



PKO BANK POLSKI  
SPÓŁKA AKCYJNA

INTERIM FINANCIAL STATEMENTS  
OF  
THE PKO BANK POLSKI SA GROUP  
FOR THE FIRST QUARTER OF 2008

*Prepared in accordance with  
International Financial Reporting Standards*

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## 1. SUMMARY AND SELECTED FINANCIAL DATA

|                                       |                        |                      |  |
|---------------------------------------|------------------------|----------------------|--|
| <b>NET PROFIT</b>                     | <b>PLN 951.2 MLN</b>   | <b>+ 41.4% (y/y)</b> | as a result of increase in income items by 23.5% (y/y), with 7.7% (y/y) increase in costs  |
| <b>RESULT ON BUSINESS ACTIVITY</b>    | <b>PLN 2 161.3 MLN</b> | <b>+ 23.5% (y/y)</b> | following increase in interest result by 37.9% (y/y) and in fees and commission result by 10.7% (y/y)  |
| <b>NET INTEREST INCOME</b>            | <b>PLN 1 427.3 MLN</b> | <b>+ 37.9% (y/y)</b> | as a result of 29.2% (y/y) increase in net loan portfolio volume and higher deposit margins  |
| <b>NET FEES AND COMMISSION INCOME</b> | <b>PLN 590.8 MLN</b>   | <b>+ 10.7% (y/y)</b> | as a result of 3.8% (y/y) increase in the number of banking cards and transactions made using those cards, and an increase in revenue from servicing bank accounts by 7.9% (y/y) |
| <b>COSTS</b>                          | <b>PLN -947.9 MLN</b>  | <b>+ 7.7% (y/y)</b>  | as a result of 9.9% (y/y) increase in personal costs and amortisation costs by 15.1% (y/y)   |
| <b>ROE net</b>                        | <b>26.7%</b>           | <b>+ 3.5 p.p.</b>    | following 41.4% (y/y) increase in net profit and an increase in equity by a total of 18.7% (y/y)   |
| <b>ROA net</b>                        | <b>2.9%</b>            | <b>+ 0.6 p.p.</b>    | with 11.2% (y/y) increase in assets  |

**SELECTED FINANCIAL DATA**  
data derived from financial statements of the PKO BP SA Group

|  | period<br>from 01.01.2008<br>to 31.03.2008 | period<br>from 01.01.2007<br>to 31.03.2007 | period<br>from 01.01.2008<br>to 31.03.2008 | period<br>from 01.01.2007<br>to 31.03.2007 |
|--|--|--|--|--|
|  | PLN thousand                               |  | EUR thousand                               |  |
| <b>Result on business activity *:</b>                          | <b>2 161 347</b>                           | <b>1 750 384</b>                           | <b>607 564</b>                             | <b>448 226</b>                             |
| Net interest income  | 1 427 255                                  | 1 035 183                                  | 401 207                                    | 265 083                                    |
| Net fees and commission income                                 | 590 774                                    | 533 653                                    | 166 069                                    | 136 654                                    |
| Net other income   | 143 318                                    | 181 548                                    | 40 287                                     | 46 490                                     |
| <b>General administrative expenses</b>                         | <b>(947 865)</b>                           | <b>(880 082)</b>                           | <b>(266 449)</b>                           | <b>(225 365)</b>                           |
| <b>Operating result</b>  | <b>1 186 707</b>                           | <b>871 146</b>                             | <b>333 588</b>                             | <b>223 077</b>                             |
| Result on impairment allowances                                | (26 775)                                   | 844  | (7 527)                                    | 216  |
| Gross profit (loss)  | 1 190 038                                  | 872 556                                    | 334 525                                    | 223 438                                    |
| Net profit (loss) for the period (including minority interest) | 959 754                                    | 682 293                                    | 269 791                                    | 174 717                                    |
| <b>Net profit (loss)</b>                                       | <b>951 162</b>                             | <b>672 472</b>                             | <b>267 376</b>                             | <b>172 202</b>                             |
| <b>Total net cash flows</b>                                    | <b>45 295</b>                              | <b>(1 167 613)</b>                         | <b>12 733</b>                              | <b>(298 994)</b>                           |
| Net cash flow from operating activities                        | 333 626                                    | (2 772 657)                                | 93 784                                     | (710 003)                                  |
| Net cash flow from investing activities                        | (313 927)                                  | 1 582 452                                  | (88 246)                                   | 405 224                                    |
| Net cash flow from financing activities                        | 25 596                                     | 22 592                                     | 7 195                                      | 5 785                                      |
| <b>Total equity</b>  | <b>12 914 323</b>                          | <b>10 879 099</b>                          | <b>3 662 806</b>                           | <b>2 811 500</b>                           |
| Equity assigned to the shareholders of the holding company     | 12 847 912                                 | 10 764 711                                 | 3 643 971                                  | 2 781 938                                  |
| Basic funds - Tier 1**   | 9 559 926                                  | 7 899 528                                  | 2 711 420                                  | 2 041 485                                  |
| Supplementary funds - Tier 2                                   | 1 503 184                                  | -  | 426 338                                    | -  |
| <b>Market indices</b>  |  |  |  |  |
| earnings per share for the period - basic                      | 0.95                                       | 0.67                                       | 0.27                                       | 0.17                                       |
| earnings per share for the period - diluted                    | 0.95                                       | 0.67                                       | 0.27                                       | 0.17                                       |
| P/BV   | 3.48                                       | 4.43                                       | 3.48                                       | 4.43                                       |
| P/E  | 14.14                                      | 20.61                                      | 14.14                                      | 20.61                                      |

\* result on business activities understood as the sum total of income items

\*\* comparative data (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority)

**SELECTED FINANCIAL DATA**  
data derived from condensed financial statements of PKO BP SA

|   | period<br>from 01.01.2008<br>to 31.03.2008 | period<br>from 01.01.2007<br>to 31.03.2007 | period<br>from 01.01.2008<br>to 31.03.2008 | period<br>from 01.01.2007<br>to 31.03.2007 |
|---|--|--|--|--|
|   | PLN thousand                               |  | EUR thousand                               |  |
| <b>Result on business activity *:</b>       | <b>2 019 478</b>                           | <b>1 621 479</b>                           | <b>567 684</b>                             | <b>415 217</b>                             |
| Net interest income                         | 1 392 429                                  | 1 000 176                                  | 391 418                                    | 256 118                                    |
| Net fees and commission income              | 522 356                                    | 478 218                                    | 146 836                                    | 122 459                                    |
| Net other income                            | 104 693                                    | 143 085                                    | 29 430                                     | 36 640                                     |
| <b>General administrative expenses</b>      | <b>(884 012)</b>                           | <b>(823 668)</b>                           | <b>(248 499)</b>                           | <b>(210 919)</b>                           |
| <b>Operating result</b>                     | <b>1 116 930</b>                           | <b>788 784</b>                             | <b>313 974</b>                             | <b>201 986</b>                             |
| Result on impairment allowances             | (18 536)                                   | (9 027)                                    | (5 211)                                    | (2 312)                                    |
| Gross profit (loss)                         | 1 116 930                                  | 788 784                                    | 313 974                                    | 201 986                                    |
| <b>Net profit (loss)</b>                    | <b>904 596</b>                             | <b>613 682</b>                             | <b>254 286</b>                             | <b>157 148</b>                             |
| <b>Total net cash flows</b>                 | <b>69 922</b>                              | <b>(977 069)</b>                           | <b>19 655</b>                              | <b>(250 201)</b>                           |
| Net cash flow from operating activities     | 322 868                                    | (2 474 338)                                | 90 760                                     | (633 612)                                  |
| Net cash flow from investing activities     | (231 691)                                  | 1 497 816                                  | (65 129)                                   | 383 551                                    |
| Net cash flow from financing activities     | (21 255)                                   | (547)                                      | (5 975)                                    | (140)                                      |
| <b>Total equity</b>                         | <b>12 625 409</b>                          | <b>10 662 349</b>                          | <b>3 580 864</b>                           | <b>2 755 485</b>                           |
| Basic funds - Tier 1**                      | 9 263 373                                  | 7 723 070                                  | 2 627 311                                  | 1 995 883                                  |
| Supplementary funds - Tier 2                | 1 188 132                                  | -  | 336 982                                    | -  |
| <b>Market indices</b>                       |  |  |  |  |
| earnings per share for the period - basic   | 0.90                                       | 0.61                                       | 0.25                                       | 0.16                                       |
| earnings per share for the period - diluted | 0.90                                       | 0.61                                       | 0.25                                       | 0.16                                       |
| P/BV  | 3.56                                       | 4.52                                       | 3.56                                       | 4.52                                       |
| P/E   | 14.95                                      | 21.84                                      | 14.95                                      | 21.84                                      |

\* result on business activities understood as the sum total of income items

\*\* comparative data (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority)

## 2. CONDENSED FINANCIAL DATA<sup>1</sup>

### 2.1. CONDENSED FINANCIAL DATA OF THE PKO BP SA GROUP

#### PROFIT AND LOSS ACCOUNT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

|   | Notes    | 1st quarter<br>period from<br>01.01.2008 to<br>31.03.2008 | 1 quarter<br>cumulatively<br>period from<br>01.01.2008 to<br>31.03.2008 | 1st quarter<br>period from<br>01.01.2007 to<br>31.03.2007 | 1 quarter<br>cumulatively<br>period from<br>01.01.2007 to<br>31.03.2007 |
|---|----------|---|---|---|---|
| Interest income   |          | 1 986 756   | 1 986 756   | 1 496 410   | 1 496 410   |
| Interest expense  |          | (559 501)   | (559 501)   | (461 227)   | (461 227)   |
| <b>Net interest income</b>  | <b>1</b> | <b>1 427 255</b>  | <b>1 427 255</b>  | <b>1 035 183</b>  | <b>1 035 183</b>  |
| Fees and commission income  |          | 758 096   | 758 096   | 681 374   | 681 374   |
| Fees and commission expense   |          | (167 322)   | (167 322)   | (147 721)   | (147 721)   |
| <b>Net fees and commission income</b>                                       | <b>2</b> | <b>590 774</b>  | <b>590 774</b>  | <b>533 653</b>  | <b>533 653</b>  |
| Dividend income   |          | 11  | 11  | 8   | 8   |
| Result from financial instruments at fair value                             | 3        | (85 477)  | (85 477)  | 9 039   | 9 039   |
| Result from investment securities   |          | (1 731)   | (1 731)   | 698   | 698   |
| Foreign exchange result   |          | 166 866   | 166 866   | 119 341   | 119 341   |
| Other operating income  |          | 203 217   | 203 217   | 149 223   | 149 223   |
| Other operating expenses  |          | (139 568)   | (139 568)   | (96 761)  | (96 761)  |
| <b>Net other operating income and expense</b>                               | <b>4</b> | <b>63 649</b>   | <b>63 649</b>   | <b>52 462</b>   | <b>52 462</b>   |
| Result on impairment allowances   | 5        | (26 775)  | (26 775)  | 844   | 844   |
| General administrative expenses   | 6        | (947 865)   | (947 865)   | (880 082)   | (880 082)   |
| <b>Operating result</b>   |          | <b>1 186 707</b>  | <b>1 186 707</b>  | <b>871 146</b>  | <b>871 146</b>  |
| Share in the profits (losses) of associates and jointly controlled entities |          | 3 331   | 3 331   | 1 410   | 1 410   |
| <b>Gross profit (loss)</b>  |          | <b>1 190 038</b>  | <b>1 190 038</b>  | <b>872 556</b>  | <b>872 556</b>  |
| Income tax expense  |          | (230 284)   | (230 284)   | (190 263)   | (190 263)   |
| <b>Net profit (loss) (including minority interest)</b>                      |          | <b>959 754</b>  | <b>959 754</b>  | <b>682 293</b>  | <b>682 293</b>  |
| Profit (loss) attributable to minority shareholders                         |          | 8 592   | 8 592   | 9 821   | 9 821   |
| <b>Net profit (loss)</b>  | <b>7</b> | <b>951 162</b>  | <b>951 162</b>  | <b>672 472</b>  | <b>672 472</b>  |
| Earnings per share  |          |   |   |   |   |
| basic earnings per share for the period                                     |          | 0,95  | 0,95  | 0,67  | 0,67  |
| diluted earnings per share for the period                                   |          | 0,95  | 0,95  | 0,67  | 0,67  |

<sup>1</sup> In this section, data presented is in PLN thousand.

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

| ASSETS  | Notes   | As at<br>31.03.2008 | As at<br>31.12.2007 |
|---|---------|---------------------|---------------------|
| Cash and amounts due from the Central Bank                        |         | 5 265 441           | 4 682 627           |
| Amounts due from banks  | 9       | 4 438 345           | 5 292 319           |
| Financial assets held for trading                                 |         | 1 774 755           | 1 202 919           |
| Derivative financial instruments                                  |         | 1 526 389           | 1 556 736           |
| Other financial instruments at fair value through profit or loss  |         | 8 260 937           | 8 314 444           |
| Loans and advances to customers                                   | 10      | 81 170 758          | 76 417 149          |
| Investment securities   |         | 5 909 991           | 5 716 238           |
| Available for sale  |         | 5 909 991           | 5 716 238           |
| Investments in associates and jointly controlled entities         |         | 223 644             | 178 584             |
| Intangible assets   |         | 1 200 997           | 1 183 491           |
| Tangible fixed assets   |         | 2 788 246           | 2 820 103           |
| Current tax receivables   |         | 47 772              | 187 939             |
| Deferred tax asset  | 11      | 82 802              | 72 154              |
| Other assets  |         | 1 114 654           | 943 980             |
| <b>TOTAL ASSETS</b>   |         | <b>113 804 731</b>  | <b>108 568 683</b>  |
|   |         |                     |                     |
| LIABILITIES AND EQUITY  | Notes   | As at<br>31.03.2008 | As at<br>31.12.2007 |
| <b>Liabilities</b>  |         |                     |                     |
| Amounts due to the Central Bank                                   |         | 1 485               | 1 279               |
| Amounts due to other banks  |         | 4 526 926           | 4 703 114           |
| Derivative financial instruments                                  |         | 1 591 419           | 1 279 925           |
| Amounts due to customers  | 12      | 90 692 256          | 86 610 593          |
| Liabilities arising from securities issued                        |         | 145 686             | 178 860             |
| Subordinated liabilities  |         | 1 640 430           | 1 614 885           |
| Other liabilities   |         | 1 840 898           | 1 732 333           |
| Current tax liabilities   |         | 7 490               | 9 932               |
| Deferred tax liability  | 11      | 2 565               | 4 446               |
| Provisions  | 11      | 441 253             | 454 301             |
| <b>TOTAL LIABILITIES</b>  |         | <b>100 890 408</b>  | <b>96 589 668</b>   |
| <b>Equity</b>   |         |                     |                     |
| Share capital   |         | 1 000 000           | 1 000 000           |
| Other capital   |         | 8 129 907           | 8 137 270           |
| Currency translation differences from foreign operations          |         | (62 544)            | (47 761)            |
| Retained earnings   |         | 2 829 387           | (72 192)            |
| Net profit for the period   |         | 951 162             | 2 903 632           |
| <b>Equity assigned to the shareholders of the holding company</b> |         | <b>12 847 912</b>   | <b>11 920 949</b>   |
| Minority interest   |         | 66 411              | 58 066              |
| <b>Total equity</b>   |         | <b>12 914 323</b>   | <b>11 979 015</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>                               |         | <b>113 804 731</b>  | <b>108 568 683</b>  |
|   |         |                     |                     |
| <b>Capital adequacy ratio (%)</b>                                 | 13 - 19 | <b>11,68</b>        | <b>12.02*</b>       |

\* with regards to capital – comparability sustained (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority), lack of comparability with respect to capital requirements (the ratio as of 31.03.2008 calculated in accordance with the New Capital Accord [Basel II], the basic difference is a different methodology of capital requirements' calculation with respect to credit risk and operational risk)

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

| Items   | Period from<br>01.01.2008<br>to 31.03.2008 | Period from<br>01.01.2007<br>to 31.03.2007 |
|---|--|--|
| <b>Share capital</b>  | <b>1 000 000</b>                           | <b>1 000 000</b>                           |
| <b>Other capital, of which:</b>   | <b>8 129 907</b>                           | <b>7 137 714</b>                           |
| Reserve capital   | 5 594 364                                  | 4 545 051                                  |
| Revaluation reserve   | (52 482)                                   | 16 720                                     |
| <i>of which fair value adjustments to available-for-sale financial</i>                              | <i>(52 482)</i>                            | <i>16 720</i>                              |
| Other reserves  | 1 518 025                                  | 1 505 943                                  |
| General banking risk fund   | 1 070 000                                  | 1 070 000                                  |
| <b>Currency translation differences from foreign operations</b>                                     | <b>(62 544)</b>                            | <b>(12 624)</b>                            |
| <b>Retained earnings</b>  | <b>2 829 387</b>                           | <b>1 967 149</b>                           |
| <b>Net profit for the period</b>  | <b>951 162</b>                             | <b>672 472</b>                             |
| <b>Equity assigned to the shareholders of the holding company</b>                                   | <b>12 847 912</b>                          | <b>10 764 711</b>                          |
| Minority interest   | 66 411                                     | 114 388                                    |
| <i>of which: net result for the current period</i>  | <i>8 592</i>                               | <i>9 821</i>                               |
| <b>Total equity</b>   | <b>12 914 323</b>                          | <b>10 879 099</b>                          |
| <b>Sources of changes in equity</b>   |  |  |
| <b>Equity as at the end of the previous period</b>  | <b>11 979 015</b>                          | <b>10 180 580</b>                          |
| <b>Equity as at the beginning of the period, restated</b>   | <b>11 979 015</b>                          | <b>10 180 580</b>                          |
| <b>Changes in equity</b>  |  |  |
| Net profit (loss) for the period attributable to the shareholders of the holding company            | 951 162                                    | 672 472                                    |
| Profit (loss) of the minority shareholders  | 8 592                                      | 9 821                                      |
| Fair value adjustments to available-for-sale financial assets recognised in the revaluation reserve | (9 416)                                    | 12 886                                     |
| Currency translation differences from foreign operations  | (14 783)                                   | 1 048                                      |
| Other increases/decreases in equity   | (247)                                      | 2 292                                      |
| <b>Total equity</b>   | <b>12 914 323</b>                          | <b>10 879 099</b>                          |

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

|  | <b>Period from<br/>01.01.2008<br/>to 31.03.2008</b> | <b>Period from<br/>01.01.2007<br/>to 31.03.2007</b> |
|--|---|---|
| <b>Net cash flow from operating activities</b>                   | <b>333 626</b>                                      | <b>(2 772 657)</b>                                  |
| <b>Net cash flow from investing activities</b>                   | <b>(313 927)</b>                                    | <b>1 582 452</b>                                    |
| <b>Net cash flow from financing activities</b>                   | <b>25 596</b>                                       | <b>22 592</b>                                       |
| <b>Total net cash flow</b>                                       | <b>45 295</b>                                       | <b>(1 167 613)</b>                                  |
| <b>Cash and cash equivalents at the beginning of the period</b>  | <b>9 263 399</b>                                    | <b>14 163 158</b>                                   |
| <b>Cash and cash equivalents at the end of the period</b>        | <b>9 308 694</b>                                    | <b>12 995 545</b>                                   |
| <b>Components of cash and cash equivalents</b>                   | <b>9 308 694</b>                                    | <b>12 995 545</b>                                   |
| cash on hand   | 1 403 039   | 1 278 305   |
| amounts due from the Central Bank                                | 3 862 402   | 2 816 424   |
| current receivables from financial institutions                  | 4 032 967   | 8 900 070   |
| cash of the Brokerage House in the Stock Exchange Guarantee Fund | 10 286  | 746   |

**OFF-BALANCE SHEET ITEMS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP  
POWSZECHNEJ KASY OSZCZĘDNOŚCI BANKU POLSKIEGO SA**

| <b>Items</b>   | <b>As at<br/>31.03.2008</b> | <b>As at<br/>31.12.2007</b> |
|--|-----------------------------|-----------------------------|
| <b>Off-balance sheet contingent liabilities granted:</b>       | <b>21 238 040</b>           | <b>19 371 569</b>           |
| financial  | 17 553 961                  | 15 486 297                  |
| guarantees   | 3 684 079                   | 3 885 272                   |
| <b>Liabilities arising from the purchase/sale transactions</b> | <b>433 583 174</b>          | <b>418 646 951</b>          |
| <b>Other, of which:</b>  | <b>17 719 709</b>           | <b>18 269 487</b>           |
| irrevocable liabilities  | 8 602 537                   | 8 860 369                   |
| collateral received  | 9 117 172                   | 9 409 118                   |
| <b>Total off-balance sheet items</b>                           | <b>472 540 923</b>          | <b>456 288 007</b>          |



## EXPLANATORY NOTES

| NET INTEREST RESULT OF<br>THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP |   |   |   |   |
|---|---|---|---|---|
| Note 1  | 1st quarter<br>period from<br>01.01.2008 to<br>31.03.2008 | 1 quarter<br>cumulatively<br>period from<br>01.01.2008 to<br>31.03.2008 | 1st quarter<br>period from<br>01.01.2007 to<br>31.03.2007 | 1 quarter<br>cumulatively<br>period from<br>01.01.2007 to<br>31.03.2007 |
| <b>Interest income, of which:</b>   | <b>1 986 756</b>  | <b>1 986 756</b>  | <b>1 496 410</b>  | <b>1 496 410</b>  |
| From loans and advances granted to customers                                    | 1 661 297   | 1 661 297   | 1 101 487   | 1 101 487   |
| From securities at fair value through profit or loss                            | 115 950   | 115 950   | 158 887   | 158 887   |
| From placements with other banks  | 97 921  | 97 921  | 151 361   | 151 361   |
| From investment securities  | 73 776  | 73 776  | 64 248  | 64 248  |
| From trading securities   | 16 199  | 16 199  | 5 146   | 5 146   |
| Other   | 21 613  | 21 613  | 15 281  | 15 281  |
| <b>Interest expenses, of which:</b>   | <b>(559 501)</b>  | <b>(559 501)</b>  | <b>(461 227)</b>  | <b>(461 227)</b>  |
| From amounts due to customers   | (506 656)   | (506 656)   | (399 958)   | (399 958)   |
| From placements of other banks  | (21 276)  | (21 276)  | (37 096)  | (37 096)  |
| From own issue of debt securities   | (28 770)  | (28 770)  | (1 549)   | (1 549)   |
| Other   | (2 799)   | (2 799)   | (22 624)  | (22 624)  |
| <b>Net interest income</b>  | <b>1 427 255</b>  | <b>1 427 255</b>  | <b>1 035 183</b>  | <b>1 035 183</b>  |

| FEES AND COMMISSION INCOME OF<br>THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP |   |   |   |   |
|--|---|---|---|---|
| Note 2   | 1st quarter<br>period from<br>01.01.2008 to<br>31.03.2008 | 1 quarter<br>cumulatively<br>period from<br>01.01.2008 to<br>31.03.2008 | 1st quarter<br>period from<br>01.01.2007 to<br>31.03.2007 | 1 quarter<br>cumulatively<br>period from<br>01.01.2007 to<br>31.03.2007 |
| <b>Fees and commission income, of which:</b>   | <b>758 096</b>  | <b>758 096</b>  | <b>681 374</b>  | <b>681 374</b>  |
| From loans and advances granted  | 61 520  | 61 520  | 63 458  | 63 458  |
| From accounts servicing  | 204 978   | 204 978   | 189 985   | 189 985   |
| From payment cards   | 193 539   | 193 539   | 149 896   | 149 896   |
| From investment funds servicing (including management fees)                            | 120 228   | 120 228   | 118 356   | 118 356   |
| From cash transactions   | 48 017  | 48 017  | 52 846  | 52 846  |
| From loans insurance and other   | 129 814   | 129 814   | 106 833   | 106 833   |
| <b>Fees and commission expenses, of which:</b>   | <b>(167 322)</b>  | <b>(167 322)</b>  | <b>(147 721)</b>  | <b>(147 721)</b>  |
| Relating to payment cards  | (71 705)  | (71 705)  | (62 217)  | (62 217)  |
| Relating to acquisition services   | (24 642)  | (24 642)  | (30 293)  | (30 293)  |
| Loan insurance and other   | (58 563)  | (58 563)  | (34 497)  | (34 497)  |
| Asset management costs   | (12 412)  | (12 412)  | (20 714)  | (20 714)  |
| <b>Net fees and commission income</b>  | <b>590 774</b>  | <b>590 774</b>  | <b>533 653</b>  | <b>533 653</b>  |

| RESULT ON THE FINANCIAL INSTRUMENTS AT FAIR VALUE OF<br>THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP |   |   |   |   |
|---|---|---|---|---|
| Note 3  | 1st quarter<br>period from<br>01.01.2008 to<br>31.03.2008 | 1 quarter<br>cumulatively<br>period from<br>01.01.2008 to<br>31.03.2008 | 1st quarter<br>period from<br>01.01.2007 to<br>31.03.2007 | 1 quarter<br>cumulatively<br>period from<br>01.01.2007 to<br>31.03.2007 |
| <b>Result on the trading portfolio</b>  | <b>(72 900)</b>   | <b>(72 900)</b>   | <b>23 908</b>   | <b>23 908</b>   |
| Securities portfolio - HFT  | 242   | 242   | 364   | 364   |
| Derivatives   | (73 179)  | (73 179)  | 23 550  | 23 550  |
| Other   | 37  | 37  | (6)   | (6)   |
| <b>Result on the ALPL portfolio</b>   | <b>(12 577)</b>   | <b>(12 577)</b>   | <b>(14 869)</b>   | <b>(14 869)</b>   |
| <b>TOTAL</b>  | <b>(85 477)</b>   | <b>(85 477)</b>   | <b>9 039</b>  | <b>9 039</b>  |

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

| Note 4  | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|---|--|---|--|---|
| <b>Other operating income, of which:</b>  | <b>203 217</b>                                   | <b>203 217</b>  | <b>149 223</b>                                   | <b>149 223</b>  |
| From products, merchandise and materials sale (net)                                     | 146 915  | 146 915   | 93 774   | 93 774  |
| Auxiliary income  | 7 994  | 7 994   | 6 407  | 6 407   |
| From sale of the subordinated entities' shares  | 3 746  | 3 746   | -  | -   |
| Sale, liquidation of tangible and intangible assets                                     | 4 221  | 4 221   | 2 547  | 2 547   |
| Other   | 40 341   | 40 341  | 46 495   | 46 495  |
| <b>Other operating expenses, of which:</b>  | <b>(139 568)</b>                                 | <b>(139 568)</b>  | <b>(96 761)</b>                                  | <b>(96 761)</b>   |
| From products, merchandise and materials sale (net)                                     | (113 814)  | (113 814)   | (56 579)   | (56 579)  |
| Sale, liquidation of tangible fixed assets, intangible assets and assets ready for sale | (3 958)  | (3 958)   | (5 088)  | (5 088)   |
| Leasing   | (5 125)  | (5 125)   | (8 018)  | (8 018)   |
| Other   | (16 671)   | (16 671)  | (27 076)   | (27 076)  |
| <b>Total</b>  | <b>63 649</b>                                    | <b>63 649</b>   | <b>52 462</b>                                    | <b>52 462</b>   |

ASSETS' IMPAIRMENT LOSSES TAKEN TO THE PROFIT AND LOSS ACCOUNT OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

| Note 5   | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|--|--|---|--|---|
| <b>Increases, of which:</b>                                      | <b>(371 114)</b>                                 | <b>(371 114)</b>  | <b>(247 718)</b>                                 | <b>(247 718)</b>  |
| impairment losses on loans and advances                          | (354 129)  | (354 129)   | (222 982)  | (222 982)   |
| impairment losses on off-balance sheet liabilities               | (8 794)  | (8 794)   | (22 168)   | (22 168)  |
| impairment losses on securities and financial assets             | (4 916)  | (4 916)   | (6)  | (6)   |
| impairment losses on other liabilities and tangible fixed assets | (3 275)  | (3 275)   | (2 562)  | (2 562)   |
| <b>Decreases, of which:</b>                                      | <b>344 339</b>                                   | <b>344 339</b>  | <b>248 562</b>                                   | <b>248 562</b>  |
| impairment losses on loans and advances                          | 277 323  | 277 323   | 231 582  | 231 582   |
| impairment losses on off-balance sheet liabilities               | 17 265   | 17 265  | 13 826   | 13 826  |
| impairment losses on securities and financial assets             | 47 834   | 47 834  | 1 001  | 1 001   |
| impairment losses on other liabilities and tangible fixed assets | 1 917  | 1 917   | 2 153  | 2 153   |
| <b>Total</b>   | <b>(26 775)</b>                                  | <b>(26 775)</b>   | <b>844</b>                                       | <b>844</b>  |

GENERAL ADMINISTRATIVE EXPENSES OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

| Note 6                        | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|-------------------------------|--|---|--|---|
| Employee costs                | (554 631)  | (554 631)   | (504 825)  | (504 825)   |
| Non-personnel costs           | (270 793)  | (270 793)   | (266 088)  | (266 088)   |
| Depreciation and amortisation | (102 241)  | (102 241)   | (88 822)   | (88 822)  |
| Other                         | (20 200)   | (20 200)  | (20 347)   | (20 347)  |
| <b>Total</b>                  | <b>(947 865)</b>                                 | <b>(947 865)</b>  | <b>(880 082)</b>                                 | <b>(880 082)</b>  |

**CONSOLIDATED PROFIT OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

| Note 7                         | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|--------------------------------|--|---|--|---|
| PKO BP                         | 904 596  | 904 596   | 613 682  | 613 682   |
| PKO TFI                        | 35 887   | 35 887  | 28 182   | 28 182  |
| KREDOBANK                      | 2 313  | 2 313   | 2 781  | 2 781   |
| Grupa BFL                      | 1 202  | 1 202   | 3 301  | 3 301   |
| Grupa PTE                      | 6 053  | 6 053   | 4 900  | 4 900   |
| CFP                            | 2 492  | 2 492   | 517  | 517   |
| eService                       | 6 452  | 6 452   | 4 008  | 4 008   |
| Grupa PKO Inwestycje           | (3 453)  | (3 453)   | 5 540  | 5 540   |
| Inteligo                       | 7 662  | 7 662   | 2 720  | 2 720   |
| BTK                            | (202)  | (202)   | (881)  | (881)   |
| consolidation adjustments      | (11 840)   | (11 840)  | 7 722  | 7 722   |
| <b>Consolidated net profit</b> | <b>951 162</b>                                   | <b>951 162</b>  | <b>672 472</b>                                   | <b>672 472</b>  |

**IMPAIRMENT ALLOWANCES AGAINST ASSETS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

| Note 8   | As at 31.03.2008 | As at 31.12.2007 |
|--|------------------|------------------|
| Receivables from loans, advances, realised guarantees and placements | 2 478 062        | 2 415 879        |
| Tangible and intangible fixed assets                                 | 17 485           | 18 426           |
| Financial assets   | 48 496           | 91 663           |
| Other assets   | 74 184           | 84 546           |
| <b>Total</b>   | <b>2 618 227</b> | <b>2 610 514</b> |

**PLACEMENT STRUCTURE WITH OTHER BANKS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

| Note 9  | As at 31.03.2008 | As at 31.12.2007 |
|---|------------------|------------------|
| Gross placements with other banks, of which:              | 4 438 621        | 5 292 595        |
| Current accounts  | 180 239          | 183 784          |
| Placements  | 3 829 558        | 4 676 670        |
| Loans and advances granted                                | 381 403          | 372 257          |
| Other   | 47 421           | 59 884           |
| Impairment allowances against placements with other banks | (276)            | (276)            |
| <b>Total</b>  | <b>4 438 345</b> | <b>5 292 319</b> |

**STRUCTURE OF LOANS AND ADVANCES GRANTED TO CLIENTS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

| Note 10  | As at 31.03.2008  | As at 31.12.2007  |
|--|-------------------|-------------------|
| Gross loans and advances, of which:              | 83 648 544        | 78 832 752        |
| consumer   | 18 773 604        | 18 303 165        |
| corporate  | 28 630 363        | 26 810 539        |
| housing  | 35 586 193        | 33 260 792        |
| Other receivables                                | 150 031           | -                 |
| Interest   | 508 353           | 458 256           |
| Impairment allowances against loans and advances | (2 477 786)       | (2 415 603)       |
| <b>Total</b>                                     | <b>81 170 758</b> | <b>76 417 149</b> |

**ADJUSTMENTS DUE TO PROVISIONS, DEFERRED TAX ASSET AND LIABILITY OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

| Note 11  | As at<br>31.03.2008 | As at<br>31.12.2007 |
|--|---------------------|---------------------|
| Deferred tax liability                         | 2 565               | 4 446               |
| Deferred tax asset                             | 82 802              | 72 154              |
| Provisions for off-balance sheet liabilities   | 26 288              | 34 903              |
| Provisions for future liabilities to employees | 388 948             | 399 986             |
| Provision for other future liabilities         | 26 017              | 19 412              |
| <b>Total</b>                                   | <b>526 620</b>      | <b>530 901</b>      |

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

| Note 12                    | As at<br>31.03.2008 | As at<br>31.12.2007 |
|----------------------------|---------------------|---------------------|
| <b>Deposits, of which:</b> | <b>90 692 256</b>   | <b>86 610 593</b>   |
| current                    | 38 371 675          | 39 391 609          |
| term                       | 52 320 581          | 47 218 984          |

**BALANCE SHEET INSTRUMENTS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.03.2008**

| Note 13           | carrying<br>amount | risk weighted<br>value |
|-------------------|--------------------|------------------------|
| Banking portfolio | 109 682 063        | 68 289 364             |
| Trading portfolio | 4 122 668          | 1 412 323              |
| <b>Total</b>      | <b>113 804 731</b> | <b>69 701 687</b>      |

**OFF-BALANCE SHEET INSTRUMENTS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.03.2008**

| Note 14                                    | credit<br>equivalent | weighted value    |
|--|----------------------|-------------------|
| <b>Derivative instruments</b>              | <b>327 379 571</b>   | <b>956 916</b>    |
| Banking portfolio                          | 37 493 955           | 272 081           |
| Trading portfolio                          | 289 885 616          | 684 835           |
| <b>Other off-balance sheet instruments</b> | <b>30 402 456</b>    | <b>10 302 273</b> |
| Banking portfolio                          | 28 972 686           | 9 585 853         |
| Trading portfolio                          | 1 429 770            | 716 420           |
| <b>Total</b>                               | <b>357 782 027</b>   | <b>11 259 189</b> |

**CAPITAL REQUIREMENTS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.03.2008**

| Note 15   | risk weighted value | capital requirement |
|---|---------------------|---------------------|
| <b>Banking portfolio - credit risk</b>                        | <b>78 147 298</b>   | <b>6 251 784</b>    |
| <b>Counterparty's credit risk - trading portfolio:</b>        | <b>684 835</b>      | <b>54 787</b>       |
| <b>Market risk</b>  |                     | <b>195 786</b>      |
| Currency risk - both portfolios                               |                     | -                   |
| Commodity price risk - trading portfolio                      |                     | -                   |
| Equity securities price risk- trading portfolio               |                     | 2 282               |
| Debt instruments specific risk - trading portfolio            |                     | 167 377             |
| Interest general risk - trading portfolio                     |                     | 26 127              |
| <b>Operational risk - both portfolios</b>                     |                     | <b>1 089 024</b>    |
| <b>Other</b>  |                     | <b>-</b>            |
| Settlement risk - counterparty's delivery - trading portfolio |                     | -                   |
| Securities underwriting risk - trading portfolio              |                     | -                   |
| Other   |                     | -                   |
| <b>Total capital requirement</b>                              |                     | <b>7 591 380</b>    |

**BALANCE SHEET INSTRUMENTS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.12.2007\***

| Note 16           | carrying value     | risk weighted value |
|-------------------|--------------------|---------------------|
| Banking portfolio | 105 568 443        | 74 699 683          |
| Trading portfolio | 3 000 241          | 1 099 072           |
| <b>Total</b>      | <b>108 568 683</b> | <b>75 798 755</b>   |

\* with regards to capital – comparability sustained (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority), lack of comparability with respect to capital requirements (the ratio as of 31.03.2008 calculated in accordance with the New Capital Accord [Basel II]), the basic difference is a different methodology of capital requirements' calculation with respect to credit risk and operational risk)

**OFF-BALANCE SHEET INSTRUMENTS OF  
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.12.2007\***

| Note 17                                    | credit equivalent  | weighted value   |
|--|--------------------|------------------|
| <b>Derivative instruments</b>              | <b>213 809 611</b> | <b>498 710</b>   |
| Banking portfolio                          | 38 235 646         | 230 591          |
| Trading portfolio                          | 175 573 965        | 268 119          |
| <b>Other off-balance sheet instruments</b> | <b>29 406 484</b>  | <b>6 334 030</b> |
| Banking portfolio                          | 27 941 868         | 5 085 761        |
| Trading portfolio                          | 1 464 616          | 1 248 269        |
| <b>Total</b>                               | <b>243 216 095</b> | <b>6 832 740</b> |

\* with regards to capital – comparability sustained (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority), lack of comparability with respect to capital requirements (the ratio as of 31.03.2008 calculated in accordance with the New Capital Accord [Basel II]), the basic difference is a different methodology of capital requirements' calculation with respect to credit risk and operational risk)

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

| Note 18   | risk weighted<br>value | capital<br>requirement |
|---|------------------------|------------------------|
| <b>Banking portfolio - credit risk</b>                        | <b>80 016 034</b>      | <b>6 401 283</b>       |
| <b>Counterparty's credit risk - trading portfolio:</b>        | <b>303 100</b>         | <b>24 248</b>          |
| <b>Market risk</b>  |                        | <b>220 143</b>         |
| 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 general risk - trading portfolio                     |                        | 52 322                 |
| <b>Other</b>  |                        | <b>-</b>               |
| Settlement risk - counterparty's delivery - trading portfolio |                        | -                      |
| Securities underwriting - trading portfolio                   |                        | -                      |
| Other   |                        | -                      |
| <b>Total capital requirement</b>                              |                        | <b>6 645 674</b>       |

\* with regards to capital – comparability sustained (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority), lack of comparability with respect to capital requirements (the ratio as of 31.03.2008 calculated in accordance with the New Capital Accord [Basel II], the basic difference is a different methodology of capital requirements' calculation with respect to credit risk and operational risk)

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

| Note 19  | As at<br>31.03.2008 | As at<br>31.12.2007* |
|--|---------------------|----------------------|
| <b>Basic funds (Tier 1)</b>  | <b>9 559 926</b>    | <b>8 449 415</b>     |
| Basic capital  | 1 000 000           | 1 000 000            |
| Reserve capital  | 5 594 364           | 5 592 311            |
| Other reserve capital  | 1 518 025           | 1 518 025            |
| General risk fund  | 1 070 000           | 1 070 000            |
| Result of the current period in the part verified by a certified auditor after reduction of forecasted charge    | -                   | 653 720              |
| Result of the previous period in the part verified by a certified auditor after reduction of forecasted charge** | 1 629 991           | -                    |
| Result from previous years - other   | 109 396             | (72 192)             |
| Unrealised losses on debt and equity securities classified as available for sale                                 | (66 184)            | (55 228)             |
| Capital exposures (50%)  | (98 536)            | (84 035)             |
| Intangible assets  | (1 200 997)         | (1 183 491)          |
| <i>including goodwill</i>  | (240 410)           | (234 066)            |
| Foreign exchange differences   | (62 544)            | (47 761)             |
| Minority interest  | 66 411              | 58 066               |
| <b>Supplementary funds (Tier 2)</b>  | <b>1 503 184</b>    | <b>1 517 988</b>     |
| 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)       | 1 019               | 1 323                |
| Capital exposures (50%)  | (98 535)            | (84 035)             |
| <b>Short-term capital (Tier 3)</b>   | <b>18 662</b>       | <b>15 997</b>        |
| <b>Total own funds and short-term capital</b>  | <b>11 081 772</b>   | <b>9 983 400</b>     |

\* with regards to capital – comparability sustained (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority), lack of comparability with respect to capital requirements (the ratio as of 31.03.2008 calculated in accordance with the New Capital Accord [Basel II], the basic difference is a different methodology of capital requirements' calculation with respect to credit risk and operational risk)

\*\* as of 31.03.2008 there was 60% of net result from 2007 verified by a certified auditor considered (i.e. net profit balance decreased by a proposal of the Management Board of PKO BP SA related to 2007 net profit appropriation)

## 2.2. CONDENSED FINANCIAL DATA OF PKO BP SA

| PROFIT AND LOSS ACCOUNT OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA |          |  |   |  |   |
|--|----------|--|---|--|---|
|  | Notes    | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
| Interest income  |          | 1 900 663  | 1 900 663   | 1 423 187  | 1 423 187   |
| Interest expense   |          | (508 234)  | (508 234)   | (423 011)  | (423 011)   |
| <b>Net interest income</b>   | <b>1</b> | <b>1 392 429</b>                                 | <b>1 392 429</b>  | <b>1 000 176</b>                                 | <b>1 000 176</b>  |
| Fees and commission income   |          | 679 313  | 679 313   | 600 442  | 600 442   |
| Fees and commission expense  |          | (156 957)  | (156 957)   | (122 224)  | (122 224)   |
| <b>Net fees and commission income</b>                                  | <b>2</b> | <b>522 356</b>                                   | <b>522 356</b>  | <b>478 218</b>                                   | <b>478 218</b>  |
| Dividend income  |          | 11   | 11  | 8  | 8   |
| Result from financial instruments at fair value                        | 3        | (85 418)   | (85 418)  | 7 226  | 7 226   |
| Result from investment securities                                      |          | (1 741)  | (1 741)   | 858  | 858   |
| Foreign exchange result  |          | 164 821  | 164 821   | 117 554  | 117 554   |
| Other operating income   |          | 41 550   | 41 550  | 42 151   | 42 151  |
| Other operating expenses   |          | (14 530)   | (14 530)  | (24 712)   | (24 712)  |
| <b>Net other operating income and expense</b>                          | <b>4</b> | <b>27 020</b>                                    | <b>27 020</b>   | <b>17 439</b>                                    | <b>17 439</b>   |
| Result on impairment allowances  |          | (18 536)   | (18 536)  | (9 027)  | (9 027)   |
| General administrative expenses  | 5        | (884 012)  | (884 012)   | (823 668)  | (823 668)   |
| <b>Operating result</b>  |          | <b>1 116 930</b>                                 | <b>1 116 930</b>  | <b>788 784</b>                                   | <b>788 784</b>  |
| <b>Gross profit (loss)</b>   |          | <b>1 116 930</b>                                 | <b>1 116 930</b>  | <b>788 784</b>                                   | <b>788 784</b>  |
| Income tax expense   |          | (212 334)  | (212 334)   | (175 102)  | (175 102)   |
| <b>Net profit (loss)</b>   |          | <b>904 596</b>                                   | <b>904 596</b>  | <b>613 682</b>                                   | <b>613 682</b>  |
| Earnings per share   |          |  |   |  |   |
| -basic earnings per share for the period                               |          | 0,90   | 0,90  | 0,61   | 0,61  |
| -diluted earnings per share for the period                             |          | 0,90   | 0,90  | 0,61   | 0,61  |



**BALANCE SHEET OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA**

| <b>ASSETS</b>  | <b>As at<br/>31.03.2008</b> | <b>As at<br/>31.12.2007</b> |
|--|-----------------------------|-----------------------------|
| Cash and amounts due from the Central Bank                       | 5 173 037                   | 4 594 084                   |
| Amounts due from banks   | 4 509 542                   | 5 346 882                   |
| Financial assets held for trading                                | 1 774 755                   | 1 202 919                   |
| Derivative financial instruments                                 | 1 526 518                   | 1 556 750                   |
| Other financial instruments at fair value through profit or loss | 8 162 574                   | 8 101 534                   |
| Loans and advances to customers                                  | 78 532 301                  | 73 822 193                  |
| Investment securities  | 6 035 207                   | 5 841 553                   |
| Available for sale   | 6 035 207                   | 5 841 553                   |
| Investments in subordinated entities                             | 1 102 114                   | 1 054 395                   |
| Intangible assets  | 940 149                     | 927 610                     |
| Tangible fixed assets  | 2 275 308                   | 2 270 480                   |
| Current tax receivables  | 47 202                      | 187 707                     |
| Deferred tax asset   | 45 309                      | 35 531                      |
| Other assets   | 466 979                     | 429 699                     |
| <b>TOTAL ASSETS</b>  | <b>110 590 995</b>          | <b>105 371 337</b>          |

| <b>LIABILITIES AND EQUITY</b>       | <b>As at<br/>31.03.2008</b> | <b>As at<br/>31.12.2007</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>Liabilities</b>                  |                             |                             |
| Amounts due to the Central Bank     | 1 485                       | 1 279                       |
| Amounts due to other banks          | 3 338 963                   | 3 624 455                   |
| Derivative financial instruments    | 1 591 781                   | 1 280 265                   |
| Amounts due to customers            | 89 445 050                  | 85 246 546                  |
| Subordinated liabilities            | 1 640 430                   | 1 614 885                   |
| Other liabilities                   | 1 514 742                   | 1 421 321                   |
| Provisions                          | 433 135                     | 453 045                     |
| <b>TOTAL LIABILITIES</b>            | <b>97 965 586</b>           | <b>93 641 796</b>           |
| <b>Equity</b>                       |                             |                             |
| Share capital                       | 1 000 000                   | 1 000 000                   |
| Other capital                       | 8 000 822                   | 8 009 550                   |
| Retained earnings                   | 2 719 991                   | -                           |
| Net profit for the period           | 904 596                     | 2 719 991                   |
| <b>Total equity</b>                 | <b>12 625 409</b>           | <b>11 729 541</b>           |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>110 590 995</b>          | <b>105 371 337</b>          |
| <b>Capital adequacy ratio (%)</b>   | <b>11.45</b>                | <b>11.87*</b>               |

\* with regards to capital – comparability sustained (resulting from amendments to the Banking Act and publication of Resolution No.2/2007 of the Polish Financial Supervision Authority), lack of comparability with respect to capital requirements (the ratio as of 31.03.2008 calculated in accordance with the New Capital Accord [Basel II], the basic difference is a different methodology of capital requirements' calculation with respect to credit risk and operational risk)

**STATEMENT OF CHANGES IN EQUITY OF  
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA**

| Items   | Period from<br>01.01.2008<br>to 31.03.2008 | Period from<br>01.01.2007<br>to 31.03.2007 |
|---|--|--|
| <b>Share capital</b>  | <b>1 000 000</b>                           | <b>1 000 000</b>                           |
| <b>Other capital, of which:</b>   | <b>8 000 822</b>                           | <b>7 001 276</b>                           |
| Reserve capital   | 5 591 995                                  | 4 529 604                                  |
| Revaluation reserve   | (51 173)                                   | 16 672                                     |
| <i>of which fair value adjustments to available-for-sale financial assets</i>                       | (51 173)                                   | 16 672                                     |
| Other reserves  | 1 390 000                                  | 1 385 000                                  |
| General banking risk fund   | 1 070 000                                  | 1 070 000                                  |
| <b>Retained earnings</b>  | <b>2 719 991</b>                           | <b>2 047 391</b>                           |
| <b>Net profit for the period</b>  | <b>904 596</b>                             | <b>613 682</b>                             |
| <b>Total equity</b>   | <b>12 625 409</b>                          | <b>10 662 349</b>                          |
| <b>Sources of changes in equity</b>   |  |  |
| <b>Equity as at the end of the previous period</b>  | <b>11 729 541</b>                          | <b>10 035 724</b>                          |
| <b>Changes in equity</b>  |  |  |
| Net profit (loss) of the Bank   | 904 596                                    | 613 682                                    |
| Fair value adjustments to available-for-sale financial assets recognised in the revaluation reserve | (8 728)                                    | 12 943                                     |
| <b>Total equity</b>   | <b>12 625 409</b>                          | <b>10 662 349</b>                          |

**CONDENSED STATEMENT OF CASH FLOW OF  
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA**

| Items  | Period from<br>01.01.2008<br>to 31.03.2008 | Period from<br>01.01.2007<br>to 31.03.2007 |
|--|--|--|
| <b>Net cash flow from operating activities</b>                   | <b>322 868</b>                             | <b>(2 474 338)</b>                         |
| <b>Net cash flow from investing activities</b>                   | <b>(231 691)</b>                           | <b>1 497 816</b>                           |
| <b>Net cash flow from financing activities</b>                   | <b>(21 255)</b>                            | <b>(547)</b>                               |
| <b>Total net cash flow</b>                                       | <b>69 922</b>                              | <b>(977 069)</b>                           |
| <b>Cash and cash equivalents at the beginning of the period</b>  | <b>9 032 509</b>                           | <b>13 879 643</b>                          |
| <b>Cash and cash equivalents at the end of the period</b>        | <b>9 102 431</b>                           | <b>12 902 574</b>                          |
| <b>Components of cash and cash equivalents</b>                   | <b>9 102 431</b>                           | <b>12 902 574</b>                          |
| cash on hand   | 1 310 635                                  | 1 219 782                                  |
| amounts due to the Central Bank                                  | 3 862 402                                  | 2 816 424                                  |
| current receivables from financial institutions                  | 3 919 108                                  | 8 865 622                                  |
| cash of the Brokerage House in the Stock Exchange Guarantee Fund | 10 286                                     | 746  |

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

| Items  | As at 31.03.2008   | As at 31.12.2007   |
|--|--------------------|--------------------|
| <b>Off-balance sheet contingent liabilities granted:</b>       | <b>21 611 512</b>  | <b>19 659 505</b>  |
| financial  | 17 646 230         | 15 442 749         |
| guarantees   | 3 965 282          | 4 216 756          |
| <b>Liabilities arising from the purchase/sale transactions</b> | <b>433 665 205</b> | <b>418 738 219</b> |
| <b>Other, of which:</b>  | <b>13 000 059</b>  | <b>13 386 552</b>  |
| irrevocable liabilities  | 8 602 537          | 8 856 029          |
| collateral received  | 4 397 522          | 4 530 523          |
| <b>Total off-balance sheet items</b>                           | <b>468 276 776</b> | <b>451 784 276</b> |

EXPLANATORY NOTES

NET INTEREST RESULT OF  
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

| Note 1   | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|--|--|---|--|---|
| <b>Interest income, of which:</b>                    | <b>1 900 663</b>                                 | <b>1 900 663</b>  | <b>1 423 187</b>                                 | <b>1 423 187</b>  |
| From loans and advances granted to customers         | 1 577 305  | 1 577 305   | 1 033 057  | 1 033 057   |
| From securities at fair value through profit or loss | 113 371  | 113 371   | 156 331  | 156 331   |
| From placements with other banks                     | 97 338   | 97 338  | 149 617  | 149 617   |
| From investment securities                           | 74 634   | 74 634  | 63 759   | 63 759  |
| From trading securities                              | 16 199   | 16 199  | 5 144  | 5 144   |
| Other  | 21 816   | 21 816  | 15 279   | 15 279  |
| <b>Interest expenses, of which:</b>                  | <b>(508 234)</b>                                 | <b>(508 234)</b>  | <b>(423 011)</b>                                 | <b>(423 011)</b>  |
| From amounts due to customers                        | (458 688)  | (458 688)   | (364 738)  | (364 738)   |
| From placements of other banks                       | (21 273)   | (21 273)  | (37 072)   | (37 072)  |
| From own issue of debt securities                    | (25 545)   | (25 545)  | -  | -   |
| Other  | (2 728)  | (2 728)   | (21 201)   | (21 201)  |
| <b>Net interest income</b>                           | <b>1 392 429</b>                                 | <b>1 392 429</b>  | <b>1 000 176</b>                                 | <b>1 000 176</b>  |

FEES AND COMMISSION INCOME OF  
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

| Note 2  | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|---|--|---|--|---|
| <b>Fees and commission income, of which:</b>                | <b>679 313</b>                                   | <b>679 313</b>  | <b>600 442</b>                                   | <b>600 442</b>  |
| From loans and advances granted                             | 61 263   | 61 263  | 61 797   | 61 797  |
| From accounts servicing                                     | 198 966  | 198 966   | 186 987  | 186 987   |
| From payment cards  | 193 073  | 193 073   | 148 884  | 148 884   |
| From investment funds servicing (including management fees) | 52 537   | 52 537  | 47 006   | 47 006  |
| From cash transactions                                      | 47 947   | 47 947  | 52 797   | 52 797  |
| From loans insurance and other                              | 125 527  | 125 527   | 102 971  | 102 971   |
| <b>Fees and commission expenses, of which:</b>              | <b>(156 957)</b>                                 | <b>(156 957)</b>  | <b>(122 224)</b>                                 | <b>(122 224)</b>  |
| Relating to payment cards                                   | (79 019)   | (79 019)  | (61 885)   | (61 885)  |
| Relating to acquisition services                            | (24 641)   | (24 641)  | (30 292)   | (30 292)  |
| Relating to loan insurance and other                        | (53 297)   | (53 297)  | (30 047)   | (30 047)  |
| <b>Net fees and commission income</b>                       | <b>522 356</b>                                   | <b>522 356</b>  | <b>478 218</b>                                   | <b>478 218</b>  |

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

| Note 3                                 | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|--|--|---|--|---|
| <b>Result on the trading portfolio</b> | <b>(72 826)</b>                                  | <b>(72 826)</b>   | <b>23 924</b>                                    | <b>23 924</b>   |
| Securities portfolio - HFT             | 242  | 242   | 364  | 364   |
| Derivatives                            | (73 105)   | (73 105)  | 23 566   | 23 566  |
| Other                                  | 37   | 37  | (6)  | (6)   |
| <b>Result on the ALPL portfolio</b>    | <b>(12 592)</b>                                  | <b>(12 592)</b>   | <b>(16 698)</b>                                  | <b>(16 698)</b>   |
| <b>TOTAL</b>                           | <b>(85 418)</b>                                  | <b>(85 418)</b>   | <b>7 226</b>                                     | <b>7 226</b>  |

**OTHER OPERATING INCOME AND EXPENSES OF  
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA**

| Note 4  | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|---|--|---|--|---|
| <b>Other operating income, of which:</b>  | <b>41 550</b>                                    | <b>41 550</b>   | <b>42 151</b>                                    | <b>42 151</b>   |
| Auxiliary income  | 5 451  | 5 451   | 6 112  | 6 112   |
| From sale of the subordinated entities' shares  | 3 746  | 3 746   | -  | -   |
| Sale, liquidation of tangible and intangible assets                                     | 2 580  | 2 580   | 1 010  | 1 010   |
| Other   | 29 773   | 29 773  | 35 029   | 35 029  |
| <b>Other operating expenses, of which:</b>  | <b>(14 530)</b>                                  | <b>(14 530)</b>   | <b>(24 712)</b>                                  | <b>(24 712)</b>   |
| Sale, liquidation of tangible fixed assets, intangible assets and assets ready for sale | (614)  | (614)   | (3 453)  | (3 453)   |
| Other   | (13 916)   | (13 916)  | (21 259)   | (21 259)  |
| <b>Total</b>  | <b>27 020</b>                                    | <b>27 020</b>   | <b>17 439</b>                                    | <b>17 439</b>   |

**GENERAL ADMINISTRATIVE EXPENSES OF  
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA**

| Note 5                        | 1st quarter period from 01.01.2008 to 31.03.2008 | 1 quarter cumulatively period from 01.01.2008 to 31.03.2008 | 1st quarter period from 01.01.2007 to 31.03.2007 | 1 quarter cumulatively period from 01.01.2007 to 31.03.2007 |
|-------------------------------|--|---|--|---|
| Employee costs                | (517 851)  | (517 851)   | (474 900)  | (474 900)   |
| Non-personnel costs           | (261 198)  | (261 198)   | (257 113)  | (257 113)   |
| Depreciation and amortisation | (87 759)   | (87 759)  | (75 029)   | (75 029)  |
| Other                         | (17 204)   | (17 204)  | (16 626)   | (16 626)  |
| <b>Total</b>                  | <b>(884 012)</b>                                 | <b>(884 012)</b>  | <b>(823 668)</b>                                 | <b>(823 668)</b>  |

### 3. COMMENTARY ON CONDENSED FINANCIAL DATA

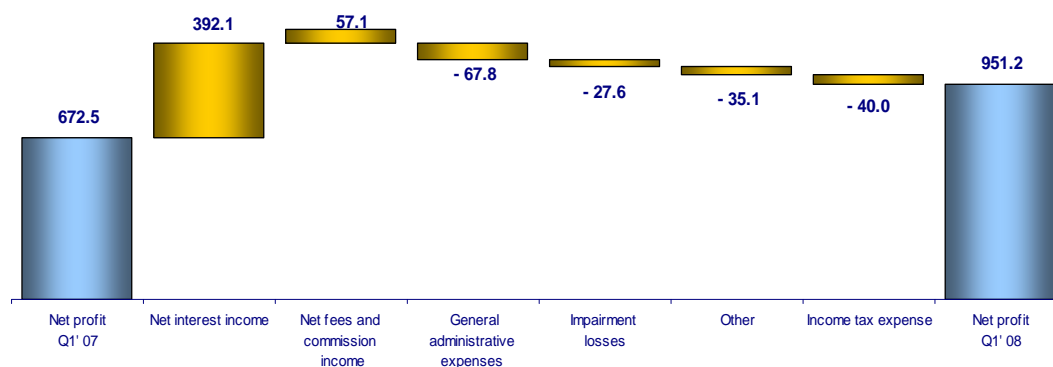
#### 3.1. FINANCIAL RESULTS

##### 3.1.1. The PKO BP SA Group

###### *Financial results and profitability ratios*

The consolidated net profit of the PKO BP SA Group ('Group') in the 1st quarter of 2008 amounted to PLN 951.2 million and was PLN 278.7 million higher than in 1st quarter of 2007.

Table 1. Movements in the profit and loss account items of the PKO BP SA Group (in PLN million)



The costs to income ratio (C/I), after the 1st quarter of 2008, amounted to 43.9% and was 6.4 p.p. lower than in the corresponding period of 2007. The financial results achieved by the PKO BP SA Group translated into higher ratios of return on assets and return on equity.

Table 2. Basic financial ratios of the PKO BP SA Group

| Items  | Indices          |                  |                              |
|--|------------------|------------------|------------------------------|
|  | As at 31.03.2008 | As at 31.03.2007 | Change 31.03.2008/31.03.2007 |
| <b>ROA gross</b> (gross profit (loss)/ average assets) | 3.6%             | 3.0%             | 0.62 pp.                     |
| <b>ROA net</b> (net profit (loss)/ average assets)     | 2.9%             | 2.4%             | 0.56 pp.                     |
| <b>ROE gross</b> (gross profit (loss)/ average equity) | 33.0%            | 29.4%            | 3.61 pp.                     |
| <b>ROE net</b> (net profit (loss)/ average equity)     | 26.7%            | 23.2%            | 3.53 pp.                     |
| <b>C/I</b> (costs to income ratio)                     | 43.9%            | 50.3%            | -6.42 pp.                    |

In the 1st quarter of 2008, the consolidated total of income items amounted to PLN 2 161.3 million and was PLN 411.0 million (i.e. 23.5%) higher than in the 1st quarter of 2007. The increase in revenues was determined by an increase in interest and commission income (by PLN 392.1 million and PLN 57.1 million, respectively).

*Translation of Interim Financial Statements of the PKO BP SA Group for the 1st quarter of 2008*  
*The Polish original should be referred to in matters of interpretation*

**Table 3. Movements in the profit and loss account items of the PKO BP SA Group**

| Profit and loss account line    | 1st quarter period from 01.01.2008 to 31.03.2008 | Change (1 quarter 08/ 1 quarter 07) | Comment  |
|---------------------------------|--|-------------------------------------|--|
| Net interest income             | 1 427.3  | 37.9% ↑                             | (+) 37.9% (y/y) mainly as a result of 29.2% (y/y) increase in the volume of the net loan portfolio and extension of deposit margins as a result of increase in market interest rates in PLN by 1.4 pp. (y/y).  |
| Net fees and commission income  | 590.8  | 10.7% ↑                             | (+) 10.7% (y/y) mainly as a result of increase in the number of bank cards (by 3.8% y/y) and related transactions and increase in income related to banking accounts servicing by 7.9% (y/y).  |
| Net other income                | 143.3  | -21.1% ↓                            | (-) 21.1% (y/y) as a result of:<br>1) lower result from securities operations stemming from increased aversion to financial market risk, with increase in result from exchange position (39.8% y/y - result of expansion in spreads between PLN interest and foreign currency interest, as well as of increase in foreign currency credits origination),<br>2) lower result from other operating income and expenses achieved by the PKO Inwestycje Group. |
| General administrative expenses | -947.9   | 7.7% ↓                              | Increase of 7.7% (y/y) and C/I at the level of 43.9% (-6.4 pp. y/y) as a result of:<br>1) increase in personnel costs of 9.9% (y/y) - along with employment reduction of 1 218 regular job positions (y/y) at the Bank,<br>2) increase in amortisation costs of 15.1% (y/y), mainly as a result of implementation of succeeding modules of Integrated IT System (O-ZSI) during the year of 2007.   |
| Result on impairment allowances | -26.8  | x ↓                                 | As a result of increase in corporate loans and consumer and credit cards loans portfolio write-offs (increase in non-performing loans share by 0.2 pp. y/y) with reversal of other Group's subordinated entities impairment allowances in the amount of PLN 47.7 million resulting from their economic improvement.  |

**Balance sheet and off-balance sheet items**

**Table 4. Movements in the balance sheet items of the PKO BP SA Group**

| BALANCE SHEET OF<br>THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP |                    |                               |   |
|---|--------------------|-------------------------------|---|
| Items   | As at 31.03.2008   | Change 31.03.2008/ 31.12.2007 | Comment   |
| Cash and amounts due from the Central Bank                                | 5 265 441          | 12.4%                         | Increase in assets of PLN 5.2 billion (+ 4.8% q/q), along with PLN 4.8 billion (+ 6.2% q/q) increase in loans and advances granted to customers and decrease in amounts due from banks of PLN 0.9 billion (- 16.1% q/q) |
| Amounts due from banks  | 4 438 345          | -16.1%                        |   |
| Loans and advances to customers   | 81 170 758         | 6.2%                          |   |
| Investment securities   | 15 945 683         | 4.7%                          |   |
| Other assets  | 6 984 504          | 0.6%                          |   |
| <b>Total assets</b>   | <b>113 804 731</b> | <b>4.8%</b>                   |   |
| Amounts due to other banks  | 4 528 411          | -3.7%                         | Increase in financial assets along with increase in amounts due to customers of PLN 4.1 billion (+ 4.7% q/q) and increase in equity as a result of its accumulation (7.8% q/q).   |
| Amounts due to customers  | 90 692 256         | 4.7%                          |   |
| Securities issued   | 1 786 116          | -0.4%                         |   |
| Other liabilities   | 3 883 625          | 11.6%                         |   |
| <b>Total liabilities</b>  | <b>100 890 408</b> | <b>4.5%</b>                   |   |
| Total equity  | 12 914 323         | 7.8%                          |   |
| <b>Total liabilities and equity</b>                                       | <b>113 804 731</b> | <b>4.8%</b>                   |   |
| Loans / Placements (liabilities to customers)                             | 89.5%              | 1.3pp                         | (+) 1.3 pp. along with increase in loans of 6.2% (q/q) and increase in placements of 4.7% (q/q).  |
| Interest bearing assets / Assets  | 89.2%              | -0.1pp                        | Ratio remained on stable level.   |
| Interest bearing liabilities / Liabilities                                | 85.2%              | -0.5pp                        |   |

As at 31 March 2008, the total of the off-balance sheet items of the PKO BP SA Group amounted to PLN 472.5 billion, and compared to 31 December 2007 - increased by 3.6%. The main share in that balance related to liabilities resulting from sale/purchase transactions, which amounted to PLN 433.6 billion.

### 3.1.2. PKO BP SA

#### Financial result and profitability ratios

The net profit recorded by PKO BP SA ('Bank') in the 1st quarter of 2008 amounted to PLN 904.6 million and was PLN 290.9 million higher than in the 1st quarter of 2007.

Table 5. Movements in the profit and loss account items of PKO BP SA (in PLN million)

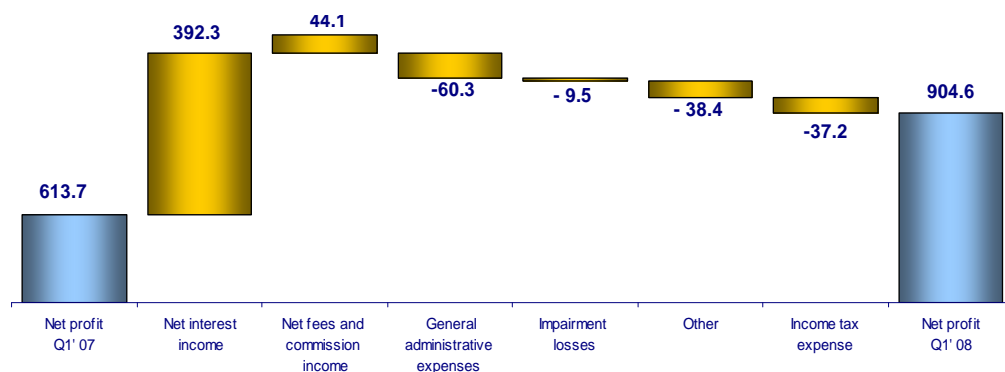


Table 6. Basic financial ratios of PKO BP SA

| Items   | Indices          |                  |           |
|---|------------------|------------------|-----------|
|   | As at 31.03.2008 | As at 31.03.2007 | Change    |
| ROA gross (gross profit (loss)/ average assets) | 3.5%             | 2.8%             | 0.64 pp.  |
| ROA net (net profit (loss)/ average assets)     | 2.9%             | 2.3%             | 0.57 pp.  |
| ROE gross (gross profit (loss)/ average equity) | 31.4%            | 27.4%            | 4 pp.     |
| ROE net (net profit (loss)/ average equity)     | 25.9%            | 22.2%            | 3.67 pp.  |
| C/I (costs to income ratio)                     | 43.8%            | 50.8%            | -7.02 pp. |

Table 7. Movements in the profit and loss account items of PKO BP SA

| Profit and loss account line    | 1st quarter period from 01.01.2008 to 31.03.2008 | Change (1 quarter 08/ 1 quarter 07) | Comment   |
|---------------------------------|--|-------------------------------------|---|
| Net interest income             | 1 392.4  | 39.2% ↑                             | (+) 39.2% (y/y) mainly as a result of 29.2% (y/y) increase in the volume of the net loan portfolio and extension of deposit margins as a result of increase in market interest rates in PLN by 1.4 pp. (y/y).   |
| Net fees and commission income  | 522.4  | 9.2% ↑                              | (+) 9.2% (y/y) mainly as a result of increase in the number of bank cards (+3.8% y/y) and related transactions, with increase in fees and commission income related to investments funds servicing.   |
| Net other income                | 104.7  | -26.8% ↓                            | (-) 26.8% (y/y) as a result:<br>1) negative result from securities operations stemming from increased aversion to financial market risk,<br>2) increase in result from exchange position 40.2% (y/y) - result of expansion in spreads between PLN interest and foreign currency interest as well as of increase in foreign currency credits origination.  |
| General administrative expenses | -884.0   | 7.3% ↓                              | Increase of 7.3% (y/y) and C/I at the level of 43.8% (-7.0 pp. y/y) with:<br>1) increase in compensation costs of 9.0% and employment reduction - regular job positions at 31.03.2008: 30,414, regular job positions at 31.03.2007: 31,632,<br>2) increase in amortisation/depreciation costs of 17% (y/y), mainly as a result of implementation of succeeding modules of Integrated IT System (O-ZSI) during the year of 2007. |
| Result on impairment allowances | -18.5  | 2.1x ↓                              | Decrease of 2.1x (y/y), as a result of increase in corporate loans and consumer and credit cards loans portfolio write-offs (increase in non-performing loans share by 0.2 pp. y/y) with reversal of other Group's subordinated entities impairment allowances in the moment of PLN 47.7 million resulting from their economic improvement.   |

## **3.2. BUSINESS DEVELOPMENT<sup>2</sup>**

### **3.2.1. Segmentation of activities of the PKO BP SA Group**

The primary segmentation key of the Group is based on business segments. The Group usually settles inter-segment transactions as if they were concluded between unrelated parties, using internal settlement rates and a rule of simultaneous recording of a single operation result in the segments that contributed into its origin. Results simultaneously recorded in a few segments were subsequently excluded through elimination.

#### **Business segments**

Segmentation by business is as follows:

- retail segment covers transactions of the parent company with private individuals, small and medium-sized enterprises and housing market's clients as well as operations of the following subsidiaries: KREDOBANK SA, the Powszechnie Towarzystwo Emerytalne BANKOWY SA Group, PKO Towarzystwo Funduszy Inwestycyjnych SA, Inteligo Financial Services SA and Centrum Elektronicznych Usług Płatniczych eService SA, Grupa PKO Inwestycje Sp. z.o.o.,
- corporate segment includes transactions of the parent company with large corporate clients and operations of Bankowy Fundusz Leasingowy SA Group,
- investment segment covers investing and brokerage activities, inter-bank, derivative instruments and debt securities transactions of the parent company and operations of Bankowe Towarzystwo Kapitałowe SA.

The Bank has not identified any other segments as a result of not having reached the thresholds set forth in IAS 14. According to IAS 14, segments which were not separated have been disclosed as unallocated balance sheet items (reconciling).

The assets and liabilities of a given segment represent operating assets and liabilities used by the segment in its operating activities.

The tables below present data relating to revenue and results of individual business segments of the Group for the 3-months periods ended 31 March 2008 and 31 March 2007, and selected assets and liabilities as at 31 March 2008 and 31 March 2007.

Starting from January 2008, the Group implemented changes in the method of business segment result calculation, together with the manner and scope of the business segments' separation. The financial data for the year of 2007 was respectively restated for comparability purposes.

As the Group's activities abroad are relatively small compared to the total results of the whole Group, the geographical presentation is not included.

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



Table 8. Business segments of the PKO BP SA Group

| Continued activities                        |                |                   |                    |                |                           |                                   |
|---|----------------|-------------------|--------------------|----------------|---------------------------|-----------------------------------|
| Period from 01.01.2008 to 31.03.2008        | Retail segment | Corporate segment | Investment segment | Other          | Consolidation adjustments | All activities of PKO BP SA Group |
| <b>Net interest result</b>                  | <b>1 168.3</b> | <b>73.7</b>       | <b>73.7</b>        | <b>8.4</b>     | <b>68.3</b>               | <b>1 392.4</b>                    |
| <b>Net fees and commission result</b>       | <b>574.9</b>   | <b>44.6</b>       | <b>24.6</b>        | <b>(0.1)</b>   | <b>(121.6)</b>            | <b>522.4</b>                      |
| <b>Other result</b>                         | <b>126.5</b>   | <b>28.4</b>       | <b>2.9</b>         | <b>22.2</b>    | <b>(75.3)</b>             | <b>104.7</b>                      |
| Result from financial operations            | 8.0            | 5.9               | (98.0)             | (0.3)          | (2.8)                     | (87.2)                            |
| Foreign exchange result                     | 108.2          | 28.7              | 100.4              | -              | (72.5)                    | 164.8                             |
| Dividend income                             | -              | -                 | -                  | (0.0)          | 0.0                       | 0.0                               |
| Result from other operating activities      | 3.8            | 0.3               | 0.4                | 22.5           | -                         | 27.0                              |
| Income/expenses related to internal clients | 6.5            | (6.5)             | -                  | -              | -                         | (0.0)                             |
| <b>Result on impairment allowances</b>      | <b>(72.2)</b>  | <b>(3.5)</b>      | <b>47.7</b>        | <b>9.5</b>     | <b>-</b>                  | <b>(18.5)</b>                     |
| <b>Overhead costs</b>                       | <b>(807.1)</b> | <b>(55.0)</b>     | <b>(22.0)</b>      |                |                           | <b>(884.0)</b>                    |
| <b>Results of subsidiaries</b>              | <b>71.2</b>    | <b>1.5</b>        | <b>75.8</b>        | <b>3.2</b>     | <b>(78.6)</b>             | <b>73.1</b>                       |
| <b>Segment result (gross)</b>               | <b>1 061.7</b> | <b>89.8</b>       | <b>202.6</b>       | <b>43.2</b>    | <b>(207.2)</b>            | <b>1 190.0</b>                    |
| Income tax (tax charge)                     |                |                   |                    | (230.3)        |                           | (230.3)                           |
| Profit (loss) of minority shareholders      |                |                   |                    | 8.6            |                           | 8.6                               |
| <b>Net profit (loss)</b>                    | <b>1 061.7</b> | <b>89.8</b>       | <b>202.6</b>       | <b>(195.7)</b> | <b>(207.2)</b>            | <b>951.2</b>                      |

**As at 31.03.2008**

|                    |                 |                 |                 |                 |                   |                  |
|--------------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|
| <b>ASSETS</b>      | <b>65 312.5</b> | <b>20 967.0</b> | <b>18 018.9</b> | <b>10 495.3</b> | <b>(988.9)</b>    | <b>113 804.7</b> |
| <b>LIABILITIES</b> | <b>76 679.1</b> | <b>15 374.3</b> | <b>21 968.7</b> | <b>16 305.7</b> | <b>(16 523.1)</b> | <b>113 804.7</b> |

Table 9. Business segments of the PKO BP SA Group

| Continued activities                        |                |                   |                    |                |                           |                                   |
|---|----------------|-------------------|--------------------|----------------|---------------------------|-----------------------------------|
| Period from 01.01.2007 to 31.03.2007        | Retail segment | Corporate segment | Investment segment | Other          | Consolidation adjustments | All activities of PKO BP SA Group |
| <b>Net interest result</b>                  | <b>830.4</b>   | <b>54.9</b>       | <b>49.7</b>        | <b>(5.3)</b>   | <b>70.4</b>               | <b>1 000.2</b>                    |
| <b>Net fees and commission result</b>       | <b>532.2</b>   | <b>40.2</b>       | <b>33.5</b>        | <b>(28.1)</b>  | <b>(100.3)</b>            | <b>477.5</b>                      |
| <b>Other result</b>                         | <b>88.9</b>    | <b>13.2</b>       | <b>103.6</b>       | <b>14.7</b>    | <b>(76.5)</b>             | <b>143.8</b>                      |
| Result from financial operations            | 0.4            | 0.1               | 26.2               | (1.5)          | (17.2)                    | 8.1                               |
| Foreign exchange result                     | 80.2           | 19.9              | 76.8               | -              | (59.3)                    | 117.6                             |
| Dividend income                             | -              | -                 | 0.0                | -              | -                         | 0.0                               |
| Result from other operating activities      | 1.8            | (0.4)             | 0.5                | 16.2           | -                         | 18.2                              |
| Income/expenses related to internal clients | 6.5            | (6.5)             | -                  | -              | -                         | -                                 |
| <b>Result on impairment allowances</b>      | <b>(44.3)</b>  | <b>53.2</b>       | <b>(9.7)</b>       | <b>(8.3)</b>   | <b>-</b>                  | <b>(9.0)</b>                      |
| <b>Overhead costs</b>                       | <b>(794.5)</b> | <b>(21.2)</b>     | <b>(8.0)</b>       |                |                           | <b>(823.7)</b>                    |
| <b>Results of subsidiaries</b>              | <b>62.6</b>    | <b>4.2</b>        | <b>66.7</b>        | <b>0.9</b>     | <b>(50.6)</b>             | <b>83.8</b>                       |
| <b>Segment result (gross)</b>               | <b>675.3</b>   | <b>144.4</b>      | <b>235.8</b>       | <b>(26.1)</b>  | <b>(156.9)</b>            | <b>872.6</b>                      |
| Income tax (tax charge)                     |                |                   |                    | (190.3)        |                           | (190.3)                           |
| Profit (loss) of minority shareholders      |                |                   |                    | 9.8            |                           | 9.8                               |
| <b>Net profit (loss)</b>                    | <b>675.3</b>   | <b>144.4</b>      | <b>235.8</b>       | <b>(226.1)</b> | <b>(156.9)</b>            | <b>672.5</b>                      |

**As at 31.12.2007**

|                    |                 |                 |                 |                 |                   |                  |
|--------------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|
| <b>ASSETS</b>      | <b>61 246.6</b> | <b>19 651.3</b> | <b>20 658.1</b> | <b>8 001.6</b>  | <b>(988.9)</b>    | <b>108 568.7</b> |
| <b>LIABILITIES</b> | <b>73 149.2</b> | <b>15 191.0</b> | <b>18 805.6</b> | <b>14 215.6</b> | <b>(12 792.8)</b> | <b>108 568.7</b> |

### 3.2.2. Retail segment

The result of the retail segment increased by PLN 386.4 million, i.e. 57.2% (y/y) accompanied with 6.6% (q/q) increase in segment assets and 5.1% (q/q) increase in segment liabilities. The increase of the segment result was mainly determined by an increase of the net interest result (40.7% y/y) as a result of an increase of the net credit portfolio volume by 29.2% (y/y) and expansion of the deposit margins resulting from an increase of market interest rates by 1.4 pp. (y/y).



#### 3.2.2.1. Activities of PKO BP SA in the retail segment

As at 31 March 2008, total value of deposits of the retail segment of PKO BP SA and assets managed by PKO TFI was PLN 88.3 billion. From the beginning of the year, their volume increased by PLN 0.6 billion (i.e. 0.7%) accompanied by a structural change represented by an increase in the deposits' share of retail and private banking.

From 28 January till 24 February 2008, the Bank offered one year subscribed deposit called 'Max Lokata'. The product was characterized by an interest of 6% during 12 months of savings and flexibility relying on availability of making partial deposits during the agreed-upon period. The total collected volume amounted to PLN 7.5 billion – including PLN 3.7 billion of resources obtained from the outside.

Table 10. Deposits of PKO BP SA and assets managed by PKO TFI (in PLN million)<sup>3</sup>

| Items                                    | As at:        | As at:        | As at:        | Change from:  |              |
|--|---------------|---------------|---------------|---------------|--------------|
|  | 31.03.2008    | 31.12.2007    | 31.03.2007    | 31.12.2007    | 31.03.2007   |
| Client deposits, of which:               |               |               |               |               |              |
| - retail and private banking             | 57 938        | 53 767        | 55 495        | 7.8%          | 4.4%         |
| - small and medium entities              | 6 532         | 6 958         | 5 498         | -6.1%         | 18.8%        |
| - housing                                | 10 165        | 10 290        | 10 151        | -1.2%         | 0.1%         |
| <b>Total deposits</b>                    | <b>74 635</b> | <b>71 014</b> | <b>71 143</b> | <b>5.1%</b>   | <b>4.9%</b>  |
| <b>Assets under PKO TFI's management</b> | <b>13 671</b> | <b>16 685</b> | <b>11 530</b> | <b>-18.1%</b> | <b>18.6%</b> |
| <b>Total client's savings</b>            | <b>88 306</b> | <b>87 699</b> | <b>82 673</b> | <b>0.7%</b>   | <b>6.8%</b>  |

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

As at 31 March 2008, gross value of loans and advances of the retail segment of PKO BP SA was PLN 62.1 billion and from the beginning of the year increased by PLN 4.0 billion (i.e. 6.9%).

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

| Items  | As at:        | As at:        | As at:        | Change from: |              |
|--|---------------|---------------|---------------|--------------|--------------|
|  | 31.03.2008    | 31.12.2007**  | 31.03.2007**  | 31.12.2007   | 31.03.2007   |
| Gross loans and advances*), of which:                  |               |               |               |              |              |
| - retail and private banking                           | 17 100        | 16 414        | 13 931        | 4.2%         | 22.7%        |
| - small and medium entities                            | 7 757         | 6 907         | 5 115         | 12.3%        | 51.6%        |
| - mortgage banking                                     | 32 547        | 30 299        | 23 838        | 7.4%         | 36.5%        |
| - housing market (including supported by state budget) | 4 715         | 4 467         | 3 440         | 5.6%         | 37.1%        |
| <b>Total</b>   | <b>62 120</b> | <b>58 087</b> | <b>46 325</b> | <b>6.9%</b>  | <b>34.1%</b> |

Source: Bank's Management information

\*without interest due and interest not due

\*\*data for the year of 2007 added for comparative purposes

<sup>3</sup> In the year of 2007 there was a resegmentation of corporate deposits, as a result of which their small part was moved to small and medium-sized enterprises that did not have a significant impact on data presented.

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

| Items   | As at        | As at        | As at        | Change from: |            |
|---|--------------|--------------|--------------|--------------|------------|
|   | 31.03.2008   | 31.12.2007   | 31.03.2007   | 31.12.2007   | 31.03.2007 |
| <b>Total number of accounts, of which:</b>      | <b>6 240</b> | <b>6 207</b> | <b>6 068</b> | <b>33</b>    | <b>172</b> |
| - ROR accounts                                  | 5 569        | 5 548        | 5 455        | 21           | 114        |
| - Inteligo current accounts                     | 671          | 659          | 613          | 12           | 58         |
| <b>Total number of banking cards, of which:</b> | <b>7 325</b> | <b>7 296</b> | <b>7 056</b> | <b>29</b>    | <b>269</b> |
| - credit cards                                  | 1 005        | 1 010        | 943          | - 5          | 62         |

Table 13. Branches and ATMs of PKO BP SA

| Items                        | As at        | As at        | As at        | Change from: |            |
|------------------------------|--------------|--------------|--------------|--------------|------------|
|                              | 31.03.2008   | 31.12.2007   | 31.03.2007   | 31.12.2007   | 31.03.2007 |
| Total number of branches     | 1 228        | 1 233        | 1 238        | - 5          | - 10       |
| <b>- Retail Market Area:</b> | <b>1 149</b> | <b>1 150</b> | <b>1 155</b> | <b>- 1</b>   | <b>- 6</b> |
| Regional Retail Branches     | 12           | 12           | 12           | -            | -          |
| independent branches         | 574          | 574          | 574          | -            | -          |
| subordinated branches        | 563          | 564          | 569          | - 1          | - 6        |
| <b>Number of ATM's</b>       | <b>2 214</b> | <b>2 106</b> | <b>2 084</b> | <b>108</b>   | <b>130</b> |

Table 14. Activities and achievements of PKO BP SA in the retail segment in the 1st quarter of 2008

| Scope of activity                         | Activity   |
|---|--|
| <b>Retail client</b>                      | <p>1) From 28 January till 24 February 2008 the Bank offered one year subscribed deposit called 'Max Lokata'. The product was characterized by an interest of 6% during 12 months of savings and flexibility relying on availability of making partial deposits during the agreed-upon period. The total collected volume amounted to PLN 7.5 billion - including PLN 3.7 billion of resources obtained from the outside,</p> <p>2) From 27 March till 17 April 2008, with the PZU Życie SA cooperation the Bank's offer was enriched by a product - 'Guaranteed profit'. This is a group life insurance product. The insurance protection lasts for 18 months. The minimum payment amounts to PLN 5,000. The guaranteed return on investment will amount to 4.2% (y/y) if the given protection is held until the end. There will be a 100% return of the insurance premium paid if there is a resignation from the insurance offered. There would be 101% payment made to beneficiaries if the person insured dies.</p> |
| <b>Small and medium-sized enterprises</b> | <p>1) From 14 February 2008 there were new deposit products PAKIETY BIZNESOWE (opening, growth, comfort, success) introduced. The individual packages consist of products and services, which suit the firm's needs on the particular level of development,</p> <p>2) From 18 February 2008 there was a new product Szybki Kredyt Inwestycyjny (SKI) introduced to the offer, which was to maximize the client's satisfaction through a fast and convenient access to credit resources,</p> <p>3) From 5 February 2008 there was a SLK procedure modification introduced, decreasing the minimum level of SLK credit from PLN 5 thousand to PLN 2 thousand.</p>  |
| <b>Online banking</b>                     | <p>During the first quarter of 2008 the most important changes were:</p> <p>1) 'New opening of PKO BP online' meaning a completely rebuilt information service,</p> <p>2) Change of the name and logo from PKO Inteligo onto iPKO and a new iPKO transactional service.</p> <p>During the quarter there was added a functionality of credit cards servicing on WWW.</p> <p>On 31 March 2008 the number of accounts with an access to online banking iPKO amounted to 2,063 thousand and increased by 8.94% as compared to the fourth quarter of 2007, including the number of retail accounts increased by 9.13%, the number of accounts for small and medium entities increased by 7.11%. Among the retail accounts, the share of accounts with an access to online banking iPKO amounted to the level of 33.6%, and among the small and medium entities amounted to 66.3%.</p>   |

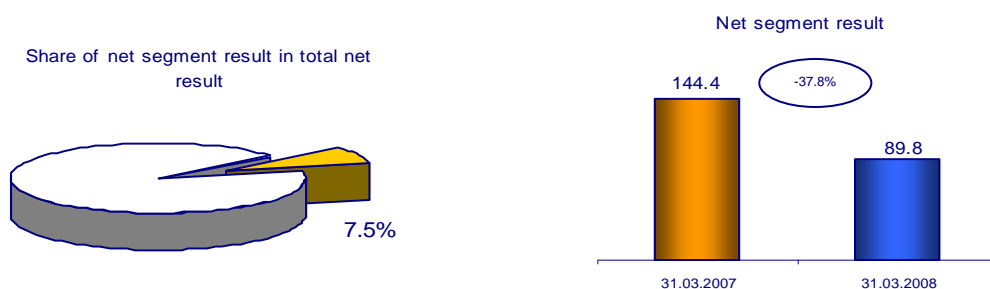
### 3.2.2.2. Activities of the PKO BP SA Group companies in the retail segment

Table 15. Activities and achievements of the PKO BP SA Group companies in the retail segment in the 1st quarter of 2008

| SUBSIDIARIES  | SIGNIFICANT EVENTS OF THE 1ST QUARTER OF 2008   |
|---|---|
| PKO Towarzystwo Funduszy Inwestycyjnych SA            | <ol style="list-style-type: none"> <li>1. Value of the funds' assets managed by Towarzystwo amounted to PLN 13.7 billion at the end of the 1st quarter of 2008, which indicates a decrease of 18.07% as compared to the end of 2007.</li> <li>2. PKO TFI SA occupies a third position with 12.5% share in the investment funds market (share increase in the market by 2.7 pp. y/y).</li> </ol>   |
| KREDOBANK SA  | <ol style="list-style-type: none"> <li>1. Total assets of KREDOBANK SA decreased by PLN 0.01 billion, i.e. 0.5% and as at 31 March 2008 amounted to PLN 2.203 billion (UAH 4.942 billion).</li> <li>2. The Company's loan portfolio (gross) decreased by PLN 0.003 billion, i.e. 0.2% and amounted to PLN 1.705 billion (UAH 3.825 billion) in the end of March 2008.</li> <li>3. Clients' term deposits increased by PLN 0.03 billion, i.e. 2.7% and amounted to PLN 1.12 billion (UAH 2.514 billion) in the end of March 2008.</li> <li>4. At the end of 2008, the outlets network of KREDOBANK SA consisted of 25 branches and 153 subordinated branches in 20 out of 24 Ukrainian districts and in the Independent Republic of the Crimea. During the 1st quarter, the network increased by 1 department and 2 branches.<br/><small>The financial values of KREDOBANK SA as at 30 March 2008 were recalculated according to average exchange rate of NBP prevailing as at 31 March 2008 (UAH 1= PLN 0.4457).</small></li> </ol>   |
| Powszechne Towarzystwo Emerytalne BANKOWY SA          | <ol style="list-style-type: none"> <li>1. At the end of the 1st quarter of 2008, the value of assets of Bankowy OFE, under PTE BANKOWY management, amounted to PLN 4.182 billion, which indicates a decrease of PLN 0.093 billion as compared to the end of 2007. The decrease in BOFE's net assets value was mainly caused by a decrease in quotations of companies listed at the Warsaw Stock Exchange.</li> <li>2. At the end of March of 2008, the position of the Bankowy OFE at the pension fund market remained unchanged (8th position in respect of OFE's assets value and 9th position in respect of the number of active members accounts).</li> </ol>   |
| Inteligo Financial Services SA                        | <ol style="list-style-type: none"> <li>1. At the end of the 1st quarter of 2008, the Company enabled access to electronic bank systems for 2.1 million of PKO BP SA clients using iPKO services, i.e. 181 thousand of clients more than at the end of 2007.</li> <li>2. Within the Inteligo account offer, the Company serviced over 591 thousand of clients. The number of clients being serviced in relation to the Inteligo account increased in the 1st quarter by 8.8 thousand.</li> <li>3. At the end of March of the current year, the Inteligo clients' deposits amounted to PLN 2.12 billion and increased by PLN 0.056 billion as compared to the end of 2007.</li> <li>4. On 20 March 2008, the Company signed a contract with Polska Telefonia Cyfrowa Sp. z o.o. defining the conditions of cooperation while implementing virtual telecommunication operator project (MVNO).</li> <li>5. On 21 March 2008, the online banking services offered until then under PKO Inteligo' name switched to the name of iPKO. This was one of the components of introducing a new online banking development strategy in PKO BP SA.</li> </ol> |
| Centrum Elektronicznych Usług Płatniczych eService SA | <ol style="list-style-type: none"> <li>1. In the 1st quarter of 2008, transactions with a total value of PLN 4.188 billion were generated in the eService SA terminals.</li> <li>2. As regards the value of generated card transactions (including cash withdrawals), estimated by the Company's market share amounted to approximately 28.2% at the end of March of the current year.</li> <li>3. The number of terminals installed at the end of the 1st quarter amounted to 46,557 units, which means a 1% increase as compared to the end of 2007.</li> <li>4. As regards terminals installed (including those utilized for cash withdrawals), estimated by the Company's market share amounted to 29%.</li> </ol>  |
| PKO Inwestycje Sp. z o.o.                             | <ol style="list-style-type: none"> <li>1. In the 1st quarter of 2008, PKO Inwestycje Sp. z o.o., throughout dedicated SPV, continued implementation of investment projects, including: <ul style="list-style-type: none"> <li>- 'Nowy Wilanów' project in Warsaw through the company Wilanów Investments Sp. z o.o.,</li> <li>- 'Neptun Park' project in Gdańsk through the company POMERANKA Sp. z o.o.,</li> <li>- 'Kuźmińska' project in Kiev in Ukraine through the company UKRPOLINWESTYCJE Sp. z o.o.,</li> <li>- 'Osiedle Jantar' project in Międzyzdroje conducted by the company ARKADIA Inwestycje Sp. z o.o. and started new projects, of which: <ul style="list-style-type: none"> <li>- 'Osiedle Siemieńskiego' project in Rzeszów through the company WISŁOK Inwestycje Sp. z o.o.,</li> <li>- project in Bąków near Gdańsk through the company Baltic Dom 2 Sp. z o.o.</li> </ul> </li> </ul> </li> <li>2. The company Fort Mokotów Sp. z o.o. continued warranty services for the executed project 'Marina Mokotów'.</li> </ol>   |

### 3.2.3. Corporate segment

The result of the corporate segment decreased by PLN 54.6 million, i.e. 37.8% (y/y) accompanied with 6.7% (q/q) increase in segment assets and a 1.2% (q/q) increase in segment liabilities. The changes were determined by a significant decrease in the impairment write-offs result regarding amounts due from corporate clients (by PLN 56.7 million y/y).



### 3.2.3.1. Activities of PKO BP SA in the corporate segment

Table 16. Gross loans and advances\* and deposits of PKO BP SA (in PLN million)<sup>3</sup>

| Items   | As at:     | As at:     | As at:     | Change from: |            |
|---|------------|------------|------------|--------------|------------|
|   | 31.03.2008 | 31.12.2007 | 31.03.2007 | 31.12.2007   | 31.03.2007 |
| Gross corporate loans and advances*), of which: | 19 118     | 17 974     | 16 780     | 6.4%         | 13.9%      |
| Corporate placements                            | 13 614     | 13 542     | 11 268     | 0.5%         | 20.8%      |

Source: Bank's Management information  
\*without interest due and interest not due

Table 17. Branches of PKO BP SA

| Items                           | As at        | As at        | As at        | Change from: |            |
|---------------------------------|--------------|--------------|--------------|--------------|------------|
|                                 | 31.03.2008   | 31.12.2007   | 31.03.2007   | 31.12.2007   | 31.03.2007 |
| Total number of branches        | 1 228        | 1 233        | 1 238        | - 5          | - 10       |
| <b>- Corporate Market Area:</b> | <b>79</b>    | <b>83</b>    | <b>83</b>    | <b>- 4</b>   | <b>- 4</b> |
| Regional Corporate Branches     | 13           | 13           | 13           | -            | -          |
| Corporate Client Teams          | -            | -            | 13           | -            | - 13       |
| Corporate Centers               | 66           | 70           | 57           | - 4          | 9          |
| <b>Number of ATM's</b>          | <b>2 214</b> | <b>2 106</b> | <b>2 084</b> | <b>108</b>   | <b>130</b> |

Table 18. Activities and achievements of PKO BP SA in the corporate segment in the 1st quarter of 2008

| Scope of activity                                 | Activity   |
|---|--|
| credit activity                                   | The Bank organized 3 bilateral loans, which amounted in total to PLN 1,483 million, of which an investment loan was intended to partially finance acquisition costs of financial assets by a borrower in the amount of PLN 1.23 billion.   |
| issue of non-treasury debt securities             | The Bank signed (with an entity directly related with the Bank) an appendix to the previously signed contract for issue of non-treasury debt securities, increasing the level of the programme to PLN 600 million.   |
| cooperation with banks and financial institutions | In the 1st quarter of 2008, the Bank signed 1 general agreement and 3 appendices to the previously signed general agreements for transactions with domestic financial institutions involving debt securities transactions and signed 2 contracts for keeping of debt securities not allowed to the regular market trading with the domestic financial institution. |

### 3.2.3.2. Activities of the PKO BP SA Group companies in the corporate segment

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

| SUBSIDIARY                    | SIGNIFICANT EVENTS OF THE 1ST QUARTER OF 2008   |
|-------------------------------|---|
| Bankowy Fundusz Leasingowy SA | <ol style="list-style-type: none"> <li>In the 1st quarter of 2008, the BFL SA Group's entities leased out a total net value of assets amounting to PLN 285 million (6% y/y).</li> <li>The total carrying value of the lease investments of the BFL SA Group's entities amounted to PLN 1,719 million at the end of the 1st quarter of the current year and increased by 7.8% as compared to the end of 2007.</li> </ol> |

### 3.2.4. Investment segment

The result of the investment segment in the 1st quarter of 2008 was determined by unfavourable information coming from the American financial market, which had an impact on the increase of aversion towards risks in the financial markets, and resulted in the increase of Polish debt spreads. An impact of expectations concerning inflation and fear growth about further increases in interest rates established by the Monetary Policy Council was also essential to the domestic market.

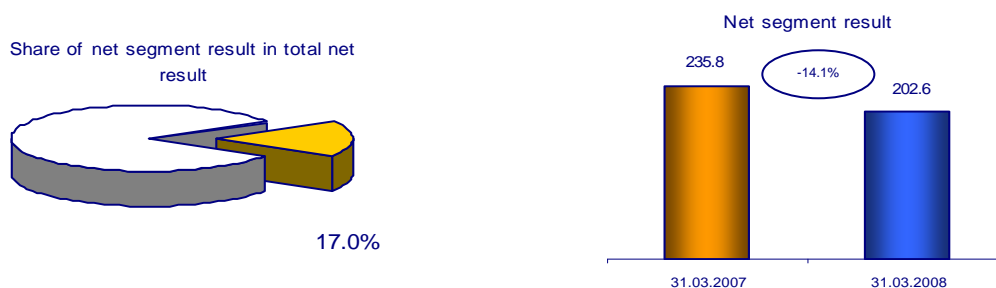


Table 20. Activities and achievements of PKO BP SA in the investment segment in the 1st quarter of 2008

|                    | Investment activity       | Activity  |
|--------------------|---------------------------|---|
| Treasury activity  | product sale              | In the 1st quarter, the Bank achieved good results in the business segment and turnovers increased by 70% compared to the 1st quarter of 2007. The positive impact on further sale development has an increase in transactions executed for products such as options, IRS and CIRS. In the 1st quarter the total turnover executed on the above products was 50% higher than achieved for the whole 2007. |
|                    | financial risk management | In the 1st quarter, the Bank increased the funds value obtained on the inter-bank market to finance credit activity in CHF. At the end of March the value of resources obtained through CIRS transactions increased to CHF 4.7 billion.   |
| Brokerage activity | investment accounts       | At the end of March of 2008, the number of the Bank's investment accounts amounted to 95,790 units, i.e. 605 units more than at the end of 2007. At the end of the 1st quarter the number of accounts together with registered active accounts amounted to 333,461 units.   |
|                    | stock market              | The Bank as a market maker executed a turnover on the stock market amounting to PLN 1.7 billion, i.e. 5.4% less than in the 4th quarter of 2007. During this time the market recorded turnovers lower by 6.4%.  |
|                    | New Connect market        | The Bank as a market maker of the NewConnect for 22 companies (i.e. 9 companies more than at the end of 2007) occupies the 1st position on the market regarding the number of serviced companies. The Bank executed turnovers of PLN 21.7 million in the NewConnect stock market, which represents 6th position on the market.  |
|                    | future contracts market   | In the 1st quarter of the current year the Bank executed 253.1 thousand units of future contracts gaining a 3.6% share of the market, i.e. 0.1 pp more than in the 4th quarter of 2007 (9th position on the market).  |
|                    | option market             | In the 1st quarter of the current year as compared to the 4th quarter of 2007 the option turnover dynamics decreased by 5.8 thousand units to the level of 25.1 thousand units. At the same time the Bank, despite of the option turnover decrease, retained the 2nd position with a 14.3% share on the market.   |
|                    | bond market               | The Bank executed bonds' turnover on the non-public market amounting to PLN 431.9 million, i.e. 61.7% higher than in the 4th quarter of 2007. In the 1st quarter of the current year there was a 48.4% share achieved through turnovers in the bonds' market that allowed the Bank to retain a leading position.  |

### 3.2.4.1. Activities of the PKO BP SA Group companies in the investment segment

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

| SUBSIDIARY                        | SIGNIFICANT EVENTS OF THE 1ST QUARTER OF 2008  |
|-----------------------------------|--|
| Bankowe Towarzystwo Kapitałowe SA | At the end of the 1st quarter of 2008, BTK SA managed an investment portfolio of PLN 6.5 million, including exposure to FINDER SA company. |

### 3.2.5. Other areas of activities

Table 22. Other area activities of the PKO BP SA Group companies

| SUBSIDIARY                            | SIGNIFICANT EVENTS OF THE 1ST QUARTER OF 2008  |
|---------------------------------------|--|
| Centrum Finansowe Puławska Sp. z o.o. | As at 31 March 2008, the Company rented 98.5% of the office and commercial area in the managed building Centrum Finansowe Puławska, of which 88.3% was rented by the PKO BP SA Group's entities. As compared to the end of 2007, the rental of office and commercial area increased by 2%. |

#### 4. ADDITIONAL INFORMATION

##### 4.1. ACCOUNTING POLICIES USED IN THE PREPARATION OF THESE FINANCIAL STATEMENTS

The accounting policies applied in the 1st quarter of 2008 do not differ from those applied in prior quarters. These policies were described in detail in the Financial statements of PKO BP SA for the year of 2007. 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. CHANGES TO DATA PRESENTATION METHODS

Presented below is a listing of significant changes to data presentation methods applied to the prior periods' financial data, which have been included for comparability purposes.

Table 23. Financial data of the PKO BP SA Group

| PROFIT AND LOSS ACCOUNT OF<br>POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA |  |   |                           |
|---|--|---|---------------------------|
|   | 1st quarter<br>period from<br>01.01.2007<br>to 31.03.2007<br>previously<br>presented | 1 quarter<br>cumulatively<br>period from<br>01.01.2007 to<br>31.03.2007<br>comparative data | Difference                |
| Interest income   | 1 420 576  | 1 423 187   | 2 611 <sup>1)</sup>       |
| Interest expense  | (426 777)  | (423 011)   | 3 766 <sup>1)</sup>       |
| Fees and commission income  | 592 603  | 600 442   | 7 839 <sup>1)</sup>       |
| Fees and commission expense   | (105 884)  | (122 224)   | (16 340) <sup>1) 3)</sup> |
| Result from financial instruments at fair value                           | 6 091  | 7 226   | 1 135 <sup>1) 2)</sup>    |
| Other operating income  | 48 161   | 42 151  | (6 010) <sup>1) 2)</sup>  |
| Other operating expenses  | (19 755)   | (24 712)  | (4 957) <sup>1) 2)</sup>  |
| General administrative expenses   | (835 624)  | (823 668)   | 11 956 <sup>3)</sup>      |

1) Change in presentation of selected Brokerage House income and costs

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 24. Financial data of PKO BP SA

| PROFIT AND LOSS ACCOUNT OF<br>THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP |  |   |                                  |
|---|--|---|----------------------------------|
|   | 1st quarter<br>period from<br>01.01.2007<br>to 31.03.2007<br>previously<br>presented | 1 quarter<br>cumulatively<br>period from<br>01.01.2007 to<br>31.03.2007<br>comparative data | Difference                       |
| Interest income   | 1 493 799  | 1 496 410   | 2 611 <sup>1)</sup>              |
| Interest expense  | (464 993)  | (461 227)   | 3 766 <sup>1)</sup>              |
| Fees and commission income  | 590 899  | 681 374   | 90 475 <sup>1) 4)</sup>          |
| Fees and commission expense   | (106 482)  | (147 721)   | (41 239) <sup>1) 4)</sup>        |
| Result from financial instruments at fair value                                     | 7 904  | 9 039   | 1 135 <sup>1) 2)</sup>           |
| Other operating income  | 254 809  | 149 223   | (105 586) <sup>1) 2) 4) 5)</sup> |
| Other operating expenses  | (92 798)   | (96 761)  | (3 963) <sup>1) 2) 4) 6)</sup>   |
| General administrative expenses   | (932 883)  | (880 082)   | 52 801 <sup>3) 5) 6)</sup>       |

1) Change in presentation of selected Brokerage House income and costs

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 fees and commission related to management of the PKO TFI funds

5) Change in presentation of costs / revenues related to charging mobile phones

6) Change in presentation of costs related to investment settlements



### 4.3. EXTERNAL CONDITIONS

#### Macroeconomic factors

In the 1st quarter of 2008:

- real economy data indicated some slow down in the economic growth compared to the 4th quarter of last year (6.1% y/y), with continued stimulating effect of domestic demand and sustained negative share of net export,
- in the labour market there was noted a little weaker to the prior year decrease in the registered unemployment rate (in March of 2008) up to 11.1%,
- inflation rate measured using the Consumer Price Index was in the range 4.0% y/y – 4.2% y/y, while the average quarterly inflation rate increased to 4.1% y/y from 3.5% y/y in the 4th quarter of 2007, which resulted mainly from high dynamics of food, fuels and energy carriers prices,
- household deposits increased from the beginning of the current year by approximately PLN 22 billion, i.e. by almost 5 times more in the corresponding period of 2007, increasing on the year-to-year basis by approximately 17%. This growth was stimulated by sustaining cash outflow from investment funds, increase in revenues for households and increasing interest rates on banking deposits. Corporate deposits decreased by approximately PLN 10 billion from the beginning of the current year, while their annual dynamics of increase decreased to approximately 6% compared to 30% at the of the 1st quarter of 2007,
- a slight slow down was recorded in the highly dynamic increase in loans and advances, which was due to lower interest growth in housing loans. Household loans increased by 37% y/y. Corporate loans sustained their high dynamics, which increased by 23% y/y compared to 17% in the corresponding period of last year,
- the Monetary Policy Council increased cumulatively the NBP interest rates by 75 base points and as a result at the end of March the NBP reference rate was 5.75%.

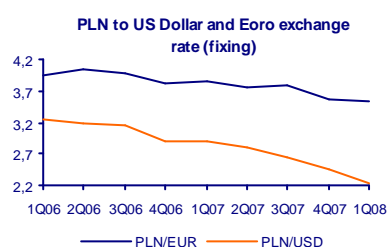
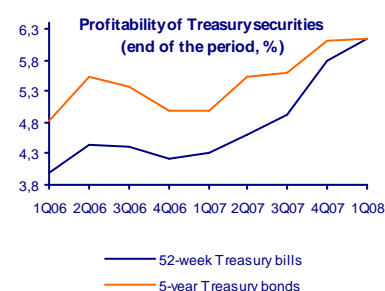
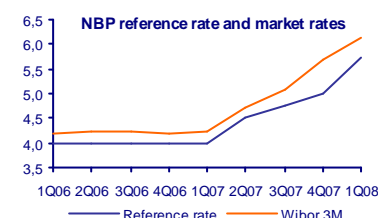
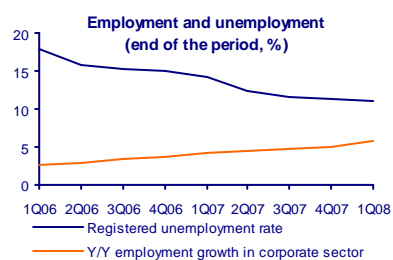
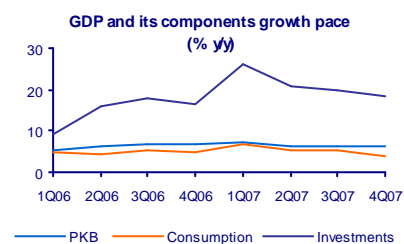
At the same time, in the 1st quarter of 2008 the activities and results of the PKO BP SA Group were affected by certain macroeconomic conditions in Ukraine, where the subsidiary of the Bank – KREDOBANK SA operates. These were among others:

- continuation of a very strong growth trend of the inflation index (increase to 26.2% y/y as opposed to 16.6% at the end of 2007) with some slow down in corporate growth to approximately 6% y/y with 7.3% in 2007,
- retention of high dynamics in loans and deposits (approx. 75% y/y for loans and over 50% y/y for deposits),
- stabilisation of exchange rate of Ukrainian Hryvna at UAH/USD 5.05 as a result of the Central Bank of Ukraine's policy of interventions in the currency market,
- increase by the National Bank of Ukraine (being in force since 1 January 2008) of the discount rate (the main Central Bank's rate) by 200 base points to 10.0%.

#### Situation on the financial market

In the 1st quarter of 2008, the prices on the financial market showed high volatility. The decrease in the prices was due to, among others, the continued cycle of tightening of monetary policy and investors' expectations for interest rate increases. The successive waves of risk aversion resulted in the increases of the yield on, among others, Polish bonds, despite the considerable decreases in the yields on American bonds due to the continued process of relaxing the US monetary policy.

During the 1st quarter of 2008, the Polish zloty appreciated against Euro by 1.6% (to 3.53 PLN/EUR at the end of March) and against the US dollar by 8.4% (to 2.23 PLN/USD). In the second half of the quarter, an important factor that contributed to the appreciation of PLN was the growing expectations for interest rate increases by the Polish Monetary Policy Council, combined with



the increased resilience of the Polish currency to the deteriorating conditions on the international financial markets.

### Regulatory factors

During the 1st quarter of 2008, the financial position and organisation of the PKO BP SA Group was affected by, among others, the following new regulations:

- Resolutions 1-5 of the Commission for Banking Supervision dated 13 March 2007 (NBP Official Journal Nos. 2 and 3, with subsequent amendments), which have implemented the EU directives based on the New Capital Accord to the Polish law. They have introduced new capital adequacy rules into the Polish banking system;
- Resolution 9/2007 of the Commission for Banking Supervision on determining liquidity norms applicable to banks, effective as of 1 January 2008 (starting from 30 June, banks will be obliged to comply with the supervisory current liquidity measures specified in this resolution);
- Resolutions of the Banking Guarantee Fund Board, which, as of 1 January 2008, amended banks' obligations with respect to the setting up of a guaranteed money protection fund and the obligatory annual payments to be made to the Banking Guarantee Fund;
- Decree of the President of the Council of Ministers dated 27 December 2007 on payments to cover costs of banking supervision (Journal of Laws No. 249, item 1855), which set out the level of costs incurred by the banks due to being covered, as of 1 January 2008, by financial supervision;
- Decree of the Council of Ministers dated 24 December 2007 on the specific accounting principles for investment funds (Journal of Laws No. 248, item 1859), effective from 31 December 2007;
- Resolution No. 458 of the Board of the National Bank of Ukraine dated 17 December 2007, which has modified the method of calculation of the capital adequacy ratio.

## 4.4. DESCRIPTION OF THE PKO BP SA GROUP

### 4.4.1. Entities included in the consolidated financial statements

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

Table 25. Entities included in the consolidated financial statements of the PKO BP SA Group

| No.   | Entity name   | Value of investment*<br>PLN thousand | share capital<br>% | Consolidation<br>method |
|---|---|--------------------------------------|--------------------|-------------------------|
| <b>Parent company</b>                           |   |                                      |                    |                         |
| 1   | Pow szezchna Kasa Oszczędności Bank Polski Spółka Akcyjna |                                      |                    |                         |
| <b>Direct subsidiaries</b>                      |   |                                      |                    |                         |
| 2   | KREDOBANK SA  | 307 364                              | 98.1815            | full method             |
| 3   | Pow szezchne Tow arzystw o Emerytalne BANKOWY SA          | 205 786                              | 100                | full method             |
| 4   | Centrum Finansow e Puław ska Sp. z o.o.                   | 128 288                              | 100                | full method             |
| 5   | PKO Inw estycje Sp. z o.o.                                | 123 313                              | 100                | full method             |
| 6   | PKO Tow arzystw o Funduszy Inw estycyjnych SA             | 69 055                               | 75                 | full method             |
| 7   | Inteligo Financial Services SA                            | 59 602                               | 100                | full method             |
| 8   | Centrum Elektronicznych Usług Płatniczych eService SA     | 55 500                               | 100                | full method             |
| 9   | Bankow y Fundusz Leasingow y SA                           | 40 000                               | 100                | full method             |
| 10  | Bankow e Tow arzystw o Kapitałow e SA                     | 18 566                               | 100                | full method             |
| <b>Indirect subsidiaries</b>                    |   |                                      |                    |                         |
| Subsidiaries of PKO Inw estycje Sp. z o.o.      |   |                                      |                    |                         |
| 11  | Wilanów Investments Sp. z o.o.                            | 82 981                               | 100                | full method             |
| 12  | POMERANKA Sp. z o.o.                                      | 19 000                               | 100                | full method             |
| 13  | ARKADIA Inw estycje Sp. z o.o.                            | 6 075                                | 100                | full method             |
| 14  | Baltic Dom 2 Sp. z o.o.                                   | 6 009                                | 50                 | full method             |
| 15  | Fort Mokotów Sp. z o.o.                                   | 2 040                                | 51                 | full method             |
| 16  | UKRPOLINWESTYCJE Sp. z o.o.                               | 519                                  | 55                 | full method             |
| 17  | WISŁOK Inw estycje Sp. z o.o.                             | 400                                  | 80                 | full method             |
| Subsidiaries of PTE BANKOWY SA                  |   |                                      |                    |                         |
| 18  | Finanse Agent Transferow y Sp. z o.o.                     | 4 361                                | 100                | full method             |
| Subsidiaries of Bankow y Fundusz Leasingow y SA |   |                                      |                    |                         |
| 19  | Bankow y Leasing Sp. z o.o.                               | 1 309                                | 100                | full method             |
| 20  | 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 injections made

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

Table 26. Other subordinated entities included in the consolidated financial statements using the equity method

| No.   | Entity name                                       | Value of investment*<br>PLN thousand | share capital<br>% | Valuation method |
|---|---|--------------------------------------|--------------------|------------------|
| <b>Jointly controlled entities</b>                        |   |                                      |                    |                  |
| 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    |
| <b>Subsidiaries of CENTRUM HAFFNERA Sp. z o.o.</b>        |   |                                      |                    |                  |
| 3   | Sopot Zdrój Sp. z o.o.                            | 58 923                               | 100                | equity method    |
| 4   | Promenada Sopotka 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    |
| <b>Associates</b>   |   |                                      |                    |                  |
| 7   | Bank Poczty SA                                    | 146 500                              | 25.0001            | equity method    |
| 8   | Kolej Gondolowa Jaworzyna Krynicka SA             | 15 531                               | 37.53              | equity method    |
| 9   | Ekogips SA – w upadłości                          | 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    |
| <b>Associate of Bankowego Towarzystwa Kapitałowego SA</b> |   |                                      |                    |                  |
| 12  | FINDER SA   | 6 500                                | 46.43              | equity method    |

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

#### 4.4.2. Changes in the organisation of subordinated entities

In the 1st quarter of 2008, the following events affected the structure of PKO BP SA capital relationships:

- Setting up of WISŁOK Inwestycje Sp. z o.o.** On 24 January 2008, WISŁOK Inwestycje Sp. z o.o. with its registered office in Rzeszów was entered in the National Court Register. The Company's share capital amounts to PLN 500 thousand and is divided into 5,000 shares with a nominal value of PLN 100 each. The Company's shareholders are as follows:
  - PKO Inwestycje Sp. z o.o. – a subsidiary of PKO BP SA, which acquired 4,000 shares with a total value of PLN 400 thousand,
  - Jedynka SA - which acquired 1,000 shares with a total value of PLN 100 thousand.

The shares acquired by PKO Inwestycje Sp. z o.o. account for 80% of the Company's share capital and give right to 80% of votes at the shareholders' meeting. The Company was set up in order to carry out a housing construction project, "Osiedle Siemieńskiego" in Rzeszów.
- Acquisition of shares in Baltic Dom 2 Sp. z o.o.** On 28 January 2008 PKO Inwestycje Sp. z o.o., the Bank's subsidiary, acquired in two transactions a total of 50 shares in Baltic Dom 2 Sp. z o.o., with a total nominal value of PLN 25 thousand, which accounted for 50% of the share capital of this Company and gave right to 50% votes at the shareholders' meeting. The price paid for the shares, including additional charges, amounted to PLN 6,008,862. The company started to carry out a housing construction project in Bąków near Gdańsk.
- In addition, in the 1st quarter of 2008, the Bank's subsidiaries made the following additional payments to the capital of their subsidiaries:
  - Powszechne Towarzystwo Emerytalne BANKOWY SA made an additional payment to the capital of Finanse Agent Transferowy Sp. z o. o., in the amount of PLN 1,500,000,
  - PKO Inwestycje Sp. z o.o. made an additional payment to the capital of ARKADIA Inwestycje Sp. z o.o., in the amount of PLN 4,074,800.

#### 4.4.3. Related party transactions

In the 1st quarter of 2008, PKO BP SA provided at arms' length the following services to its related parties (subordinated entities): keeping bank accounts, accepting deposits, extending 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 have been 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, providing services on the territory of Poland, and 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 also do not indicate any particular seasonality or cyclical nature.

### **Prizes and awards**

Awards and distinctions granted to PKO BP SA in the 1st quarter of 2008:

1. Golden Statuette of the Most Trusted Brand – PKO BP SA has received this award in this year's European Trusted Brand survey in the category of "BANK" for the 8th time in a row;
2. Business Friendly Bank – 10 branches of PKO BP SA were the finalists in the 9th contest organised by the Polish Commercial Chamber (*Krajowa Izba Gospodarcza*), Polish-American Foundation for Counseling Small and Medium Business (*Polsko-Amerykańska Fundacja Doradztwa dla Małych Przedsiębiorstw*) and the Warsaw Institute of Banking (*Warszawski Instytut Bankowości*),
3. FINANCIAL MEDAL 2008 for the SUPERKONTO bank account – awarded by the Institute of Economic Analyses and the monthly "Home & market",
4. Leopards – awards granted by bankers for the most admired image of a banking brand – ranked 3rd in the category of "retail banking".

In addition, Dom Maklerski PKO BP was granted two awards by the Warsaw Stock Exchange for the most active market maker on the Main Market in 2007 and the most active market maker on the NewConnect market in 2007.

### **Issuance, redemption and repayment of debt and equity securities**

1. On 28 March 2008 PKO BP SA signed an annex to the Agreement for Organisation, Conducting and Servicing of a Bond Issuance Program concluded with the Bank's subsidiary, Bankowy Fundusz Leasingowy SA, on 14 December 2006, which increased the maximum value of the bonds issue programme by PLN 100 million, to the level of PLN 600 million.
2. In the 1st quarter of 2008, in accordance with the amendments made by the Annex, Bankowy Fundusz Leasingowy SA increased the amount of its debt under the bonds issue programme to PLN 550 million (i.e. by PLN 145 million compared to the end of 2007). In the 1st quarter of 2008, the Company issued 44,500 bonds with a total nominal value of PLN 445 million and redeemed 30,000 bonds with a total nominal value of PLN 300 million.

### **Events that occurred after the date on which the report was prepared and that may affect future financial result**

1. On 11 April 2008, the Supervisory Board of PKO BP SA appointed Mr Jerzy Pruski as President of the Management Board of PKO BP SA as of 20 May 2008, for the common term of the Board beginning on that date. The Supervisory Board appointed Mr Jerzy Pruski as acting President of the Management Board of PKO BP SA for the period from 20 May 2008 to the date on which the Polish Financial Supervision Authority approves his appointment as President of the Management Board of PKO BP SA.
2. On 17 April 2008, the Supervisory Board of PKO BP SA selected an authorised entity to audit the financial statements of the Bank. This entity is PricewaterhouseCoopers Sp. z o.o. with its registered office in Warsaw, entered by the National Chamber of Statutory Auditors on the list of entities authorised to audit financial statements under No. 144. The scope of the contract will cover the audit and review of annual and interim financial statements of the Bank for the years 2008 -2010.

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

The interim report for the 4th quarter of 2007 was submitted to the Polish Financial Supervision Authority (KNF) on 14 February 2008.

To the best knowledge of the Bank, the shareholder holding, directly or indirectly, at least 5% of total votes at the General Shareholders' Meeting of the Bank is the State Treasury that holds 514 935 409 of the Bank's shares. That means that the percentage share of the State Treasury in the share capital of PKO BP SA is 51.49% 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 27. Ownership structure of PKO BP SA as at 31 March 2008

| 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 | % 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   | 0,00 pp.   | 51,49%  | 514 935 409   |

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

Table 28. 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 |
|------------------------------|---|---|----------|----------|---|
| <b>I. Management Board</b>   |   |   |          |          |   |
| 1.                           | Rafał Juszczyk, President of the Bank's Management Board                  | -----   | -----    | -----    | -----   |
| 2.                           | Berenika Duda-Uhryn, Vice-President of the Bank's Management Board        | -----   | -----    | -----    | -----   |
| 3.                           | Robert Działak, Vice-President of the Bank's Management Board             | -----   | -----    | -----    | -----   |
| 4.                           | Mariusz Klimczak, Vice-President of the Bank's Management Board           | -----   | -----    | -----    | -----   |
| 5.                           | Wojciech Kwiatkowski, Vice-President of the Bank's Management Board       | -----   | -----    | -----    | -----   |
| 6.                           | Aldona Michalak, Vice-President of the Bank's Management Board            | -----   | -----    | -----    | -----   |
| 7.                           | Adam Skowroński, Vice-President of the Bank's Management Board            | -----   | -----    | -----    | -----   |
| 8.                           | Stefan Świątkowski, Vice-President of the Bank's Management Board         | -----   | -----    | -----    | -----   |
| <b>II. Supervisory Board</b> |   |   |          |          |   |
| 1.                           | Marzena Piszczek*, President of the Bank's Supervisory Board              | x   | x        | x        | -----   |
| 2.                           | Elgijusz Jerzy Krześniak*, Vice-President of the Bank's Supervisory Board | x   | x        | x        | -----   |
| 3.                           | Jan Bossak*, member of the Bank's Supervisory Board                       | x   | x        | x        | -----   |
| 4.                           | Jerzy Osiatyński*, member of the Bank's Supervisory Board                 | x   | x        | x        | -----   |
| 5.                           | Urszula Pałaszek, member of the Bank's Supervisory Board                  | -----   | -----    | -----    | -----   |
| 5.                           | Roman Sobiecki*, member of the Bank's Supervisory Board                   | x   | x        | x        | -----   |
| 6.                           | Ryszard Wierzbą*, member of the Bank's Supervisory Board                  | x   | x        | x        | -----   |

\* Supervisory Board's members, who were not members of the Bank's Supervisory Board at the date of the previous Report's submission.

### Information on a 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 7 December 1995 (amended by Annexes No. 1 to 36) with the Bank's subsidiary, Centrum Finansowe Puławska Sp. z o.o. ("CFP"), in the 1st quarter of 2008, PKO BP SA made payments to CFP in the total gross amount of PLN 11.7 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 connected with 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 Group entities have been described in point 4.4.2 of this Report.

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

In the next quarters, the results of the Bank 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 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.

### **Suretyships and guarantees granted by the issuer or by its subsidiary to a single entity or its subsidiary, if the total value of granted suretyships or guarantees amounts to at least 10% of the issuers' shareholders' equity**

On 8 February 2008 the Bank entered into a loan agreement with one of its customers ("the Borrower"). Under this agreement, the Bank will grant an investment loan to the Borrower for an amount up to PLN 1,230,000,000, for the purpose of covering part of the costs of acquisition of financial assets by the Borrower. The loan agreement was signed for a period of 10 years. It will be secured by, among others, a registered pledge on financial assets and deposits held by the Borrower in bank accounts. The interest rate is based on WIBOR 6M plus the Bank's margin, payable on a 6-month basis.

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

As at 31 March 2008, the total value of court proceedings against the Bank was PLN 229,372 thousand (after rounding), while the total value of proceedings initiated by the Bank was PLN 58,256 thousand (after rounding).

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.

Other Group companies have not conducted any proceedings before court, arbitration tribunal or public administration authority 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 2008 the Bank continued the implementation of the Integrated Information System Application ('O-ZSI'). In the 1st quarter of 2008, O-ZSI Project's activities were focused on the development of functionalities in the successive versions of the application as well as on refining the underlying assumptions, drawing up documents describing functional gaps and reviewing them by the business units.

The most important tasks completed under the O-ZSI Project in the 1st quarter of 2008 include the following:

1. performing conversion tests for the implementation of O-ZSI in 52 branches,
2. continued training of the branch employees to be covered by migration,
3. agreeing the scope and the specific assumptions for the subsequent versions of O-ZSI.

After successful completion of the first stage of mass implementations, O-ZSI covers products which have so far been used in 22 units of the Zorba system (in 279 branches and 509 agencies) for 3.2 million accounts. The remaining 108 Zorba units will undergo migration in 2008.

### **Position of the PKO BP SA Management Board as regards the possibility of achieving previously published forecasts**

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

### **Information on dividend paid or declared**

On 8 April 2008 the Bank's Management Board resolved to recommend to the Annual General Meeting a distribution of dividends for the year 2007 in the amount of PLN 1,090,000,000, i.e. PLN 1.09 per share. On 11 April 2008 this recommendation was approved by the Bank's Supervisory Board. The recommendation will be submitted to the Annual General Meeting on 20 May 2008. The list of the shareholders entitled to receive the dividend will be drawn up as at 18 August 2008, and the dividends will be paid out on 4 September 2008.

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

1. As of 26 February 2008, the following members of the Supervisory Board of PKO BP SA resigned from their positions in the Supervisory Board:
  - 1) Mr Marek Głuchowski
  - 2) Ms Agnieszka Winnik-Kalemba
  - 3) Mr Tomasz Siemiątkowski

4) Mr Jerzy Michałowski

In addition, Ms Urszula Pałaszek resigned from the position of Vice-Chairman of the Supervisory Board of PKO BP SA as of 25 February 2008.

2. On 26 February 2008, pursuant to § 11 section 1 of the Bank's Articles of Association, the State Treasury, as the Eligible Shareholder, determined the number of the Supervisory Board members to include 7 persons. On 26 February 2008, based on Art. 385 § 1 of the Code of Commercial Companies and Partnerships, the Extraordinary General Meeting of PKO BP SA dismissed Maciej Czapiewski from his position in the Supervisory Board of PKO BP SA with an effect as of 26 February 2008. On 26 February 2008, based on Art. 385 § 1 of the Code of Commercial Companies and Partnerships, the Extraordinary General Meeting appointed the following persons to the Supervisory Board:

- 1) Mr Jan Bossak
- 2) Mr Eligiusz Jerzy Krześniak
- 3) Mr Roman Sobiecki
- 4) Mr Ryszard Wierzba
- 5) Ms Marzena Piszczek
- 6) Mr Jerzy Osiatyński

In accordance with the resolution adopted by the Extraordinary General Meeting, the above persons were appointed to the Supervisory Board as of 26 February 2008, for a period until the end of the current term and for the next term of the Supervisory Board. In accordance with the above resolution, Mrs Urszula Pałaszek was appointed to the Supervisory Board of the next term. The State Treasury, as the Eligible Shareholder under § 12 section 1 of the Articles of Association of PKO BP SA, appointed:

- 1) Ms Marzena Piszczek – as Chairman of the Bank's Supervisory Board of the current and next term,
- 2) Mr Eligiusz Jerzy Krześniak - as Vice-Chairman of the Bank's Supervisory Board of the current and next term.

3. During the years 2005–2006 the Bank sold a number of receivables classified as "loss" (including both balance sheet and off-balance sheet items) which were due to the Bank from corporate entities and individuals. The total number of receivables covered by the sale amounted to appx. 137,000, with a total face value of appx. PLN 2 billion. As the buyers of those receivables were entitled to raise claims with respect to the purchased receivables within the periods specified in the receivables sale agreements, the Bank recognised provisions for potential claims. On 6 March 2008, the Bank received a notification about a court sitting to be held at the request of the buyer in the first receivables sale transaction, on the matter of an attempt to reach an agreement. The value of the claims that were not covered by the provision recognised by the Bank for this transaction as at 31 December 2007, amounting to PLN 34,630 thousand, relates to receivables which were challenged by the buyer after the termination of the period to raise claims. The Bank believes that there are no grounds to admit these claims.
4. In the 1st quarter of 2008, the Bank calculated, for the first time, capital requirements and the level of internal capital in accordance with the provisions of the New Capital Accord (Basel II). Compared with the previous methodology, the implementation of Basel II resulted in the increase of the capital requirement for the Bank by appx. PLN 0.5 billion. This change is mainly due to including in the calculation of a new capital requirement for operational risk (appx. PLN 1 billion) and due to the decrease of the capital requirement for credit risk (by appx. PLN 0.5 billion). Following the implementation of Basel II requirements, both the amount of the capital adequacy ratio and the relation of own funds to internal capital were maintained at a safe level, within the internal limits set by the Bank.

6 May 2008

Danuta Szymańska

Bank's Director

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(signature)