own funds to internal capital whose acceptable minimum level is 1.0, in accordance with the Banking Act.

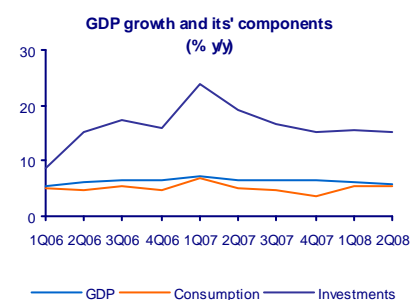
The capital adequacy level of the Bank in the 3rd quarter of 2008 remained on a safe level and was significantly above the statutory limits.

4.4 EXTERNAL ENVIRONMENTS

Macroeconomic environment

In the 3rd quarter of 2008:

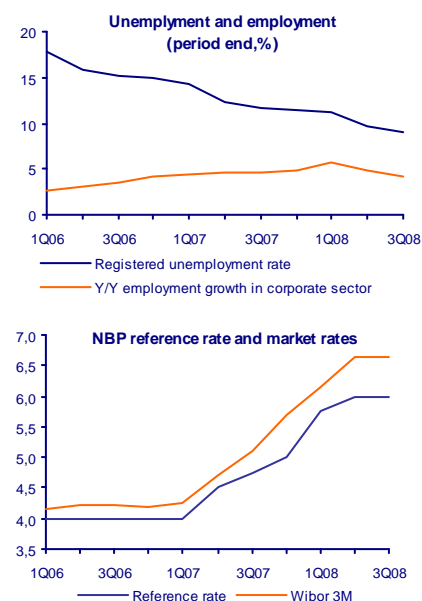
- economic data indicated slowdown in the dynamics of economic growth, compared to the 1st half of the year (5.9% y/y), with a continued stimulating effect of domestic demand and sustained negative net export;
- financial situation of households continued to improve, increase in employment was slightly lower than in 2007, along with slower fall of registered unemployment rate (to 9.3% at the end of August),
- the inflation rate, as measured by the Consumer Price Index, rose to 4.8% y/y in July and August, as compared to 4.6% at the end of 2nd



⁵ Liquidity reserve is defined as difference between the most liquid assets and liabilities, that will become due in a specified time horizon.

quarter. In September the CPI fell to 4.5% y/y. Temporary growth of inflation rate resulted mainly from low benchmark rate and high dynamics of food, fuel and energy prices,

- value of deposits continued to increase, as a result of conversion of household savings from investment funds to the banking sector, as stock prices on Warsaw Stock Exchange continued to fall and deposits interest rates rose. In the 3rd quarter total value of deposits grew by ca. PLN 24 billion, which was the highest quarterly growth in the whole 2008. From the beginning of the year deposits increased by more than 17%. Deposits of households increased by ca. PLN 14 billion and increased y/y by more than 23%.
- dynamics of loans and advances continued to decrease, highly influenced by situation on mortgage loans market, Mortgage loans increased in July and August by PLN 8.2 billion, as compared to PLN 7.3 billion in the 2nd quarter, which was almost by 1/3 lower as compared to the corresponding period of the previous year (in spite of lower PLN exchange ratio). As a result of growing domestic interest rates and stable interest rates in Switzerland demand for mortgage loans in Swiss frank increased. As for the whole 2008, increase of mortgage loans was lower by 35.6%, as compared to 41.7% at the end of the 2nd quarter. As a whole, loans to households grew by ca. 31.4% y/y.



At the same time, the activity and results of the PKO BP SA Group in the 3rd quarter were affected by macroeconomic factors in Ukraine, since the PKO BP SA Group has a direct subsidiary in Ukraine, KREDOBANK SA. The factors were as follows:

- the inflation rate has maintained its strong upward trend (ca. 30% y/y), along with a continuing slowdown in economic growth,
- gradual slowdown of deposit growth dynamics (below 45% y/y, as compared to more than 50% in the 2nd quarter) and even higher decrease of loans dynamics (below 60% y/y, as compared to 80% at the beginning of 2008),
- continuing of unstable political situation.

Situation on the financial markets

In the 3rd quarter of 2008, profitability of Treasury bills decreased by 30 basis points whereas profitability of bonds decreased by 65 to 80 basis points, depending on maturity dates. The price increase came as a result of discontinuance of tightening monetary policy and suppression of investors' expectations regarding interest rate increases by the National Bank of Poland (NBP), a moderate demand for new financing from the State Treasury supported by the Government's announcement of Poland's intention to join the euro area, and falling profitability of bonds on the base markets. At the same time, quotations of Polish bonds were highly affected by events on the global financial markets and base markets. Expanding financial crisis and change of investors' expectations regarding reduction of interest rates by Fed and EBC led to a decrease in bond prices on the base markets. Moreover, lack of trust between contracting parties, both on the global, and consequently, on the local markets, caused a rise of interbank rates to the level considerably above the central bank rates. As a result, i.a. the WIBOR 3M rate reached 6.60%, with the NBP reference rate at 6.0%.

In the 3rd quarter, the PLN/ EUR exchange rate depreciated by 1.6% (to 3.41 PLN/EUR at the end of September) whereas the PLN/USD rate fell by nearly 12% (to 2.37 PLN/USD). The beginning of the quarter brought a sharp increase of the PLN rate with the stable level of global risk aversion and rising expectations concerning further increase of interest rates by the Monetary Policy Board (RPP). In the second half of the quarter, the PLN rate began to depreciate as a response to a strong global risk aversion given the concern about stability of the USA and European financial markets. Furthermore, strong appreciation of USD on global markets had further unfavourable effect on the PLN exchange rate.

Regulatory factors

Financial situation of the banking sector in the 3rd quarter of 2008 was affected by the Polish Financial Supervision Authority (KNF) announcing its intention to issue new regulations aimed at tightening of criteria for eligibility for mortgage loans. Some banks acted prematurely on the announcement by tightening their credit policy.

Liquidity risk management of PKO BP SA has been influenced by the Resolution 9/2007 of the Banking Supervision Commission dated March 13, 2007 on determining liquidity norms applicable to banks,

effective as of June 30, 2008. According to the Resolution, banks are obliged to comply with four short-term and long-term liquidity limits and report any non-compliance in this area.

Moreover, the Group's situation has been affected by regulatory changes that took place in Ukraine. Since August 1, 2008, banks in Ukraine are obliged to maintain 20% reserve on currency deposits of up to 183 days which are received from non-residents.

Development of financial crisis on the global financial markets and deterioration of financial sector prospects in Central and Eastern Europe at the beginning of the 4th quarter of 2008

In the first days of October, the global risk aversion increased significantly, given the rising anxiety about global financial sector stability and higher risk of recession in many developed economies. Sale of assets on stock exchanges worldwide followed as well as a decrease of profitability of bonds and increased appreciation of USD. Moreover, growing concern about situation in the banking sector led to strong growth of interbank rates. In response to the increasing turbulence, authorities in the USA and Europe acted to stabilise the financial sector and situation on financial markets by supporting banks through increasing their capital, providing liquidity or guaranteeing interbank transactions.

Moreover, shortage of financing and lack of liquidity on the interbank markets led to deterioration of banking sector situation in the region, which in turn led to massive sales of assets. The most important factors that brought concerns about financial stability in the Central Eastern Europe were financial problems of a Hungarian bank OTP and situation of the banking sector in Ukraine.

The unfavourable situation on the global markets, as well as decreasing trust towards countries in the region led to deterioration of financial situation in Poland, including depreciation of the PLN currency and significant increase in spreads between Polish and German bonds, which, given the corresponding increase on base markets, increased the profitability of Polish bonds.

4.5 THE STRUCTURE OF THE PKO BP SA GROUP

4.5.1. Consolidated entities

Included in the consolidated financial statements is the PKO BP SA – the parent company of the PKO BP SA Group and its subsidiaries as defined in IAS 27 „Consolidated and separate financial statements”.

Table 33. Entities included in the consolidated financial statements of the PKO BP SA Group

No.	Entity name	Value of investment (PLN thousand)	Share capital (%)	Consolidation method
Parent company				
1	Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna			
Direct subsidiaries				
2	KREDOBANK SA	307 364	98.1815	full method
3	Powszechnie Towarzystwo Emerytalne BANKOWY SA	205 786	100	full method
4	Centrum Finansowe Puławska Sp. z o.o.	128 288	100	full method
5	PKO Inwestycje Sp. z o.o.*	117 813	100	full method
6	Bankowy Fundusz Leasingowy SA	70 000	100	full method
7	PKO Towarzystwo Funduszy Inwestycyjnych SA	69 055	75	full method
8	Inteligo Financial Services SA	59 602	100	full method
9	Centrum Elektronicznych Usług Płatniczych eService SA	55 500	100	full method
10	Bankowe Towarzystwo Kapitałowe SA	18 566	100	full method
11	PKO Finance AB	172	100	full method
Subsidiaries of PKO Inwestycje Sp. z o.o.				
12	Wilanów Investments Sp. z o.o.*	82 981	100	full method
13	POMERANKA Sp. z o.o. *	19 000	100	full method
14	PKO Inwestycje - Międzyzdroje Sp. z o.o.*	7 575	100	full method
15	Baltic Dom 2 Sp. z o.o.	6 613	56	full method
16	Fort Mokołów Sp. z o.o. *	2 040	51	full method
17	WISŁOK Inwestycje Sp. z o.o.*	2 000	80	full method
18	UKRPOLINWESTYCJE Sp. z o.o.	519	55	full method
Subsidiaries of PTE BANKOWY S.A.				
19	Finanse Agent Transferowy Sp. z o.o. *	4 361	100	full method
Subsidiaries of Bankowy Fundusz Leasingowy S.A.				
20	Bankowy Leasing Sp. z o.o.	1 309	100	full method
21	BFL Nieruchomości Sp. z o.o.	1 109	100	full method

* included in this item is the value of stocks and shares at purchase price and the specific capital contributions made

Additionally, the following jointly controlled and associated entities have been included in the consolidated financial data using the equity method.

Table 34. Other subordinated entities included in the consolidated financial statements using the equity method

No.	Entity name	Value of investment PLN thousand	Share capital (%)	Consolidation method
Jointly controlled entities				
1	CENTRUM HAFFNERA Sp. z o.o.	44 371	49.43	equity method
2	Centrum Obsługi Biznesu Sp. z o.o.	17 498	41.44	equity method
Subsidiaries of CENTRUM HAFFNERA Sp. z o.o.				
3	Sopot Zdrój Sp. z o.o.*	58 923	100	equity method
4	Promenada Sopotcka Sp. z o.o.	10 058	100	equity method
5	Centrum Majkowskiego Sp. z o.o.	6 609	100	equity method
6	Kamienica Morska Sp. z o.o.	976	100	equity method
Associates				
7	Bank Pocztowy SA	146 500	25.0001	equity method
8	Kolej Gondolowa Jaworzyna Krynicka SA	15 531	37.53	equity method
9	Ekogips SA (in bankrupcy)	5 400	60.26	equity method
10	Poznański Fundusz Poręczeń Kredytowych Sp. z o.o.	1 500	33.33	equity method
11	Agencja Inwestycyjna CORP SA	29	22.31	equity method

* included in this item is the value of stocks and shares at purchase price and the specific capital contributions made

4.5.2. CHANGES IN THE GROUP STRUCTURE

In the 3rd quarter of 2008, the structure of the PKO BP SA Group was affected by the following factors:

1. Change of the name of ARKADIA Inwestycje Sp. z o.o.

On July 3, 2008, a change of the name from ARKADIA Inwestycje Sp. z o.o. to PKO Inwestycje – Międzyzdroje Sp. z o.o. was registered with the National Court Register (KRS).

2. Purchase of shares of PKO Finance AB.

According to the contract signed by PKO BP SA and Svenska Standardbolag AB (Sweden) on June 27, 2008, the Bank acquired 5 000 shares of Aktiebolaget Grundstenen 108756 (Sweden) with a nominal value of SEK 500 000 (PLN 170 000). The acquired shares constituted 100% of the share capital and 100% of voting rights. The acquisition price (including all additional costs) amounted to SEK 504 969 (PLN 171 689.46). The SEK exchange rate was set using the average NBP exchange rate as at July 17, 2008, i.e. the day the transaction was registered.

On July 17, 2008, the Swedish Registry Office (Bolagsverket) registered the change of the name from Aktiebolaget Grundstenen 108756 to PKO Finance AB.

3. Increase of the share capital and acquisition of shares of PKO Inwestycje – Międzyzdroje Sp. z o.o. (former ARKADIA Inwestycje Sp. z o.o.).

On August 22, 2008, an increase of the share capital of PKO Inwestycje – Międzyzdroje Sp. z o.o. of PLN 1 500 thousand has been registered with the KRS.

All additional shares were acquired by PKO Inwestycje Sp. z o.o. Following the abovementioned issue, PKO Inwestycje Sp. z o.o. held 100% of the share capital and 100% of the voting rights on general shareholders meeting.

4. Purchase of shares in Baltic Dom 2 Sp. z o.o.

On August 27, 2008, PKO Inwestycje Sp. z o.o. (a PKO BP SA's subordinate entity) purchased 6 shares of Baltic Dom 2 Sp. z o.o., with a nominal value of PLN 3 000. The purchase price was PLN 604 thousand.

As a result of the transaction, PKO Inwestycje held shares constituting 56% of the share capital and 56% of votes on general shareholders meeting.

5. Sale of FINDER SA shares.

On September 15, 2008, Bankowe Towarzystwo Kapitałowe SA (a PKO BP SA's subordinate entity) sold 285 125 shares of FINDER SA with a total value of PLN 1 140 500. According to the sale agreement, the price of one share varies in each month from August 2008 to March 2009, depending on the date of inflow of cash onto the entity's account. The value of the shares sold was PLN 9 181 310, as at September 30, 2008.

All of the shares under the sale agreement constitute 46.42% of the share capital and give 46.42% of votes on general shareholders meetings of FINDER SA. Following the sale, BTK SA has no longer any shares of FINDER SA.

6. Increase of the share capital and acquisition of shares in Bankowy Fundusz Leasingowy SA.

On September 30, 2008, an increase of share capital of Bankowy Fundusz Leasingowy SA. of PLN 30 000 thousand has been registered with the KRS.

All additional shares were acquired by PKO BP SA. Following the abovementioned issue, PKO BP SA held 100% of the share capital and 100% of votes on general shareholders meeting.

7. Capital injection into WISŁOK Inwestycje Sp. z o.o.

In the 3rd quarter of 2008 (on July 4, 2008 and August 13, 2008) PKO Inwestycje Sp. z o.o. (a PKO BP SA's subordinate entity) made a capital injection into WISŁOK Inwestycje Sp. z o.o. in the amount of PLN 1 600 thousand.

4.5.3. Related party transactions

In the 3rd quarter of 2008, PKO BP SA provided the following services to its related parties (subordinated entities) at arms' length: running bank accounts, accepting deposits, granting loans and advances, issuing debt securities, providing guarantees and conducting spot foreign exchange transactions.

Details of related party transactions of PKO BP SA with a total value exceeding the PLN equivalent of EUR 500 thousand and not relating to current business activities of the Bank, are presented in point 5 of this Report.

5. OTHER INFORMATION

Identification data

PKO BP SA, with its registered Head Office in Warsaw at 15 Puławska Street, has been entered in the Register of Entrepreneurs of the National Court Register kept by the District Court in Warsaw, Entry No. KRS 0000026438. The Company was granted statistical number (REGON) 016298263 and tax identification number (NIP) 525-000-77-38.

Seasonality or cyclical nature of activities in the reporting period

PKO BP SA is a universal bank, which provides services on the territory of Poland, and thus its activities are exposed to similar fluctuations to those affecting the entire Polish economy. The activities of other companies of the PKO BP SA Group similarly do not show any particular seasonality or cyclical nature.

Prizes and awards

Awards and distinctions granted to PKO BP SA in the 3rd quarter of 2008:

1. According to the SEM-Bluerank agency rating, Bank was first in the SEO/SEM (search engine optimization/search engine marketing) rating for the 4th quarter 2007. The rating is based on a detailed analysis of banks activity and presence in areas of fundamental importance to search engine marketing.
2. PKO BP SA was highly ranked in "PremiumBrand" rating, for the third time. PremiumBrand is a promotional project, aimed at creating a list of best brands on Polish markets. The rating is being developed on basis of market research conducted by TNS OBOP. Brands' reputation is assessed in the following dimensions: trust, references, image in mass media, corporate social responsibility and business partner. Brands are recognized in 10 categories: foodstuffs, finance, commerce and services, media, motorization, home and office, telecommunication, health and beauty, business brand and "open" category. Moreover, a Brand of Highest Reputation is chosen from all the categories. Since this year the research for the purpose of the rating is carried in the whole country. The rating is based on opinions of consumers as well as a group of experts/managers.

Issuance, redemption and repayment of debt and equity securities

In the 3rd quarter of 2008, Bankowy Fundusz Leasingowy SA decreased its' debt from issue of securities to PLN 500 million, by committing cash for bond buyout. In the 3rd quarter of 2008 BFL issued 25 500 bonds with a total nominal value of PLN 255 million and bought out 30 000 bonds with a total nominal value of PLN 300 million.

Shareholders holding, directly or indirectly, at least 5% of votes at the General Shareholders' Meeting

The interim report for the 2nd quarter of 2008 was submitted to the Polish Financial Supervision Authority (KNF) on August 8, 2008.

To the best knowledge of the Bank, the only shareholder holding, directly or indirectly, at least 5% of total votes at the General Shareholders' Meeting of the Bank is the State Treasury which holds 512 435 409 of the Bank's shares. This equates to 51.24% and matches the percentage share in the total number of votes at the General Shareholders' Meeting of the Bank as at the date of submission of this Report.

Table 35. Ownership structure of PKO BP SA

Shareholder	Percentage of votes at the General Shareholders' Meeting as at the date of submitting previous quarterly report	Number of shares as at the date of submitting previous quarterly report	Percentage point change from the date of submitting previous quarterly report	Percentage of votes at the General Shareholders' Meeting as at the date of submitting this Report	Number of shares as at the date of submitting this Report
State Treasury	51.49%	514 935 409	-0.25 pp.	51.24%	512 435 409

Changes in the number of PKO BP SA shares held by the Management or Supervisory Board Members

Table 36. Shares held by the PKO BP SA's Management or Supervisory Board Members as at the date of submitting this Report

No.	Name	Number of shares as at the date of submitting previous quarterly report	Purchase	Disposal	Number of shares as at the date of submitting this Report
I. Management Board					
1.	Jerzy Pruski, President of the Bank's Management Board	-----	-----	-----	-----
2.	Bartosz Drabikowski, Vice-President of the Bank's Management Board	-----	-----	-----	-----
3.	Krzysztof Dresler, Vice-President of the Bank's Management Board	-----	-----	-----	-----
4.	Tomasz Mironczuk, Vice-President of the Bank's Management Board	-----	-----	-----	-----
5.	Wojciech Papierak, Vice-President of the Bank's Management Board	2500	-----	-----	2500
6.	Mariusz Zarzycki*, Vice-President of the Bank's Management Board	x	x	x	-----
II. Supervisory Board					
1.	Marzena Piszczek, President of the Bank's Supervisory Board	-----	-----	-----	-----
2.	Eligiusz Jerzy Krześniak, Vice-President of the Bank's Supervisory Board	-----	-----	-----	-----
3.	Jan Bossak, member of the Bank's Supervisory Board	-----	-----	-----	-----
4.	Jerzy Osiatyński, member of the Bank's Supervisory Board	-----	-----	-----	-----
5.	Urszula Pałaszek, member of the Bank's Supervisory Board	-----	-----	-----	-----
6.	Roman Sobiecki, member of the Bank's Supervisory Board	-----	-----	-----	-----
7.	Ryszard Wierzbą, member of the Bank's Supervisory Board	-----	-----	-----	-----

* Management Board member, who were not members of the Bank's Management Board at the date of the previous Report's submission. As at September 1, 2008 he had no shares of PKO BP SA.

Information on any transaction or a number of transactions concluded by the issuer or its subsidiary with other Group entities, with a value exceeding Euro 500 000, if they are not typical or routine transactions

In executing the provisions of the Lease Agreement dated December 7, 1995 (amended by Annexes No. 1 to 39) with the Bank's subsidiary, Centrum Finansowe Puławska Sp. z o.o. ("CFP"), in the 3rd quarter of 2008, PKO BP SA made payments to CFP in the total gross amount of PLN 12.5 million. As at three quarters of the year 2008 (January to September) the total amount of payments was PLN 36.6 million. The Agreement determines the terms and conditions for the lease of space in the building located in Warsaw at 15 Puławska Street. The payments that were made by the Bank related to rental fees, maintenance costs and costs of cleaning common space.

Due to the comprehensive regulation of all issues regarding cooperation between the parties to the Agreement, the Agreement is not a typical or routine agreement concluded by the parties in the course of their day-to-day operations.

Results of changes in the Bank's structure, including the effects of merger, takeover or disposal of the Group entities, long-term investments, division, restructuring and discontinuation of activities

The results of changes in the Bank's structure, including the results of merger, takeover or sale of the PKO BP SA Group entities have been described in point 4.5.2 of this Report.

Factors which may affect future financial performance within at least the next quarter

In subsequent quarters, the results of the PKO BP SA and the PKO BP SA Group will be affected by economic processes which will take place in the Polish and global economies, as well as by a response of the financial markets to those processes. The interest rate policy applied by the Monetary Policy Council and by other largest central banks will also have a great influence on the Bank's performance.

Information on guarantees or warranties on loans and advances granted by the Issuer or by the Issuer's subsidiary – cumulatively to a single entity or its subsidiary, if the total value of outstanding warranties and guaranties constitutes at least 10% of the Issuer's net assets.

In the 3rd quarter of 2008, PKO BP SA and its subsidiaries did not grant any guarantees or warranties on loans on advances to a single entity or capital group that would constitute at least 10% of the PKO BP SA net assets.

Proceedings pending before the court, arbitration tribunal or public administrative authority

As at September 30, 2008, the total value of court proceedings against the Bank was circa PLN 199 451 thousand, while the total value of proceedings initiated by the Bank was circa PLN 58 024 thousand.

No court proceedings with the participation of PKO BP SA are in progress, the value of which amounts to at least 10% of the Bank's shareholders' equity.

No other Group entities have conducted any proceedings before court, arbitration tribunal or public administration authorities concerning receivables or liabilities, the value of which amounts to at least 10% of the shareholders' equity of PKO BP SA.

Integrated Information System of PKO BP SA

In the 3rd quarter of 2008 the Bank continued the implementation of the Integrated Information System Application ('ZSI').

The ZSI activities were focused on completing the Mass Implementations and continuing the development of functionalities of the application.

In total, in the 3rd quarter of 2008, data from 575 branches and 1 154 agencies (ca. 5 million of deposit/credit accounts) have been converted. At the moment ZSI supports more than 11.1 million deposit and credit accounts in all branches and agencies.

Position of the PKO BP SA Management Board in regards to possibility of achieving previously published forecasts

PKO BP SA did not publish any financial forecasts for 2008.

Information on dividend paid or declared

On September 4, 2008 the Bank paid out a dividend in the amount of PLN 1.09 per share.

Other disclosures significant for evaluation of the issuer's human resources, financial situation, financial performance, and any changes therein

1. On July 15, 2008 PKO BP SA passed a resolution approving issue of Eurobonds (EMTN programme) by subsidiary entity PKO Finance AB, Sweden („the Issuer”, former Aktiebolaget Grundstenen 108756). PKO BP SA is the sole shareholder of the entity. On September 15, 2008 Moody's Investors Service rating agency awarded the EURO 3 000 000 000 (EMTN) issue by PKO Finance AB for PKO BP SA Aa2 rating for unsecured debt, Aa3 for subordinate debt, and Prime-1 for short term debt. The forecasts for those ratings are stable.
2. On August 21, 2008 Mariusz Klimczak resigned from the post of Vice President of PKO BP SA, effective on Septmeber 30, 2008.

November 3, 2008 Danuta Szymańska

Director of the Bank

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(signature)