



Bank Polski

Financial Results of PKO Bank Polski SA Group for 1Q 2013

„PKO Bank Polski. The Best Every Day”

Warsaw, 13th May 2013



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- **New PKO Bank Polski Strategy for 2013-2015:**
 - ⇒ Leader in all key market segments (17% share in the loan market and 18% share in the deposit market) along with maintenance customer satisfaction at high level
 - ⇒ ROE over 15% and C/I below 45%
 - ⇒ Cost of risk reduction to 120 bp.
 - ⇒ Capital adequacy: CAR over 12%, Core Tier 1 over 11%; liquidity: L/D below 98% and NSFR climbing towards 100%
- **Cost discipline, growth of market share and improvement in cost of risk**
 - ⇒ Administrative expenses lower by 10% q/q
 - ⇒ Growth of market share in loans (+0.2 pp q/q) mainly thanks to increased market share in loans to enterprises (+0.6 pp q/q)
 - ⇒ Improvement in cost of risk by 0.04 pp. down to 1.40 pp.
- **Maintenance of high operating efficiency**
 - ⇒ Cost to income ratio (C/I) at 41%
 - ⇒ ROE at 14.6%
 - ⇒ ROA at 18%
- **Strong liquidity and capital position**
 - ⇒ Stable growth of balance sheet total due to growth of net loans financed by customer deposits increase and securities issues
 - ⇒ Loans to stable financing resources ratio at 90%
 - ⇒ CAR increase up to 14% (Core Tier 1: 13%)
- **Management Board recommendation of dividend payout for 2012 at PLN 2,250 mn, i.e. 1.80 PLN per share (payout ratio: 61.12%, dividend yield: 5.3%*)**

*) calculated on the basis of the PKO Bank Polski share price as at day of the recommendation issuance (17 April 2013)

„PKO Bank Polski. The Best Every Day” Strategy for 2013-2015



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Strategic targets¹ until 2015

Return on equity

- ROE over 15%

Effectiveness

- C/I below 45%

Risk appetite

- Moderate, with cost of risk at a level of 1.20pp (100-120 bp long-term)

Growth and market share

- Leader in all key market segments
 - 17% share in the loan market
 - 18% share in the deposit market

Customer satisfaction

- Churn rate² below sector average

Capital adequacy

- CAR over 12% and Core Tier 1 over 11%

Liquidity

- L/D below 98%
- NSFR climbing towards 100% (over 100% long-term)

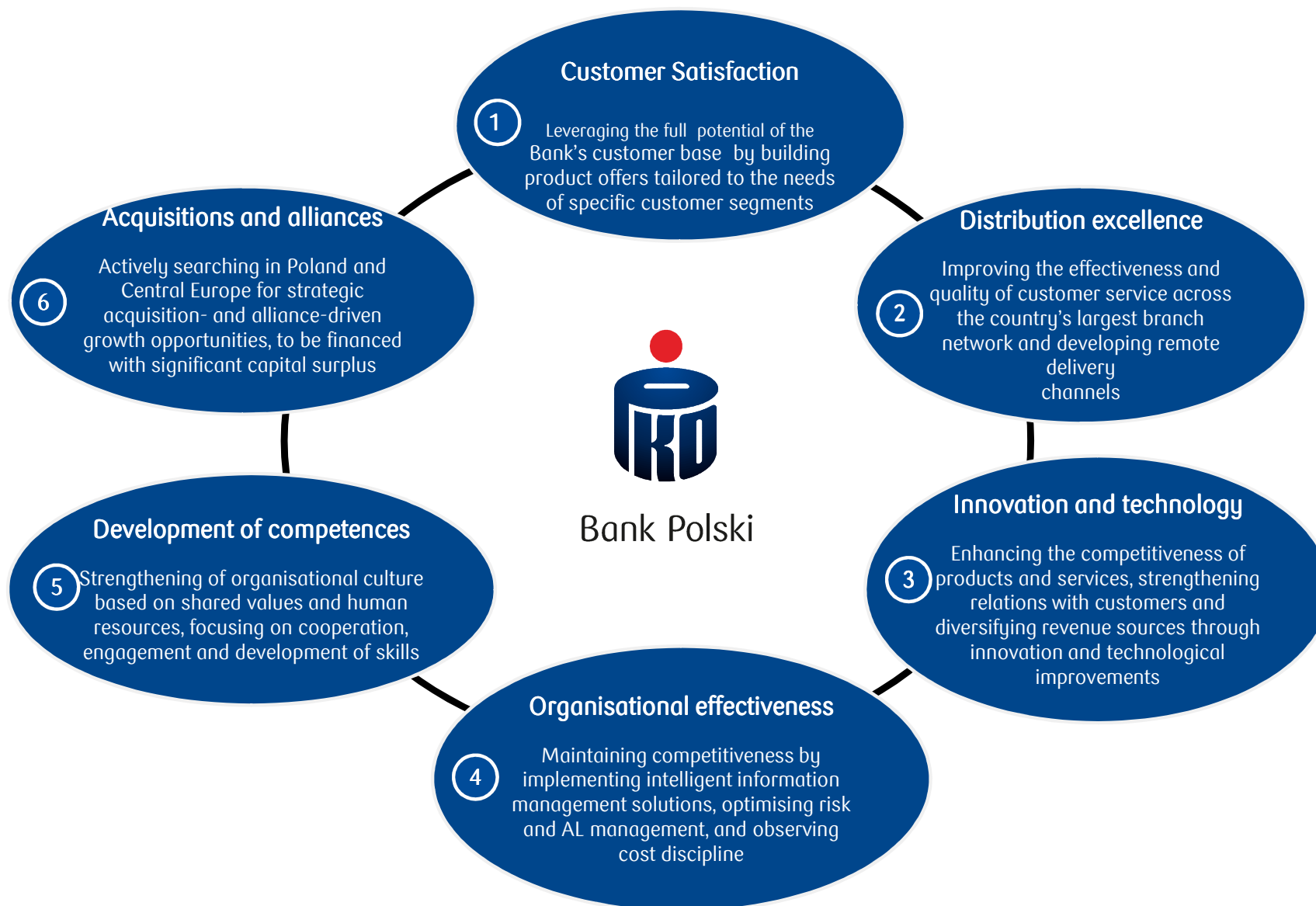
¹ Ratios: ROE, C/I, CAR, Core Tier 1 on a standalone and consolidated basis

² Churn rate: number of lost customers relative to the active customer base

Bank's strategi is built on six key strategic levers



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Key strategy initiatives until 2015



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- Active search for opportunities to strengthen growth through acquisitions in the banking, asset management and leasing segments of the Polish financial services industry

Strategic alliances, including those in the area of payments and bancassurance (new model of insurance sales)

Development of employees and enhanced organisational effectiveness

Innovation and new technology (e.g. payments, self-direct segment)

Increased sale of capital market products, including development of competences in the area of bond issues and brokerage services

Development of transactional banking and a new sales structure in corporate banking

Improving distribution with a 'New Rhythm' of work and a new operating model for the branch network

Increased customer satisfaction, productisation and retention; CRM development

New formula for SME and personal banking

- Reducing the cost of credit risk below 120bps
- Reducing the sensitivity of the Bank's financial performance to changes in interest rates by optimising asset and liabilities management (ALM)



Mobile revolution in PKO Bank Polski

Customers of PKO Bank Polski can make use of new generation mobile banking. IKO is 4G mobile banking – combining, in one application, banking functions (checking balances, account histories, transfers) with payment functions (paying for purchases in traditional outlets and online, withdrawals from ATMs, transfers to a phone number, generating cheques for offline use). The system is based on a free IKO application installed on the user's mobile phone, activated in the IKO transaction service. This year the service will also be available to customers of other banks



New sales philosophy in the retail network

On 2 April 2013 the Bank implemented a project in its retail network, the purpose of which is to strengthen the Bank's position as market leader. The project's key pillars are: a new system of setting targets and remuneration for achieving them, focusing on result-producing activities and new managerial tools. Over 15,000 employees in over 1,100 branches are taking part in this – the greatest project to be implemented in the history of Polish banking.



PLN 1.5 billion for SMEs from PKO Bank Polski

PKO Bank Polski and Bank Gospodarstwa Krajowego (BGK) signed a cooperation agreement under a government assistance programme for small and medium-sized enterprises. Companies will receive support in the form of a BGK guarantee, as a result of which a greater number of companies will be able to obtain credits for their ongoing operations. BGK will provide a guarantee for working capital credit to up to 60 per cent of the value of the loan. For the first year of the guarantee the customer will not have to bear any costs, and its value could be up to PLN 3.5 million. In the following year the commission on the guarantee will be 0.5%.



Credit line for local government development

PKO Bank Polski signed a further agreement with the European Investment Bank, by virtue of which it obtained a credit line of EUR 150 million, to finance the investment needs of the local government sector. Under the programme, beneficiaries can obtain investment loans on preferential price terms. The financing can be used for investment projects connected with the construction and modernisation of the local infrastructure, environmental protection, health protection and education. The loans under the offer can also be used to co-finance EU projects. The total cost of a project must be between EUR 40,000 and EUR 25 million. Financing with EIB funds cannot exceed 50 per cent of the project's value.



New “Dobro procentuje” affinity card in Inteligo's offer

The new Visa payWave “Dobro procentuje” payment card is now available in Inteligo's offer. Customers can decide for what purpose to designate a portion of the Bank's income from their non-cash affinity card transactions. When activating the card, customers can choose one of four charity initiatives from the area they wish to support: Education, Hope, Health or Environment.

Basic financial data



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	1Q'13	1Q'12	Change r/r	Q4'12	Change q/q	
Financial result (PLN mn)	Net interest income	1 694	2 059	-17.7%	1 863	-9.1%
	Net F&C income	770	723	+6.5%	807	-4.5%
	Result on business activity	2 522	2 923	-13.7%	2 854	-11.6%
	Administrative expenses	-1 120	-1 152	-2.8%	-1 241	-9.7%
	Net impairment allowance	-448	-528	-15.1%	-566	-20.9%
	Net profit	781	1 005	-22.2%	874	-10.6%
Balance sheet (PLN bn)	Assets	197.1	189.7	+3.9%	193.5	+1.9%
	Net loans	147.5	140.9	+4.6%	143.9	+2.5%
	Deposits	148.4	144.2	+2.9%	146.2	+1.5%
	Stable financial resources	163.5	156.7	+4.4%	160.6	+1.8%
	Total equity	25.4	23.6	+7.6%	24.7	+2.9%
Quality of loan portfolio	NPL ratio ¹⁾ (%)	9.2	8.5	+0.7 pp.	8.9	+0.3 pp.
	Coverage ratio ²⁾ (%)	50.5	47.9	+2.7 pp.	50.4	+0.1 pp.
	Cost of risk (bp)	140	135	+5	144	-4
Capital position	CAR (%)	13.7	13.8	-0.1 pp.	13.1	+0.7 pp.
	Core Tier 1 (%)	12.8	12.8	0.0 pp.	12.0	+0.8 pp.

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

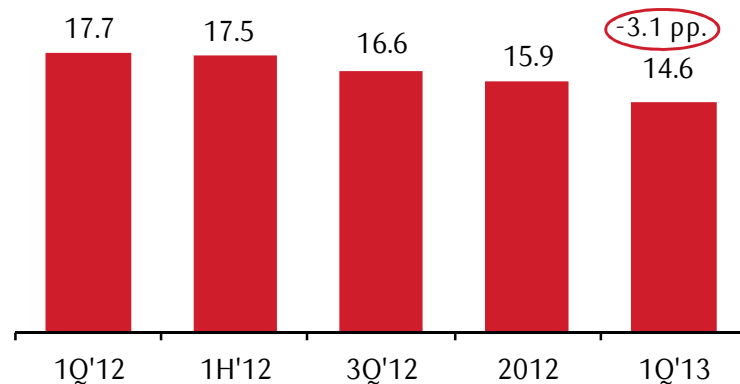
(2) Coverage of loans with recognized impairment by impairment allowances



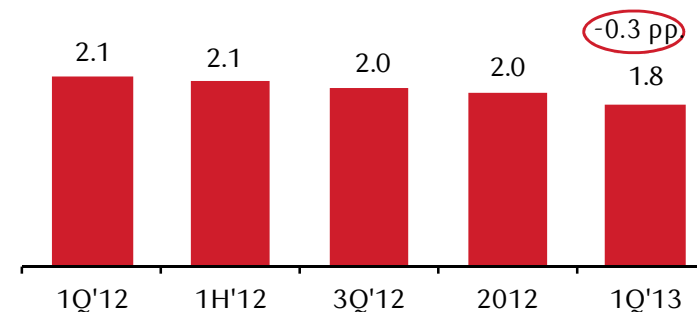
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Financial ratios

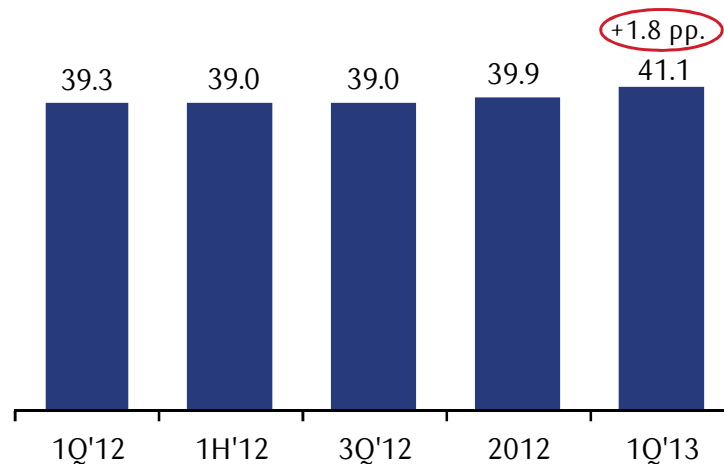
ROE net



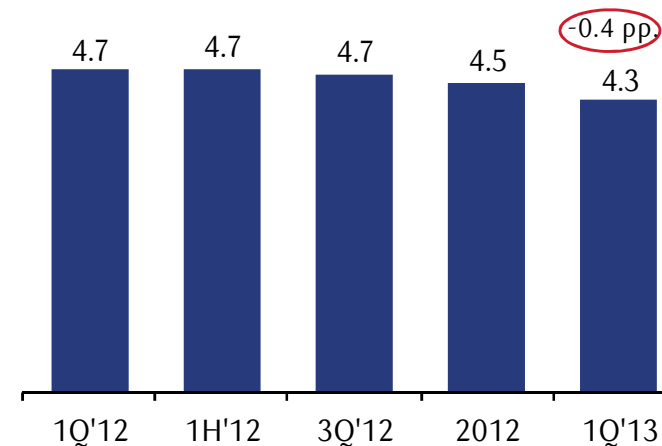
ROA net



C/I¹⁾



Net Interest Margin²⁾



% Change y/y

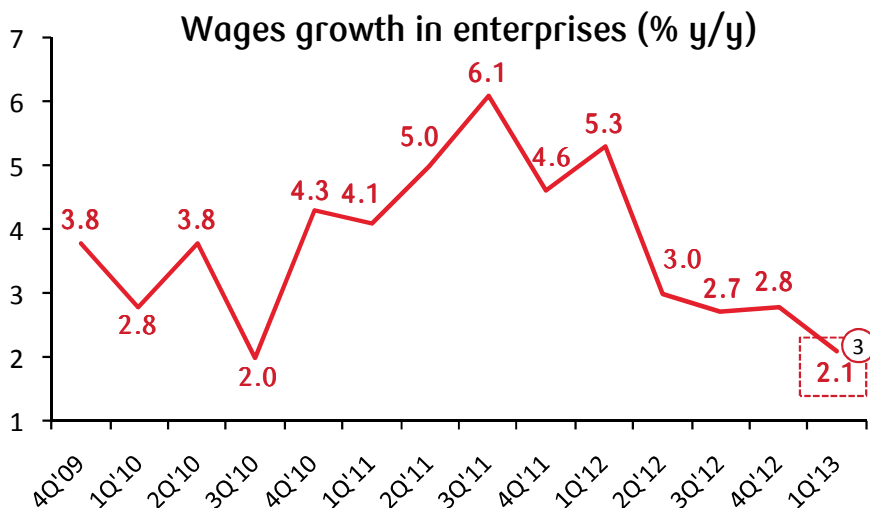
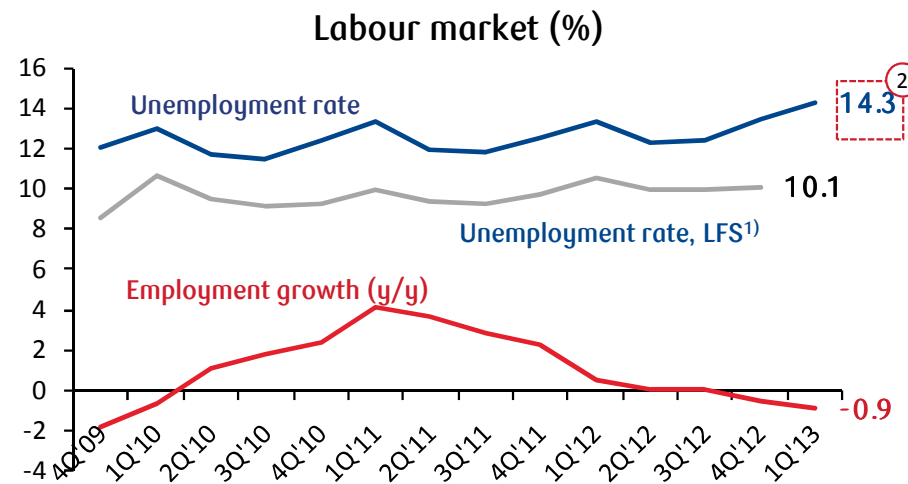
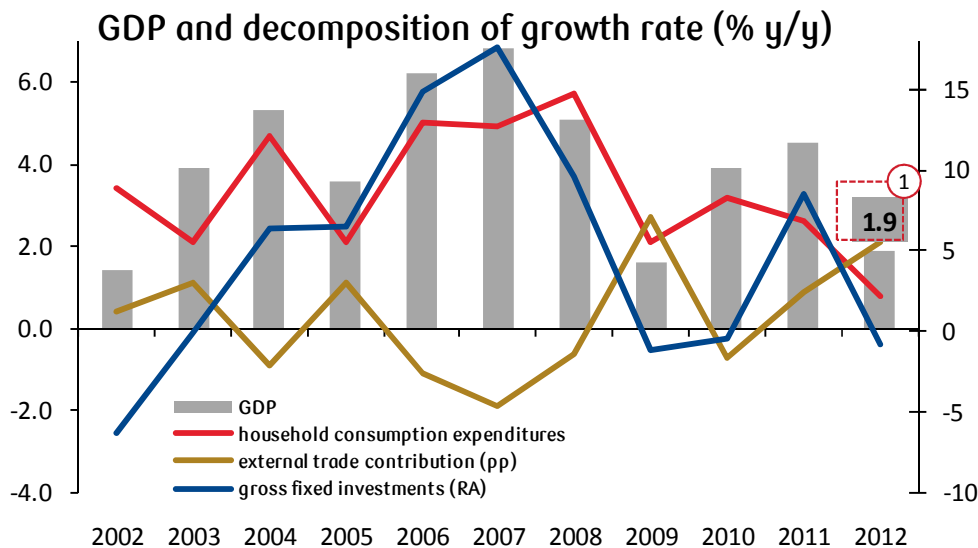
- (1) Administrative expenses for last 4 quarters / result on business activity for last 4 quarters
- (2) Net interest margin = net Interest income for last 4 quarters / average interest bearing assets at the end of the period of last 5 quarters (formula consistent with that applied in the PKO Bank Polski Group Directors' Report)

Macroeconomic environment

Stabilization of GDP growth at low level in 1Q 2013



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- ① GDP growth stabilised in the range 0.6-1.0% y/y in 1Q 2013 as a result of (a) increase in real disposable income of households (due to sharp fall of inflation), (b) interest rate cuts (decreasing the debt service cost of private sector), (c) significant improvement of trade balance
- ② Cyclical rise in the unemployment rate (c.1 pp. y/y) due to below-potential GDP growth (c. 3%), accompanied by downward trend in employment in enterprise sector
- ③ Moderate nominal wage growth in enterprises and lower CPI inflation growth imply relatively stronger real wage growth in 1Q 2013

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

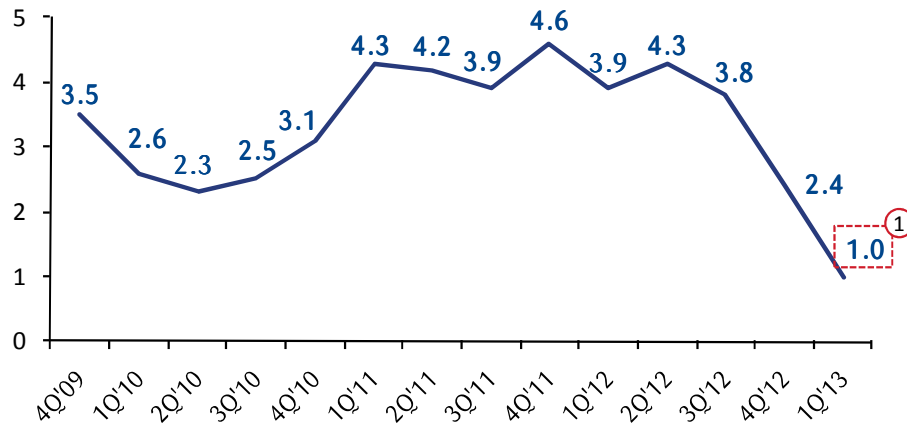
Macroeconomic environment

Falling inflation, stable PLN, and lower interest rates

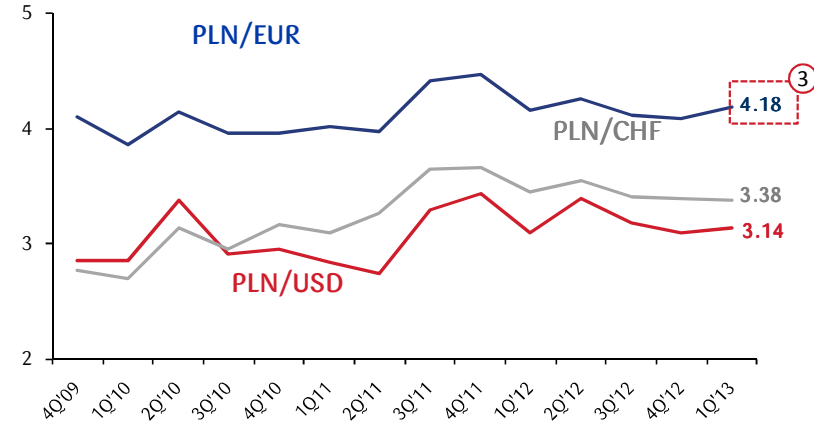


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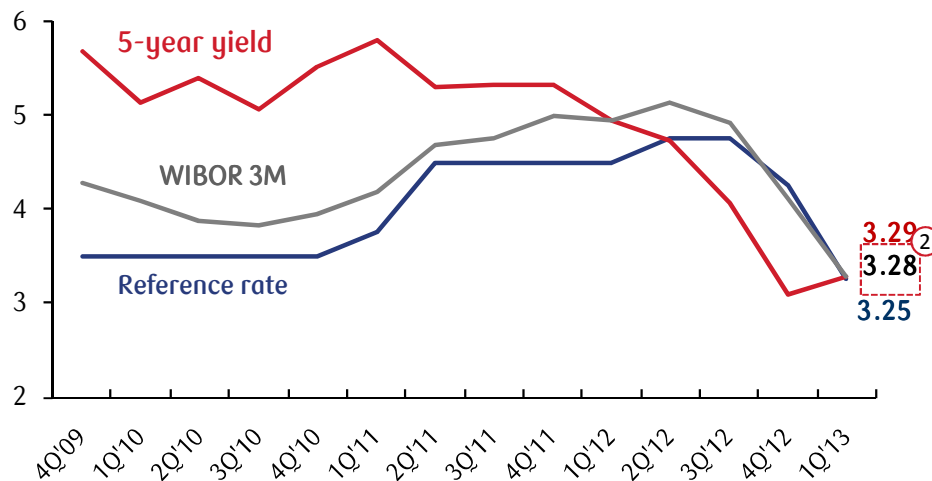
Inflation rate (% y/y)



PLN exchange rates



Interest rates (% eop)



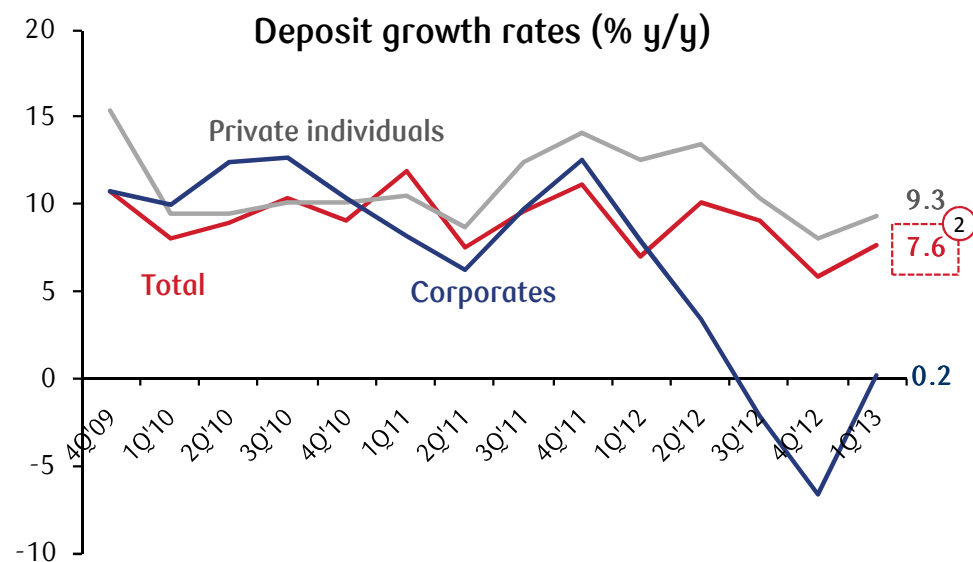
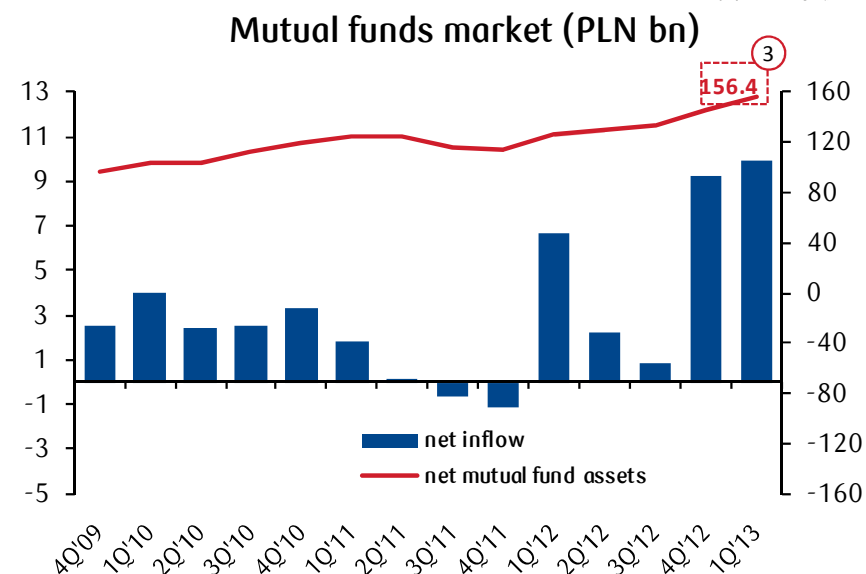
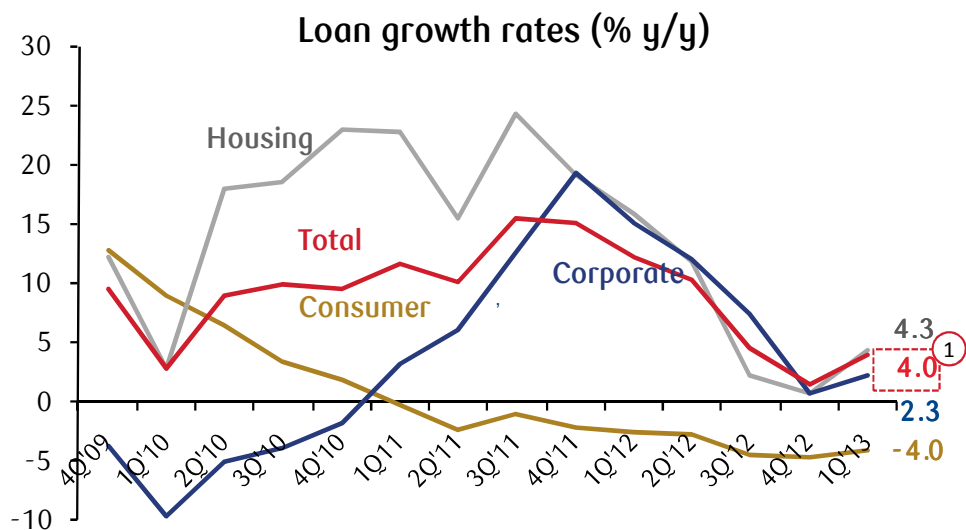
- 1 Sharp decline in CPI inflation to 1,0% y/y in 1Q 2013 was driven by the materialization of virtually all possible factors lowering the inflation, including cheap food and fuels and discounts in the prices of gas and energy. Contribution of core CPI to overall CPI decline in the past six months amounts ca 15%
- 2 The NBP's Monetary Policy Council monetary policy easing brought down the main policy rate down by 100bps in 1q 2013, to 3,25% (and to 3,00% in May). POLGBs remained strong despite Cyprus problems and higher global risk aversion - yields increased temporarily by less than 20 bps. Yields on Polish debt remain lower than yields of 6 Eurozone countries.
- 3 Exchange rates remained relatively stable with PLN sliding slightly against EUR and USD and remaining firm against CHF. EUR/PLN ended the quarter at 4.18

Financial Market

Faster loans and deposits growth



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- ① Acceleration in loans growth, with faster mortgages growth and higher corporate lending dynamics, although consumer credit is still contracting
- ② Faster deposits growth due to acceleration of household deposits growth (higher households real income), but corporate deposits dynamics remains still low (weak financial condition of enterprises). Relatively stronger growth of deposits (than loans) has led to improvement of loans-to-deposits ratio (107.4%, lowest for 2 years)
- ③ Another quarter of high inflow to mutual funds in 1q2013 with stabilisation sentiment in equity market

2013 macroeconomic and banking sector outlook



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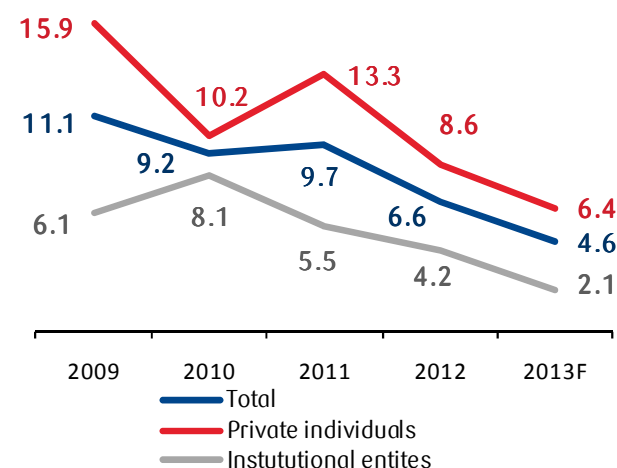
		2011	2012	2013F
GDP	% y/y	4.5	1.9	1.6
Consumption	% y/y	2.6	0.8	1.1
Investments	% y/y	8.5	-0.8	-3.8
Public sector deficit ¹⁾	% GDP	-5.0	-3.9	-4.5
Public debt ²⁾	% GDP	53.5	55.6	55.3
CPI	%	4.3	3.7	1.1
Unemployment rate	% eop	12.5	13.4	14.4
WIBOR 3M	% eop	4.99	4.11	2.85
Reference rate	% eop	4.50	4.25	2.75
PLN/EUR exchange rate	PLN eop	4.42	4.09	3.90
PLN/USD exchange rate	PLN eop	3.42	3.10	2.79

1) According to methodology ESA95

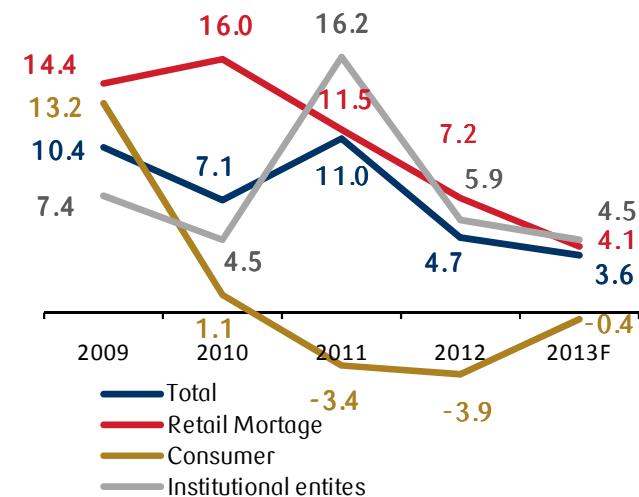
2) According to domestic methodology SNA93

Source: Bank's forecasts

Deposits - FX adjusted growth rate (%)



Loans- FX adjusted growth rate (%)

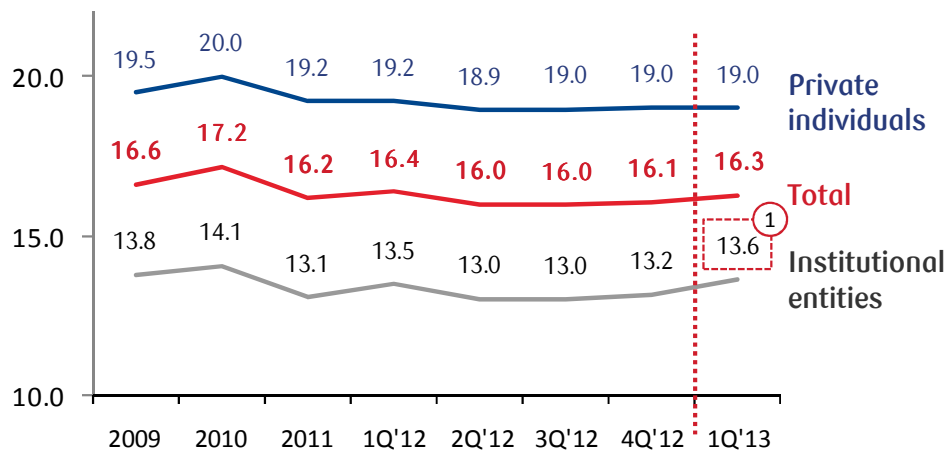




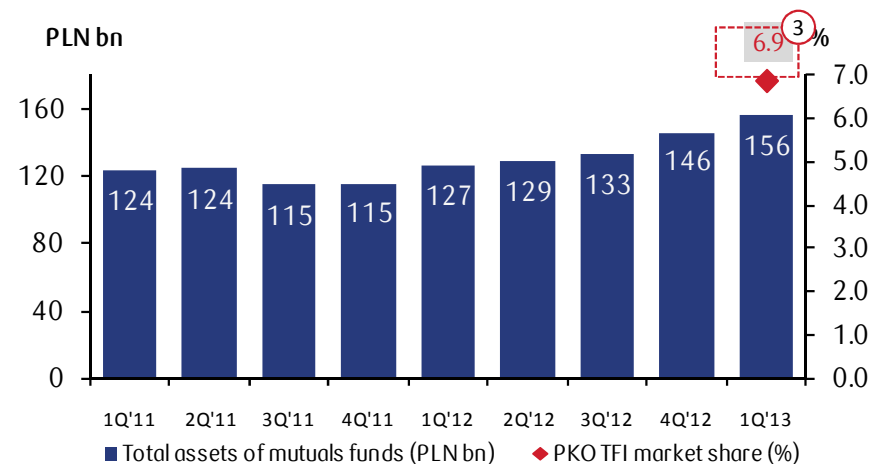
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Market share

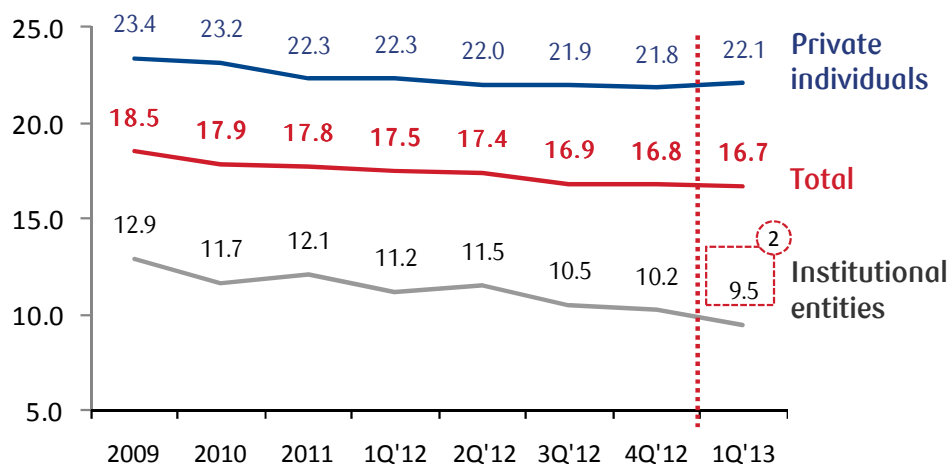
Loans market share (%)



Mutual funds market share



Deposits market share (%)



- 1 Growth of market share q/q mainly as an effect of increased market share in loans to enterprises
- 2 Market share decrease due to replacement by debt instrument issues
- 3 Growth of PKO TFI market share in total assets of mutual funds by 0.4 pp. y/y and maintaining the 4th market position



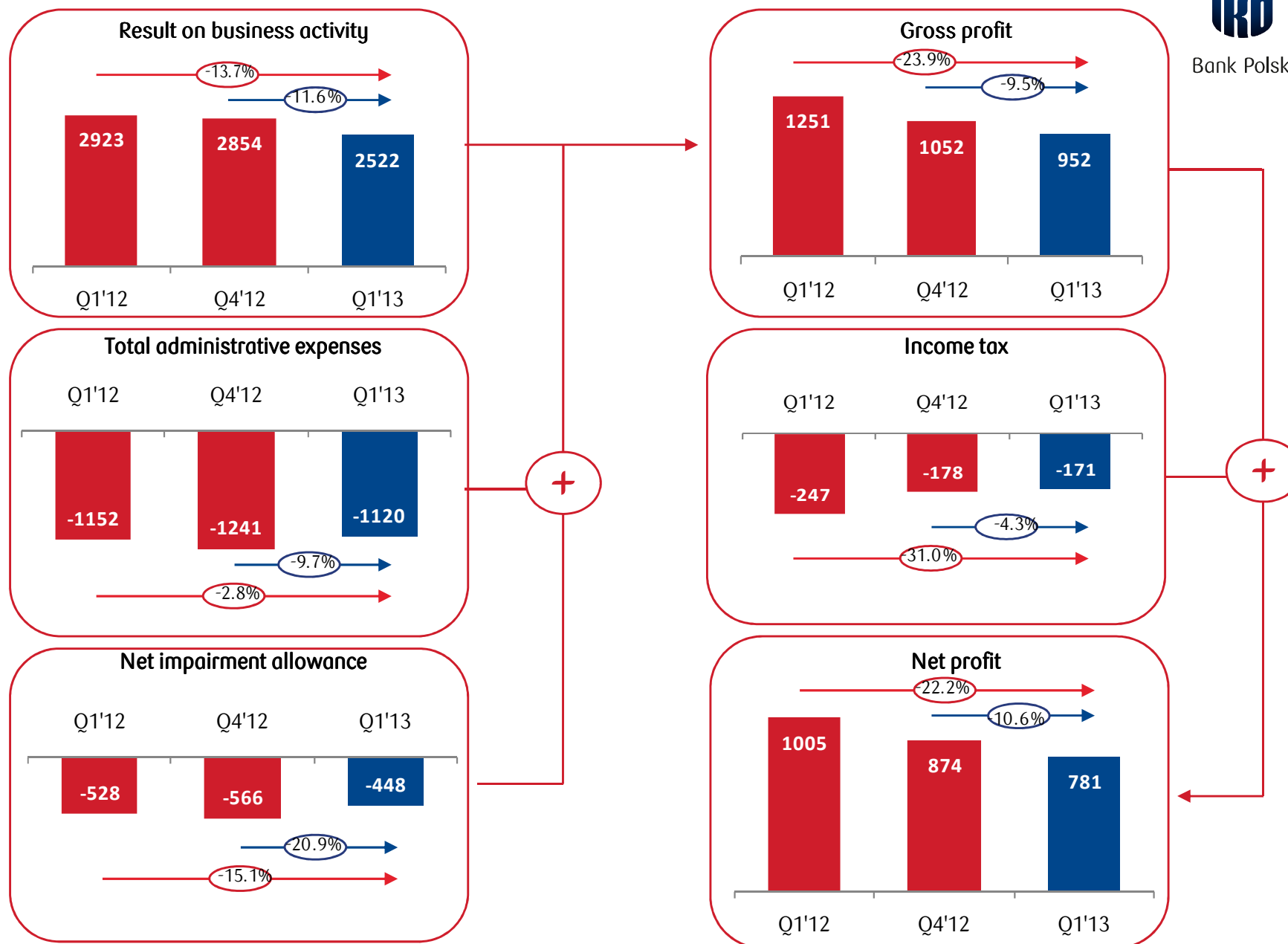
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Profit and loss account



% Change y/y

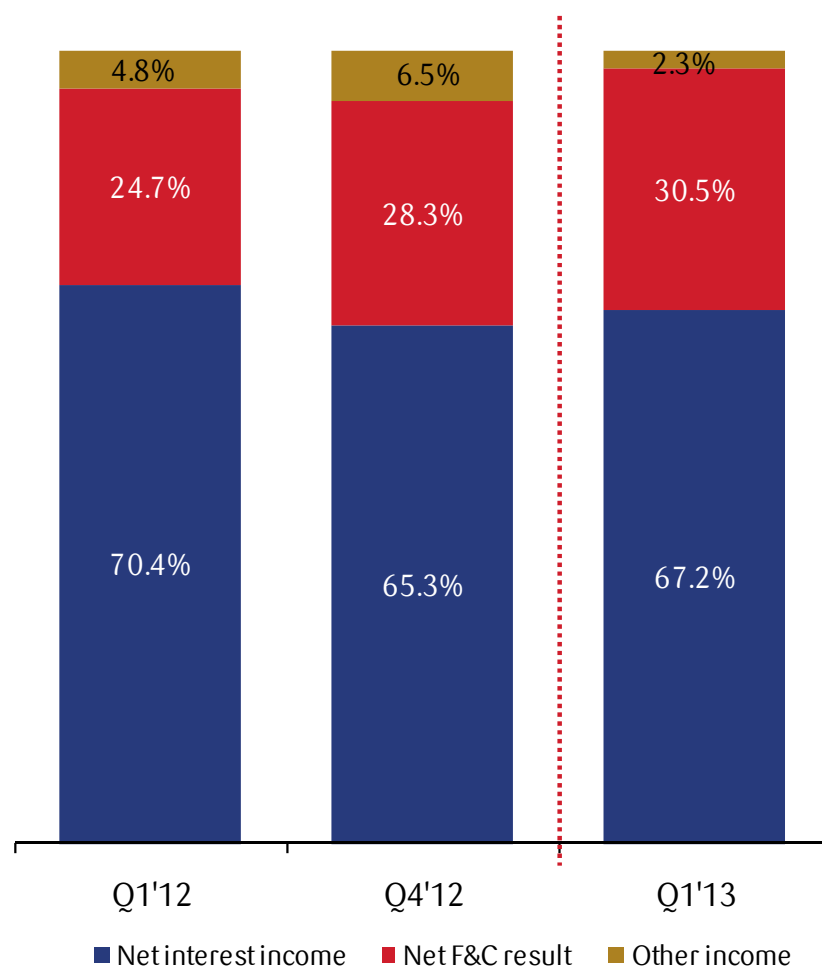
% Change q/q

Result on business activity



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Split of result on business activity



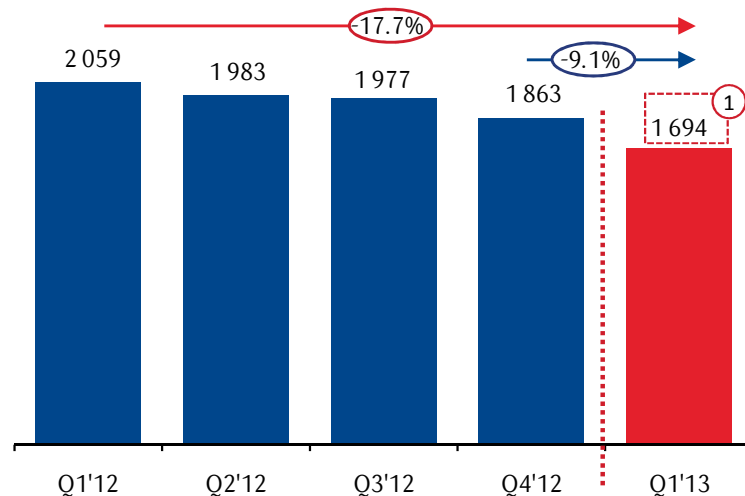
	<i>PLN mn</i>	1Q'12	Q4'12	1Q'13	Change y/y	Change q/q
Net interest income		2 059	1 863	1 694	-17.7%	-9.1%
Net F&C result		723	807	770	+6.5%	-4.5%
Other income		141	184	58	-58.9%	-68.7%
Result on financial operations and dividends		14	104	28	+104.0%	-72.9%
Net FX result		92	23	-12	x	x
Net other income		35	58	42	+19.3%	-27.6%
Result on business activity		2 923	2 854	2 522	-13.7%	-11.6%

Net interest income

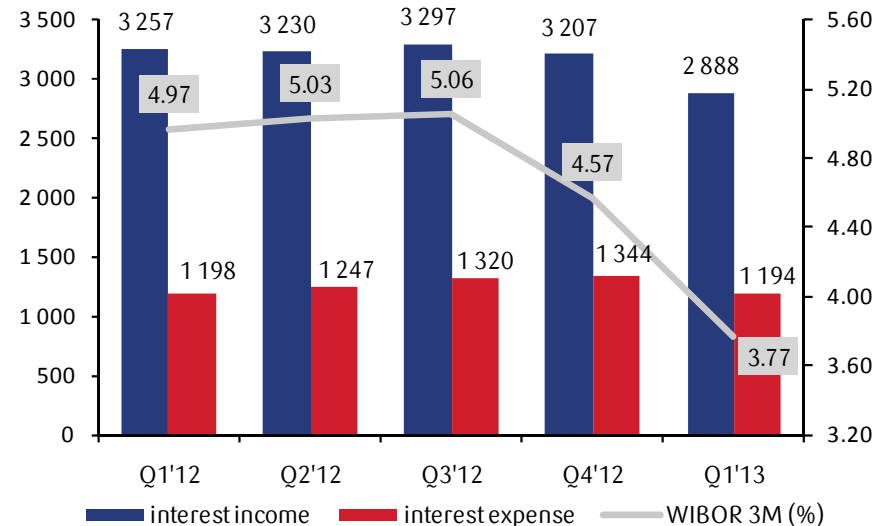


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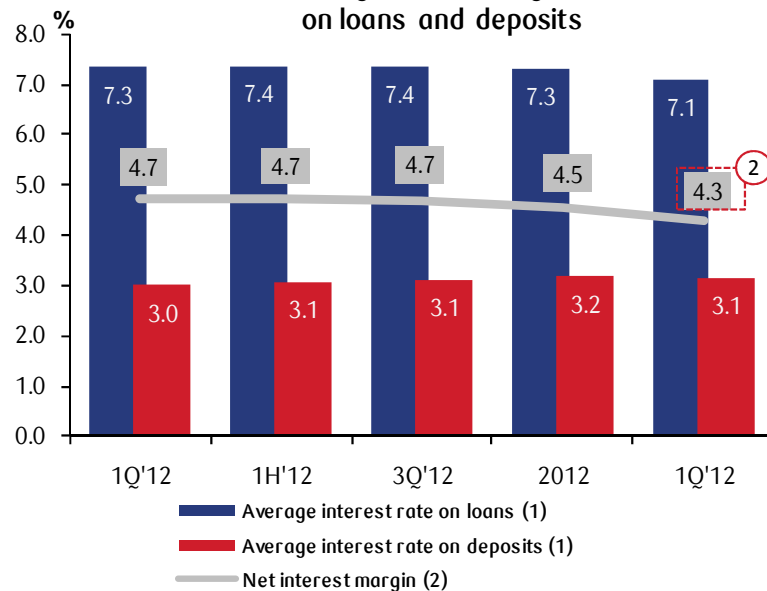
Net interest income (PLN mn)



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



Net Interest margin and average interest rates on loans and deposits



- ① Decrease in Q1'13 result mainly due to drop of market interest rates (average WIBOR 3M lower by 80 bp. q/q)
- ② Decrease in the net interest margin by 0.4 pp. y/y mainly as a result of a decrease in net interest income, of which interest income from loans and advances, which was accompanied by an increase in average interest-bearing assets

(1) Interest income (expense) for last 4 quarters / average net loans (deposits) at the beginning and the end of the period of last 4 quarters

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

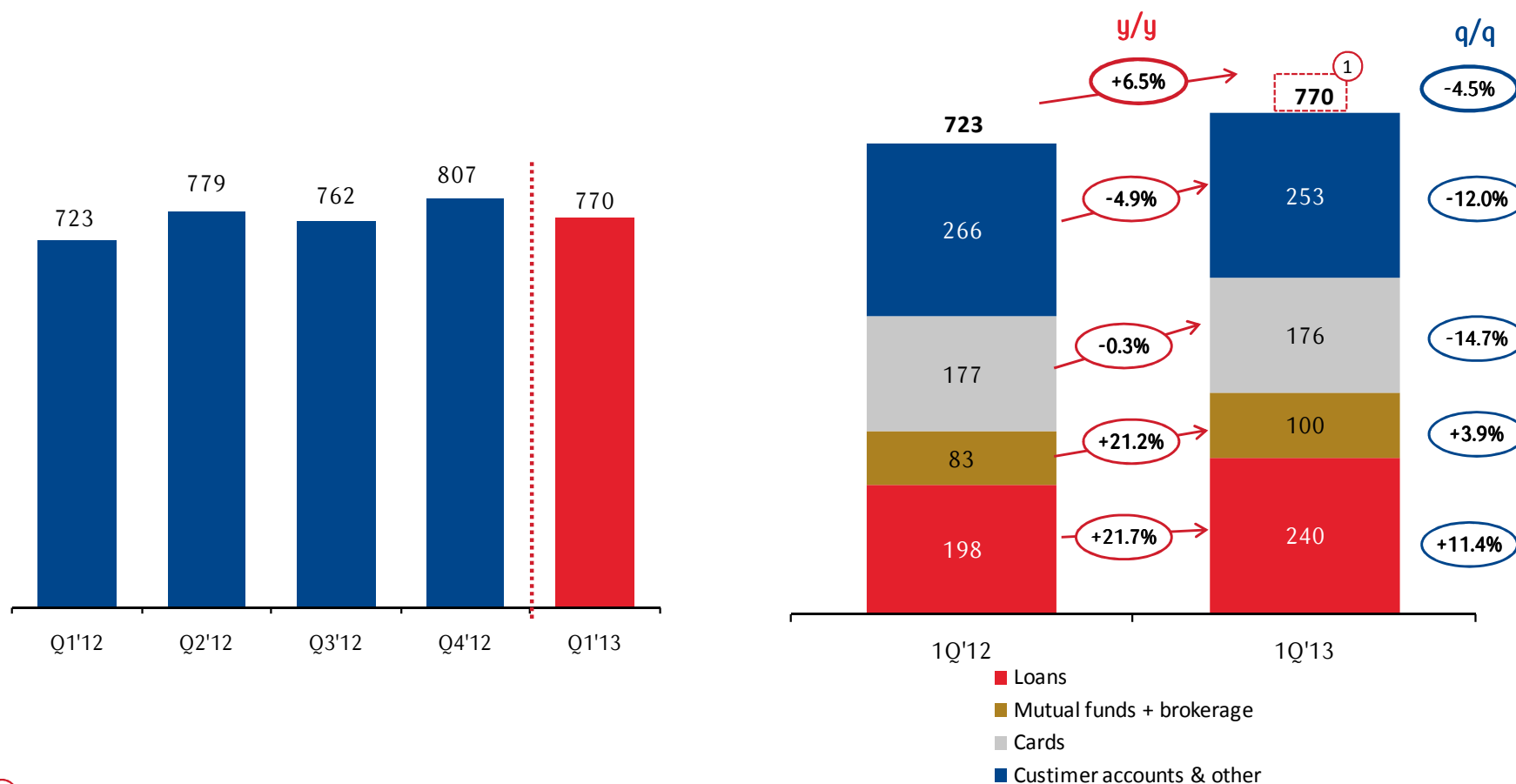
% Change y/y % Change q/q

Net F&C income



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Net fee and commission income (PLN mn)



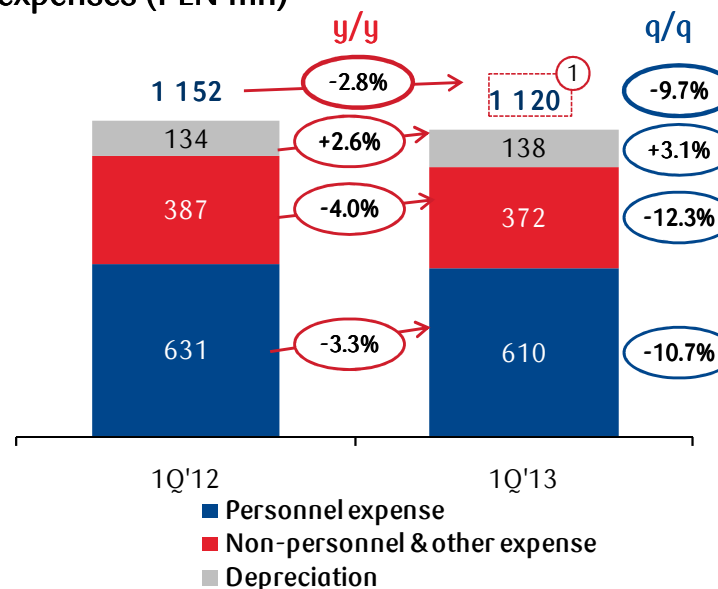
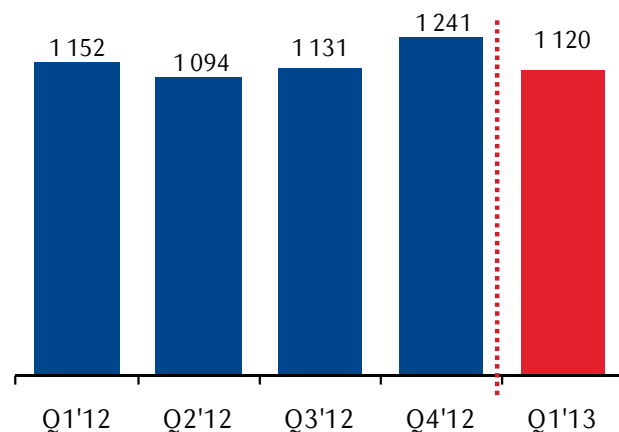
¹ Growth of F&C result on yearly basis mainly due to:

- Increase in net commission income in respect of loan insurance due to increase in insurance saturation of consumer and housing loans, additionally supported by an increase in sales of housing loans as well as increase in income in respect of loans and advances to customers
- higher commission income in respect of maintenance of investment funds (including management fees due to more profitable sales structure of funds, with more than 21% increase in the value of assets)

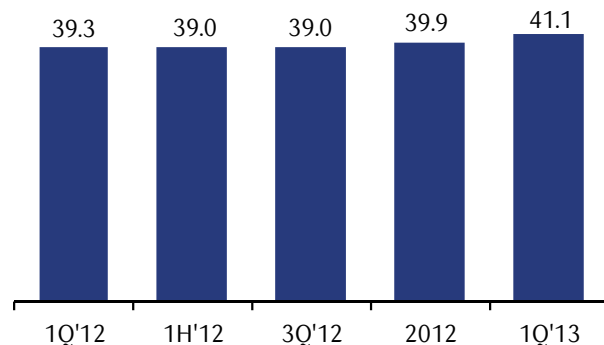


Administrative expenses

Administrative expenses (PLN mn)



C/I ratio



Employment (FTEs) eop

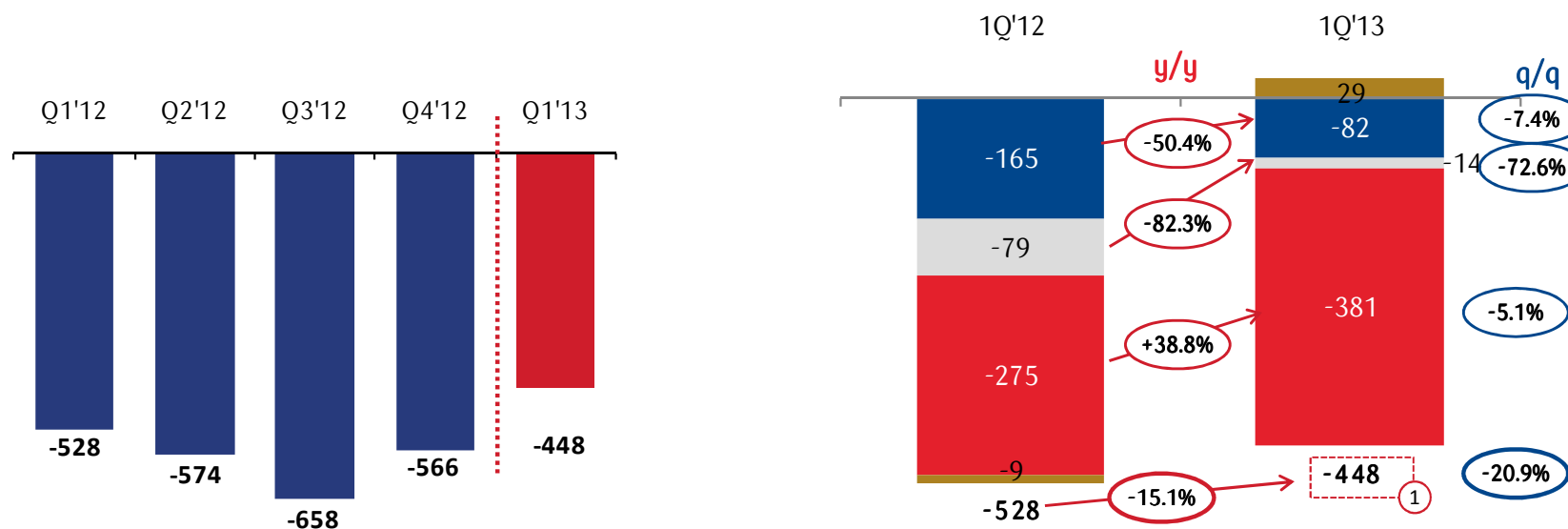
	1Q'12	1Q'13	Change y/y	
			FTEs	%
Group	28 762	28 246	-516	-1.8%

① Administrative expenses lower by PLN 33 mn y/y determined by: (1) decrease in employee benefits (PLN -21 mn y/y), (2) decrease in overheads and other expenses (PLN -16 mn y/y), mainly due to the decrease in the cost of maintenance and rental of fixed assets, postal and courier services, promotion and advertising, (3) increase in amortisation and depreciation (PLN +4 mn y/y)



Net impairment allowance

Net impairment allowance and write-offs (PLN mn)



Share of loans with recognized impairment³⁾

	1Q'12	1Q'13	Change y/y
Consumer loans	9.4%	9.8%	+0.4 pp.
Mortgage loans	3.5%	3.8%	+0.2 pp.
<i>PLN</i>	3.5%	3.6%	+0.1 pp.
<i>FX</i>	3.6%	4.1%	+0.5 pp.
Corporate loans	13.2%	14.2%	+1.1 pp.
Total	8.5%	9.2%	+0.7 pp.

■ Consumer loans 1) ■ Mortgage loans 1) 2)
 ■ Corporate loans 1) ■ Other

¹ Improvement of net impairment on yearly basis is mainly a result of the decrease in the net impairment allowance on the consumers and housing loans portfolio.

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

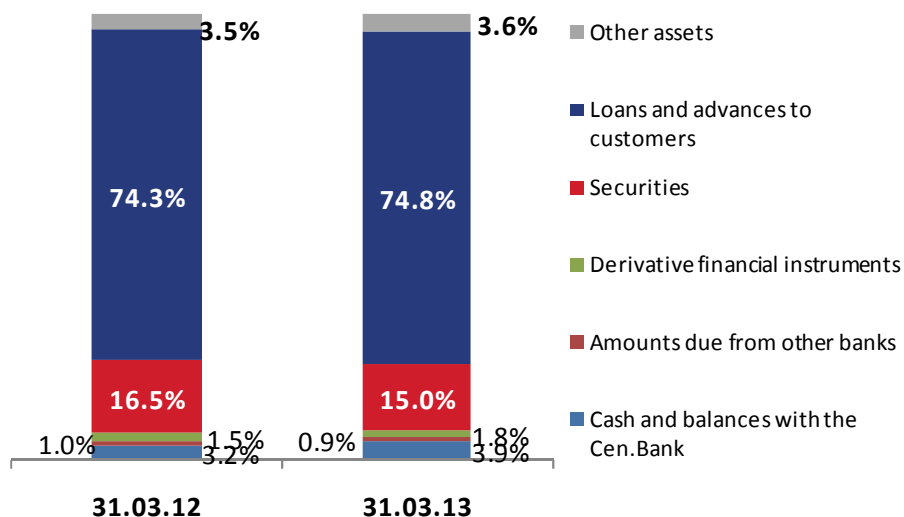
(3) Calculated by dividing the gross carrying amount of impaired loans and advances to customers by the gross carrying amount of loans and advances to customers

Consolidated balance sheet



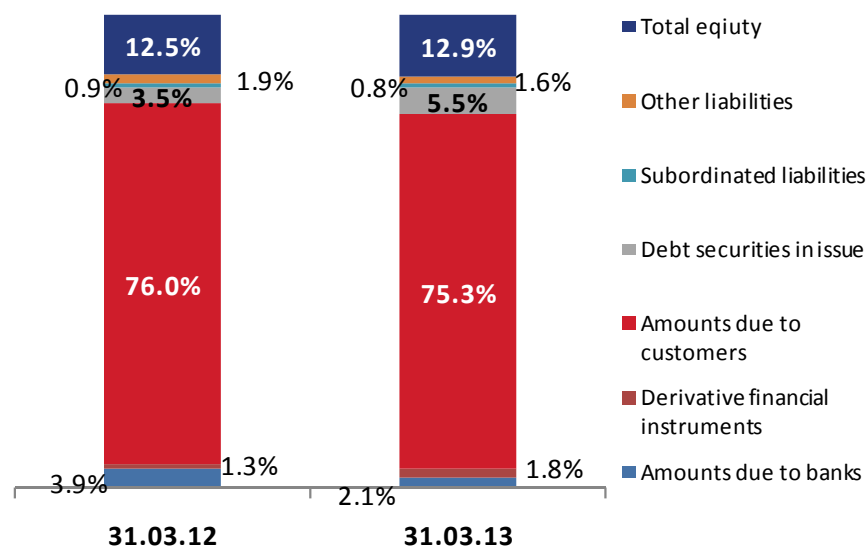
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Total assets



	PLN bn	31.03.12	31.03.13	Change y/y
Cash and balances with the Cen.Bank		6.1	7.8	+26.7%
Amounts due from other banks		1.9	1.7	-10.2%
Derivative financial instruments		2.9	3.5	+21.4%
Securities		31.3	29.5	-5.6%
Loans and advances to customers		140.9	147.5	+4.6%
Other assets		6.6	7.1	+8.6%
Total assets		189.7	197.1	+3.9%

Total equity and liabilities



	PLN bn	31.03.12	31.03.13	Change y/y
Amounts due to banks		7.5	4.1	-45.7%
Derivative financial instruments		2.5	3.6	+44.2%
Amounts due to customers		144.2	148.4	+2.9%
Debt securities in issue		6.6	10.9	+65.1%
Subordinated liabilities		1.6	1.6	-2.1%
Other liabilities		3.7	3.1	-16.2%
Total equity		23.6	25.4	+7.6%
Total equity and liabilities		189.7	197.1	+3.9%



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Loans and deposits

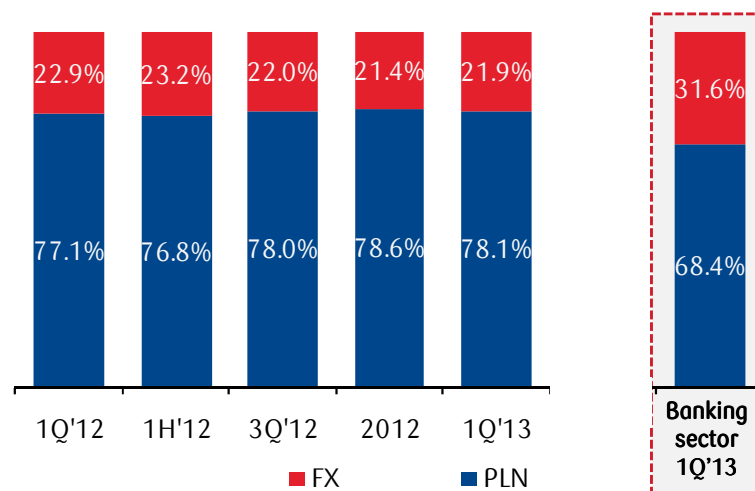
Gross loans (PLN bn)

1Q'12	1H'12	3Q'12	2012	1Q'13
146.9	147.3	149.2	150.7	154.7

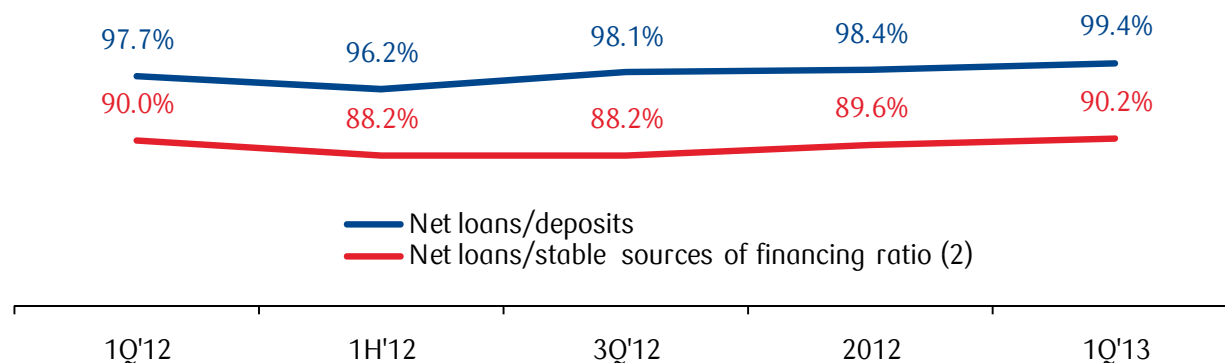
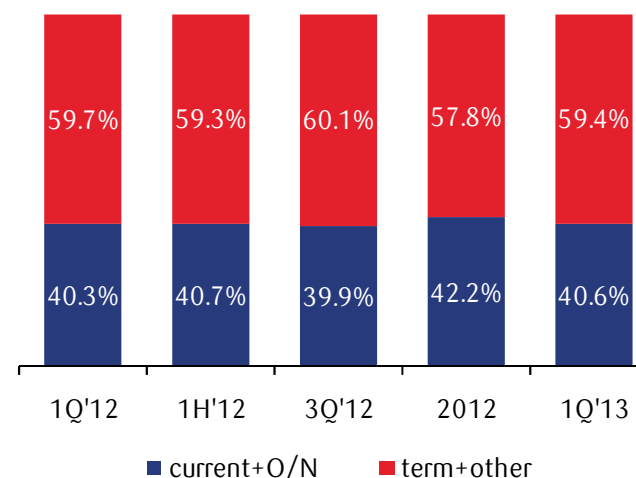
Deposits⁽¹⁾ (PLN bn)

1Q'12	1H'12	3Q'12	2012	1Q'13
144.2	147.0	145.4	146.2	148.4

Currency structure of gross loans portfolio



Term structure of total deposits⁽¹⁾



(1) Amounts due to customers

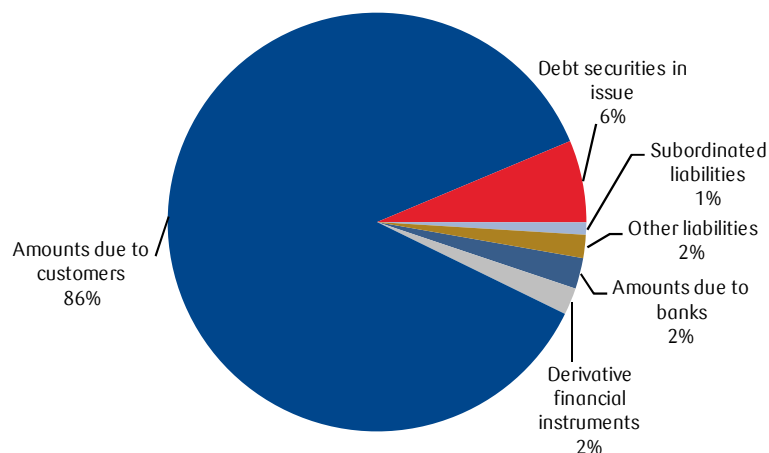
(2) Amounts due to customers and long-term external financing in the form of: issue of securities (incl. funds from the issuance of EMTN carried out by PKO Finance AB), subordinated liabilities and amounts due to financial institutions



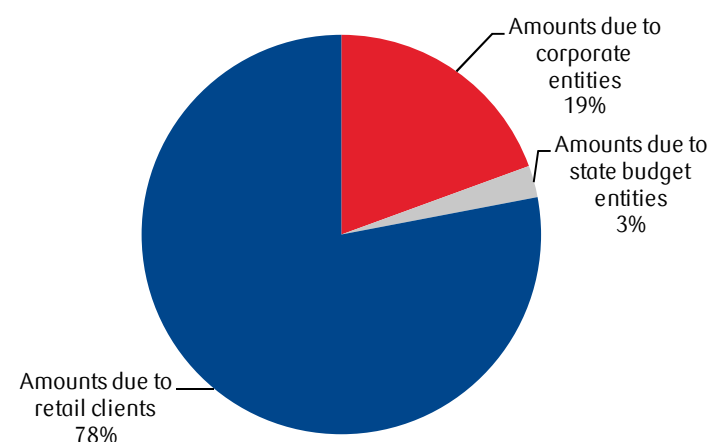
Bank Polski

Funding sources

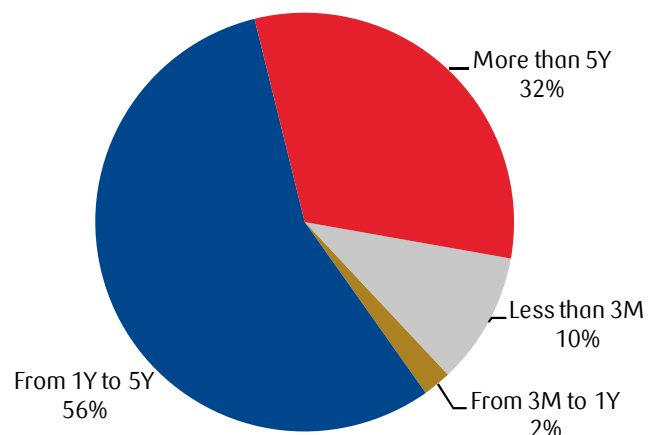
Liabilities structure
(total as at 31 March 2013: PLN 171.7 bn)



Deposit structure
(total as at 31 March 2013: PLN 148.4 bn)



Debt securities structure
(total as at 31 March 2013: PLN 10.9 bn)

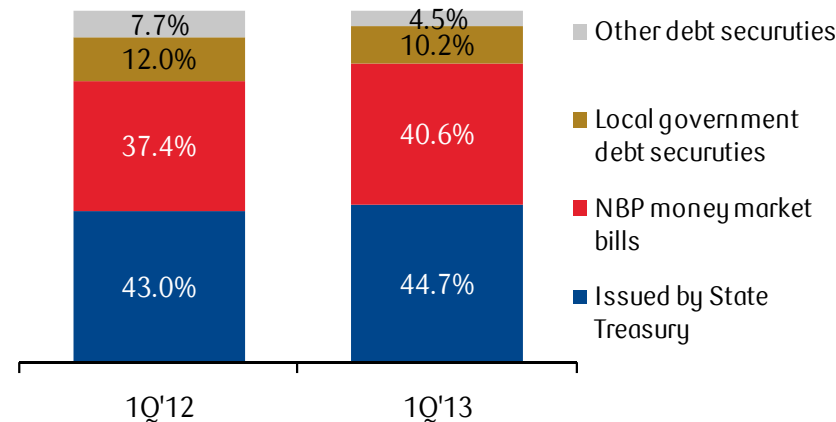
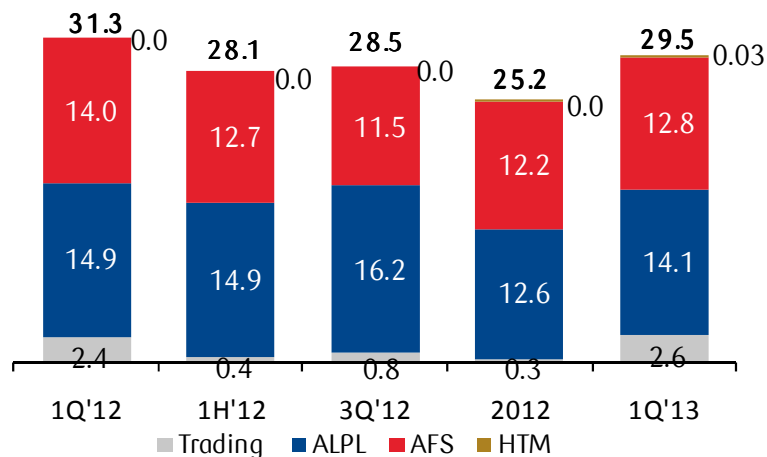


- Retail and corporate deposits are the primary source of funding
- Financing agreements as at end-1Q 2013 included:
 - CHF 410 mn 3-year credit facility opened in July 2012
 - EUR 800 mn 5Y Eurobonds raised in October 2010
 - CHF 250 mn 5Y bonds issuance in July 2011
 - CHF 500 mn 3.25 Y bonds issuance in September 2012
 - USD 1,000 mn 10Y notes issued in September 2012 on US market under 144A Rule
 - PLN 850 mn domestic issue (short term)

Securities – split of portfolio

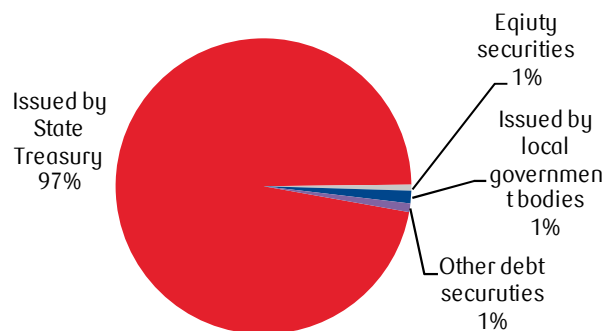


Bank Polski

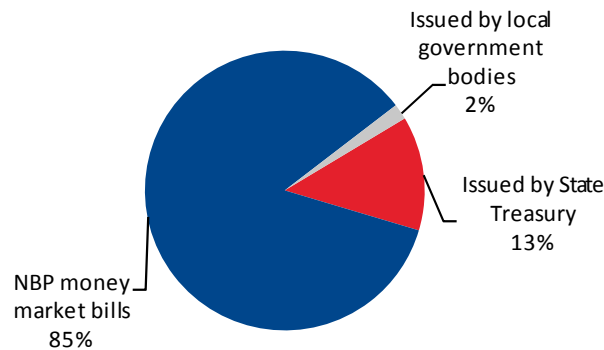


Structure as at end-1Q'13

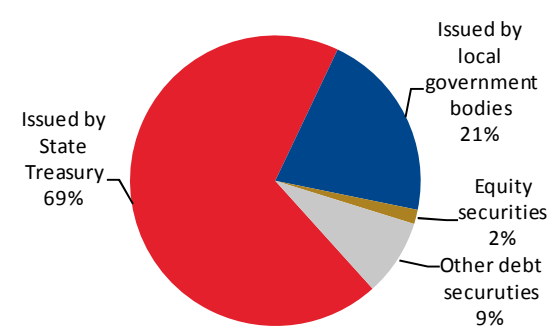
Trading assets



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



Investment securities available for sale (AFS)





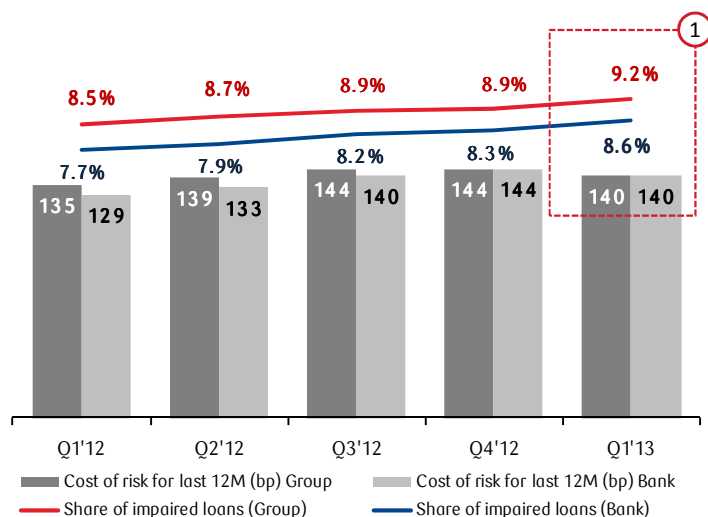
Bank Polski

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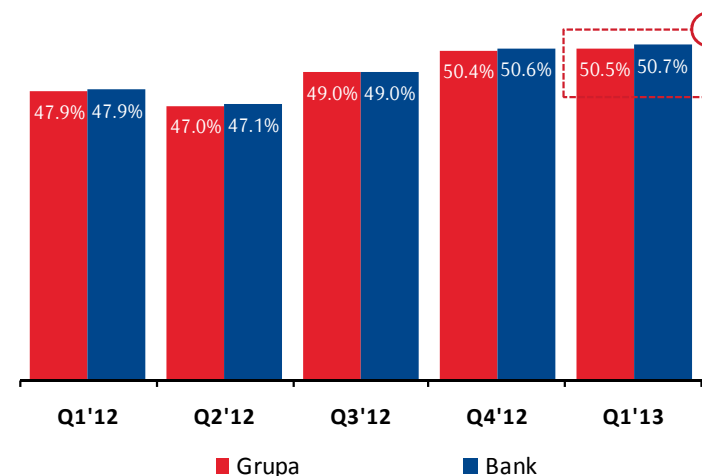


Quality of loan portfolio

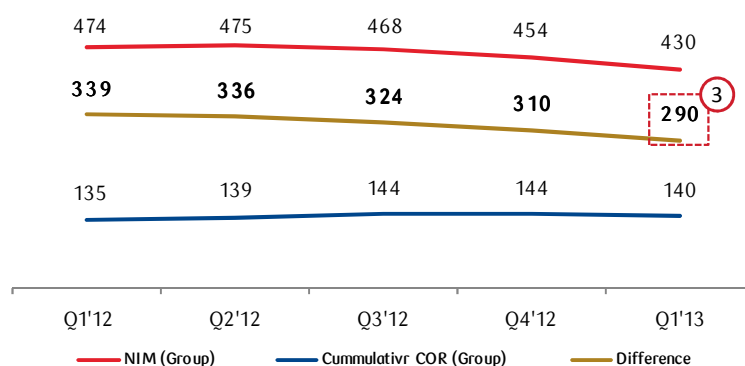
Share of loans with recognized impairment and cost of risk



Coverage of loans with recognized impairment by impairment allowance



Cost of risk vs. net interest margin



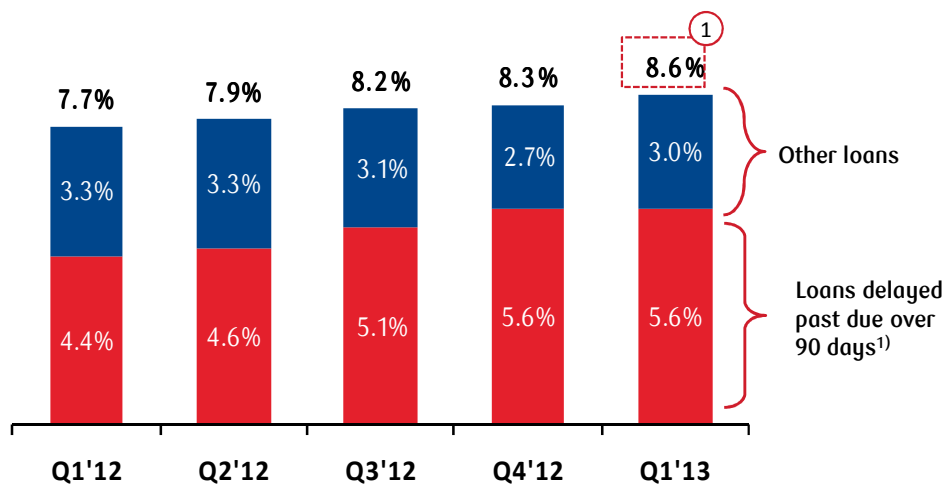
- 1 Increase in share of loans with recognized impairment (consolidated and standalone) due to worsening quality of the corporate loan portfolio, especially SME; drop of cost of risk for the period of last 12M for the Group as well as for the Bank
- 2 Coverage of loans with recognized impairment by impairment allowance at level similar to previous quarter
- 3 Continuation of downward trend of net interest margin adjusted by cost of risk

Quality of loan portfolio

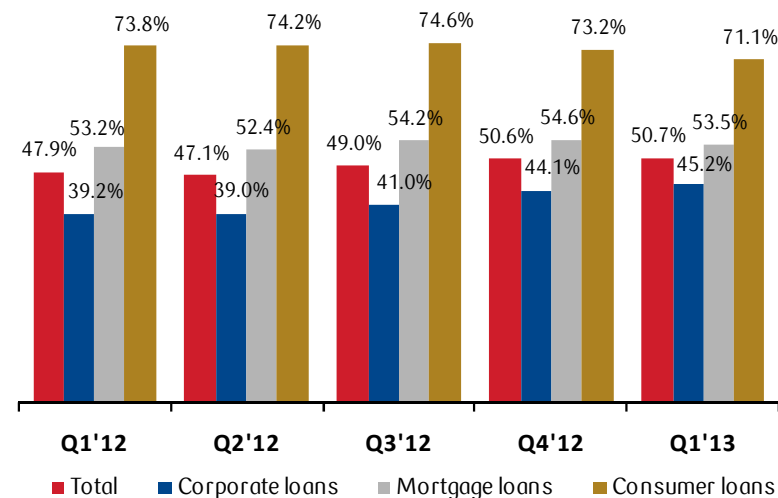


Bank Polski

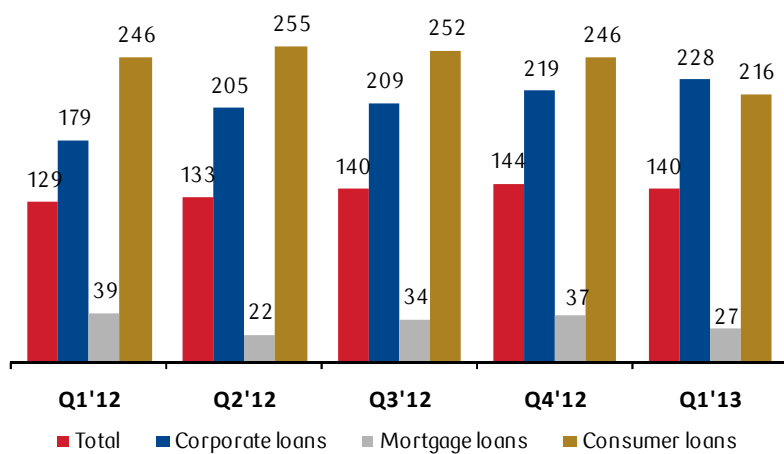
Share of loans with recognized impairment



Coverage of loans with recognized impairment by impairment allowance



Cost of risk for last 12M (bp.)



¹⁾ The upward trend of share loans with recognized impairment maintained due to worsening quality of the corporate loan portfolio. The similar situation is in case of cost of risk of corporate loans for the period of last 12M

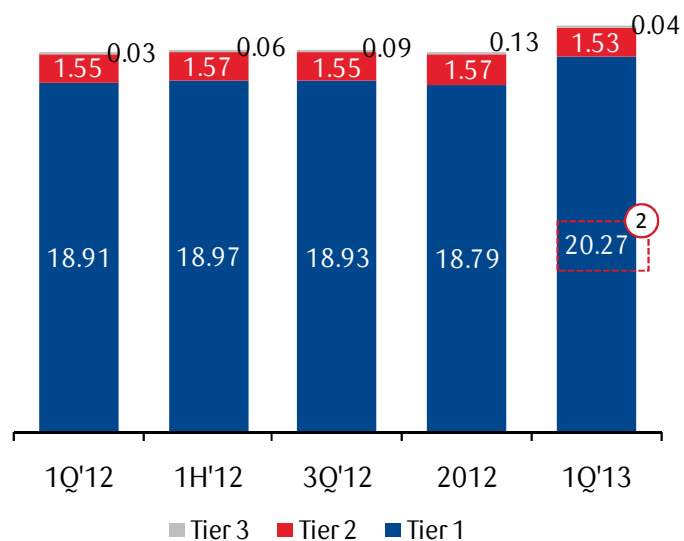
(1) Presentation adjustment: loans which meet the condition of impairment "delay past due over 90 days" (previously presented) changed to loans delayed past due over 90 days



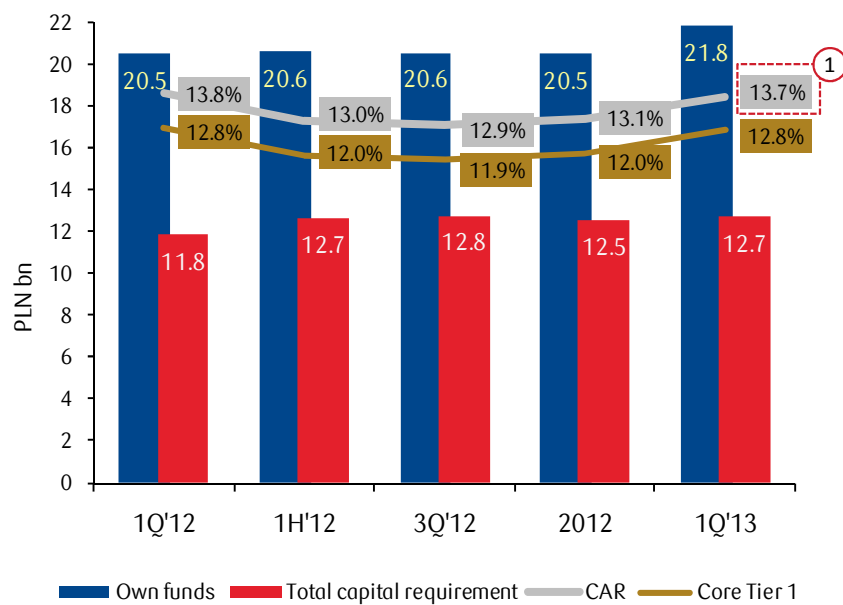
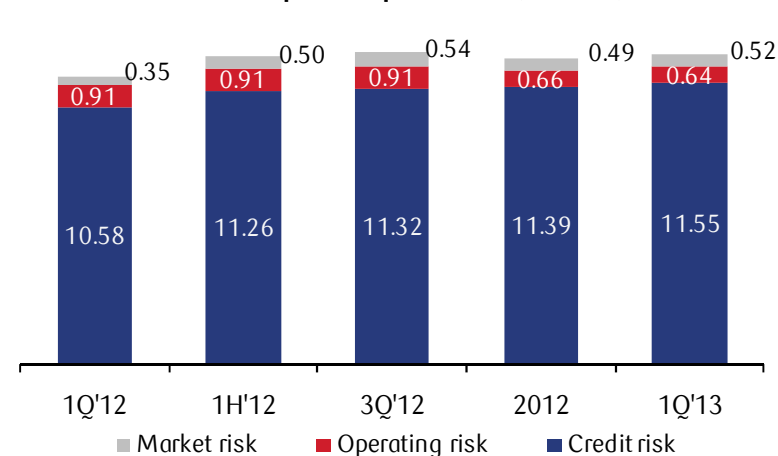
Bank Polski

Capital adequacy

Own funds (PLN bn)



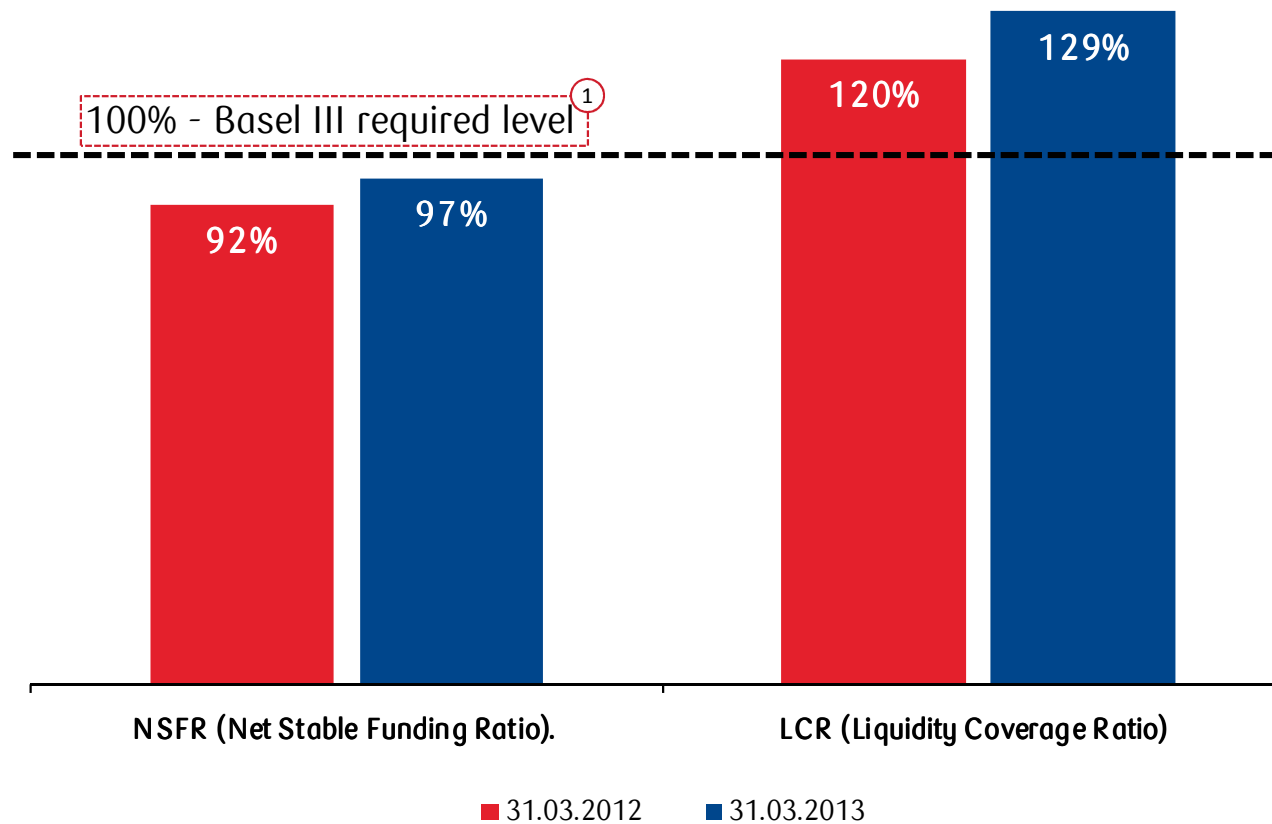
Total capital requirement (PLN bn)



- ① Growth of CAR by 0.6 pp. q/q mainly due to increase in own funds
- ② Growth of Tier 1 funds mainly due to the recognition PLN 1.34 bn of profit earned by the Bank in 2012 and unappropriated profits from previous years after expected dividend deduction



Basel III and CRD IV since 2019 – liquidity ratios



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



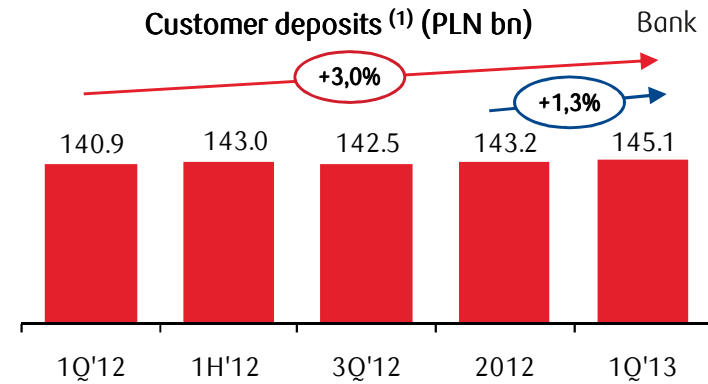
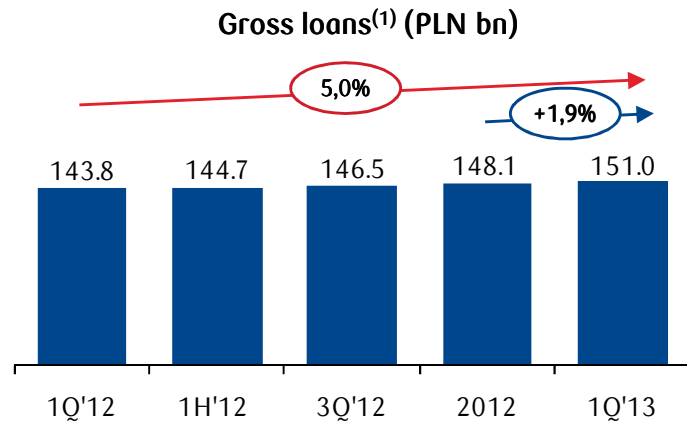
Bank Polski

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Business activity - volumes

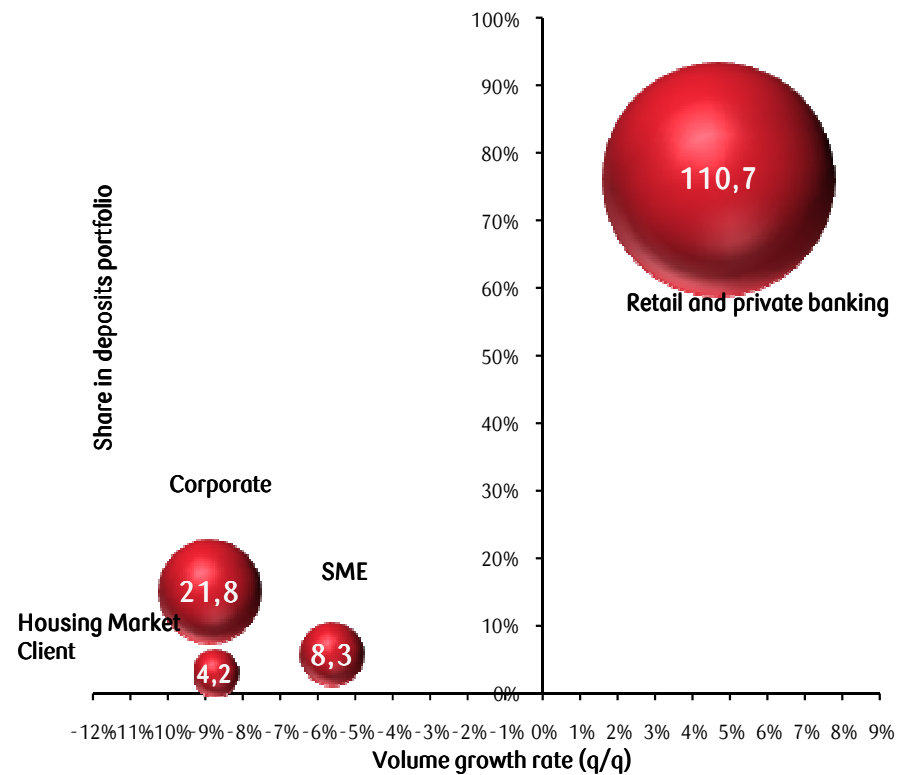
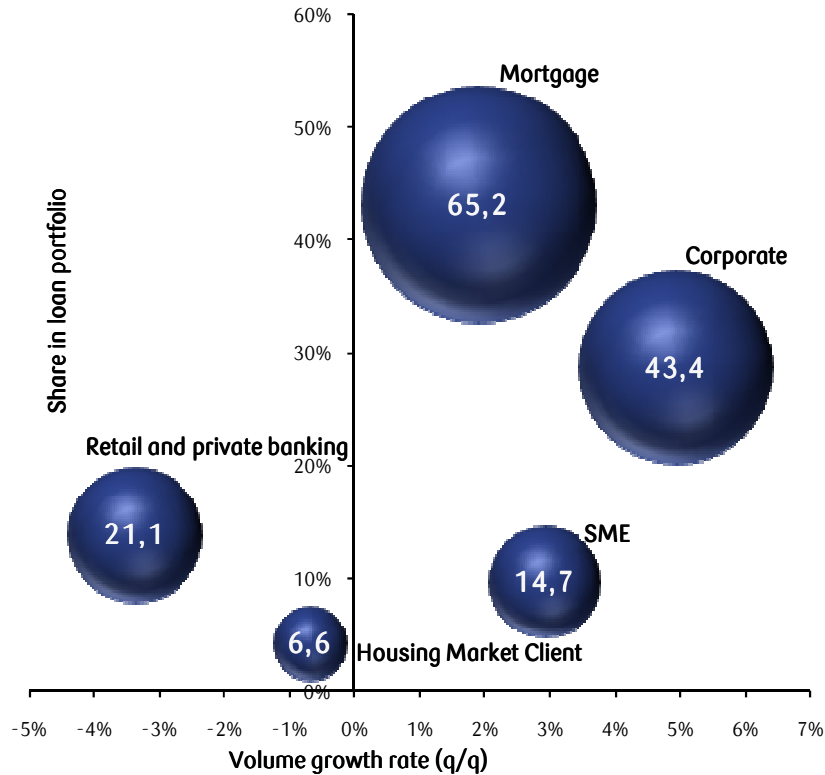


Bank Polski



Gross loans by business lines (as at 31.03.2013)¹⁾

Customer deposits by business lines (as at 31.03.2013)¹⁾



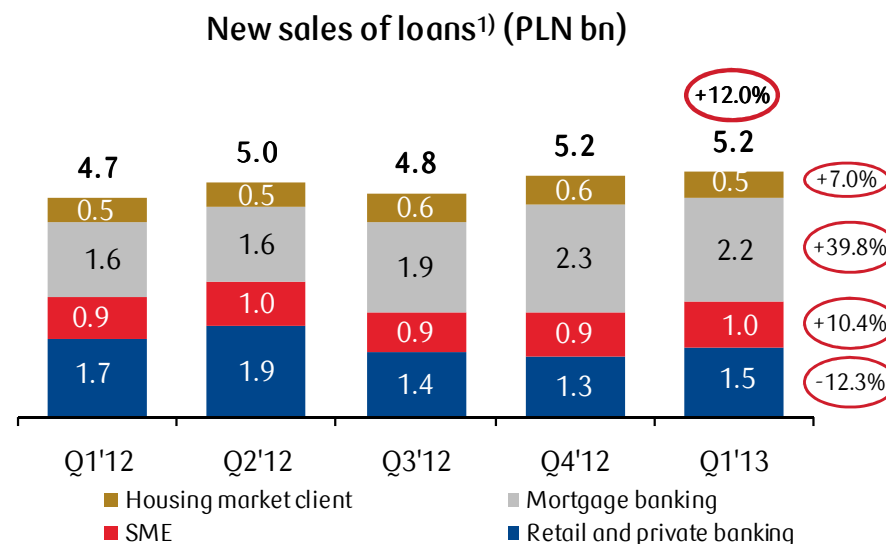
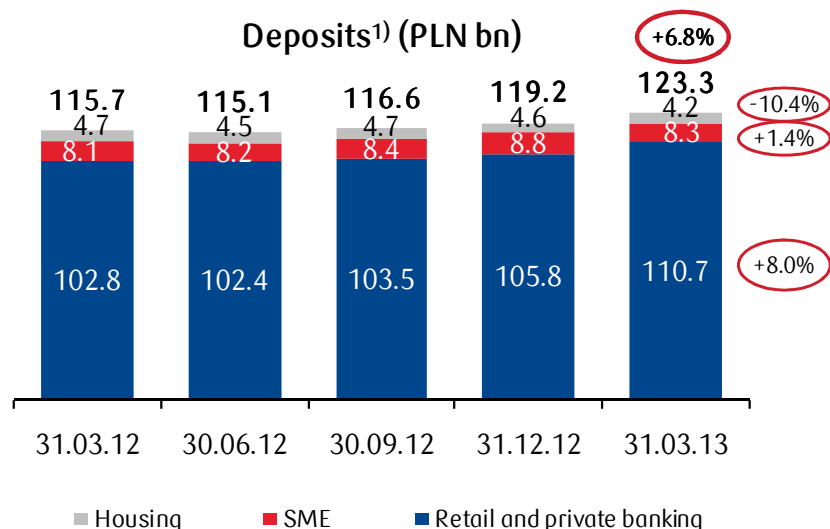
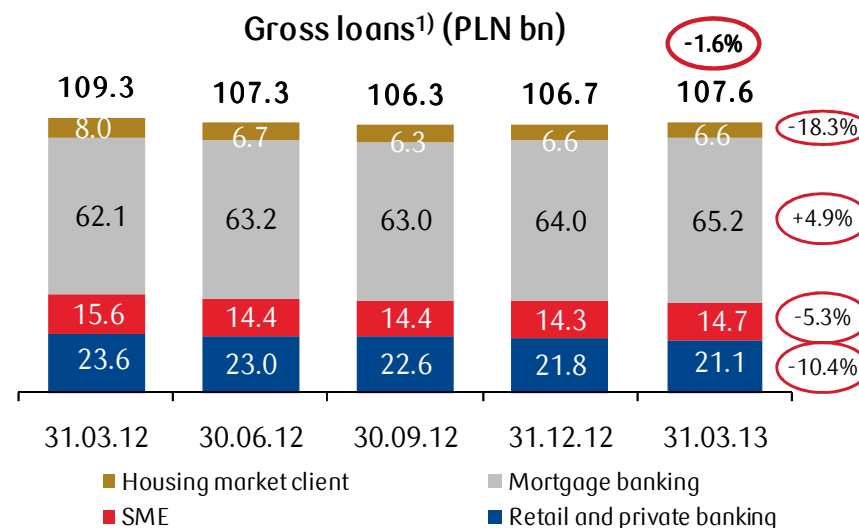
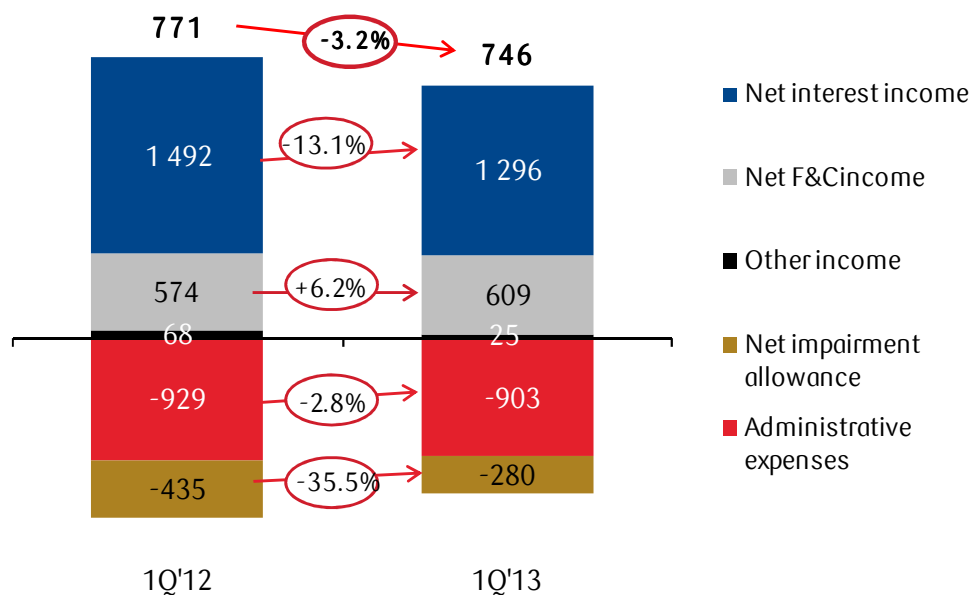
(1) Bank's management data

Retail segment



Bank Polski

Gross financial result of retail segment (PLN mn)



○ Change y/y

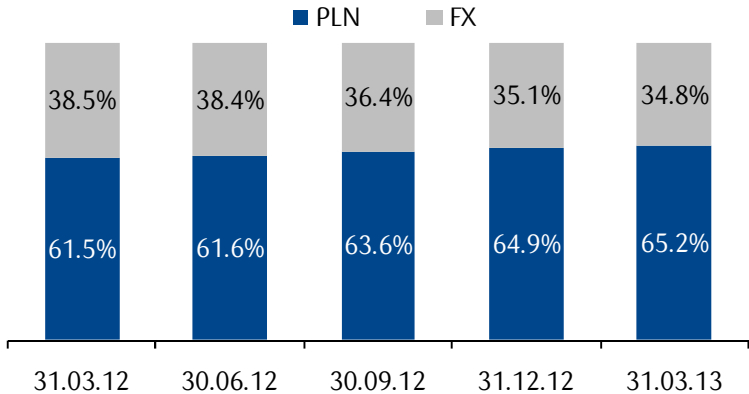
(1) Bank's management data. Change in relation to business volumes previously presented results from a change in presentation; i.e. volumes currently presented include valuation adjustments and accrued interest. Additionally, the mortgage loan for consumer purposes was presented in loans and advances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



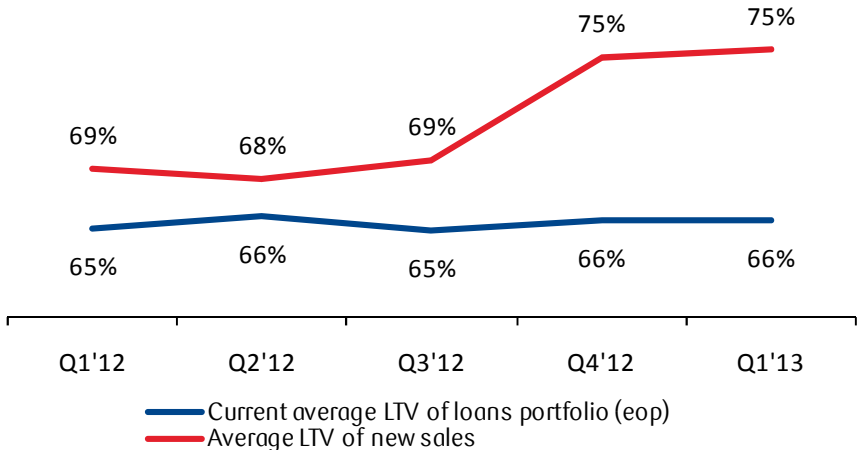
Bank Polski

Retail segment – mortgage loans

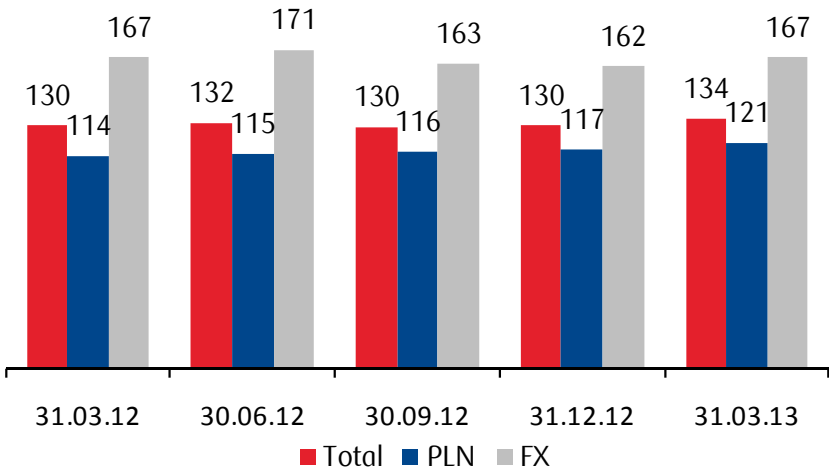
Structure of mortgage loans portfolio



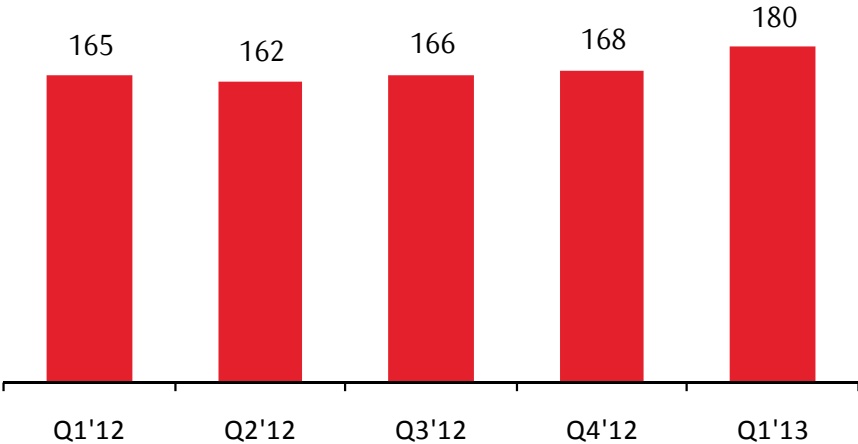
Average LTV



Average carrying value of mortgage loan (PLN '000)



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

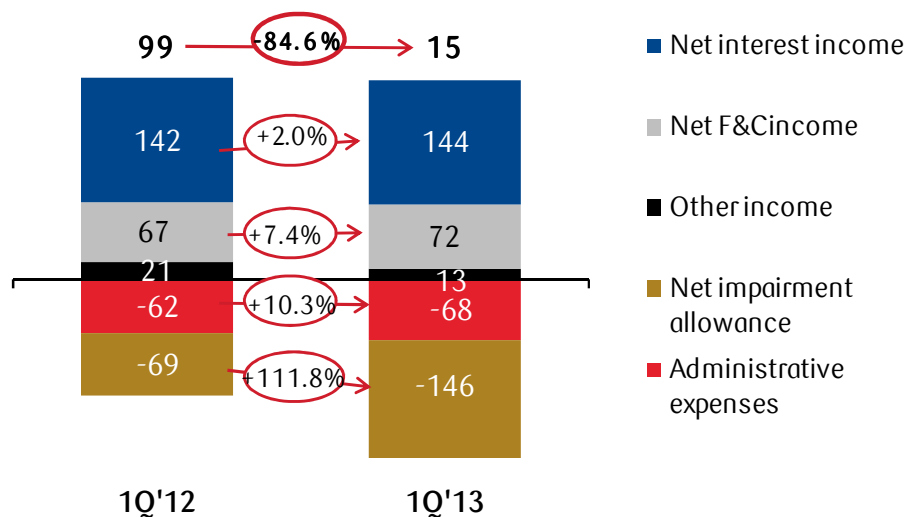


Corporate segment

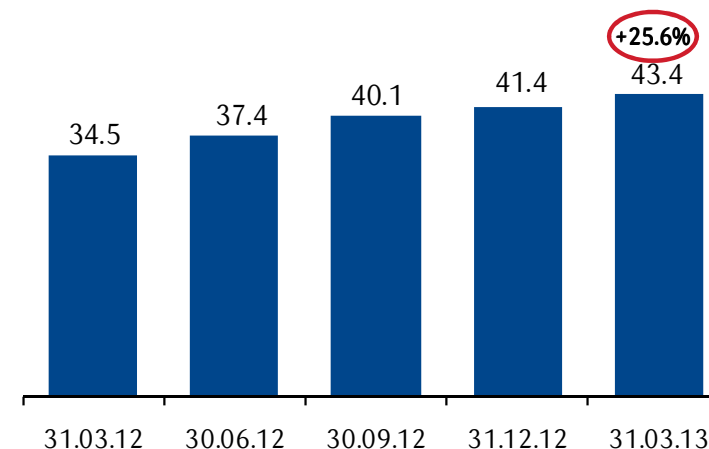


Bank Polski

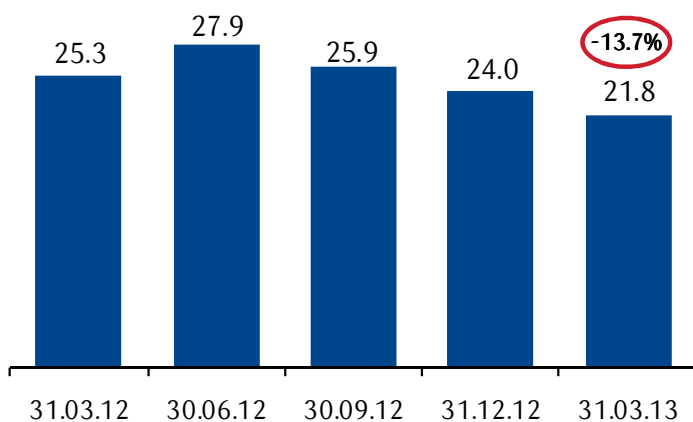
Gross financial result of corporate segment (PLN mn)



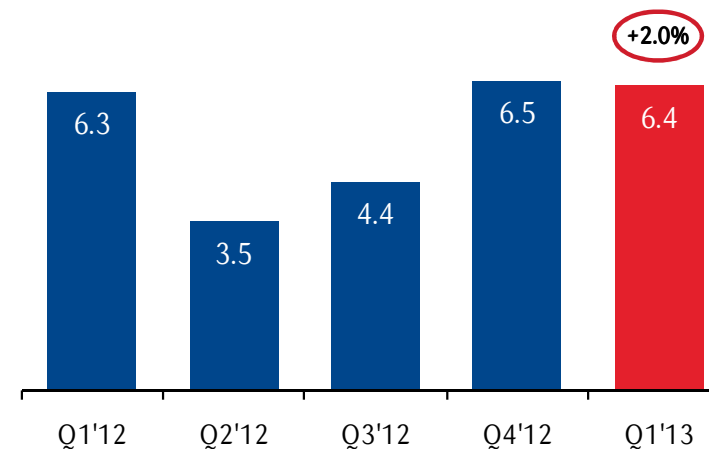
Gross loans¹⁾ (PLN bn)



Deposits¹⁾ (PLN bn)



New sales of loans¹⁾ (PLN bn)



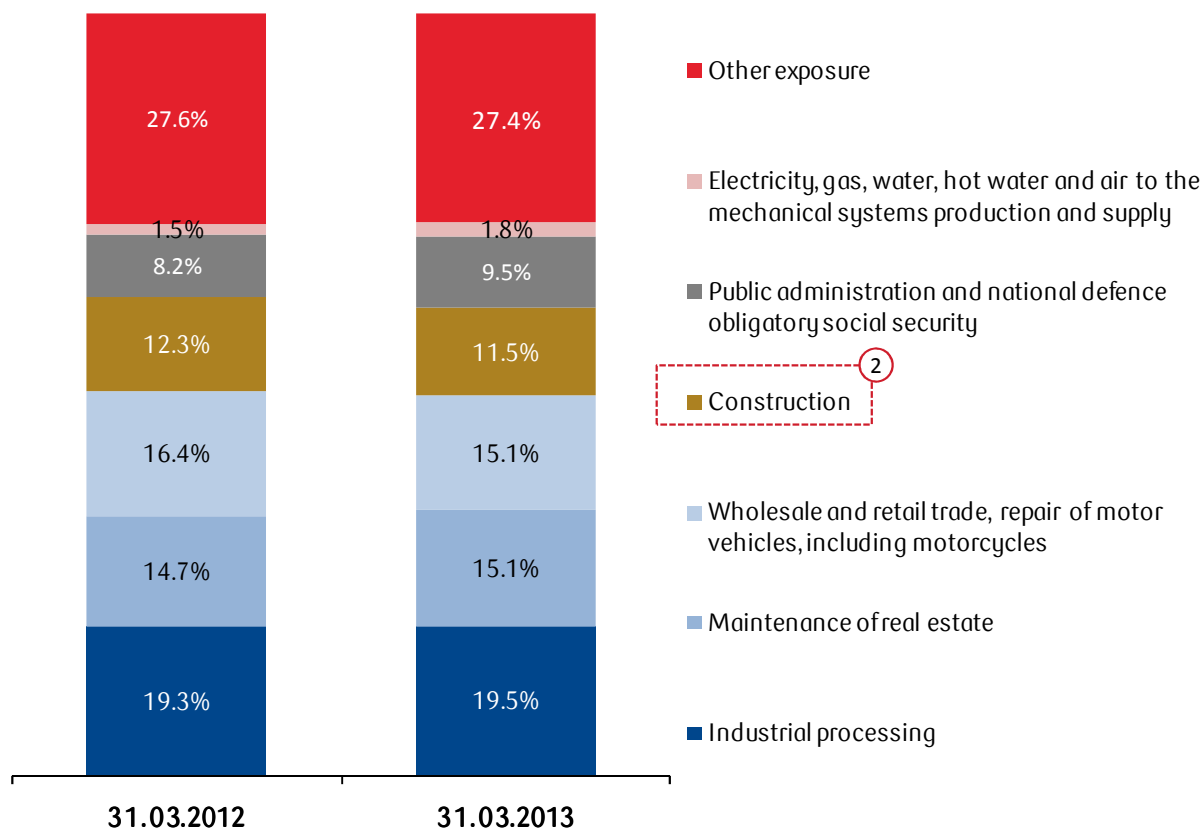
Change y/y

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

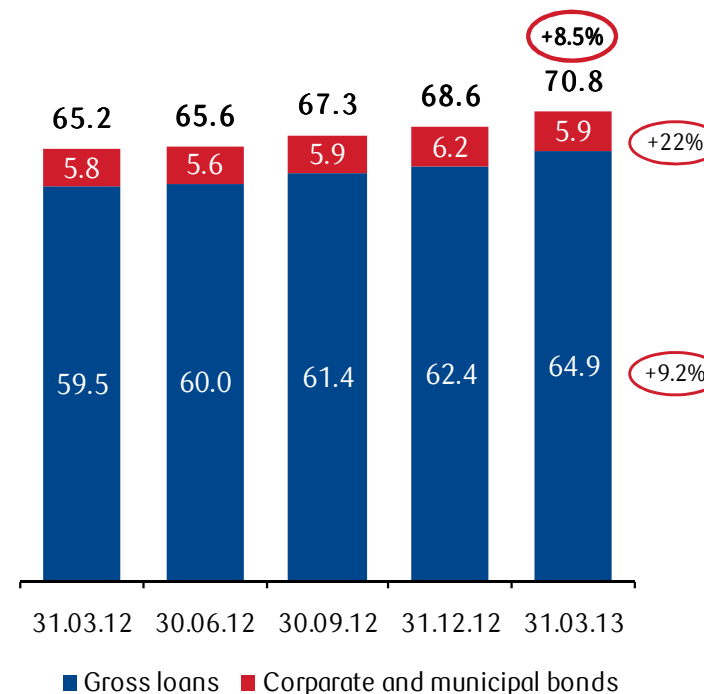


Credit risk concentration

¹ Structure of corporate¹⁾ loans by industry segment



Receiveables due from corporate¹⁾ entities (PLN bn)



¹ Strongly diversified loan portfolio indicates low concentration by industry. The biggest share in portfolio has section „Industrial processing”, which was at level 19.54% as at end-1Q 2013. The highest growth as compared to previous year noted section „Public administration and national defence, obligatory social security”

² As at end-1Q 2013 share of section „Construction” in total gross loans at 5.1%, 0.2 pp lower y/y, along with decrease in corporate loan portfolio by 0.8 pp. y/y

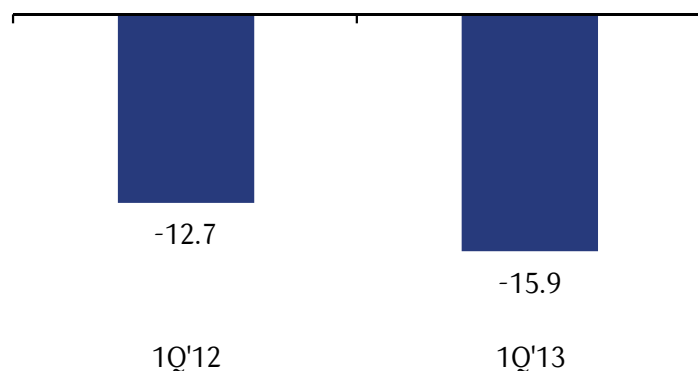
(1) Gross loans of non-financial and state budget entities

Ukraine operations - Kredobank

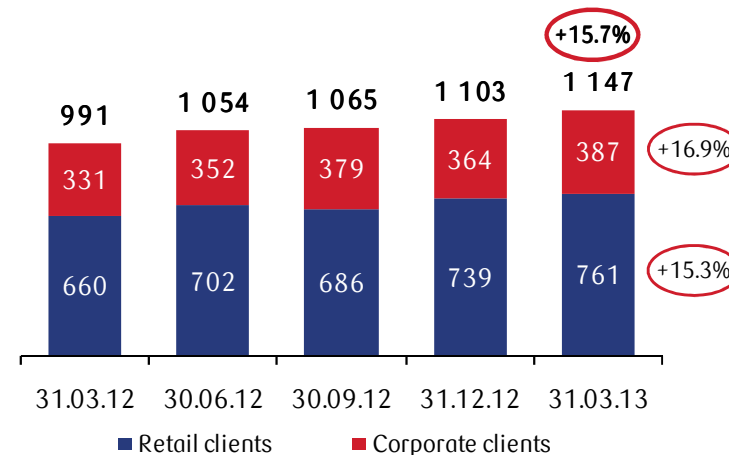


Bank Polski

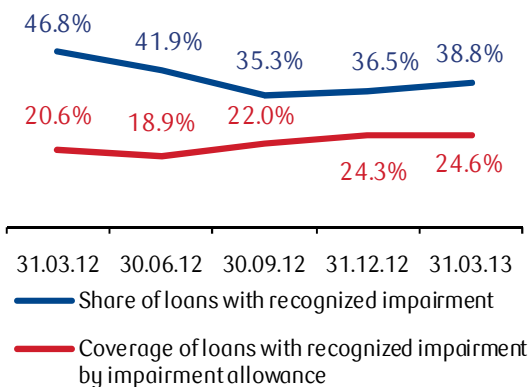
Net financial result of Kredobank (PLN mn)



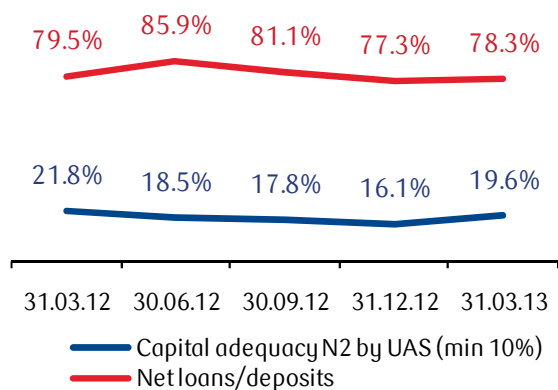
Total deposits (PLN mn)



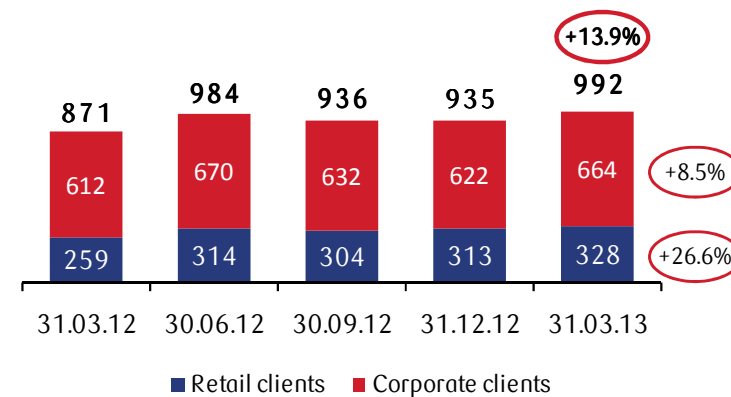
Quality of loan portfolio



Capital adequacy



Total gross loans (PLN mn)



○ Change y/y

Net financial result of Group Entities



Bank Polski

	PLN mn	1Q 2012	1Q 2013	Change
	Consolidated net profit	1 004.8	781.4	-22.2%
Bank Polski	Banking	998.7	778.6	-22.0%
TFI	Mutual funds	6.1	6.8	+10.5%
Bankowy OFE	Pension fund	2.5	6.4	+152.6% ¹
Leasing	Leasing	4.0	1.9	-53.5%
platforma inteligo	Internet banking support	4.6	4.0	-14.2%
eService	Payments	5.0	9.7	+93.3% ²
КРЕДОВАНК GRUPA PKO BP	Banking in Ukraine	-12.7	-15.9	-26.0%
QUALIA DEVELOPMENT	Real estate development	-2.6	-7.5	-191.1% ³

¹ Growth of net profit mainly as an effect of decrease in operating costs along with higher revenues in respect of fund management

² Growth of net profit thanks to increased margin on transactions processing after lowering interchange fee by payment organisations, development of terminals network, growth of volume of processed transactions and development of new services

³ Decrease in net result mainly due to lower sales of apartments as a result of situation on real estate market

Basic operational data



Bank Polski

Item (eop)	1Q'12	1H'12	3Q'12	2012	1Q'13	Change	
						y/y	q/q
Number of current accounts ('000)	6 123	6 126	6 135	6 220	6 245	+2.0%	+0.4%
Number of banking cards ('000)	7 125	7 122	7 158	7 164	7 120	-0.1%	-0.6%
<i>of which: credit cards</i>	<i>998</i>	<i>977</i>	<i>978</i>	<i>980</i>	<i>938</i>	-6.0%	-4.3%
Number of branches:	1 196	1 197	1 196	1 198	1 199	+0.3%	+0.1%
- retail	1 132	1 133	1 132	1 134	1 135	+0.3%	+0.1%
- corporate	64	64	64	64	64	0.0%	0.0%
Number of agencies	1 253	1 218	1 210	1 208	1 202	-4.1%	-0.5%
Number of ATMs	2 465	2 525	2 569	2 803	2 911	+18.1%	+3.9%
Number of eService terminals	55 176	57 829	65 061	68 877	71 706	+30.0%	+4.1%



Bank Polski

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Profit and loss of the PKO Bank Polski Group by quarters



Bank Polski

Profit and loss account (PLN '000)	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q1'13/ Q1'12	Q1'13/ Q4'12
Net interest income	2 059 186	1 983 059	1 977 413	1 863 128	1 693 839	-17.7%	-9.1%
Net fee and commission income	723 440	779 259	761 679	806 824	770 179	+6.5%	-4.5%
Other income	140 666	105 242	185 621	184 344	57 785	-58.9%	-68.7%
Dividend income	-	6 077	2 004	-	-	n.m.	n.m.
Net income from financial instruments designated at fair value	14 513	872	32 843	45 960	(155)	n.m.	-100.3%
Gains less losses from investment securities	(707)	5 349	17 348	57 823	28 324	n.m.	-51.0%
Net foreign exchange gains	91 779	52 876	88 732	22 750	(12 225)	-113.3%	-153.7%
Net other operating income and expense	35 081	40 068	44 694	57 811	41 841	+19.3%	-27.6%
Total income items	2 923 292	2 867 560	2 924 713	2 854 296	2 521 803	-13.7%	-11.6%
Net impairment allowance and write-offs	(527 526)	(573 759)	(657 627)	(566 316)	(447 983)	-15.1%	-20.9%
Administrative expenses	(1 152 330)	(1 094 011)	(1 131 433)	(1 240 623)	(1 119 727)	-2.8%	-9.7%
Share in net profit (losses) of associates and jointly controlled entities	8 011	(1 983)	8 399	4 598	(2 337)	-129.2%	-150.8%
Profit before income tax	1 251 447	1 197 807	1 144 052	1 051 955	951 756	-23.9%	-9.5%
Income tax expense	(246 974)	(249 475)	(223 285)	(178 084)	(170 511)	-31.0%	-4.3%
Net profit attributable to non-controlling shareholders	(314)	(242)	(249)	(373)	(177)	-43.6%	-52.5%
Net profit attributable to the parent company	1 004 787	948 574	921 016	874 244	781 422	-22.2%	-10.6%

Consolidated statement of financial position of the PKO Bank Polski Group



Bank Polski

Assets (PLN '000)	31.03.12	30.06.12	30.09.12	31.12.12	31.03.13	Change y/y	Change q/q
Cash and balances with the Central Bank	6 125 548	8 837 388	6 718 060	10 289 451	7 759 248	+26.7%	-24.6%
Amounts due from other banks	1 926 589	2 761 316	5 163 845	3 392 486	1 729 557	-10.2%	-49.0%
Trading assets	2 447 677	389 610	763 014	277 566	2 627 211	+7.3%	+846.5%
Derivative financial instruments	2 852 895	2 857 209	3 533 570	3 860 561	3 463 573	+21.4%	-10.3%
Financial assets designated at fair value through P&L	14 867 729	14 946 799	16 220 526	12 629 711	14 114 362	-5.1%	+11.8%
Loans and advances to customers	140 947 277	141 331 155	142 705 562	143 875 644	147 491 817	+4.6%	+2.5%
Investment securities available for sale and securities held to maturity	13 980 883	12 741 997	11 539 407	12 252 101	12 797 794	-8.5%	+4.5%
Tangible fixed assets	2 486 673	2 494 788	2 524 543	2 650 597	2 645 938	+6.4%	-0.2%
Other assets	4 097 281	4 077 609	4 078 835	4 251 511	4 503 880	+9.9%	+5.9%
TOTAL ASSETS	189 732 552	190 437 871	193 247 362	193 479 628	197 133 380	+3.9%	+1.9%

Liabilities and equity (PLN '000)	31.03.12	30.06.12	30.09.12	31.12.12	31.03.13	Change y/y	Change q/q
Amounts due to the central bank	2 949	2 868	2 856	3 128	2 909	-1.4%	-7.0%
Amounts due to banks	7 467 020	5 740 840	3 632 951	3 733 947	4 056 803	-45.7%	+8.6%
Derivative financial instruments	2 480 821	2 759 720	3 356 751	3 964 098	3 577 349	+44.2%	-9.8%
Amounts due to customers	144 202 352	146 986 505	145 444 287	146 193 570	148 446 145	+2.9%	+1.5%
Debt securities in issue	6 615 787	7 303 275	10 766 512	10 270 783	10 924 388	+65.1%	+6.4%
Subordinated liabilities	1 638 201	1 614 369	3 244 162	1 631 256	1 604 076	-2.1%	-1.7%
Other liabilities	3 696 489	3 022 565	3 029 836	2 975 196	3 099 346	-16.2%	+4.2%
Total equity	23 628 933	23 007 729	23 770 007	24 707 650	25 422 364	+7.6%	+2.9%
TOTAL EQUITY AND LIABILITIES	189 732 552	190 437 871	193 247 362	193 479 628	197 133 380	+3.9%	+1.9%

Profit and loss of the PKO Bank Polski by quarters



Bank Polski

Profit and loss account (PLN '000)	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q1'13/ Q1'12	Q1'13/ Q4'12
Net interest income	2 030 741	1 955 994	1 950 160	1 835 541	1 664 973	-18.0%	-9.3%
Net fees and commission income	665 161	714 027	691 249	734 147	708 698	+6.5%	-3.5%
Other income	126 661	135 238	141 101	134 132	23 101	-81.8%	-82.8%
Dividend income	16 119	75 077	2 004	-	-	n.m.	n.m.
Net income from financial instruments designated at fair value	14 551	245	32 814	47 482	504	-96.5%	-98.9%
Gains less losses from investment securities	(803)	6 377	17 668	58 363	27 568	n.m.	-52.8%
Net foreign exchange gains	89 955	53 018	88 238	22 942	(13 608)	-115.1%	-159.3%
Net other operating income and expense	6 839	521	377	5 345	8 637	+26.3%	+61.6%
Total income items	2 822 563	2 805 259	2 782 510	2 703 820	2 396 772	-15.1%	-11.4%
Net impairment allowances	(521 775)	(570 264)	(645 386)	(721 165)	(430 046)	-17.6%	-40.4%
General administrative expenses	(1 056 545)	(986 168)	(1 025 908)	(1 124 136)	(1 022 736)	-3.2%	-9.0%
Profit before income tax	1 244 243	1 248 827	1 111 216	858 519	943 990	-24.1%	+10.0%
Income tax expense	(245 568)	(241 816)	(216 928)	(165 876)	(165 380)	-32.7%	-0.3%
Net profit	998 675	1 007 011	894 288	692 643	778 610	-22.0%	+12.4%

Basic information

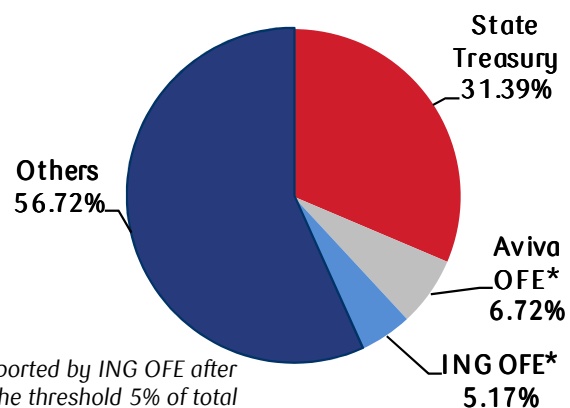


Bank Polski

Basic information on shares

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

Shareholders structure Number of shares: 1 250 mn



*) Share reported by ING OFE after exceeding the threshold 5% of total number of votes at GM of PKO Bank Polski by ING OFE (as at 24.07.12) and Aviva OFE (as at 29.01.13)

Rating

Rating: Agency:	Long-term	Short-term	Financial strength	Support
Moody's	A2 with negative outlook	P-1	C- with negative outlook	
Standard&Poor's	A- with stable outlook	A-2 with stable outlook		
Fitch (unsolicited)				2

Dividend

Payment from the net profit of the year	DPS (PLN)	Dividend yield (Div. Day)	Payout ratio
2012**	1.80	x	61.12%
2011	1.27	3.9%	40.15%
2010	1.98	5.5%	74.75%
2009	1,90	4.2%	97.65%
2008	1.00	2.9%	34.71%
2007	1.09	2.2%	40.07%
2006	0,98	1.7%	47.87%
2005	0.80	2.1%	47.71%
2004	1.00	3.6%	66,18%

**) Management Board recommendation (current report 26/2013 dated 17 April 2013)

Dividend policy adopted on 4th April 2012 assumes:

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

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Investors calendar:

5 August 2013	Publication of 1H 2013 Report
19 September 2013*	The Management Board proposal of the dividend day
4 October 2013*	The Management Board proposal of the dividend payment day
13 November 2013	Publication of 3Q 2013 Report
3 March 2014	Publication of Annual Report 2013

**) Management Board recommendation (current report 26/2013 dated 17 April 2013)*