



**PKO BANK POLSKI
SPÓŁKA AKCYJNA**

**INTERIM FINANCIAL STATEMENTS OF THE
POWSZECHNA KASA OSZCZĘDNOŚCI
BANK POLSKI SPÓŁKA AKCYJNA GROUP
FOR THE THIRD QUARTER OF 2009**

***Prepared in accordance with
International Financial Reporting Standards***

November 2009

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1. KEY FINANCIAL INDICATORS

NET PROFIT	PLN 1 789.1	million	- 35.0%	(y/y)	the result of decrease of result on business activities ((-) 5.7% y/y) along with 1.5% (y/y) increase in costs and an increase of net impairment allowance
RESULT ON BUSINESS ACTIVITIES*	PLN 6 540.7	million	- 5.7%	(y/y)	due to the decrease in net interest income by 19.4% (y/y), offset by increase in net fee and commission income by 4.1% (y/y) and increase in foreign exchange result by 30.8% (y/y)
NET INTEREST INCOME	PLN 3 633.9	million	- 19.4%	(y/y)	the result of the decrease in deposit margins and the introduction of a complex deposit offer for the PKO BP SA clients, offset by dynamic growth of loan portfolio ((+) 22.5% y/y)
NET FEE AND COMMISSION INCOME	PLN 1 873.1	million	+ 4.1%	(y/y)	the result of increase in fee and commission income related to maintaining bank accounts ((+) 7.6% y/y) and payment cards ((+) 9.7% y/y), offset by decrease in fee and commission income related to investment fund and open pension fund management by 37.3% y/y
COSTS	PLN -3 104.1	million	+ 1.5%	(y/y)	the result of increase in overhead expenses and other costs by 8.7% (y/y), offset by decrease in staff costs by 4.0% (y/y)
NET IMPAIRMENT ALLOWANCE	PLN -1 128.3	million	+ 2.6x	(y/y)	the result of increase in impairment charges for consumer, housing and corporate loans
ROE net	15.2%		- 14.1	pp.	the result of 35.0% (y/y) decrease in net profit, offset by increase in equity of 8.7% (y/y)
ROA net	1.6%		- 1.5	pp.	due to 35.0% (y/y) decrease in net profit, offset by increase in assets by 20.0% (y/y)

* result on business activities ('income items') defined as operating profit before administrative expenses, net impairment allowance and tax.

In the 3rd quarter of 2009, the Polish banking sector was exposed to increased credit risk resulting from slower economic growth and limited access to financing. The activity of the banking sector was limited due to difficult external conditions. The growing costs of credit risk provisions and slower growth of sales resulted in a decrease in the banks' profitability.

In this period, PKO Bank Polski SA continued the activities aimed at building a stable deposit and equity base. These actions are believed to constitute the basis of the business development, while at the same time considering the priorities in terms of efficiency enhancement and effective cost control. The Bank's financial result was positively affected by cease of "deposit war", which led to stabilisation of interest expenses as compared to previous quarters of 2009.

The net profit generated by the PKO Bank Polski SA Group in the three quarters of 2009 amounted to PLN 1 789.1 million, which represents a change of PLN (-) 963.4 million compared to the corresponding period of the previous year. The financial result was determined by:

- ⇒ an increase in total consolidated assets of PLN 11.9 billion (3Q2009/2008) to PLN 146.6 billion, resulting from the development of lending activities financed with an increase in the PKO Bank Polski SA clients' deposits;
- ⇒ large increase in deposits held by the PKO Bank Polski SA Group of PLN 14.9 billion (3Q2009/2008) enabled a 10.6% growth of loan portfolio (3Q2009/2008). The loans to deposits ratio amounted to 94.9% as at the end of the 3rd quarter of 2009;
- ⇒ high profit on business activities of the PKO Bank Polski SA Group of PLN 6 540.7 million, taking into account the negative effect of impairment write-downs.

KEY FINANCIAL INDICATORS
OF THE Powszechna Kasa Oszczędności Bank Polski SA Group

	Period from 01.01.2009 to 30.09.2009	Period from 01.01.2008 to 30.09.2008	Period from 01.01.2009 to 30.09.2009	Period from 01.01.2008 to 30.09.2008
	PLN thousand		EUR thousand	
Result on business activities:	6 540 691	6 934 753	1 486 757	2 024 923
Net interest income	3 633 947	4 508 926	826 028	1 316 590
Net fee and commission income	1 873 088	1 799 468	425 770	525 438
Net other income	1 033 656	626 359	234 959	182 895
Administrative expenses	(3 104 050)	(3 057 844)	(705 578)	(892 879)
Operating profit	2 308 376	3 448 880	524 714	1 007 060
Net impairment allowance	(1 128 265)	(428 029)	(256 465)	(124 983)
Gross profit	2 309 845	3 468 181	525 048	1 012 696
Net profit for the period (including minority interest)	1 802 097	2 772 216	409 633	809 477
Net profit	1 789 089	2 752 493	406 676	803 718
Total net cash flows	(1 448 113)	(2 011)	(329 169)	(587)
Net cash flow from operating activities	(3 020 031)	1 024 928	(686 480)	299 275
Net cash flow from investing activities	1 752 549	(591 967)	398 370	(172 852)
Net cash flow from financing activities	(180 631)	(434 972)	(41 059)	(127 010)
Total equity	14 814 135	13 630 990	3 508 297	3 999 352
Attributable to equity holders of the parent company	14 787 159	13 583 142	3 501 909	3 985 313
Tier 1 capital	11 339 872	10 489 748	2 685 519	3 077 707
Tier 2 capital	1 532 285	1 481 655	362 877	434 720
Market indicators				
EPS (basic and diluted)	1.64	2.53	0.37	0.74
EPS (basic and diluted) without considering the rights issue	1.79	2.75	0.41	0.80
P/BV	2.26	3.18	2.26	3.18
P/E	15.55	11.96	15.55	11.96

KEY FINANCIAL INDICATORS
OF Powszechna Kasa Oszczędności Bank Polski SA

	Period from 01.01.2009 to 30.09.2009	Period from 01.01.2008 to 30.09.2008	Period from 01.01.2009 to 30.09.2009	Period from 01.01.2008 to 30.09.2008
	PLN thousand		EUR thousand	
Result on business activities:	6 169 619	6 610 385	1 402 409	1 930 208
Net interest income	3 474 505	4 396 818	789 786	1 283 855
Net fee and commission income	1 697 589	1 583 672	385 877	462 426
Net other income	997 525	629 895	226 746	183 927
Administrative expenses	(2 868 805)	(2 856 231)	(652 105)	(834 009)
Operating profit	2 340 347	3 334 703	531 982	973 721
Net impairment allowance	(960 467)	(419 451)	(218 323)	(122 478)
Gross profit	2 340 347	3 334 703	531 982	973 721
Net profit	1 852 022	2 681 460	420 981	782 977
Total net cash flows	(1 510 023)	98 207	(343 242)	28 676
Net cash flow from operating activities	(3 239 058)	1 759 493	(736 267)	513 766
Net cash flow from investing activities	1 614 612	(471 549)	367 016	(137 691)
Net cash flow from financing activities	114 423	(1 189 737)	26 009	(347 399)
Total equity	14 479 926	13 326 384	3 429 149	3 909 980
Tier 1 capital	10 810 171	10 191 351	2 560 075	2 990 157
Tier 2 capital	1 195 400	1 151 603	283 096	337 882
Market indicators				
EPS (basic and diluted)	1.70	2.46	0.39	0.72
EPS (basic and diluted) without considering the rights issue	1.85	2.68	0.42	0.78
P/BV	2.32	3.26	2.32	3.26
P/E	16.35	12.49	16.35	12.49

2. CONDENSED FINANCIAL STATEMENTS¹

2.1. CONDENSED FINANCIAL STATEMENTS OF THE PKO BANK POLSKI SA GROUP

CONSOLIDATED INCOME STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP					
	Notes	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Interest income		2 291 475	6 624 090	2 320 049	6 497 143
Interest expense		(959 155)	(2 990 143)	(727 148)	(1 988 217)
Net interest income	1	1 332 320	3 633 947	1 592 901	4 508 926
Fee and commission income		891 919	2 417 580	789 483	2 354 303
Fee and commission expense		(190 618)	(544 492)	(183 989)	(554 835)
Net fee and commission income	2	701 301	1 873 088	605 494	1 799 468
Dividend income		48	5 083	40	3 900
Net income from financial instruments at fair value through profit and loss	3	(12 064)	51 942	(62 455)	(112 905)
Gains less losses from investment securities		(13)	(3 985)	(533)	(2 312)
Net foreign exchange gains		120 048	760 230	220 671	581 335
Other operating income		145 088	456 335	120 141	329 307
Other operating expenses		(80 963)	(235 949)	(63 062)	(172 966)
Net other operating income and expense	4	64 125	220 386	57 079	156 341
Net impairment allowance	5	(364 184)	(1 128 265)	(251 327)	(428 029)
Administrative expenses	6	(1 028 924)	(3 104 050)	(1 047 109)	(3 057 844)
Operating profit		812 657	2 308 376	1 114 761	3 448 880
Share of profit (loss) of associates and jointly controlled entities		1 801	1 469	2 479	19 301
Profit before income tax		814 458	2 309 845	1 117 240	3 468 181
Income tax expense		(172 140)	(507 748)	(207 876)	(695 965)
Net profit (including minority interest)		642 318	1 802 097	909 364	2 772 216
Net profit attributable to minority shareholders		3 787	13 008	5 184	19 723
Net profit (attributable to equity holders of the parent company)	7	638 531	1 789 089	904 180	2 752 493
Earnings per share for the period	8				
EPS (basic and diluted)		0.59	1.64	0.83	2.53
EPS (basic and diluted) without considering the rights issue		0.64	1.79	0.90	2.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP					
		3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Profit for the period		642 318	1 802 097	909 364	2 772 216
Other taxable income		(149 173)	46 257	49 711	509
Currency translation differences from foreign operations (net of tax)		(54 070)	(52 667)	1 453	(4 893)
Financial assets available for sale (net of tax)		8 628	21 456	48 258	5 402
Cash flow hedge (net of tax)		(103 731)	77 468	-	-
Total net comprehensive income		493 145	1 848 354	959 075	2 772 725
Total net comprehensive income, of which:		493 145	1 848 354	959 075	2 772 725
attributable to equity holders of the parent company		489 374	1 835 359	952 967	2 752 193
attributable to minority shareholders		3 771	12 995	6 108	20 532

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

ASSETS	Notes	As at 30.09.2009	As at 31.12.2008
Cash and balances with the Central Bank		4 899 413	5 836 892
Amounts due from banks	10	1 911 105	3 363 599
Trading assets		2 412 953	1 496 147
Derivative financial instruments		2 433 259	3 597 670
Other financial instruments designated at fair value through profit and loss		10 212 405	4 555 544
Loans and advances to customers	11 - 13	111 817 055	101 107 891
Investment securities available for sale		6 714 626	8 614 913
Investment securities held to maturity		9 780	-
Investments in associates and jointly controlled entities		232 989	247 145
Non-current assets held for sale		15 354	-
Inventories		683 650	622 410
Intangible assets		1 475 060	1 352 778
Tangible fixed assets		2 814 388	2 964 659
<i>of which: investment properties</i>		360	24 170
Current income tax receivables		4 560	6 649
Deferred income tax asset	14	290 979	239 237
Other assets		651 851	630 452
TOTAL ASSETS		146 579 427	134 635 986
LIABILITIES AND EQUITY	Notes	As at 30.09.2009	As at 31.12.2008
Liabilities			
Amounts due to the Central Bank		460 956	2 816
Amounts due to other banks		5 705 131	6 988 603
Derivative financial instruments		2 212 511	6 150 337
Amounts due to customers	15	117 887 618	102 939 281
Debt securities in issue		281 027	211 573
Subordinated liabilities		1 633 968	1 618 755
Other liabilities		2 896 195	1 667 776
Current income tax liabilities		180 263	472 228
Deferred income tax liability	14	19 243	20 585
Provisions	14	488 380	566 016
TOTAL LIABILITIES		131 765 292	120 637 970
Equity			
Share capital		1 000 000	1 000 000
Other capital		11 859 331	9 835 307
Currency translation differences from foreign operations		(110 067)	(57 413)
Retained earnings		248 806	53 232
Net profit for the period		1 789 089	3 120 674
Capital and reserves attributable to equity holders of the parent company		14 787 159	13 951 800
Minority interest		26 976	46 216
Total equity		14 814 135	13 998 016
TOTAL LIABILITIES AND EQUITY		146 579 427	134 635 986
Capital adequacy ratio (%)	16 - 22	10.94	11.29

Translation of Interim Financial Statements of the PKO Bank Polski SA Group for the 3rd quarter of 2009.
The Polish language original should be referred to in matters of interpretation

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

For the nine-month period ended 30 September 2009	Share capital	Other capital						Currency translation differences from foreign operations	Retained earnings	Net profit for the period	Total equity attributable to equity holders of the parent company	Minority interest	Total equity
		Reserve capital	Other reserves	General banking risk fund	Financial assets available for sale	Cash flow hedge	Total other capital						
As at 1 January 2009	1 000 000	7 274 717	1 523 827	1 070 000	(33 237)	-	9 835 307	(57 413)	53 232	3 120 674	13 951 800	46 216	13 998 016
Transfer of net profit from previous years	-	-	-	-	-	-	-	-	3 120 674	(3 120 674)	-	-	-
Total comprehensive income	-	-	-	-	21 456	77 468	98 924	(52 654)	-	1 789 089	1 835 359	12 995	1 848 354
Transfer to retained earnings	-	43 840	1 881 260	-	-	-	1 925 100	-	(1 925 100)	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(1 000 000)	-	(1 000 000)	(32 620)	(1 032 620)
Other	-	-	-	-	-	-	-	-	-	-	-	385	385
As at 30 September 2009	1 000 000	7 318 557	3 405 087	1 070 000	(11 781)	77 468	11 859 331	(110 067)	248 806	1 789 089	14 787 159	26 976	14 814 135

For the nine-month period ended 30 September 2008	Share capital	Other capital						Currency translation differences from foreign operations	Retained earnings	Net profit for the period	Total equity attributable to equity holders of the parent company	Minority interest	Total equity
		Reserve capital	Other reserves	General banking risk fund	Financial assets available for sale	Cash flow hedge	Total other capital						
As at 1 January 2008	1 000 000	5 592 311	1 518 025	1 070 000	(43 066)	-	8 137 270	(47 761)	(72 192)	2 903 632	11 920 949	58 066	11 979 015
Transfer of net profit from previous years	-	-	-	-	-	-	-	-	2 903 632	(2 903 632)	-	-	-
Total comprehensive income	-	-	-	-	5 402	-	5 402	(5 702)	-	2 752 493	2 752 193	20 532	2 772 725
Transfer to retained earnings	-	1 685 690	5 000	-	-	-	1 690 690	-	(1 690 690)	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(1 090 000)	-	(1 090 000)	(30 750)	(1 120 750)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30 September 2008	1 000 000	7 278 001	1 523 025	1 070 000	(37 664)	-	9 833 362	(53 463)	50 750	2 752 493	13 583 142	47 848	13 630 990

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

	Period from 01.01.2009 to 30.09.2009	Period from 01.01.2008 to 30.09.2008
Net cash flow from operating activities	(3 020 031)	1 024 928
Net cash flow from investing activities	1 752 549	(591 967)
Net cash flow from financing activities	(180 631)	(434 972)
Total net cash flow	(1 448 113)	(2 011)
Cash and cash equivalents at the beginning of the period	8 270 243	9 232 316
Cash and cash equivalents at the end of the period	6 822 130	9 230 305
Cash and cash equivalents, of which:	6 822 130	9 230 305
cash in hand	1 902 875	1 813 873
amounts due from the Central Bank	2 996 538	3 605 917
current receivables from financial institutions	1 915 947	3 806 048
cash of the brokerage house ('Dom Maklerski') in the Stock Exchange Guarantee Fund	6 770	4 467

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

Items	As at 30.09.2009	As at 31.12.2008
Off-balance sheet contingent liabilities granted:	23 013 887	22 731 319
financial	17 535 012	18 428 620
guarantees	5 478 875	4 302 699
Liabilities arising from the purchase/sale transactions	336 092 169	426 287 641
Other, of which:	19 900 960	15 364 139
irrevocable liabilities	7 468 860	7 712 824
collateral received	12 432 100	7 651 315
Total off-balance sheet items	379 007 016	464 383 099

EXPLANATORY NOTES

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

Note 1	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Interest income, of which:	2 291 475	6 624 090	2 320 049	6 497 143
Loans and advances to customers	1 857 804	5 589 780	2 019 719	5 560 883
Financial assets designated at fair value through profit and loss	108 339	300 075	94 902	331 632
Amounts due from other banks	32 286	126 612	106 124	313 937
Investment securities	94 615	280 077	83 629	241 231
Derivative hedging instruments	173 938	252 308	-	-
Trading assets	23 835	63 555	13 935	45 767
Other	658	11 683	1 740	3 693
Interest expenses, of which:	(959 155)	(2 990 143)	(727 148)	(1 988 217)
Amounts due to customers	(908 752)	(2 790 368)	(678 649)	(1 799 092)
Placements with other banks	(9 592)	(41 865)	(11 082)	(43 162)
Debt securities in issue	(26 536)	(93 406)	(35 781)	(95 603)
Other	(14 275)	(64 504)	(1 636)	(50 360)
Net interest income	1 332 320	3 633 947	1 592 901	4 508 926

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

Note 2	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Fee and commission income, of which:	891 919	2 417 580	789 483	2 354 303
Credit related fees and commissions	95 203	258 565	83 908	233 883
Maintenance of bank accounts	224 002	648 300	199 890	602 255
Payment cards	237 502	683 064	219 475	622 702
Investment and pension funds (including management fees)	59 164	228 012	102 084	363 767
Cash transactions	52 772	142 570	45 881	142 832
Loan insurance intermediary and other	223 276	457 069	138 245	388 864
Fee and commission expenses, of which:	(190 618)	(544 492)	(183 989)	(554 835)
Payment cards	(84 798)	(246 014)	(78 219)	(224 674)
Acquisition services	(38 368)	(115 121)	(32 862)	(98 212)
Asset management and related fees on investment and pension funds	(12 887)	(34 115)	(9 931)	(64 309)
Loan insurance intermediary and other	(54 565)	(149 242)	(62 977)	(167 640)
Net fee and commission income	701 301	1 873 088	605 494	1 799 468

NET INCOME FROM FINANCIAL INSTRUMENTS AT FAIR VALUE OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

Note 3	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Trading assets	(1 702)	13 205	43 121	(7 734)
Derivatives	(15 853)	23 927	(68 266)	(58 549)
Other	45	1 188	(1)	40
Financial assets designated at fair value through profit and loss	5 446	13 622	(37 309)	(46 662)
TOTAL	(12 064)	51 942	(62 455)	(112 905)

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

Note 4	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Other operating income, of which:	145 088	456 335	120 141	329 307
Sale of products, merchandise and materials	66 862	254 846	45 992	153 978
Sundry income	6 786	17 774	7 862	19 945
Sale of shares in subordinates	-	245	9 181	12 927
Sale, liquidation of tangible and intangible assets	22 534	49 914	3 267	11 463
Other	48 906	133 556	53 839	130 994
Other operating expenses, of which:	(80 963)	(235 949)	(63 062)	(172 966)
Sale of products, merchandise and materials	(42 170)	(131 386)	(13 294)	(60 321)
Sale, liquidation of tangible fixed assets, intangible assets and assets held for sale	(15 430)	(42 647)	(5 047)	(14 339)
Other	(23 363)	(61 916)	(44 721)	(98 306)
Total	64 125	220 386	57 079	156 341

**NET IMPAIRMENT ALLOWANCE OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

Note 5	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Net impairment allowance on:				
Loans and advances	(370 923)	(1 118 853)	(229 193)	(472 678)
Off-balance sheet items	8 570	11 621	(22 480)	(17 394)
Securities, financial assets and goodwill on consolidation	2 230	(3 228)	(94)	63 651
Other liabilities and tangible fixed assets	(4 061)	(17 805)	440	(1 608)
Total	(364 184)	(1 128 265)	(251 327)	(428 029)

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

Note 6	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Staff costs	(579 410)	(1 675 911)	(587 392)	(1 745 774)
Overhead expenses	(304 141)	(996 124)	(332 323)	(935 922)
Depreciation and amortisation	(116 297)	(345 368)	(107 003)	(315 733)
Other	(29 076)	(86 647)	(20 391)	(60 415)
Total	(1 028 924)	(3 104 050)	(1 047 109)	(3 057 844)

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

Note 7	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
PKO Bank Polski SA	563 131	1 852 022	856 715	2 681 460
PKO TFI SA	16 827	46 049	23 964	88 730
KREDOBANK SA	(20 276)	(145 880)	(2 208)	698
BFL SA Group	7 439	13 274	2 815	6 306
PTE BANKOWY SA	6 009	13 483	6 432	17 244
CFP Sp. z o.o.	3 410	9 887	1 999	9 857
CEUP eService SA	8 271	22 685	6 192	18 871
PKO BP Inwestycje Sp. z o.o. Group	7 222	21 726	779	3 188
IFS SA Group	2 863	17 302	10 443	22 313
BTK SA Group	(1 481)	(3 455)	1 330	1 037
PKO Finance AB	(38)	(87)	(29)	(29)
Fort Mokotów Inwestycje Sp. z o.o.	(154)	(375)	-	-
consolidation adjustments	45 308	(57 542)	(4 252)	(97 182)
Consolidated net profit	638 531	1 789 089	904 180	2 752 493

Due to the public offering of the pre-emptive rights to D-series shares on 6 October 2009 and allotment of shares on 29 October 2009, the Bank calculated earnings per share (basic and diluted), in accordance with IAS 33 'Earnings per share', taking into account the effect of the rights issue. Moreover, the Bank made a retrospective adjustment for all periods presented in accordance with IAS 33.

The number of shares before the rights issue amounted to 1 000 000 000. Weighted average number of shares, adjusted for the rights issue amounted to 1 090 000 000.

**EPS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

Note 8	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Net profit	638 531	1 789 089	904 180	2 752 493
Number of shares	1 090 000 000	1 090 000 000	1 090 000 000	1 090 000 000
EPS (basic and diluted)	0.59	1.64	0.83	2.53
Number of shares without considering the rights issue	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
EPS (basic and diluted) without considering the rights issue	0.64	1.79	0.90	2.75

**IMPAIRMENT ALLOWANCE OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP**

Note 9	As at 30.09.2009	As at 31.12.2008
Loans, advances, realised guarantees and bank placements	3 558 630	2 945 987
Tangible fixed assets and intangible assets	100 619	93 768
Financial assets	47 260	30 051
Other assets	186 112	102 146
Total	3 892 621	3 171 952

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

Note 10	As at 30.09.2009	As at 31.12.2008
Gross amounts due from banks, of which:	1 938 546	3 391 710
Current accounts with other banks	298 205	383 847
Placements with other banks	1 397 502	2 106 309
Loans and advances with other banks	240 442	290 475
Other	2 397	611 079
Impairment allowance on amounts due from banks	(27 441)	(28 111)
Total	1 911 105	3 363 599

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

Note 11	As at 30.09.2009	As at 31.12.2008
Gross loans and advances to customers, of which:	115 348 244	104 025 767
Consumer	22 933 061	20 776 265
Corporate	41 631 619	37 137 849
Mortgage	50 266 455	45 589 436
Accrued interest	517 109	522 217
Impairment allowance on loans and advances to customers	(3 531 189)	(2 917 876)
Total	111 817 055	101 107 891

**THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP EXPOSURE TO CREDIT RISK
LOANS AND ADVANCES TO CUSTOMERS**

Note 12	As at 30.09.2009	As at 31.12.2008
Loans and advances impaired	8 415 371	3 820 011
of which assessed on an individual basis	5 199 516	1 932 692
Loans and advances not impaired	106 932 873	100 205 756
neither past due nor impaired	101 552 574	94 476 168
past due but not impaired	5 380 299	5 729 588
Gross total	115 348 244	104 025 767
Impairment allowances	(3 531 189)	(2 917 876)
Net total (carrying amount)	111 817 055	101 107 891

Since 2009, restructured loans and advances to customers are treated as receivables individually determined to be impaired and are covered by the individual or portfolio method. As at 31 December 2008, these receivables were presented as 'Loans and advances not impaired'.

**LOANS AND ADVANCES TO CUSTOMERS OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP
ACCORDING TO THE VALUATION METHOD**

Note 13	As at 30.09.2009	As at 31.12.2008
Receivables valued using the collective method (IBNR)	106 082 483	99 462 098
Receivables valued using the individual method	6 031 138	2 309 892
Receivables valued using the portfolio method	3 234 623	2 253 777
Loans and advances - gross	115 348 244	104 025 767
Allowance for impairment on exposures with portfolio impairment	(1 732 460)	(1 425 280)
Allowance for impairment on exposures with individual impairment	(1 210 619)	(766 442)
Allowance for impairment on exposures with collective impairment (IBNR)	(588 110)	(726 154)
Total impairment allowances	(3 531 189)	(2 917 876)
Loans and advances - net	111 817 055	101 107 891

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

Note 14	As at 30.09.2009	As at 31.12.2008
Deferred income tax liabilities	19 243	20 585
Deferred income tax asset	290 979	239 237
Provisions for off-balance sheet items	72 893	87 602
Provisions for future liabilities to employees	340 301	365 186
Provision for other future liabilities	75 186	113 228
Total	798 602	825 838

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

Note 15	As at 30.09.2009	As at 31.12.2008
Deposits, of which:	117 887 618	102 939 281
Current	47 769 375	40 337 421
Term	70 118 243	62 601 860

RISK WEIGHTED BALANCE SHEET ASSETS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 30.09.2009

Note 16	carrying amount	risk weighted value
Banking portfolio	140 699 968	93 565 658
Trading portfolio	5 879 459	1 471 966
Total	146 579 427	95 037 624

RISK WEIGHTED OFF-BALANCE SHEET ITEMS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 30.09.2009

Note 17	balance sheet equivalent	weighted value
Derivative instruments	3 807 873	1 652 633
Banking portfolio	1 560 624	525 501
<i>of which: long term FX instruments</i>	1 175 327	390 536
Trading portfolio	2 247 249	1 127 132
<i>of which: long term FX instruments</i>	275 271	244 503
Other off-balance sheet items	11 375 374	9 442 729
Banking portfolio	9 623 787	8 267 423
Trading portfolio	1 751 587	1 175 306
Total	15 183 247	11 095 362

CAPITAL REQUIREMENTS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 30.09.2009

Note 18	risk weighted value	capital requirement
Banking portfolio - credit risk	102 358 582	8 188 687
Counterparty credit risk - trading portfolio	1 127 132	90 171
Market risk		243 679
Currency risk - both portfolios		-
Commodity price risk - trading portfolio		-
Equity securities price risk - trading portfolio		665
Debt instruments specific risk - trading portfolio		212 853
Interest rate risk - trading portfolio		30 161
Operational risk - both portfolios		952 075
Other		-
Settlement risk - counterparty's delivery - trading portfolio		-
Securities underwriting risk - trading portfolio		-
Other		-
Total capital requirement		9 474 611

RISK WEIGHTED BALANCE SHEET ASSETS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.12.2008

Note 19	carrying amount	risk weighted value
Banking portfolio	130 532 605	84 891 321
Trading portfolio	4 103 381	1 066 499
Total	134 635 986	85 957 820

**RISK WEIGHTED OFF-BALANCE SHEET ITEMS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.12.2008**

Note 20	balance sheet equivalent	weighted value
Derivative instruments	5 543 953	2 461 343
Banking portfolio	1 616 891	436 796
<i>of which: long term FX instruments</i>	856 699	247 424
Trading portfolio	3 927 062	2 024 547
<i>of which: long term FX instruments</i>	367 685	314 218
Other off-balance sheet items	10 661 264	9 261 407
Banking portfolio	9 840 259	8 603 259
Trading portfolio	821 005	658 148
Total	16 205 217	11 722 750

**CAPITAL REQUIREMENTS OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP as at 31.12.2008**

Note 21	risk weighted value	capital requirement
Banking portfolio - credit risk	93 931 376	7 514 510
Counterparty credit risk - trading portfolio	2 024 547	161 964
Market risk		202 677
Currency risk - both portfolios		-
Commodity price risk – trading portfolio		-
Equity securities price risk - trading portfolio		1 069
Debt instruments specific risk - trading portfolio		167 505
Interest rate risk - trading portfolio		34 103
Operational risk - both portfolios		1 247 584
Other		-
Settlement - counterparty's delivery risk - trading portfolio		-
Securities underwriting risk - trading portfolio		-
Other		-
Total capital requirement		9 126 735

**OWN FUNDS AND SHORT-TERM CAPITAL OF
THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP
(FOR REGULATORY CAPITAL PURPOSES)**

Note 22	As at 30.09.2009	As at 31.12.2008
Tier 1 capital	11 339 872	11 265 718
Share capital	1 000 000	1 000 000
Reserve capital	7 318 557	7 274 717
Other reserves	3 405 087	1 523 827
General banking risk fund	1 070 000	1 070 000
Net profit for the current period in the part verified by a certified auditor after deduction of forecasted charges*	-	1 824 745
Retained earnings	248 806	53 232
Unrealised losses on debt and equity instruments classified as available for sale	(53 052)	(43 346)
Equity exposures (50%)	(91 375)	(73 482)
Intangible assets	(1 475 060)	(1 352 778)
<i>of which: goodwill</i>	(164 720)	(164 720)
Currency translation differences from foreign operations	(110 067)	(57 413)
Minority interest	26 976	46 216
Tier 2 capital	1 532 285	1 528 517
Subordinated liabilities classified as supplementary funds	1 600 700	1 600 700
Unrealised profits on debt and equity instruments classified as available for sale (60% of pre-tax balance)	22 960	1 298
Equity exposures (50%)	(91 375)	(73 481)
Tier 3 capital	87 199	91 048
Total own funds and short-term capital	12 959 356	12 885 283

* Own funds as at 31 December 2008 include the result for the first half of 2008.

2.2. CONDENSED FINANCIAL STATEMENTS OF PKO BANK POLSKI SA

INCOME STATEMENT OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA					
	Notes	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Interest income		2 189 203	6 293 999	2 219 238	6 216 064
Interest expense		(912 091)	(2 819 494)	(665 901)	(1 819 246)
Net interest income	1	1 277 112	3 474 505	1 553 337	4 396 818
Fee and commission income		823 162	2 221 678	709 537	2 086 124
Fee and commission expense		(187 748)	(524 089)	(169 231)	(502 452)
Net fee and commission income	2	635 414	1 697 589	540 306	1 583 672
Dividend income		48	101 262	40	112 841
Net income from financial instruments at fair value through profit and loss	3	(10 733)	52 838	(60 559)	(110 807)
Gains less losses from investment securities		282	(2 109)	(28)	(1 631)
Net foreign exchange gains		121 861	753 577	215 182	570 808
Other operating income		36 893	146 047	48 908	123 814
Other operating expenses		(16 590)	(54 090)	(26 619)	(65 130)
Net other operating income and expense	4	20 303	91 957	22 289	58 684
Net impairment allowance	5	(376 121)	(960 467)	(234 877)	(419 451)
Administrative expenses	6	(949 809)	(2 868 805)	(983 980)	(2 856 231)
Operating profit		718 357	2 340 347	1 051 710	3 334 703
Profit before income tax		718 357	2 340 347	1 051 710	3 334 703
Income tax expense		(155 226)	(488 325)	(194 995)	(653 243)
Net profit		563 131	1 852 022	856 715	2 681 460
Earnings per share	7				
EPS (basic and diluted)		0.52	1.70	0.79	2.46
EPS (basic and diluted) without considering the rights issue		0.56	1.85	0.86	2.68

STATEMENT OF COMPREHENSIVE INCOME OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA				
	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Profit for the period	563 131	1 852 022	856 715	2 681 460
Other taxable income	(95 010)	98 532	43 862	5 383
Financial assets available for sale (net of tax)	8 721	21 064	43 862	5 383
Cash flow hedge (net of tax)	(103 731)	77 468	-	-
Total net comprehensive income	468 121	1 950 554	900 577	2 686 843

STATEMENT OF FINANCIAL POSITION OF
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

ASSETS	As at 30.09.2009	As at 31.12.2008
Cash and balances with the Central Bank	4 800 323	5 758 248
Amounts due from banks	2 094 638	3 906 973
Trading assets	2 412 953	1 496 147
Derivative financial instruments	2 434 375	3 599 545
Other financial instruments designated at fair value through profit and loss	10 208 173	4 546 497
Loans and advances to customers	109 407 733	98 102 019
Investment securities available for sale	6 729 987	8 756 511
Investments in subsidiaries, associates and jointly controlled entities	1 216 235	823 518
Non-current assets held for sale	15 346	-
Intangible assets	1 272 761	1 155 042
Tangible fixed assets	2 330 402	2 462 967
<i>of which: investment properties</i>	360	24 169
Current income tax receivables	-	-
Deferred income tax asset	200 541	166 803
Other assets	492 242	470 557
TOTAL ASSETS	143 615 709	131 244 827
LIABILITIES AND EQUITY		
	As at 30.09.2009	As at 31.12.2008
Liabilities		
Amounts due to the Central Bank	460 956	2 816
Amounts due to other banks	4 634 885	5 699 452
Derivative financial instruments	2 212 511	6 150 337
Amounts due to customers	116 887 323	101 856 930
Subordinated liabilities	1 633 968	1 618 755
Other liabilities	2 654 193	1 355 396
Current income tax liabilities	169 883	470 416
Provisions	482 064	561 353
TOTAL LIABILITIES	129 135 783	117 715 455
Equity		
Share capital	1 000 000	1 000 000
Other capital	11 627 904	9 648 112
Net profit for the period	1 852 022	2 881 260
Total equity	14 479 926	13 529 372
TOTAL LIABILITIES AND EQUITY	143 615 709	131 244 827
Capital adequacy ratio (%)	10.48	11.24

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

For the nine-month period ended 30 September 2009	Share capital	Other capital							Net profit for the period	Total equity
		Reserve capital	Other reserves	General banking risk fund	Retained earnings	Financial assets available for sale	Cash flow hedge	Total other capital		
As at 1 January 2009	1 000 000	7 216 986	1 395 000	1 070 000	-	(33 874)	-	9 648 112	2 881 260	13 529 372
Transfer of net profit from previous years	-	-	-	-	2 881 260	-	-	2 881 260	(2 881 260)	-
Total comprehensive income	-	-	-	-	-	21 064	77 468	98 532	1 852 022	1 950 554
Transfer to retained earnings	-	-	1 881 260	-	(1 881 260)	-	-	-	-	-
Dividends	-	-	-	-	(1 000 000)	-	-	(1 000 000)	-	(1 000 000)
As at 30 September 2009	1 000 000	7 216 986	3 276 260	1 070 000	-	(12 810)	77 468	11 627 904	1 852 022	14 479 926

For the nine-month period ended 30 September 2008	Share capital	Other capital							Net profit for the period	Total equity
		Reserve capital	Other reserves	General banking risk fund	Retained earnings	Financial assets available for sale	Cash flow hedge	Total other capital		
As at 1 January 2008	1 000 000	5 591 995	1 390 000	1 070 000	-	(42 445)	-	8 009 550	2 719 991	11 729 541
Transfer of net profit from previous years	-	-	-	-	2 719 991	-	-	2 719 991	(2 719 991)	-
Total comprehensive income	-	-	-	-	-	5 383	-	5 383	2 681 460	2 686 843
Transfer to retained earnings	-	1 624 991	5 000	-	(1 629 991)	-	-	-	-	-
Dividends	-	-	-	-	(1 090 000)	-	-	(1 090 000)	-	(1 090 000)
As at 30 September 2008	1 000 000	7 216 986	1 395 000	1 070 000	-	(37 062)	-	9 644 924	2 681 460	13 326 384

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

	Period from 01.01.2009 to 30.09.2009	Period from 01.01.2008 to 30.09.2008
Net cash flow from operating activities	(3 239 058)	1 759 493
Net cash flow from investing activities	1 614 612	(471 549)
Net cash flow from financing activities	114 423	(1 189 737)
Total net cash flow	(1 510 023)	98 207
Cash and cash equivalents at the beginning of the period	8 055 811	9 001 426
Cash and cash equivalents at the end of the period	6 545 788	9 099 633
Cash and cash equivalents, of which:	6 545 788	9 099 633
cash in hand	1 803 785	1 717 823
amounts due from the Central Bank	2 996 538	3 605 917
current receivables from financial institutions	1 738 695	3 771 426
cash of the brokerage house ('Dom Maklerski') in the Stock Exchange Guarantee Fund	6 770	4 467

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

Items	As at 30.09.2009	As at 31.12.2008
Off-balance sheet contingent liabilities granted:	23 623 477	23 041 809
financial	17 814 090	18 482 266
guarantees	5 809 387	4 559 543
Liabilities arising from the purchase/sale transactions	336 211 833	426 400 785
Other, of which:	15 906 322	11 211 363
irrevocable liabilities	7 468 860	7 714 609
collateral received	8 437 462	3 496 754
Total off-balance sheet items	375 741 632	460 653 957

EXPLANATORY NOTES

NET INTEREST INCOME OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Note 1	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Interest income, of which:	2 189 203	6 293 999	2 219 238	6 216 064
Loans and advances to customers	1 760 192	5 264 649	1 916 959	5 281 513
Financial assets designated at fair value through profit and loss	107 984	298 688	92 535	324 189
Amounts due from other banks	31 710	125 861	105 968	313 294
Investment securities	91 014	278 673	88 200	247 715
Derivative hedging instruments	173 938	252 308	-	-
Trading assets	23 835	63 555	13 935	45 767
Other	530	10 265	1 641	3 586
Interest expenses, of which:	(912 091)	(2 819 494)	(665 901)	(1 819 246)
Amounts due to customers	(873 644)	(2 683 637)	(623 793)	(1 686 993)
Placements with other banks	(9 592)	(41 865)	(11 042)	(43 153)
Debt securities in issue	(21 915)	(78 108)	(30 510)	(84 287)
Other	(6 940)	(15 884)	(556)	(4 813)
Net interest income	1 277 112	3 474 505	1 553 337	4 396 818

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

Note 2	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Fee and commission income, of which:	823 162	2 221 678	709 537	2 086 124
Credit related fees and commissions	94 298	254 060	82 387	230 282
Maintenance of bank accounts	223 816	634 108	195 724	585 440
Payment cards	238 612	683 620	217 648	617 675
Investment and pension funds (including management fees)	24 125	68 041	35 978	131 937
Cash transactions	43 830	133 628	45 881	142 832
Loan insurance intermediary and other	198 481	448 221	131 919	377 958
Fee and commission expenses, of which:	(187 748)	(524 089)	(169 231)	(502 452)
Payment cards	(95 286)	(275 990)	(88 983)	(252 761)
Acquisition services	(35 479)	(105 297)	(32 861)	(98 208)
Loan insurance intermediary and other	(56 983)	(142 802)	(47 387)	(151 483)
Net fee and commission income	635 414	1 697 589	540 306	1 583 672

NET INCOME FROM FINANCIAL INSTRUMENTS AT FAIR VALUE OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

Note 3	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Trading assets	(1 022)	13 205	(387)	(7 734)
Derivatives	(14 922)	24 395	(67 627)	(58 341)
Other	45	1 188	(1)	40
Financial assets designated at fair value through profit and loss	5 166	14 050	7 456	(44 772)
TOTAL	(10 733)	52 838	(60 559)	(110 807)

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

Note 4	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Other operating income, of which:	36 893	146 047	48 908	123 814
Sundry income	6 827	17 060	7 224	18 094
Sale of shares in subordinates	-	-	-	3 746
Sale, liquidation of tangible and intangible assets	10 588	11 858	262	4 744
Other	19 478	117 129	41 422	97 230
Other operating expenses, of which:	(16 590)	(54 090)	(26 619)	(65 130)
Sale, liquidation of tangible fixed assets, intangible assets and assets held for sale	(2 318)	(4 418)	(1 608)	(3 549)
Other	(14 272)	(49 672)	(25 011)	(61 581)
Total	20 303	91 957	22 289	58 684

**NET IMPAIRMENT ALLOWANCE OF
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA**

Note 5	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Net impairment allowance on:				
Loans and advances	(341 229)	(899 924)	(213 994)	(451 829)
Off-balance sheet items	8 703	12 595	(5 287)	(708)
Securities and financial assets	(42 713)	(67 291)	(79)	49 437
Other liabilities and tangible fixed assets	(882)	(5 847)	(15 517)	(16 351)
Total	(376 121)	(960 467)	(234 877)	(419 451)

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

Note 6	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Staff costs	(539 852)	(1 552 613)	(547 128)	(1 629 386)
Overhead expenses	(283 126)	(941 304)	(327 525)	(907 982)
Depreciation and amortisation	(100 547)	(297 279)	(92 344)	(267 766)
Other	(26 284)	(77 609)	(16 983)	(51 097)
Total	(949 809)	(2 868 805)	(983 980)	(2 856 231)

Due to the public offering of the pre-emptive rights to D-series shares on 6 October 2009 and allotment of shares on 29 October 2009, the Bank calculated earnings per share (basic and diluted), in accordance with IAS 33 'Earnings per share', taking into account the effect of the rights issue. Moreover, the Bank made a retrospective adjustment for all periods presented in accordance with IAS 33.

The number of shares before the rights issue amounted to 1 000 000 000. Weighted average number of shares, adjusted for the rights issue amounted to 1 090 000 000.

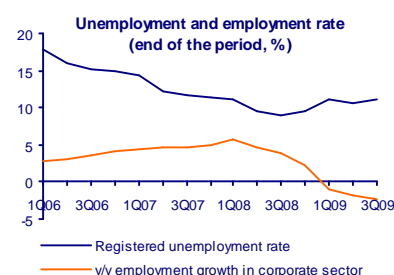
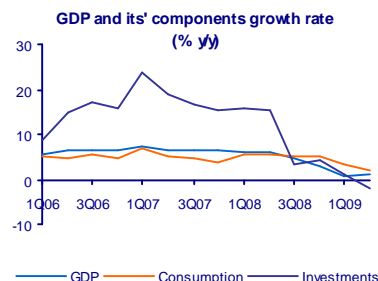
EPS OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA				
Note 7	3rd quarter period from 01.07.2009 to 30.09.2009	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	3rd quarter period from 01.07.2008 to 30.09.2008	3 quarters cumulatively period from 01.01.2008 to 30.09.2008
Net profit	563 131	1 852 022	856 715	2 681 460
Number of shares	1 090 000 000	1 090 000 000	1 090 000 000	1 090 000 000
EPS (basic and diluted)	0.52	1.70	0.79	2.46
Number of shares without considering the rights issue	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
EPS (basic and diluted) without considering the rights issue	0.56	1.85	0.86	2.68

3. EXTERNAL ENVIRONMENT

Macroeconomic environment

In the 3rd quarter of 2009:

- The economic situation improved after a strong downturn at the beginning of 2009; the rate of decline of industrial production was considerably lower, the situation in the area of investments in infrastructure was good, the process of inventory reduction by enterprises became less intensive and the first signs of improvement in export sales appeared in connection with an improvement in the condition of the global economy; the monthly data published to date shows that the GDP growth in the 3rd quarter of the year could be slightly higher than in the 2nd quarter, when it amounted to 1.1% y/y;
- Compared with the preceding quarter, the rate of growth of household income went down due to a decrease in the average annual rate of growth of wages and salaries in the enterprise sector to ca. 3.4% p.a., which was accompanied by an increase in pensions by ca. 8.0% p.a. in July-August; the decrease in the number of employees of enterprises became more marked in annual terms; in September 2009 the unemployment rate grew to 10.9%;
- Inflation measured with CPI dropped to 3.4% y/y in September 2009 from 3.6% y/y in June due to a slower growth of food and energy prices and appreciation of the Polish zloty;
- The Monetary Policy Council (RPP) did not change the interest rates; the NBP reference rate amounted to 3.50% in the 3rd quarter.

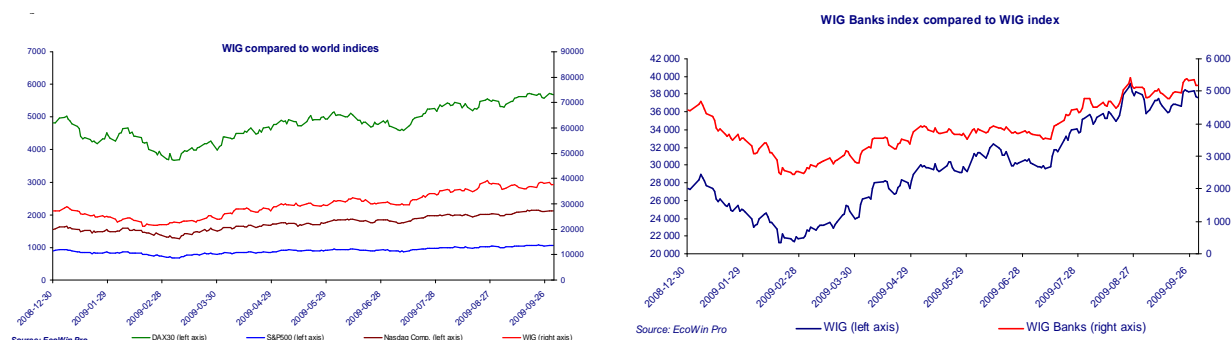


At the same time, the following macroeconomic factors on Ukraine, where a subsidiary of PKO Bank Polski SA, Kredobank SA operates, had a significant effect on operations of the PKO Bank Polski SA Group in the 3rd quarter of 2009:

- A GDP drop of more than 10%, compared with almost 20% in the 1st half of 2009;
- An increase in the foreign trade deficit compared with the beginning of 2009; however, the deficit decreased in annual terms due to a more marked decrease in import and despite a decline in export sales;
- The net outflow of foreign capital was bigger again in the 3rd quarter, following its stabilization in the 2nd quarter;
- Depreciation of the exchange rate of the Ukrainian hryvna: the official exchange rate of the hryvna announced by the National Bank of Ukraine increased from 7.7 UAH/USD to 7.98 UAH/USD, and the market rate increased to ca. 8.50 UAH/USD from 8.00 UAH/USD in the 2nd quarter;
- The situation in the banking sector was still difficult. It was characterized by limited availability of foreign financing, rapidly growing credit risk (as a result of the economic recession and decreasing exchange rate) and liquidity problems. At the same time, however, the situation in the banking sector improved due to: intensification of liquidity operations performed by the NBU, the banking sector receiving additional funds from the public sector (financial aid from the IMF and the World Bank);
- Continued decrease in Ukraine's credit risk (a drop in CDS rates of ca. 1200 points to ca. 1000 base points) associated with a better situation on the global markets and better perspectives for the national economy.

Situation on the stock exchange

In the 3rd quarter, the situation on the Warsaw Stock Exchange was affected by an improvement in the moods on foreign stock markets, expectations for an improvement in the economic situation in Poland, improvement in the financial position of companies listed on the WSE. As a result, a noticeable growing trend was observed on the Polish stock market. After a strong increase in the share prices in July and a weaker one in August, fluctuations were observed in September, although the upward trend dominated. In the 3rd quarter, the WIG index increased by 23.5% and reached the level recorded at the end of the 2nd quarter of 2009. The quarterly growth of the WIG Banki index was greater and amounted to 39.4%.



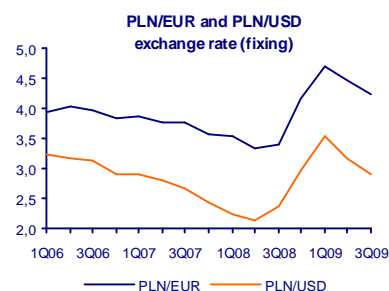
The good situation on the stock market resulted in a significant increase in the market value of companies listed on the official market. As at the end of the 3rd quarter of 2009, the capitalization of companies listed on the WSE was 25.4% higher than as at the end of the 2nd quarter and amounted to PLN 686 billion.

The situation on the WSE affected the banking market and the non-banking financial market. The following trends were noted:

- an increase in valuations of banks;
- an increase in the share of equity instruments and investment funds in the savings of individuals and a decrease in the share of bank deposits;
- an increase in the value of assets of investment funds and pension funds.

Situation on the financial market

In the 3rd quarter of the year, the prices of treasury securities were significantly less volatile. At the same time, the profitability curve became even steeper. The profitability of 10-year bonds decreased by 10 base points, whereas in the case of securities with shorter maturities it dropped by 25-40 base points. The decrease in profitability was due to the improvement in the situation on the global financial market, which resulted in an inflow of foreign capital to the Polish market, as well as to a decrease in interest rates by 25 base points introduced in June.



A limited drop in profitability, particularly on the long end of the profitability curve, was a result of the investors' concerns about the condition of the Polish public finances, both in connection with the amendment to the 2009 Budget Act introduced in July and August, and in connection with the 2010 Budget Act, which was under preparation until the end of September. The investors' concerns were associated, among other things, with the scale of issue of Treasury securities on the primary market until the end of 2010 and with the perspectives of public debt increase in the coming years and its implications for the debt market.

In the 3rd quarter of the year, WIBOR 1M decreased and stabilized at the reference rate level (3.5%), and shorter-term rates varied from the reference rate to the NBP deposit rate (2.0%). The 3M to 12M rates decreased by ca. 25 base points and were in the 4.20% to 4.55% range. The interbank loan rates changed in connection with the interest rate decrease of 25 base points introduced by the NBP at the end of June and growing attractiveness of the market for loans with maturities up to one month.

The appreciation of the Polish zloty, which began in the 2nd quarter of 2009, continued in the 3rd quarter. As a result, the exchange rate of the Polish zloty grew by more than 5.5% to the euro and by more than 9% to the American dollar. As at the end of the 3rd quarter, the exchange rates of the Polish zloty amounted to 4.47 (to EUR) and 2.89 (to USD). Appreciation of the Polish zloty was a result of increasing stability on the global financial markets, including a drop in the risk premium for investment in financial assets on the Central and Eastern European markets.

Situation in the Polish banking sector

In the 3rd quarter of the year, the Polish banking sector experienced increased credit risk resulting from slower economic growth and limited access to and higher price of financing. The activity of the banking sector was limited due to difficult external conditions. The growing costs of credit risk provisions and slower growth of sales resulted in a decrease in the banks' profitability.

The loan portfolio quality deteriorated. Non-performing receivables of the non-financial sector increased by 11.3% during the quarter, and their share in total receivables increased to 7% in September compared with 6.3% in June 2009. The portfolio of non-performing loans of households grew the fastest and its value increased by 18.6%.

The lending activity accelerated a little in the 3rd quarter of the year, in particular in the segment of household loans, whereas the rate of growth of household deposits decreased.

Due to the fact that the exchange rate of the Polish zloty to the Swiss franc increased by 5%, and the share of loans denominated in foreign currencies in total loans was 32% and the share of deposits in foreign currencies in total deposits was 9%, the changes in the volume of loans and deposits expressed in Polish zlotys were to a large extent distorted by changes in the foreign exchange rates. Therefore, the trends in loans and deposits are best reflected by the estimated quarterly increases adjusted for the effect of foreign exchange differences.

In the 3rd quarter of the year, the total loan portfolio value after elimination of foreign exchange differences actually increased by PLN 13.6 billion. The increase was the biggest in the segment of household loans, which increased by PLN 12.8 billion. A further increase was recorded in the segment of housing loans (of ca. PLN 7 billion) and in consumer loans (of ca. PLN 5 billion). At the same time, the value of corporate loans continued to decrease (by ca. PLN 0.4 billion), which was the result of low demand and stricter lending policies applied by banks.

The deposit base grew more slowly in the 3rd quarter of the year. After elimination of the effect of foreign exchange changes, total deposits increased by ca. PLN 6.8 billion. The increase in deposits of households slowed down and amounted to ca. PLN 3.4 billion. This was due to seasonal factors, the deteriorating financial situation of individuals, a decrease in interest rates on deposits and growing competition from alternative forms of saving, such as mainly investment funds. After a growth recorded in the previous quarter, corporate deposits decreased by ca. PLN 0.2 billion. Deposits of government institutions, which increased by more than PLN 4 billion, were a significant source of the deposit base increase.

Regulatory factors

The following new regulatory solutions affected the financial and organizational situation of the PKO Bank Polski SA Group in the 3rd quarter of 2009:

- Recommendation S II of the Financial Supervision Authority dated 17 December 2008, introducing as of 1 July 2009 an obligation for banks to allow their clients to repay loan instalments in the indexation currency (in the case of loans indexed with foreign exchange rate). The solution adopted affects the banks' income (non-interest income);
- Decision of the Monetary Policy Council dated 27 May 2009 decreasing the mandatory reserve rate from 3.5% to 3.0% as of 30 June 2009 with the aim to improve the banks' liquidity;
- Decree of the Minister of Finance dated 3 April 2009 on the procedures to be followed by entities providing agency services with respect to sale and purchase of participation units and participation titles (Journal of Laws No. 62, item 507), imposing on financial intermediaries (including investment fund companies (TFI) and brokerage houses) as of 13 July 2009 new information requirements in respect of providing information to clients and evaluation of clients (adaptation to MiFID).

The following regulatory changes in the Ukraine affected the PKO Bank Polski SA Group's situation:

- Resolution of the National Bank of Ukraine ('NBU') Management Board no. 421 dated 22 July 2009 on certain aspects of banks' activities during the financial and economic crisis, in accordance with which NBU will not punish banks for recognizing losses resulting from creating write-offs for loans granted after 1 January 2008 and restructured loans.
- Resolution of the NBU Management Board no. 466 dated 6 August 2009, approving the Plan of additional actions to be taken by NBU to protect the hryvna and the banking system. The Plan, among other things, limits the margin between the buying and selling rate to 2 p.p. and introduces new currency market instruments, including forward transactions.
- Resolution of the NBU Management Board no. 468 dated 10 August 2009, decreasing the NBU interest rate from 11.0% to 10.25% as of 12 August 2009.

4. COMMENTARY ON THE CONDENSED FINANCIAL STATEMENTS

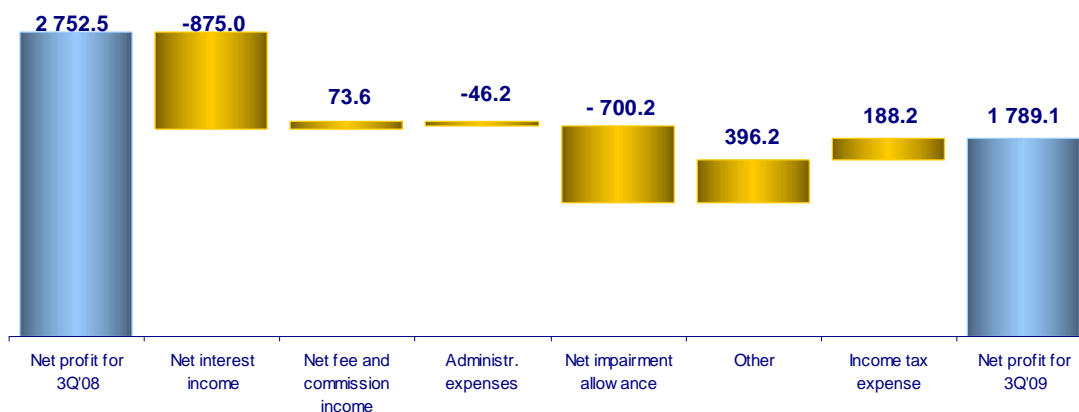
4.1. FINANCIAL RESULTS

4.1.1. The PKO Bank Polski SA Group

Financial results and profitability ratios

The consolidated net profit of the PKO Bank Polski SA Group in the 3rd quarter of 2009 amounted to PLN 638.5 million and was PLN 265.6 million lower than in the corresponding period of 2008. Cumulatively, the PKO Bank Polski SA Group's net profit for the three quarters of 2009 amounted to PLN 1 789.1 million (-35.0% y/y) and was by PLN 963.4 million lower than in the corresponding period of the previous year.

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



Return on assets, return on equity ratios, interest margin and cost to income ratio are presented in the table below.

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

Ratios			
Items	As at 30.09.2009	As at 30.09.2008	Change
ROA net (net profit / average total assets)	1.6%	3.1%	-1.5 pp.
ROE net (net profit / average total equity)	15.2%	29.3%	-14.1 pp.
C/I (costs to income ratio)	47.5%	44.1%	3.4 pp.
Interest margin (net interest result / average interest-earning assets)	4.3%	5.6%	-1.3 pp.

The main consolidated income statement items are as follows:

Table 2. Movements in income statement items of the PKO Bank Polski SA Group (in PLN million)

Income statement items	3rd quarter period from 01.07.2009 to 30.09.2009	Change (3 rd Q09/ 3 rd Q08)	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	Change (3Q09/ 3Q08)	Comment
Net interest income	1 332.3	-16.4%	3 633.9	-19.4%	(-) 19.4% (y/y) mainly as a result of a decrease in deposit margins (due to decrease of market interest rates and the introduction of a complex deposit offer for PKO BP SA clients), offset by growth of loan portfolio of 22.5% y/y.
Net fee and commission income	701.3	15.8%	1 873.1	4.1%	+ 4.1% (y/y) mainly as a result of increase in income from bank account management related fees (+7.6% y/y) and increase in income from payment cards (PLN +9.7% y/y), offset by decrease in fee and commission income related to investment fund and open pension fund management by 37.3% y/y.
Other income	172.1	-19.9%	1 033.7	65.0%	(+) 65.0% (y/y) mainly as a result: 1) an increase in the foreign exchange result (30.8% y/y) - the effect of higher spreads between PLN interest rates and foreign interests rates, 2) an increase in net income from financial activities of PLN 163.2 million (effect of ALPL portfolio growth), 3) higher result on other income and other costs of PKO BP Inwestycje Group, PKO Bank Polski SA and Inteligo Group.
Administrative expenses	-1 028.9	-1.7%	-3 104.1	1.5%	Increase by 1.5% (y/y) and C/I ratio at 47.5% (+3.4 p.p. y/y) as a result of increase of overheads and other costs by 8.7% (y/y) - ia. as a result of IT cost increase, offset by decrease of staff costs of 4.0% (y/y) - employment within the Group has been reduced by 1 944 full time equivalents y/y, to 31 829 full time equivalents.
Net impairment allowance	-364.2	44.9%	-1 128.3	2.6x	A 2.6 fold increase (y/y) as a result of increase in impairment charges for consumer, housing and corporate loans.
Interest related income*	1 346.7	-19.0%	4 155.3	-12.4%	(-) 12.4% (y/y) mainly as a result of the decrease in deposit margins (due to a decrease of market interest rates and the introduction of a complex deposit offer for PKO BP SA clients), offset by an increase in loan portfolio by 22.5% y/y and increase of income from FX swap transactions.

* including result on FX Swap and CIRS transactions.

Statement of financial position and off-balance sheet items

Table 3. Movements in the statement of financial position items of the PKO Bank Polski SA Group (in PLN thousand)

STATEMENT OF FINANCIAL POSITION OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP					
Items	As at 30.09.2009	Change 30.09.2009/ 31.12.2008	Comment		
Cash and balances with the Central Bank	4 899 413	-16.1%	Increase in assets of PLN 11.9 billion (+ 8.9% 3Q2009/2008), comprising mainly of the increase in loans and advances to customers of PLN 10.7 billion (+ 10.6% 3Q2009/2008) and in financial assets of PLN 4.7 billion (+ 31.9% 3Q2009/2008) offset by a decrease in amounts due from banks by PLN 1.5 billion (- 43.2% 3Q2009/2008).		
Amounts due from banks	1 911 105	-43.2%			
Loans and advances to customers	111 817 055	10.6%			
Financial assets	19 349 764	31.9%			
Other assets	8 602 090	-11.0%			
Total assets	146 579 427	8.9%			
Amount due to banks	6 166 087	-11.8%	Increase in assets financed by increase in amounts due to customers of PLN 14.9 billion (+ 14.5% 3Q2009/2008) and increase in equity of 5.8% (3Q2009/2008).		
Amounts due to customers	117 887 618	14.5%			
Debt securities in issue and subordinated liabilities	1 914 995	4.6%			
Other liabilities	5 796 592	-34.7%			
Total liabilities	131 765 292	9.2%			
Total equity	14 814 135	5.8%			
Total liabilities and equity	146 579 427	8.9%			
Loans/Deposits (Amounts due to customers)	94.9%	-3.4 p.p.	Increase of loans and advances to customers by 10.6% (3Q2009/2008) and increase of amounts due to customers by 14.5% (3Q2009/2008).		
Interest bearing assets/Assets	90.8%	2.3 p.p.			
Interest paying liabilities/Liabilities	85.6%	2.6 p.p.			

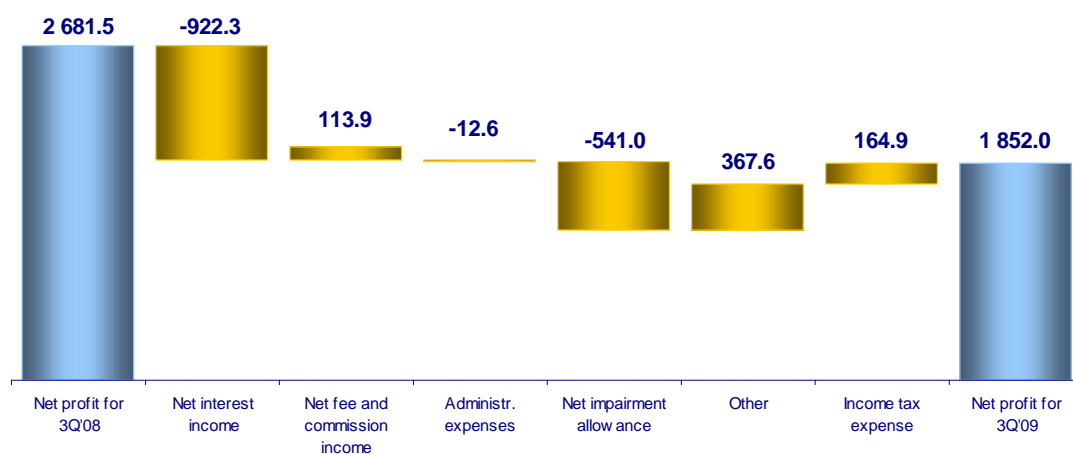
As at 30 September 2009, the total of off-balance sheet items of the PKO Bank Polski SA Group amounted to PLN 379.0 billion and decreased by 18.4%, compared to 31 December 2008. The main share in that balance related to liabilities resulting from sale/purchase transactions, which equaled to PLN 336.1 billion.

4.1.2. PKO Bank Polski SA

Financial result and profitability ratios

The net profit recorded by PKO Bank Polski SA in the 3rd quarter of 2009 amounted to PLN 563.1 million and was PLN 293.6 million lower than in the corresponding period of 2008. Cumulatively, the PKO Bank Polski SA's net profit for the three quarters of 2009 amounted to PLN 1 852.0 million (-30.9% y/y), and was PLN 829.4 million lower than in the corresponding period of the previous year.

Chart 2. Movements in income statement items of PKO Bank Polski SA (in PLN million)



Return on assets, return on equity ratios, interest margin and cost to income ratio are presented in the table below.

Table 4. The main financial indicators of PKO Bank Polski SA

Ratios			
Items	As at 30.09.2009	As at 30.09.2008	Change
ROA net (net profit / average total assets)	1.6%	3.1%	-1.5 pp.
ROE net (net profit / average total equity)	14.8%	28.6%	-13.8 pp.
C/I (costs to income ratio)	46.5%	43.2%	3.3 pp.
Interest margin (net interest result / average interest-earning assets)	4.3%	5.6%	-1.3 pp.

The main income statement items of the Bank are as follows:

Table 5. Movements in income statement items of PKO Bank Polski SA

Income statement items	3rd quarter period from 01.07.2009 to 30.09.2009	Change (3rd Q09/ 3rd Q08)	3 quarters cumulatively period from 01.01.2009 to 30.09.2009	Change (3Q09/ 3Q08)	Comment
Net interest income	1 277.1	-17.8%	3 474.5	-21.0%	(-) 21.0% (y/y) mainly as a result of a decrease in deposit margins (due to a decrease of market interest rates and the introduction of a complex deposit offer for PKO BP SA clients), offset by an increase of loan portfolio by 23.9% y/y.
Net fee and commission income	635.4	17.6%	1 697.6	7.2%	(+) 7,2% (y/y) mainly as a result of increase in income from bank account management related fees (+8.3% y/y), increase in income from payment cards (+10.7% y/y), offset by a decrease of fee and commission income related to investment fund management by 48.4% y/y.
Other income	131.8	-25.5%	997.5	58.4%	(+) 58.4% (y/y) mainly as a result of: 1) an increase in the foreign exchange result (of 32.0% y/y) - the effect of higher spreads between PLN interest rates and foreign interests rates, 2) an increase in net income from financial activities of PLN 163.2 million (effect of growth of ALPL portfolio).
Administrative expenses	-949.8	-3.5%	2 868.8	0.4%	Stabilisation of administrative expenses and C/I ratio at level of 46.5% (+3.3 pp. y/y), as a result of: 1) stabilisation of overheads with a corresponding dynamic growth of PKO BANK POLSKI SA scale of activities (+3.7% y/y) 2) decrease of staff costs by 4.7%, 3) higher amortisation expenses, mainly as a result of higher amortisation of IT systems outlays. Employment within the Bank has been reduced by 1 285 full time equivalents y/y, to 28 517 as at 30 September 2009.
Net impairment allowance	-376.1	60.1%	-960.5	2.3x	A 2.3 fold increase (y/y) as a result of increase in impairment charges for consumer, housing and corporate loans as well as impairment write-down on investment in subsidiary Kredobank SA in the amount of PLN 67.6 million.
Interest related income*	1 291.5	-20.4%	3 995.8	-13.7%	(-) 13.7% (y/y) mainly as a result of the decrease in deposit margins (due to a decrease in market interest rates and the introduction of a complex deposit offer for PKO BP SA clients), offset by an increase of loan portfolio by 23.9% y/y and increase in income from FX swap transactions.

* including result on FX Swap and CIRS transactions.

4.2. BUSINESS DEVELOPMENT²

4.2.1. PKO Bank Polski SA Group's operations by segment

The basic segmentation pattern of the PKO Bank Polski SA Group is based on the criterion of groups of clients – recipients of products and services offered by the parent company and the individual PKO Bank Polski SA Group companies. Each operating segment comprises the provision of products and services characterized by similar risks and proceeds, other than those offered by other operating segments.

The segmentation report presented below reflects the internal organizational structure of the PKO Bank Polski SA Group. At present, the PKO Bank Polski SA Group consists of three basic segments: retail, corporate and investment:

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

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

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

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

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

3. The investment segment which comprises investing and brokerage activities, as well as treasury products within the trading and banking portfolio and BTK SA Group and PKO Finance AB activities.

The PKO Bank Polski SA Group typically settles inter-segment transactions as if they were concluded between unrelated parties, using internal settlement rates. Transactions between business segments are carried out on an arm's length basis.

The accounting policies applied in the segmentation report are consistent with the accounting policies described in chapter 5.1 of this report.

The presented assets and liabilities of a segment are operating assets and liabilities, which are used by the segment in its operating activities. The values of assets and liabilities and income and costs of the individual segments are based on internal management information.

The following tables present data on income and results of the individual operating segments of the PKO Bank Polski SA Group for the nine-month periods ended 30 September 2009 and 30 September 2008, and selected assets and liabilities as at 30 September 2009 and 31 December 2008.

Table 6. Operating segments of the PKO Bank Polski SA Group (in PLN thousand)

Continued activities				
Period from 01.01.2009 to 30.09.2009	Retail segment	Corporate segment	Investment segment	All activities of the PKO BP SA Group
Net interest income	3 952 472	434 454	(752 979)	3 633 947
Net fee and commission income	1 645 659	161 619	65 810	1 873 088
Other net income	495 802	109 848	428 006	1 033 656
Net impairment allowance	(890 022)	(236 900)	(1 343)	(1 128 265)
Administrative expenses, of which:	(2 860 950)	(177 231)	(65 868)	(3 104 050)
Depreciation and amortisation	(316 472)	(24 168)	(4 728)	(345 368)
Share of profit (loss) of associates and jointly controlled entities	-	-	-	1 469
Segment gross profit	2 342 961	291 790	(326 375)	2 309 845
Income tax expense	-	-	-	(507 748)
Minority interest	-	-	-	13 008
Net profit	-	-	-	1 789 089
Balance sheet items as at 30.09.2009	Retail segment	Corporate segment	Investment segment	All activities of the PKO BP SA Group
Assets	92 460 789	34 231 675	19 886 962	146 579 427
Liabilities	98 804 189	26 071 973	6 889 130	131 765 292

Continued activities				
Period from 01.01.2008 to 30.09.2008	Retail segment	Corporate segment	Investment segment	All activities of the PKO BP SA Group
Net interest income	4 062 357	283 238	163 331	4 508 926
Net fee and commission income	1 614 265	116 023	69 180	1 799 468
Other net income	521 931	121 370	(16 942)	626 359
Net impairment allowance	(363 372)	(128 214)	63 557	(428 029)
Administrative expenses, of which:	(2 785 300)	(197 774)	(74 770)	(3 057 844)
Depreciation and amortisation	(283 739)	(25 935)	(6 059)	(315 733)
Share of profit (loss) of associates and jointly controlled entities	-	-	-	19 301
Segment gross profit	3 049 881	194 643	204 356	3 468 181
Income tax expense	-	-	-	(695 965)
Minority interest	-	-	-	19 723
Net profit	-	-	-	2 752 493
Balance sheet items as at 31.12.2008				
Assets	87 212 981	32 366 023	15 056 982	134 635 986
Liabilities	89 980 263	21 918 299	8 739 408	120 637 970

Additionally, the PKO Bank Polski SA Group applies segmentation pattern based on geographical segments. The PKO Bank Polski SA Group activity is also conducted in Ukraine – via Kredobank SA and Ukrpolinwestycje Sp. z o.o.

Table 7. Geographical segments of the PKO Bank Polski SA Group (in PLN thousand)

Continued activities				
Period from 01.01.2009 to 30.09.2009	Poland	Ukraine	All activities of the PKO BP SA Group	
Net interest income	3 526 723	107 224	3 633 947	
Net fee and commission income	1 833 487	39 601	1 873 088	
Other net income	1 035 239	(1 583)	1 033 656	
Administrative expenses	(3 007 663)	(96 387)	(3 104 050)	
Net impairment allowance	(919 116)	(209 149)	(1 128 265)	
Share of profit (loss) of associates and jointly controlled entities	-	-	1 469	
Segment gross profit	2 468 670	(160 294)	2 309 845	
Income tax expense	-	-	(507 748)	
Minority interest	-	-	13 008	
Net profit (loss)	-	-	1 789 089	
Assets – as at 30.09.2009	144 634 931	1 944 496	146 579 427	
Liabilities – as at 30.09.2009	130 456 817	1 308 475	131 765 292	

Continued activities			
Period from 01.01.2008 to 30.09.2008	Poland	Ukraine	All activities of the PKO BP SA Group
Net interest income	4 411 042	95 022	4 508 926
Net fee and commission income	1 731 955	34 454	1 799 468
Other net income	673 651	(12 568)	626 359
Administrative expenses	(2 970 628)	(86 019)	(3 057 844)
Net impairment allowance	(410 357)	(17 672)	(428 029)
Share of profit (loss) of associates and jointly controlled entities	-	-	19 301
Segment gross profit	3 435 663	13 217	3 468 181
Income tax expense	-	-	(695 965)
Minority interest	-	-	19 723
Net profit (loss)	-	-	2 752 493
Assets – as at 31.12.2008	132 777 717	1 858 269	134 635 986
Liabilities – as at 31.12.2008	119 220 032	1 417 938	120 637 970

4.2.2. Market shares of PKO Bank Polski SA

Table 8. Market shares of PKO Bank Polski SA (%)

MARKET SHARES OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA*					
	As at 31.12.2008	As at 30.06.2009	As at 30.09.2009	Change 30.09.2009/ 31.12.2008	Change 30.09.2009/ 30.06.2009
Loans and advances to:	16.0	16.2	16.8	0.8 p.p.	0.6 p.p.
retail clients, of which:	19.2	18.7	19.1	-0.1 p.p.	0.4 p.p.
mortgage loans	20.4	19.9	20.4	0 p.p.	0.5 p.p.
PLN	31.5	31.0	32.0	0.5 p.p.	0.9 p.p.
FX	15.5	14.8	14.5	-1 p.p.	-0.3 p.p.
consumer loans	17.2	16.9	17.2	-0.1 p.p.	0.3 p.p.
corporate clients	12.8	13.6	14.3	1.5 p.p.	0.7 p.p.
Amounts due to:	17.3	18.1	18.6	1.3 p.p.	0.5 p.p.
retail clients	23.5	23.7	23.8	0.3 p.p.	0.1 p.p.
corporate clients	10.6	11.4	12.4	1.8 p.p.	1.1 p.p.

Data source: NBP reporting system – WEBIS.

4.2.3. Retail segment

4.2.3.1. PKO Bank Polski SA's activities in the retail segment

The activities of PKO Bank Polski SA in the retail segment were concentrated on increasing attractiveness and competitiveness of the offered products and services along with simultaneous improvement of sales efficiency.

As at 30 September 2009, the total value of deposits of the retail segment of PKO Bank Polski SA amounted to PLN 92.5 billion. Since the beginning of the year, the volume has increased by PLN 9.4 billion (i.e. 11.4%) as a result of an increase in retail and private banking deposit volumes ((+) 13.1% since the beginning of the year), mainly due to the increase in volume of savings account. Within amounts due to retail clients, the Bank achieved higher dynamics than the market – the deposits growth rate amounted to 24.4% y/y, compared to 20.9% market growth rate, which affected the Bank's market share accounting for 23.8%.

Table 9. Deposits of PKO Bank Polski SA (in PLN million)

Items	As at 30.09.2009	As at 31.12.2008	As at 30.09.2008	Change since:	
				31.12.2008	30.09.2008
Client deposits, of which:					
- retail and private banking	80 740	71 399	65 469	13.1%	23.3%
- small and medium entities	7 747	8 145	7 028	-4.9%	10.2%
- housing market	4 008	3 522	3 402	13.8%	17.8%
Total deposits	92 495	83 067	75 899	11.4%	21.9%

Source: Bank's Management information

As at 30 September 2009, the gross value of loans and advances to the retail segment of PKO Bank Polski SA was PLN 85.0 billion which constituted an increase of PLN 9.0 billion (i.e. 11.8%) since the beginning of the year. This increase was caused by the growth of the mortgage portfolio (10.1% since the beginning of the year). PKO Bank Polski SA strengthened its position as retail banking leader in Poland, increasing its market share in retail loans area by 0.4% to 19.1% in the 3rd quarter of 2009 (of which increase in mortgage loans by 0.5% to 20.4%).

Table 10. Gross loans and advances* of PKO Bank Polski SA (in PLN million)

Items	As at 30.09.2009	As at 31.12.2008	As at 30.09.2008	Change since:	
				31.12.2008	30.09.2008
Gross loans and advances, of which:					
- retail and private banking	20 985	18 821	18 511	11.5%	13.4%
- small and medium entities	11 468	9 647	9 008	18.9%	27.3%
- mortgage banking	45 536	41 364	35 105	10.1%	29.7%
- housing market (including refinanced by the state budget)	6 986	6 183	5 706	13.0%	22.4%
Total	84 975	76 015	68 330	11.8%	24.4%

Source: Bank's Management information.

* without interest due and interest not due

As at 30 September 2009, the total number of current accounts amounted to 6.3 million units and the number of credit cards amounted to 1.1 million units, compared with 1.0 million units as at the end of 2008.

Table 11. Accounts and banking cards of PKO Bank Polski SA (in thousands of units)

Items	As at 30.09.2009	As at 31.12.2008	As at 30.09.2008	Change since:	
				31.12.2008	30.09.2008
Total number of accounts, of which:	6 296	6 366	6 321	-70	-25
- Inteligo current accounts	701	692	686	8	14
Total number of banking cards, of which:	7 462	7 493	7 467	-31	-4
- Credit cards	1 064	1 046	1 051	18	13

The network of the Bank's own ATMs has been extended by adding 55 new ATMs since the beginning of the year (the total number now being 2 368), which allowed a further reduction in the costs of cash operations and increasing the availability of services for the clients.

Table 12. Branches and ATMs of PKO Bank Polski SA

Items	As at 30.09.2009	As at 31.12.2008	As at 30.09.2008	Change since:	
				31.12.2008	30.09.2008
Total number of branches	1 233	1 228	1 218	5	15
- in the retail segment:	1 165	1 160	1 150	5	15
Number of ATM's	2 368	2 313	2 287	55	81
Number of agencies	2 202	2 196	2 167	6	35

Table 13. Activities and achievements of PKO Bank Polski SA in the retail segment in the 3rd quarter of 2009

Product	Product's characteristics
Cash loan	<p>1) On 17 August 2009, the cash loan known under the marketing name "Max Pożyczka Mini Rata" was modified. Two parallel special offers were introduced:</p> <p>a) with attractive nominal interest of 6.99% p.a. (for loans up to PLN 3 000 repayable within 12 months and insured against the consequences of unforeseen events),</p> <p>b) 0% commission for granting the loan (for loans amounting to PLN 3 000 – PLN 5 000 repayable within 12 months and insured against the consequences of unforeseen events).</p> <p>2) More central mailing campaigns of credit cards (up-selling and cross-selling) addressed to selected groups of clients were performed.</p>
Revolving loan	<p>Since 1 September 2009, the interest rates on revolving loans offered to retail clients have changed. In case of new loan agreements a revolving loan with variable interest rate is offered. The interest rate (within the range of 11.99% to 14.99%) depends on the loan amount.</p>
'Nasz Remont'	<p>As of 1 July 2009, the loan 'NASZ REMONT z premią remontową z BGK' was added to the offer. This product is a new form of support from the state budget (from the BGK Fund for Thermal Modernization and Building Repairs) for repair works performed by housing co-operatives and condominiums in which individuals constitute the majority of members in residential buildings into which tenants moved before 14 August 1961. The advantage of this loan is the opportunity to obtain non-repayable aid from the state budget in the form of building repair bonus amounting to 20% of the utilized amount of the loan.</p>
Polisa 'Solidna Stopa'	<p>In the period from 3 August to 24 September 2009, PKO Bank Polski SA had in its offer the policy Polisa Solidna Stopa – group life and endowment insurance policy with PZU Życie SA giving 4.10% profit in annual terms (tax-free). In the case of this product, it was important that the payment (being an insurance benefit) was not subject to tax on capital gains. The sum of insurance equals premium paid plus the guaranteed rate of return. In the event of the insured person's death, a benefit amounting to 101% of the premium paid is paid. The term of insurance was 6 months (without a renewal option). The policy was available to persons aged 18 to 79. The minimum payment was PLN 25 thousand. In the event of resignation during the period of insurance cover, 100% of the premium was reimbursed. No fees were charged for opening, maintaining and liquidating the policy.</p>
3+3M term deposits	<p>On 15 September 2009, a new product was added to the PKO Bank Polski SA deposit offer – the 3+3M fixed interest term deposit. The characteristic feature of the 3+3M deposit is that the deposit holder decides about the length of the period of saving - after placing the deposit the client can decide to maintain it for three or for six months. The minimum amount of deposit is PLN 1 000. Another significant feature of this deposit is the option to withdraw a part of the funds before maturity. The amount left after such a partial withdrawal cannot be lower than PLN 1 000. The deposit holder can also withdraw all the funds deposited on the deposit account. The interest on the 3+3M term deposit is 4.44% p.a. if the deposit has been maintained for three months and 4.55% p.a. if it has been maintained for six months.</p>
'Debiut' package	<p>In the period from 17 August 2009 to 30 September 2009, a promotional DEBIUT package was offered. As part of this package, no fees were charged for three months for maintaining the BIZNES PARTNER account (for new accounts opened in that period).</p>

4.2.3.2. Activities of the PKO Bank Polski SA Group entities in the retail segment

Table 14. Activities and achievements of the PKO Bank Polski SA Group's entities in the retail segment in the 3rd quarter of 2009

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2009
<p style="text-align: center;">Kredobank SA</p>	<ol style="list-style-type: none"> In the 3rd quarter of 2009, total assets of Kredobank SA decreased by PLN 341 million, i.e. 14.9% and amounted to PLN 1 952.5 million (UAH 5 518.7 million) as at 30 September 2009. The Company's gross loan portfolio decreased by PLN 282 million i.e. 13.1% in the 3rd quarter of 2009 and amounted to PLN 1 867.2 million (UAH 5 277.5 million) as at the end of the 3rd quarter of 2009. Clients' term deposits decreased by PLN 90 million, i.e. 8.95% in the 3rd quarter of 2009 and amounted to PLN 912.2 million (UAH 2 578.4 million) as at 30 September 2009. The decrease in value of loans and advances granted and deposits received results only from the hrvna's depreciation. Values denominated in UAH increased in the 3rd quarter of 2009 (the gross loan portfolio increased by 1.8% and term deposits increased by 6.6%). As at 30 September 2009, the network of Kredobank SA branches consisted of 26 branches and 144 subordinated branches in 22 out of 24 Ukrainian districts and in the Autonomous Republic of the Crimea (same as at 30 June 2009). <p><i>The financial information of Kredobank SA as at 30 September 2009 and as at 30 June 2009 were recalculated according to the average NBP exchange rates prevailing at the last day of each month (as at 30 September 2009 UAH 1 = PLN 0.3538; as at 30 June 2009 UAH 1 = PLN 0.4144).</i></p>
<p style="text-align: center;">PKO Towarzystwo Funduszy Inwestycyjnych SA</p>	<ol style="list-style-type: none"> The value of the funds' assets managed by PKO TFI SA amounted to PLN 8.5 billion as at 30 September 2009, which is an increase of 4.1%* in comparison to the end of the 2nd quarter of 2009. The increase in value of the funds' assets is a result of the increase in share price of companies listed at the Warsaw Stock Exchange. In terms of the value of net assets, PKO TFI SA has the fifth highest market share (9.5%) in the investment funds market. The Company is preparing to take over the management of the PKO/CREDIT SUISSE funds as of 31 December 2009. <p>* Source: Chamber of Fund and Asset Management</p>
<p style="text-align: center;">Powszechne Towarzystwo Emerytalne BANKOWY SA</p>	<ol style="list-style-type: none"> As at the end of the 3rd quarter 2009, the net assets of Bankowy OFE (under PTE BANKOWY management) amounted to PLN 4 699 million, which is an increase of PLN 354 million in comparison to the end of the 2nd quarter of 2009. The increase in value of Bankowy OFE's net assets is a result of the positive trends at the Warsaw Stock Exchange. As at 30 September 2009, the number of accounts maintained for participants of OFE Bankowy was 455 520. At the end of the 3rd quarter of 2009, Bankowy OFE possessed the 9th largest net assets amongst pension funds and the 10th largest number of active member accounts, same as at the end of the 1st half of 2009*. <p>* Source: www.knf.gov.pl</p>
<p style="text-align: center;">Inteligo Financial Services SA</p>	<ol style="list-style-type: none"> At the end of the 3rd quarter of 2009, the Company provided electronic banking services to 3.1 million of PKO Bank Polski SA's customers using iPKO services, which is 158 thousand customers more than at the end of the 1st half of 2009. The Company provided services to over 617 thousand Inteligo account clients. The number of customers with Inteligo accounts increased by 3 thousand in the 3rd quarter of 2009. At the end of the 3rd quarter of 2009, Inteligo customers' deposits amounted to PLN 2.4 billion and decreased by PLN 23 million in comparison to the end of the 2nd quarter of 2009.
<p style="text-align: center;">Centrum Elektronicznych Usług Płatniczych eService SA</p>	<ol style="list-style-type: none"> Transactions with a total value of PLN 5.2 billion were performed by means of eService SA terminals during the 3rd quarter of 2009 (PLN 5.1 billion in the 2nd quarter of 2009). In terms of the value of card transactions, the Company's estimated market share as at the end of the 3rd quarter of 2009 amounted to approximately 27%. The number of terminals as at the end of the 3rd quarter of 2009 amounted to 52 658 units, which is an increase of 2.7% compared to the end of June 2009. In terms of the number of installed terminals, the Company's estimated market share amounted to 27% as at the end of the 3rd quarter of 2009.

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2009
PKO BP Inwestycje Sp. z o.o.	<p>1. In the 3rd quarter of 2009, PKO BP Inwestycje Sp. z o.o. was engaged in the following investments via project companies:</p> <ul style="list-style-type: none"> - the "Marina Mokotów" project via Fort Mokotów Sp. z o.o., - the "Nowy Wilanów" project via Wilanów Investments Sp. z o.o., - the "Neptun Park" project in Gdańsk Jelitkowo via POMERANKA Sp. z o.o., - the "Kuźmińska" project in Kiev via UKRPOLINWESTYCJE Sp. z o.o., - the "Osiedle Sarnia Dolina" project in Janków next to Gdańsk via Baltic Dom 2 Sp. z o.o., - the "Osiedle Wisłok" project in Rzeszów via WISŁOK Inwestycje Sp. z o.o., - the "Osiedle Rezydencja Flotylla" project in Międzyzdroje via PKO Inwestycje-Międzyzdroje Sp.z o.o. <p>2. In September 2009, the other (beside PKO BP Inwestycje Sp. z o.o.) shareholder of Baltic Dom 2 Sp. z o.o. changed. - the company Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" SA became the new shareholder.</p>
Fort Mokotów Inwestycje Sp. z o.o.	In the 3rd quarter of 2009, the Company was working on the organization of a development project on the plot of land located at ul. Raclawicka 107 in Warsaw.

4.2.4. Corporate segment

Within the corporate segment, the 3rd quarter was a period of development and strengthening the market position, significantly above the market growth rate. Changes to the corporate client service model, ongoing computerization of processes, modern products and centralization of back office processes, adaptation of the price policy to the existing risk level contributed to a dynamic growth of volumes and results in the corporate segment.

4.2.4.1. Activities of PKO Bank Polski SA in the corporate segment

In the period of stagnation on the corporate loans market, the Bank did not limit the loan activity, but systematically increased its market share. As at 30 September 2009, the Bank's market share in the area of corporate loans amounted to 14.3%, which is a 1.5 p.p. increase in 2009 and a 0.7 p.p. increase in the 3rd quarter of 2009.

Since the beginning of the year, the corporate segment achieved a credit volume growth of 9% (in the last year: almost 20%). The increase in the generated volumes of the corporate loan portfolio was also in part a result of the level of prices offered by PKO Bank Polski SA, which reflected the market trend and the economic and financial situation of enterprises. At present, increased interest in financing can be observed among public sector clients. PKO Bank Polski SA constantly increases its share in loans granted to public sector clients, which directly affects the portfolio growth. The market share of PKO Bank Polski SA in the area of amounts due to corporate clients increased by 1.8 p.p. in 2009 and 1.1 p.p. in the 3rd quarter of 2009, amounting to 12.4% as at 30 September 2009.

The significant increase in the result was partly due to intensive actions taken by the Bank to improve the effectiveness of services provided to corporate clients, as well as to the fact that business entities trust the PKO Bank Polski SA brand during the crisis. The client service model adopted by PKO Bank Polski SA determines revenue growth due to the process of cross-selling intensification and taking into account the risk factors and capital intensity of transactions.

The effect achieved is even more visible in the case of deposit growth in the corporate segment: more than 30% since the beginning of the year and more than 35% in relation to the corresponding period of the previous year. The growth of the deposit portfolio volume is a consequence of stabilization of the market situation and perception of PKO Bank Polski SA as a stable financial institution.

Table 15. Gross loans and advances* and deposits of PKO Bank Polski SA (in PLN million)

Items	As at 30.09.2009	As at 31.12.2008	As at 30.09.2008	Change since:	
				31.12.2008	30.09.2008
Gross corporate loans	27 541	25 268	23 033	9.0%	19.6%
Corporate deposits	23 339	17 923	17 232	30.2%	35.4%

Source: Bank's Management information.

* loans without interest due and interest not due

The number of branches in the corporate segment remained unchanged, compared with the end of 2008.

Table 16. Branches of PKO Bank Polski SA

Items	As at 30.09.2009	As at 31.12.2008	As at 30.09.2008	Change since:	
				31.12.2008	30.09.2008
Total number of branches	1 233	1 228	1 218	5	15
- in the corporate segment:	68	68	68	-	-
Regional Corporate Branches	13	13	13	-	-
Corporate Centers	55	55	55	-	-

Table 17. Activities and achievements of PKO Bank Polski SA in the corporate segment in the 3rd quarter of 2009

Scope of activity	Activity
Loan activity	In the 3rd quarter of 2009, the following key transactions were organized: 1) the amount of working capital financing of PLN 250 million granted to a company from the transport equipment sector; 2) a working capital loan of PLN 200 million granted to an entity operating in the coke making sector; 3) a bank guarantee was granted in the total amount of PLN 100 million, on commission from an entity operating in the electronic sector; 4) concluding, as part of a consortium of banks, an agreement for granting a loan of PLN 145.5 million to a public sector entity; the Bank's share in the financing was 62%; 5) concluding, as part of a consortium of banks, an agreement for granting a loan of PLN 100.1million to a public sector entity; the Bank's share in the financing was 50%.
iPKO Business	PKO Bank Polski SA continues to develop the electronic banking system iPKO Biznes, which is dedicated to corporate clients. An important new function allowing total separation of the iPKO Biznes system from the retail iPKO system was implemented as of 1 July 2009. This function gives the iPKO Biznes system users an opportunity to separate the business context from the private context. Both the website and the method of logging into the system were changed, as well as the model of user identification in the iPKO Biznes system. The new function has been adjusted to the clients' needs and preferences and constitutes a new step towards improving the quality and extending the offer of innovative services for iPKO Biznes clients. Currently more than 3 850 corporate clients use the iPKO Biznes system, which was implemented at PKO Bank Polski SA on 1 January 2007.

4.2.4.2. Activities of the PKO Bank Polski SA Group entities in the corporate segment

Table 18. Activities and achievements of the PKO Bank Polski SA Group entities in the corporate segment

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2009
Bankowy Fundusz Leasingowy SA	<ol style="list-style-type: none"> In the 3rd quarter of 2009, the BFL SA Group's entities leased assets with a total net value of PLN 254.3 million. In terms of the value of assets leased, at the end of September 2009, the BFL SA Group ranked 11th (based on preliminary data published in the Rzeczpospolita daily on 13 October 2009). The total carrying amount of the lease investments of the BFL SA Group's entities amounted to PLN 2 287 million at the end of the 3rd quarter of 2009 in comparison to PLN 2 273 million at the end of June 2009.

4.2.5. Investment segment

4.2.5.1. Activities of PKO Bank Polski SA in the investment segment

The 3rd quarter of the year brought a further improvement in the situation on financial markets. Good financial results announced by the leading global financial institutions made the stock market indices grow. The main index of the biggest economy in the world, S&P, grew by 15%. The WSE indices followed the global trend and also grew (the main index, WIG20, grew by 18%).

On the Treasury securities market, the 3rd quarter of the year brought a deterioration in the mood, mainly in connection with the fact that inflation was higher than expected. Consequently, the interest of investors in Treasury securities dropped and demand for securities offered in bidding procedures was low.

Operating over-liquidity of the financial sector increased in the 3rd quarter of the year partly due to the RPP decreasing the mandatory reserve, which resulted in an increase in the supply of NBP bills.

In the 3rd quarter of the year it was observed that on the non-financial clients market some banks quoted interest on cash above the WIBOR level.

Table 19. Activities and achievements of PKO Bank Polski SA in the investment segment in the 3rd quarter of 2009

		Development strategy and achieved results
Treasury activities	Treasury products	<p>The sale of treasury bonds to retail and corporate clients takes place through a chain of consultants at the Bank's branches and dedicated corporate dealers acting as intermediaries.</p> <p>In the 3rd quarter of the year, the Bank focused on the sale of traditional treasury products. As a result, the amount of turnover on SPOT transactions was 10% higher than in the corresponding period of the previous year (in the case of FORWARD transactions: 28%).</p> <p>Risk</p> <p>Treasury transactions are concluded with clients on the basis of a framework agreement. The above mentioned agreements together with the rules governing the use of the product contain provisions that the client has performed an independent assessment of the risks and benefits associated with different types of transactions. It should also be noted that derivative transactions are concluded only on the basis of the real risk declared by the client at the date of the transaction.</p>
	Inter-bank market	<p>Achieved results</p> <p>PKO Bank Polski SA is the Treasury Securities Dealer and the Money Market Dealer. In the third assessment in the 2010 Treasury Securities Dealer competition, the Bank took second place (it took fourth place for the combined three periods covered by the competition).</p> <p>PKO Bank Polski SA maintained a high level of turnover on the interbank market, and therefore it increased its share in the derivative securities market and in the foreign exchange transactions market. As at the end of August 2009, PKO Bank Polski SA concluded 12% of all IRS transactions, 11% of FRA transactions and 12% of SPOT transactions, compared with 6%, 0.7% and 6.5% respectively as at the end of August 2008.</p> <p>Risk</p> <p>To ensure security of trading, in the 3rd quarter of 2009, the Bank concluded 1 framework agreement and 3 hedging contracts with domestic and foreign entities. The Bank actively managed liquidity and market risks (including interest rate and currency risk) concentrating on minimizing exposure. In line with the fall in the sales of loans denominated in CHF, PKO Bank Polski SA focused on refinancing its shortage of this currency. Cash surplus in PLN from deposit activity is invested mainly in Treasury securities denominated in PLN. T-bills, T-bonds and NBP bills prevail in the portfolio. The PKO Bank Polski SA's investment policy with respect to the investment portfolio was focused on optimization of exposure to interest rate risk in relation to the expected income.</p>
Brokerage activities	Share, bond, futures and options markets	<p>PKO Bank Polski SA is the bond market leader with over 40% share in the market, and an active participant in the equity market with an over 6% share. Turnover on the market of contracts and options gives the PKO Bank Polski SA Brokerage House 7th and 4th place, respectively, in the ranking of brokerage houses with 4% and 12% of the market, respectively.</p> <p>In the 3rd quarter of the year, turnover on the equity market exceeded PLN 6 billion and was 34% higher than in the same period of the previous year; similarly, turnover on the bond market amounted to almost PLN 335 million and was 20% higher than in the previous year, and the number of contracts sold was 286 thousand (a growth of almost 60%).</p> <p>As at the end of September 2009, PKO Bank Polski SA maintained 82.5 thousand investment accounts (with active registration accounts: 317.9 thousand) and offered 146 investment funds managed by 10 management companies.</p>
	Market maker	<p>In the third quarter of the year, the PKO BP SA Brokerage House had 44 contracts for performing the function of market animator and 24 contracts for performing the function of issuer's animator. As part of performing the function of the NewConnect market animator, the PKO BP SA Brokerage House managed trading in the shares of 25 companies and was the second largest animator in terms of the number of animated companies on the market.</p>

Table 20. Trustee activities in the 3rd quarter of 2009

Scope of activity	Activity
Trustee activities	<ol style="list-style-type: none"> 1. PKO Bank Polski SA is a direct participant in the National Securities Deposit and the Securities Register (NBP) and maintains securities accounts and handles transactions on Polish and foreign markets, as well as provides trustee services and acts as depositary for pension and investment funds. PKO Bank Polski SA is a member of the Board of Depositary Banks and the Board for Non-Treasury Debt Securities under the aegis of the Association of Polish Banks and is an active participant in works related to developing regulations and market standards. 2. As at the end of September 2009, PKO Bank Polski SA maintained nearly 4.3 thousand securities accounts and the value of assets of trustee clients of the Bank exceeded PLN 23 billion, which is a 30% increase compared with the same period of the prior year.

Table 21. Structured finance in the 3rd quarter of 2009

Scope of activity	Activity
Structured finance	<p>1. PKO Bank Polski SA possesses a wide range of products aimed at institutional clients. A comprehensive credit offer for large investment endeavors characterized by a wide range of available services, substantial flexibility, a variety of financing methods and most of all an individual approach to each project is one of the products offered by PKO Bank Polski SA.</p> <p>2. In the 3rd quarter of 2009 PKO Bank Polski SA organized consortia that granted 8 investment and revolving loans, in which the Bank's share amounted to PLN 266 million. Simultaneously, PKO Bank Polski SA concluded 35 agreements relating to the issue of communal or corporate bonds with a joint value of PLN 726 million.</p> <p>3. As part of the cooperation of PKO Bank Polski SA with banks and financial institutions, an agreement was signed with the European Investment Bank, on the basis of which the Bank obtained a credit line in the amount of EUR 150 million.</p>

4.2.5.2. Activities of the PKO Bank Polski SA Group entities in the investment segment

Table 22. Activities of the PKO Bank Polski SA Group entities in the investment segment

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2009
Bankowe Towarzystwo Kapitałowe SA	In the 3rd quarter of the year, PKO BP Faktoring SA, a subsidiary of BTK SA, implemented domestic factoring without assuming the risk (with recourse), which has been in the greatest demand on the market for many years.
PKO Finance AB	The Company's core activity is to raise funds for PKO Bank Polski SA deriving from issue of eurobonds. As at 30 September 2009, the company has not started its statutory activities yet.

4.2.6. Other areas of activity

Table 23. Other areas of activities of the PKO Bank Polski SA Group entities

SUBSIDIARY	SIGNIFICANT EVENTS OF THE 3RD QUARTER OF 2009
Centrum Finansowe Puławska Sp. z o.o.	As at 30 September 2009, the Company rented 97.6% of the office and commercial space in the Centrum Finansowe Puławska building, 89.5% of which was rented by entities of the PKO Bank Polski SA Group.

5. ADDITIONAL INFORMATION

5.1. ACCOUNTING POLICIES APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

These Condensed Consolidated Interim Financial Statements of the PKO Bank Polski SA Group have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' endorsed by the EU and other regulations. The accounting policies applied in the 3rd quarter of 2009 are consistent to those, which were applied in the six-month period ended 30 June 2009. These policies were described in detail in the Condensed Consolidated Interim Financial Statements of the PKO Bank Polski SA Group for the six-month period ended 30 June 2009, including policies applied by preparation of Consolidated Financial Statements for the year ended 31 December 2008.

When preparing these Condensed Consolidated Interim Financial Statements, the Group applied the changes resulting from:

- early adoption of amended IAS 1 'Presentation of Financial Statements',
- early adoption of IFRS 8 'Operating Segments',

as well as continued to apply the hedge accounting policies implemented in the 2nd quarter of 2009 to hedge cash flows due to loan and deposit portfolio.

These Condensed Consolidated Interim Financial Statements, which were subject to review of the Bank's Supervisory Board Audit Committee on 12 November 2009, have been approved for issue by the Bank's Management Board on 10 November 2009.

5.2. HEDGE ACCOUNTING

As at 30 September 2009, the PKO Bank Polski SA Group applies hedge accounting in respect of:

1. hedges against fluctuations in cash flows from mortgage loans denominated in CHF and negotiated term deposits denominated in PLN, following from the volatility risk of interest rates and foreign exchange rates, using CIRS transactions;
2. hedges against fluctuations in cash flows from floating rate loans denominated in PLN, following from the volatility risk of interest rates, using IRS transactions.

Table 24. Characteristics of the cash flow hedges applied by the Bank

Hedging strategy:	Hedges against fluctuations in cash flows from mortgage loans denominated in CHF and negotiated term deposits denominated in PLN, resulting from the volatility risk of interest rates and foreign exchange rates, using CIRS transactions	Hedges against fluctuations in cash flows from loans denominated in PLN at float rate, resulting from the volatility risk of interest rates, using IRS transactions
Type of hedge relationship	Cash flow hedge accounting (macro cash flow hedge).	Cash flow hedge accounting (macro cash flow hedge).
Description of hedge relationship	Elimination of the risk of cash flow fluctuations generated by mortgage loans denominated in CHF and negotiated term deposits denominated in PLN resulting from the volatility of reference interest rates in CHF and PLN and changes in foreign exchange rates CHF/PLN during the hedged period.	Elimination of the risk of cash flow fluctuations generated by loans denominated in PLN at float rate resulting from the volatility risk of interest rates in the period covered by the hedge.
Hedged risk	Currency risk and interest rate risk.	Interest rate risk.
Hedging instrument	CIRS transactions where the Bank pays coupons based on 3M CHF LIBOR and receives coupons based on 3M WIBOR on the nominal amount defined in CHF and PLN respectively.	IRS transactions where the Bank pays coupons based on floating 3M WIBOR, and receives coupons based on a fixed rate on the nominal amount for which they were concluded.
Hedged position	1) The portfolio of floating rate mortgage loans denominated in CHF. 2) The portfolio of short-term negotiable term deposits, including renewals in the future (high probability of occurrence).	The portfolio of loans denominated in PLN indexed to the floating 3M WIBOR rate.
Hedge effectiveness	The effectiveness of the hedge is verified by applying prospective and retrospective effectiveness tests. The tests are performed on a monthly basis.	The effectiveness of the hedge is verified by applying prospective and retrospective effectiveness tests. The tests are performed on a monthly basis.
The date of establishing a hedging relationship	Beginning from 1 April of this year, gradually on the dates of resetting the CIRS designated for hedge accounting.	May 2009
Periods in which cash flows are expected and in which they should have an impact on the financial result	from July 2009 to January 2017	from July 2009 to May 2010

Cash flow hedge

Table 25. The fair value of derivative instruments constituting cash flow hedge related to the interest rate and / or foreign exchange rate as at 30 September 2009 (in PLN thousand)

Type of the instrument:	Carrying amount/fair value		
	Assets	Liabilities	TOTAL
Interest Rate Swaps	3 295	67	3 228
Cross Interest Rate Swaps	229 789	144 234	85 555

Table 26. The nominal value of the hedging instruments by maturity date as at 30 September 2009

Type of the instrument:	Nominal value					TOTAL
	Up to 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	
Interest Rate Swaps (in PLN thousand)	-	400 000	-	-	-	400 000
Cross Interest Rate Swaps						
in CHF thousand	200 000	300 000	750 000	3 275 000	1 275 000	5 800 000
in PLN thousand	567 330	839 695	2 101 325	9 046 910	3 545 170	16 100 430

As at 30 September 2009, the gross amount due to the hedge accounting recognised in the revaluation reserve amounted to PLN 95 639 thousand and the net amount (after deducting the deferred tax liability by the 19% tax rate) amounted to PLN 77 468 thousand.

5.3. CHANGES IN PRESENTATION

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

Table 27. Financial data of the PKO Bank Polski SA Group – the income statement

INCOME STATEMENT OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP			
	3 quarters cumulatively period from 01.01.2008 to 30.09.2008 previously presented	3 quarters cumulatively period from 01.01.2008 to 30.09.2008 comparative information	Difference
Fee and commission income	2 304 639	2 354 303	49 664 ³⁾
Fee and commission expense	(538 230)	(554 835)	(16 605) ³⁾
Net income from financial instruments at fair value through profit and loss	(92 766)	(112 905)	(20 139) ¹⁾
Net foreign exchange gains	561 196	581 335	20 139 ¹⁾
Other operating income	525 390	329 307	(196 083) ^{3) 4)}
Other operating expenses	(337 187)	(172 966)	164 221 ^{2) 3) 4)}
Administrative expenses	(3 056 647)	(3 057 844)	(1 197) ²⁾

1) Change in the presentation of selected income and costs of derivative financial instruments

2) Change in the presentation of non planned amortisation and depreciation

3) Change in the presentation of revenues and costs in respect of managing the Open Pension Fund (OFE)

4) Change in the presentation resulting from netting off change of products in developer companies

Table 28. Financial data of PKO Bank Polski SA – the income statement

INCOME STATEMENT OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA			
	3 quarters cumulatively period from 01.01.2008 to 30.09.2008 previously presented	3 quarters cumulatively period from 01.01.2008 to 30.09.2008 comparative information	Difference
Net income from financial instruments at fair value through profit and loss	(90 668)	(110 807)	(20 139) ¹⁾
Foreign exchange result	550 669	570 808	20 139 ¹⁾
Other operating expenses	(66 327)	(65 130)	1 197 ²⁾
Administrative expenses	(2 855 034)	(2 856 231)	(1 197) ²⁾

1) Change in the presentation of selected income and costs of derivative financial instruments

2) Change in the presentation of non planned amortisation and depreciation

5.4. RISK MANAGEMENT

The majority of risk that the PKO Bank Polski SA Group is exposed to is generated by the Parent Entity of the PKO Bank Polski SA Group. The detailed information about risk management is disclosed in the Condensed Consolidated Interim Financial Statements of the PKO Bank Polski SA Group for the six-month period ended 30 June 2009 and in the Consolidated Financial Statements of the PKO Bank Polski SA Group for the year ended 31 December 2008.

Banking activity is exposed to a number of risks, including credit risk, market risk, operational risk and business risk. Controlling the impact of these risks on the operations of the PKO Bank Polski SA Group is one of the most important objectives in the management of both the Bank and the Group. The level of the risks plays an important role in the planning process.

Risk management in the PKO Bank Polski SA is based on the following principles:

- full organizational independence of the risk and debt collection division from the business function,
- risk management is integrated with planning and controlling processes,
- the risk and debt collection division provides an ongoing support for meeting business objectives while keeping risk at an acceptable level,
- level of risk is controlled on an ongoing basis,
- the risk management model is adjusted on a ongoing basis to reflect new risk factors and risk sources.

The risk management process is supervised by the Supervisory Board of PKO Bank Polski SA, which is informed on a regular basis about the risk profile of the Bank as well as of the most important activities taken in the area of risk management.

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

PKO Bank Polski SA supervises activities of the individual subsidiaries of the PKO Bank Polski SA Group. As part of this supervision, PKO Bank Polski SA set out and approves their development strategies, including risk management strategies. The Bank also supervises the entities' risk management systems and provides support in the development of these systems. Additionally, it reflects business risk of the particular Group entities in the risk reporting and risk monitoring system of the entire PKO Bank Polski SA Group.

As from the second half of 2008 in order to prevent the negative impact of financial crisis on the financial situation of the PKO Bank Polski SA Group, the Bank changed its risk management policies. Maintaining a strong capital position and a stable deposit base in order to maintain loan portfolio growth became the Bank's priority.

5.4.1. Credit risk

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

Credit risk management tools

PKO Bank Polski SA and the PKO Bank Polski SA Group entities apply the following principles of credit risk management:

- each loan transaction is subject to comprehensive credit risk assessment, which is reflected in an internal rating or credit scoring,
- credit risk relating to potential and concluded loan transactions is measured on a cyclical basis, taking into consideration changes in external conditions and in the financial standing of the borrowers,
- credit risk assessment of exposures which are significant due to their risk levels or value is subject to additional verification by credit risk assessment teams, which are independent of the business teams,
- terms of loan contracts that are offered to a client depend on the credit risk generated by the contract,
- loan granting decisions are made only by authorized persons, within their authority limits,
- credit risk is diversified by geographical location, by industry, by product and by clients,
- expected credit risk is mitigated by setting appropriate credit margins and appropriate impairment allowances.

The above-mentioned policies are executed by PKO Bank Polski SA through the use of advanced credit risk management methods, both on the level of individual exposures and on the level of the whole credit portfolio of the Bank. These methods are verified and developed to ensure compliance with the internal ratings based requirements (IRB).

Moreover, in the same period PKO Bank Polski SA develops the Early Warning System (EWS) aimed at early identification of potential increases of credit risk or risk associated with impairment of the collateral of loans granted to corporate clients, small and medium enterprises, institutional clients active on the housing market – EWS is aimed at taking actions to prevent such risks from materializing or mitigate losses on loans.

Concentration of credit risk

The PKO Bank Polski SA Group defines credit concentration risk as one of arising from a considerable exposure to single entities or to group of entities whose repayment capacity depends on a common risk factor. The PKO Bank Polski SA Group analyses the risk of credit risk concentration in respect of: the largest borrowers, the largest capital groups, industries, geographical regions, currencies.

As at 30 September 2009, the PKO Bank Polski SA Group's loan portfolio was highly diversified by borrowers, industries, geographical location, foreign currency. This resulted in low concentration of credit risk.

Impairment of credit exposures

The PKO Bank Polski SA Group periodically reviews credit exposures to identify non-performing credit exposures with impairment risk, measures impairment of credit exposures and records write-downs or provisions. The following stages comprise the process of determining write-downs and provisions:

- recognizing the indicators of impairment and events essential in terms of recognizing the indicators,
- measuring impairment and determining the amount of write-down or provision.

Collateral policy

The PKO Bank Polski SA and the PKO Bank Polski SA Group collateral management is meant to secure properly the credit risk for which the Group is exposed, by way of establishing collateral that will ensure the highest possible level of recovery in the event of realisation of collateral. Group policies regarding legal collateral measures are included in the internal regulations of the PKO Bank Polski SA Group subsidiaries. The type of collateral depends on the product and the type of the client.

Quality of loan portfolio

As at 30 September, the share of individually assessed gross loan portfolio (individual and portfolio method) of the PKO Bank Polski SA Group amounted to 8.0%, compared with 8.2% as at 30 June 2009 and 4.4% as at 31 December 2008.

As at 30 September 2009, the coverage ratio³ for loans and advances to customers assessed using the individual and portfolio method, at the PKO Bank Polski SA Group remained unchanged compared to the previous quarter, i.e. 38.1%, compared with 63.9% as at 31 December 2008. The ratio for PKO Bank Polski SA as at 30 September 2009 increased as compared to the previous quarter by 0.4 p.p. up to 40.2%.

As at 30 September 2009, the share of loans and advances to customers for which objective evidence of impairment was identified in the total gross amount of loans and advances to customers at the PKO Bank Polski SA Group amounted to 7.3% compared with 7.1% as at 30 June 2009 and 3.7% as at 31 December 2008.

As at 30 September 2009, the coverage ratio⁴ for loans and advances to customers for which objective evidence of impairment was identified, at the PKO Bank Polski SA Group amounted to 42.0% compared with 43.7% as at 30 June 2009 and 76.4% as at 31 December 2008.

The deterioration of loan portfolio quality ratios compared to the end of 2008 resulted mainly from the sustained world financial crisis and changes in the Bank's methodology of determining impairment allowances on loan exposures and extension of the scope of objective evidences of impairment – exposures towards borrowers whose economic and financial standing deteriorated during the loan tenor (which is expressed by the client's rating "G"), exposures for which restructuring agreements were concluded or in respect of which a delay from 3 to 6 months was observed in case of individual clients, are currently treated as receivables for which objective evidence of impairment was identified and are covered by the individual or portfolio method.

Credit risk of financial institutions

In the 3rd quarter of 2009, similarly to the 2nd quarter of 2009, the situation in the financial institutions sector stabilized. The results published by the foreign banks fulfilled the market expectations and in many cases proved to be better than last year. The banks tended to recognize substantial impairment allowances for bad debts and debt securities, which were mainly covered by high results on investment activities, rather unlikely to repeat in the future periods.

The PKO Bank Polski SA assessed the financial condition of the financial institutions on a current basis. As a result, the level of the credit and settlement limits granted changed taking into consideration the position of the counterparties and the demand reported by business departments. Additionally, the level of credit risk of financial institutions was limited by PKO Bank Polski SA, among other things, by maintaining short exposure periods for deposit transactions and increasing the number of *Credit Support Annex* contracts signed.

On the wholesale market, PKO Bank Polski SA cooperates with financial institutions whose registered offices are in nearly 50 countries. Within the indicated limits, PKO Bank Polski SA may conclude transactions with nearly 200 counterparties, including: domestic and foreign banks, insurance companies, pension and investment funds. The scope of transactions concluded covers deposit transactions, securities transactions, foreign exchange transactions, derivative transactions and such transactions as confirming letters of credit and discount receivables in respect of documentary letters of credit opened by other banks.

³ calculated as: the amount of impairment allowance on loans and advances to customers divided by the total gross amount of loans and advances to customers assessed using individual and portfolio method.

⁴ calculated as: the amount of impairment allowance on loans and advances to customers divided by the total gross amount of loans and advances to customers for which objective evidence of impairment was identified.

PKO Bank Polski SA monitors the financial position of its counterparties on a current basis and determines individual counterparty pre-settlement and settlement exposure limits adequate to the risk incurred. Framework contracts signed with counterparties on the basis of *International Swaps and Derivatives Association (ISDA)* and the Polish Bank Association (ZBP) standards are an integral tool for managing the credit risk of financial institutions.

5.4.2. Market risk

Market risk is understood as a risk of incurring a loss due to adverse changes in market parameters, such as interest rates and foreign exchange rates and their volatility, as well as liquidity risk.

Interest rate risk

The objective of interest rate risk management is to identify areas of interest rate risk as well as shaping the structure of assets and liabilities and off-balance sheet liabilities in a manner that maximizes net assets value and net interest income within adopted interest rate risk profile.

In the process of interest rate risk management, the PKO Bank Polski SA uses the Value at Risk (VaR) model, stress testing and interest income sensitivity measures.

Table 29. Interest risk VaR level and stress testing analysis of the PKO Bank Polski SA Group

	30.09.2009	31.12.2008
VaR for a 10-day time horizon at 99% level of confidence* (PLN thousand)	16 608	72 337
Parallel move of interest rate curves by +200 basis points (PLN thousand)	300 642	266 216**

* Due to the nature of the activities carried out by the other PKO Bank Polski SA Group entities generating significant interest rate risk (BFL and Kredobank SA) as well as the specific nature of the market in which they operate, the Bank does not calculate consolidated VaR. These companies apply their own risk measures in the interest rate risk management. Kredobank SA uses the 10-day interest rate VaR for the main currencies, which amounted to PLN 39 646 thousand as of 30 September 2009 and PLN 17 788 thousand as of 31 December 2008, respectively.

** Data restated for comparability purposes.

As at 30 September 2009, the interest rate VaR for a 10 day time horizon (10-day VaR) accounted for approximately 0.14% of the value of PKO Bank Polski SA own funds⁵. As at 31 December 2008, VaR for the Bank accounted for approximately 0.60% of the Bank's own funds. The interest rate risk was generated mainly by the risk of a mismatch between the repricing dates of assets and liabilities.

Currency risk

The objective of currency risk management is to identify the areas of currency risk and to take measures to reduce the currency risk to acceptable levels. PKO Bank Polski SA measures currency risk using the Value at Risk model and stress tests.

Table 30. VaR of PKO Bank Polski SA and stress testing analysis of the PKO Bank Polski SA Group's financial assets exposed to currency risk (cumulatively for all currencies in PLN thousand)

Sensitivity measure	30.09.2009	31.12.2008
VaR for a 10-day time horizon at 99% confidence level* (PLN thousand)	1 120	11 297**
Change of exchange rates FCY/PLN +15% (PLN thousand)	1 867	13 222

* Due to the nature of the activities carried out by the other PKO Bank Polski SA Group entities generating significant currency risk (BFL and Kredobank SA) as well as the specific nature of the market in which they operate, the Bank does not calculate consolidated VaR. These companies apply their own risk measures in the currency risk management. Kredobank SA uses the 10-day VaR, which amounted to PLN 85 thousand as of 30 September 2009 and PLN 809 thousand as of 31 December 2008, respectively.

** VaR as at 31 December 2008 resulted mainly from USD position due to the acquisition of KREDOBANK SA shares by PKO Bank Polski SA, registered on 31 December 2008.

As at 30 September 2009, the level of currency risk was low.

⁵ Own funds calculated in accordance with regulations governing calculation of the capital adequacy ratio.

Liquidity risk

The objective of liquidity risk management is to shape the structure of the balance sheet and off-balance sheet liabilities to ensure the continuous liquidity, taking into account the nature of its activities and requirements which may occur due to changes in the market environment.

The PKO Bank Polski SA's policy concerning liquidity is based on keeping a portfolio of liquid securities and stable deposits. In its liquidity risk management policy, the Bank also uses money market instruments, including NBP open market operations.

To ensure an adequate liquidity level, PKO Bank Polski SA and the other entities of the PKO Bank Polski SA Group accepted limits and thresholds for liquidity risk. The limits and thresholds were set for both current liquidity measures and medium and long-term liquidity measures.

Table 31. Liquidity reserve of the PKO Bank Polski SA as at 30 September 2009 and as at 31 December 2008

	30.09.2009	31.12.2008
Liquidity reserve up to 1 month*	9 122	6 666

* Liquidity reserve equals the gap between the most liquid assets and expected and potential liabilities which mature in a given period of time. Due to differences in methodologies in measuring liquidity risk in particular PKO Bank Polski SA Group companies, the Bank did not consolidate the particular liquidity provisions.

As at 30 September 2009, the level of permanent balances on deposits constituted ca. 95% of all deposits of the Bank (excluding the inter-bank market).

5.4.3. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes and systems, human factors or external events.

The purpose of operational risk management is to optimize operational effectiveness through operational losses reduction, cost rationalization, and adequacy and time of reaction of the PKO Bank Polski SA Group, in case of external events.

Operational risk management is performed through systemic solutions (centralized at the PKO Bank Polski SA's head office level) as well as regular ongoing management of the risk (conducted by every organizational unit of PKO Bank Polski SA).

In order to limit exposure to operational risk, PKO Bank Polski SA applies solutions of various kinds, such as:

- control solutions,
- human resources management,
- setting threshold values of Key Risk Indicators (KRI),
- contingency plans,
- insurances,
- outsourcing
- business continuity plan.

The parent company – PKO Bank Polski SA has a decisive impact on operational risk profile of the PKO Bank Polski SA Group. However, in all subsidiaries of the PKO Bank Polski SA Group, operational risk identification, assessment, monitoring and reporting solutions have been implemented. These solutions are coherent with PKO Bank Polski SA's principles of operational risk management, considering the specific nature and scale of particular entity.

In 2009, both PKO Bank Polski SA and the entities of the PKO Bank Polski SA Group subsidiaries continued work on expanding the operating risk measurement system based on key risk indicators. In PKO Bank Polski SA, the system covered the key areas of operation and the most significant threats related to operating risk.

5.4.4. Compliance risk

Compliance risk is defined as the risk of law sanctions and financial, reputation or reliability loss resulting from non-compliance with law regulations, internal regulation, ethical norms and standards of procedures of PKO Bank Polski SA, by PKO Bank Polski SA, PKO Bank Polski SA's employees or others acting on behalf of PKO Bank Polski SA.

The objective of compliance risk management is to strengthen the image of the PKO Bank Polski SA Group as of entities that are reliable, fair, honest and compliant with law and adopted standards. This is achieved through mitigating compliance risk, reputation risk and legal sanction risk as well as mitigating risk of potential financial loss or legal sanction that may be caused by violation of laws and professional standards.

Compliance risk management involves in particular:

- preventing involvement of PKO Bank Polski SA in illegal activities,
- ensuring data protection,
- development of ethical standards and monitoring of their application,
- conflict of interest management,
- preventing situations where the PKO Bank Polski SA's employees could be perceived as pursuing their own interest in the professional context,
- professional, fair and transparent formulation of offers of products, advertising and marketing messages,
- prompt, fair and professional consideration of complaints, requests and quality claims of clients.

5.4.5. Capital adequacy

Capital adequacy is the maintenance of a level of capital by the PKO Bank Polski SA Group which is sufficient to meet regulatory capital requirements (the so-called Pillar 1) and internal capital requirements (the so-called Pillar 2). The objective of capital adequacy management is to maintain capital on a level that is adequate to the risk scale and profile of the PKO Bank Polski SA Group's activities.

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

- identifying and monitoring of all of significant risks,
- assessing internal capital to cover the individual risk types and total internal capital,
- monitoring, reporting, forecasting and limiting of capital adequacy,
- performing internal capital allocations to business segments, client segments and entities in the PKO Bank Polski SA Group in connection with profitability analyses,
- using tools affecting the capital adequacy level (including: tools affecting the level of equity, the scale of equity item reductions and the level of the loan portfolio).

The main measures of capital adequacy are:

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

As at 30 September 2009, the capital adequacy level of the PKO Bank Polski SA Group remained on a safe level and was significantly above the statutory limits.

Chart 3. Capital adequacy of the PKO Bank Polski SA Group

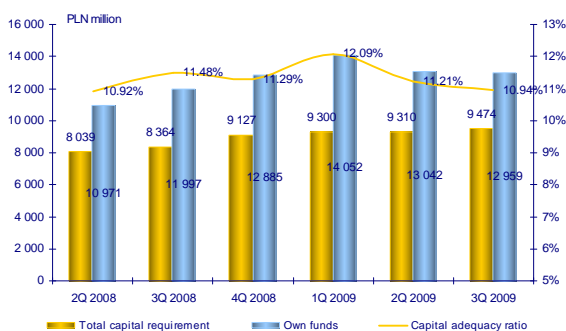
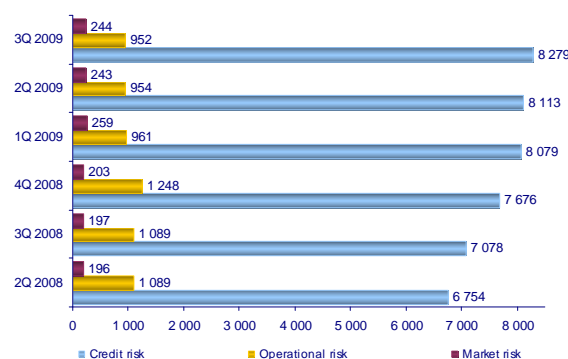


Chart 4. Capital requirements of the PKO Bank Polski SA Group (PLN million)



In comparison with 30 June 2009, as at 30 September 2009 the PKO Bank Polski SA Group's capital adequacy ratio dropped by 0.3 pp., which was mainly due to an increase in the capital requirement in respect of credit risk resulting from an increase in the volume of loan portfolio.

As at 30 September 2009, the PKO Bank Polski SA Group's own funds remained almost unchanged, compared with 30 June 2009.

The PKO Bank Polski SA Group calculates capital requirements in accordance with Resolution No. 380/2008 of the Financial Supervision Authority dated 17 December 2008 (Basel II):

- in respect of credit risk – using the standardized approach,
- in respect of operational risk – from January 2009 PKO Bank Polski SA uses the standardized approach and other entities of the PKO Bank Polski SA Group use the basic indicator approach (in 2008 the capital requirement in respect of operational risk for the whole Group was calculated using basic indicator approach),
- in respect of market risk – using the basic approach.

Compared with 30 June 2009, as at 30 September 2009 the PKO Bank Polski SA Group's total capital requirement increased by PLN 0.2 billion due to an increase in the capital requirement in respect of credit risk resulting from an increase in the volume of loan portfolio.

Details of the scope of capital adequacy information disclosed, the method of its verification and publication are presented in the 'The principles of information policy of PKO Bank Polski SA regarding capital adequacy', which are available on the PKO Bank Polski SA's website (www.pkobp.pl).

The PKO Bank Polski SA Group's Capital Adequacy and Risk Management (Pillar III) as at 31 December 2008 was published on the PKO Bank Polski SA's website on 30 July 2009 (www.pkobp.pl).

5.5. THE STRUCTURE OF THE PKO BANK POLSKI SA GROUP

5.5.1. Consolidated entities

Entities included in the consolidated financial statements are the PKO Bank Polski SA – the parent company of the PKO Bank Polski SA Group and its subsidiaries as defined in IAS 27 „Consolidated and separate financial statements”.

Table 32. Entities included in the consolidated financial statements of the PKO Bank Polski SA Group

No.	Entity name	Cost (PLN thousand)	Share in capital (%)	Consolidation method
Parent company				
1	Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna			
Direct subsidiaries				
2	Kredobank SA	786 746	99.4948	full metod
3	Powszechnie Towarzystwo Emerytalne BANKOWY SA	205 786	100	full metod
4	Centrum Finansowe Puławska Sp. z o.o.	128 288	100	full metod
5	PKO BP Inwestycje Sp. z o.o.*	117 813	100	full metod
6	Bankowy Fundusz Leasingowy SA	70 000	100	full metod
7	PKO Towarzystwo Funduszy Inwestycyjnych SA	69 055	75	full metod
8	Inteligo Financial Services SA	59 602	100	full metod
9	Centrum Elektronicznych Usług Płatniczych eService SA	55 500	100	full metod
10	Fort Mokotów Inwestycje Sp. z o.o.	43 546	99.9885	full metod
11	Bankowe Towarzystwo Kapitałowe SA	18 566	100	full metod
12	PKO Finance AB	172	100	full metod
Subsidiaries of PKO BP Inwestycje Sp. z o.o.				
13	Wilanów Investments Sp. z o.o. * ¹	82 980	99.9750	full method
14	Pomeranka Sp. z o.o. * ¹	19 000	99.9975	full method
15	PKO Inwestycje - Międzyzdroje Sp. z o.o.*	7 575	100	full method
16	Baltic Dom 2 Sp. z o.o.	6 899	56	full method
17	WISŁOK Inwestycje Sp. z o.o.*	3 920	80	full method
18	Fort Mokotów Sp. z o.o. *	2 040	51	full method
19	Ukrpolinwestycje Sp. z o.o.	519	55	full method
Subsidiary of Bankowe Towarzystwo Kapitałowe SA				
20	PKO BP Faktoring SA ¹	5 829	99.9818	full method
Subsidiary of Inteligo Financial Sevcies SA				
21	PKO BP Finat Sp. z o.o. ²	7 600	80.3287	full method
Subsidiaries of Bankowy Fundusz Leasingowy SA				
22	Bankowy Leasing Sp. z o.o. ¹	16 309	99.9969	full method
23	BFL Nieruchomości Sp. z o.o. ¹	7 109	99.9930	full method

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

¹ - PKO Bank Polski SA acquired 1 share in the entity

² - other shares of PKO BP Finat Sp. z o.o. in hold of Powszechnie Towarzystwo Emerytalne BANKOWY SA (19.6702%) and PKO Bank Polski SA (1 share)

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

Table 33. Other associates and jointly controlled entities included in the consolidated financial statements under the equity method

No.	Entity name	Cost PLN thousand	Share in capital (%)	Consolidation method
Jointly controlled entities				
1	Centrum Haffnera Sp. z o.o.	44 371	49.43	equity method
2	Centrum Obsługi Biznesu Sp. z o.o.	17 498	41.44	equity method
Subsidiaries of CENTRUM HAFFNERA Sp. z o.o.				
3	Sopot Zdrój Sp. z o.o.*	63 126	100	equity method
4	Promenada Sopocka Sp. z o.o.	10 058	100	equity method
5	Centrum Majkowskiego Sp. z o.o.	6 609	100	equity method
6	Kamienica Morska Sp. z o.o.	976	100	equity method
Associates				
7	Bank Pocztowy SA	146 500	25.0001	equity method
8	Poznański Fundusz Poręczeń Kredytowych Sp. z o.o.	1 500	33.33	equity method
9	Agencja Inwestycyjna CORP SA	29	22.31	equity method

* included in this item are stocks and shares at purchase price and specific capital contributions made

5.5.2. Changes to the group structure

In the 3rd quarter of 2009, the structure of the PKO Bank Polski SA Group was affected by the following factors:

1. Taking up shares in the increased share capital of BFL Nieruchomości Sp. z o.o.

On 10 July 2009, the increase in the share capital of BFL Nieruchomości Sp. z o.o. in the total amount of PLN 6 million was registered with the National Court Register. All the shares in the increased share capital were taken up by Bankowy Fundusz Leasingowy SA – a subsidiary of PKO Bank Polski SA - at a price equal to the nominal value of the shares taken up.

After the said issue was registered, the BFL SA's share in the share capital of the Company and the voting rights at the Company's General Shareholders' Meeting increased from 99.9545% to 99.9930%.

2. Taking up shares in the increased share capital of PKO BP Faktoring SA

On 23 July 2009, the increase in the share capital of PKO BP Faktoring SA in the total amount of PLN 2.5 million was registered with the National Court Register. All the shares in the increased share capital were taken up by Bankowe Towarzystwo Kapitałowe SA – a subsidiary of PKO Bank Polski SA - at a price equal to the nominal value of the shares taken up.

After the said issue was registered, the BTK SA's share in the share capital of the Company and the voting rights at the Company's General Shareholders' Meeting increased from 99.9667% to 99.9818%.

3. Signing an agreement for the purchase of 25% of PKO TFI SA shares

On 15 September 2009, PKO Bank Polski SA signed an agreement with Credit Suisse Asset Management (Luxembourg) SA for the purchase of 25% of the shares of PKO Towarzystwo Funduszy Inwestycyjnych SA. The transaction was closed and the shares were acquired on 1 October 2009. The purchase price (net of additional costs) was PLN 117 million.

As a result of the said transaction, the PKO Bank Polski SA's share in the share capital of the Company and the voting rights at the Company's General Shareholders' Meeting increased from 75% to 100%.

4. Making an additional contribution to the equity of WISŁOK Inwestycje Sp. z o.o.

On 25 September 2009, PKO BP Inwestycje Sp. z o.o., a Bank's subsidiary, made an additional contribution to the equity of WISŁOK Inwestycje Sp. z o.o. in the amount of PLN 320 thousand.

5. Change in the names of certain PKO Bank Polski SA Group companies

As part of the process of unification of the names and symbols of the PKO Bank Polski SA Group companies, the following companies changed their names in the 3rd quarter of 2009:

- the company Bankowy Faktoring SA changed its name to PKO BP Faktoring SA; the change was registered in the National Court Register on 23 July 2009;
- the company PKO Inwestycje Sp. z o.o. changed its name to PKO BP Inwestycje Sp. z o.o.; the change was registered in the National Court Register on 28 July 2009;
- the company Finanse – Agent Transferowy Sp. z o.o. changed its name to PKO BP Finat Sp. z o.o.; the change was registered in the National Court Register on 8 August 2009.

6. Making an additional contribution to the equity of Sopot Zdrój Sp. z o.o.

On 29 September 2009, Centrum Haffnera Sp. z o.o., a PKO Bank Polski SA's jointly controlled entity, made an additional contribution to the equity of Sopot Zdrój Sp. z o.o. in the amount of PLN 4 203 thousand.

7. Derecognizing the Ekogips SA shares

On 30 September 2009, the shares of Ekogips SA were derecognized from the PKO Bank Polski SA's books of account due to the fact that they no longer satisfied the definition of assets, which was *inter alia* due to the Company's bankruptcy procedure being completed.

Until then Ekogips SA was the PKO Bank Polski SA's associated entity.

5.5.3. Related party transactions

In the 3rd quarter of 2009, PKO Bank Polski SA provided the following services to its related parties (subsidiaries) at an arms' length: keeping bank accounts, accepting deposits, extending loans and

advances, issuing debt securities, providing guarantees and conducting spot foreign exchange transactions.

5.6. PUBLIC OFFERING FOR NEW ISSUE SHARES

Pursuant to Resolution No. 39/2009 of the Annual General Shareholders' Meeting of PKO Bank Polski SA dated 30 June 2009, amended by Resolution No. 9/2009 of the Extraordinary General Shareholders' Meeting of PKO Bank Polski SA dated 31 August 2009 (the "GSM Resolution"), the Bank took actions aimed at increasing the PKO Bank Polski SA's share capital by issuing new D-series shares offered in public offering with a pre-emptive right. The procedure aimed at executing the offer was commenced by filing the Prospectus with the Financial Supervision Authority on 1 September 2009, as a result of which subscriptions for the new issue shares could be taken. In accordance with the GSM Resolution, up to 300 million shares were to be issued.

The most important events relating to the public offering for the new issue of the Bank's shares were as follows:

1. on 28 September 2009, the Financial Supervision Authority approved the Prospectus for the Bank's D-series shares;
2. on 1 October 2009, the Bank's Management Board adopted resolutions in which it recommended to the Bank's Supervisory Board setting the issue price for the shares at PLN 20.5 and increasing the capital by 250 000 000 D-series shares. The Bank's Management Board decided that 0.25 D-series shares will be allocated to one pre-emptive right. Pursuant to the GSM Resolution, the Bank's Supervisory Board, based on the said recommendations of the Bank's Management Board, set the issue price and approved the final number of D-series shares and the number of D-series shares allocated to one pre-emptive right as given above;
3. on 7 October 2009, quotation of single pre-emptive rights for D-series shares began at the WSE, and between 7 and 20 October 2009 subscriptions for the new issue shares were taken. As a result of the purchase of pre-emptive rights from the State Treasury, Bank Gospodarstwa Krajowego subscribed for and acquired 128 102 731 pre-emptive rights to the new issue shares of PKO Bank Polski SA;
4. between 7 and 20 October 2009 subscriptions for the new D-series of PKO Bank Polski SA shares were taken. Subscriptions were taken in all brokerage houses in Poland;
5. on 29 October 2009, the new issue shares were allocated and on the same day the Bank announced the Current Report No. 46/2009 containing information on ending the subscription of D-series Shares:
 - a. within the basic subscription investors submitted subscription for 247 900 587 shares, which constituted 99.16% of shares issued by the Bank;
 - b. within the additional subscription investors submitted subscription for 219 531 961 shares, which, by available 2 099 413 shares not subject to basic subscription, means a reduction rate of 99.04%;
 - c. under the pre-emptive right a total of 67 724 subscriptions were submitted for D-series Shares and a total of 9 454 subscriptions were submitted as additional subscriptions.
6. since 3 November 2009 the pre-emptive rights for the new issue shares are not quoted at the WSE.

The Public Offering for the new issue shares was successful, because all the shares were placed within the execution of pre-emptive rights or additional subscription and the Bank obtained the expected proceedings from the issue in the amount of PLN 5 125 million.

The share capital increase will increase the PKO Bank Polski SA's chances for maintaining and enhancing its position as the biggest retail lender in the Polish economy and extending its role in the segment of business entities and public sector institutions. The Bank intends to use the proceedings from the public offering until the end of 2011 mainly for the organic growth. According to the Bank's plans:

- a. ca. 81% of the proceedings from the public offering will be used for developing the lending activity, of which ca. 60% will be spent on supporting the development of the retail segment, and ca. 40% will be spent on the corporate segment. This is consistent with the Bank's strategy, which is focused on the development of products and services for the existing and new clients in both key segments of the Bank, in particular the products and services which generate high margins at a relatively low risk.
- b. ca. 13% of the proceedings from the public offering will be spent on financing capital expenditure, in particular the purchase of software and execution of other projects relating to the Bank's IT systems, in particular the purchase of intangible assets associated with the Bank's operating activities.
- c. ca. 6% of the proceedings from the public offering will be spent on providing additional capital for the subsidiaries providing financial services.

6. OTHER INFORMATION

Identification data

PKO Bank Polski SA, with its registered Head Office at 15 Puławska Street, 02-515 Warsaw, has been entered in the Register of Entrepreneurs of the National Court Register kept by the 13th District Court in Warsaw, Entry No. KRS 0000026438, tax identification number (NIP) 525-000-77-38, statistical number (REGON) 016298263, share capital (paid) PLN 1 000 000 000.

Seasonality or cyclical nature of activities in the reporting period

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

The Management and Supervisory Board of PKO Bank Polski SA in the reporting period

Table 34. The Management Board of PKO Bank Polski SA as at 30 September 2009

No.	Name	Post	Date of appointment
1.	Wojciech Papierak	Vice-President of the Management Board	Appointed on 20 May 2008, effective as of 1 July 2008, as Vice- President of the Management Board for the joint term of the Board beginning on 20 May 2008.
		Acting President of the Management Board	The Supervisory Board of PKO Bank Polski SA entrusted Mr. Wojciech Papierak with the duties of the President of the Management Board of PKO Bank Polski SA as of 7 July 2009 until the President of the Bank's Management Board is appointed.
2.	Bartosz Drabikowski	Vice-President of the Management Board	Appointed on 20 May 2008 as Vice-President of the Management Board for the joint term of the Board beginning on that day.
3.	Krzysztof Dresler	Vice-President of the Management Board	1) Appointed on 20 May 2008, effective as of 1 July 2008, as Vice- President of the Management Board for the joint term of the Board beginning on 20 May 2008.
			2) On 27 October 2008, the Financial Supervision Authority approved the appointment of Mr. Krzysztof Dresler as the Member of the Management Board of PKO Bank Polski SA.
4.	Jarosław Myjak	Vice-President of the Management Board	Appointed on 9 December 2008, effective as of 15 December 2008, as Vice-President of the Management Board for the joint term of the Board beginning on 20 May 2008.
5.	Mariusz Zarzycki	Vice-President of the Management Board	Appointed on 20 May 2008, effective as of 1 September 2008, as Vice-President of the Management Board for the joint term of the Board beginning on 20 May 2008.

Table 35. The Supervisory Board of PKO Bank Polski SA as at 30 September 2009

No.	Name	Post	Date of appointment / recalling
1.	Cezary Banasiński	Chairman of the Supervisory Board	1) Appointed on 20 April 2009 until the end of the current term of the Bank's Supervisory Board (beginning on 20 May 2008).
			2) On 31 August 2009 the Minister of State Treasury appointed Mr. Cezary Banasiński, a Member of the Supervisory Board as the Chairman of the Supervisory Board.
2.	Tomasz Zganiacz	Vice-Chairman of the Supervisory Board	Appointed on 31 August 2009 until the end of the current term of the Bank's Supervisory Board.
3.	Jan Bossak	Member of the Supervisory Board	Appointed on 26 February 2008 for the term, which ended on 19 May 2008 and for the current term of the Supervisory Board.
4.	Mirosław Czekał	Member of the Supervisory Board	Appointed on 31 August 2009 until the end of the current term of the Bank's Supervisory Board.
5.	Ireneusz Fąfara	Member of the Supervisory Board	Appointed on 31 August 2009 until the end of the current term of the Bank's Supervisory Board.
6.	Błażej Lepczyński	Member of the Supervisory Board	Appointed on 20 April 2009 until the end of the current term of the Bank's Supervisory Board.
7.	Alojzy Zbigniew Nowak	Member of the Supervisory Board	Appointed on 31 August 2009 until the end of the current term of the Bank's Supervisory Board.

Table 36. Changes in the Management Board of PKO Bank Polski SA in the 3rd quarter of 2009

No.	Name	Post	Date of appointment / recalling
1.	Jerzy Pruski	President of the Management Board	On 7 July 2009 recalled from the function of President of the Bank's Management Board.
2.	Tomasz Mironczuk	Vice-President of the Management Board	On 7 July 2009 recalled from the function of Vice-President of the Bank's Management Board.

Table 37. Changes in the Supervisory Board of PKO Bank Polski SA in the 3rd quarter of 2009

No.	Name	Post	Date of appointment / recalling
1.	Marzena Piszczek	Chairman of the Supervisory Board	1) Appointed on 26 February 2008 for the term, which ended on 19 May 2008 and for the current term of the Bank's Supervisory Board 2) On 31 August 2009 resigned from the post of Member of the Bank's Supervisory Board
2.	Jacek Gdański	Member of the Supervisory Board	1) Appointed on 20 April 2009 for the current term of the Supervisory Board 2) On 21 August 2009 resigned from the post of Member of the Bank's Supervisory Board
3.	Błażej Lepczyński	Vice-Chairman of the Supervisory Board till 31 August 2009 Member of the Supervisory Board	1) Appointed on 20 April 2009 for the current term of the Supervisory Board 2) On 31 August 2009 resigned from the post of Vice-Chairman of the Bank's Supervisory Board, remaining as the Member of the Bank's Supervisory Board
4.	Jerzy Stachowicz	Member of the Supervisory Board	1) Appointed on 20 April 2009 for the current term of the Supervisory Board 2) On 31 August recalled from the Bank's Supervisory Board
5.	Ryszard Wierzbą	Member of the Supervisory Board	1) Appointed on 26 February 2008 for the term, which ended on 19 May 2008 and for the current term of the Bank's Supervisory Board 2) On 31 August recalled from the Bank's Supervisory Board

On 14 September 2009, the Bank's Supervisory Board appointed Mr. Zbigniew Jagiełło as the acting President of the Management Board of PKO Bank Polski SA, effective as of 1 October 2009, for the joint term of the Board beginning on 20 May 2008. The Supervisory Board appointed Mr. Jagiełło as the acting President of the Management Board of PKO Bank Polski SA for the period from 1 October 2009 to the date on which the Financial Supervision Authority approves his appointment as the President of the Management Board of PKO Bank Polski SA. On 14 September 2009, the Bank's Supervisory Board revoked (effective as of 1 October 2009) the Resolution No. 75/2009 of the Bank's Supervisory Board dated 7 July 2009 on appointment of the Chairman of the Management Board of PKO Bank Polski SA (Mr. Wojciech Papierak).

Activities in the area of promotion and sponsorship

In the 3rd quarter of 2009 PKO Bank Polski SA's activities in the area of promotion focused on actions intended to strengthen the positive image of PKO Bank Polski SA, increasing prestige and value of PKO Bank Polski SA brand and supporting business activities. The main sponsorship activities realized in the 3rd quarter of 2009 include:

1. The 19th Warsaw Uprising Race – one of a series of races organized by the Warsaw City Council and the Warsaw Sport and Leisure Centre under the name "Zabiegaj o pamięć". This event combines patriotic education, memory of the Uprising, history and tradition with the culture of active recreation.
2. Publication by Wydawnictwo Europa of an illustrated edition of the album *Historia grosza i złotego* (History of the grosz and the zloty), which in an accessible manner presents the history of money, focusing in particular on the history of the currency on the Polish territory.
3. Continuation of the long-term sponsorship of the "Poznańskie Słowiki" choir as part of the long-term cooperation with the Stuligrosz Choir Foundation.

Information on the issue, redemption and repayment of debt and equity instruments

As at the end of September 2009:

1. The company Bankowy Fundusz Leasingowy SA decreased its debt arising from the issue of bonds to PLN 525 million (i.e. by PLN 45 million in relation to the balance as at the end of the first half of 2009); in the 3rd quarter of 2009 the Company issued 34 500 bonds with a total nominal value of PLN 345 million and redeemed 39 000 bonds with a total nominal value of PLN 390 million;
1. The company Kredobank SA decreased its debt arising from the issue of bonds to UAH 0.3 million; in the 3rd quarter of 2009 the Company redeemed 19 858 bonds with a total nominal value of UAH 19 858 thousand.

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

To the best knowledge of PKO Bank Polski SA, the only shareholder holding, directly or indirectly, at least 5% of total votes at the General Shareholders' Meeting of the Bank is the State Treasury.

As at the date of submission of this report, the State Treasury holds 512 406 927 of the Bank's shares, which equates to 51.24% share in the share capital of PKO Bank Polski SA and matches the percentage share in the total number of votes at the General Shareholders' Meeting of PKO Bank Polski SA.

No special control rights follow from the securities for the holders of PKO Bank Polski SA's securities.

Table 38. Ownership structure of PKO Bank Polski SA

Shareholder	At the date of submission of the Report for the 3rd quarter of 2009		At the date of submission of the Report for the 1st half of 2009		Change of the share in the number of votes on Shareholders' General Meeting in pp. in the period from the date of submission of the Report for the first half of 2009
	Numbers of shares	Share in the number of votes on Shareholders' General Meeting	Numbers of shares	Share in the number of votes on Shareholders' General Meeting	
State Treasury	512 406 927	51.2407%	512 418 969	51.2419%	-0.0012
Other shareholders	487 593 073	48.7593%	487 581 031	48.7581%	0.0012
Total	1 000 000 000	100.0000%	1 000 000 000	100.0000%	0.0000

Bank Gospodarstwa Krajowego purchased from the State Treasury 512 410 927 Single Pre-emptive Rights for the Shares Offered in the public offering of the D-series new issue shares and, as a result of exercising the said pre-emptive rights, acquired the rights to 128 102 731 shares. After registration of the capital increase by 250 million shares, the BGK interest in the Bank's share capital and in the number of votes at the General Shareholders' Meeting will amount to 10.25%. At the same time, the interest of the State Treasury will decrease by 10.25 pp.

Information on D-series new issue shares were provided in point 5.6 of these statements.

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

Table 39. Shares held by the PKO Bank Polski 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 the Report for the 1st half of 2009	Purchase	Disposal	Number of shares and rights to shares as at the date of submitting the Report for the 3rd quarter of 2009
I. Management Board of the Bank					
1.	Zbigniew Jagiełło*, acting President of the Bank's Management Board	x	x	x	0
2.	Bartosz Drabikowski, Vice-President of the Bank's Management Board	0	0	0	0
3.	Krzysztof Dresler, Vice-President of the Bank's Management Board	0	0	0	0
4.	Jarosław Myjak, Vice-President of the Bank's Management Board	0	0	0	0
5.	Wojciech Papierak, Vice-President of the Bank's Management Board	2500	783	0	3283
6.	Mariusz Zarzycki, Vice-President of the Bank's Management Board	0	0	0	0
II. Supervisory Board of the Bank					
1.	Cezary Banasiński, President of the Bank's Supervisory Board	0	0	0	0
2.	Tomasz Zganiacz*, Vice-President of the Bank's Supervisory Board	x	x	x	0
3.	Jan Bossak, member of the Bank's Supervisory Board	0	0	0	0
4.	Miroslaw Czekaj*, member of the Bank's Supervisory Board	x	x	x	0
5.	Ireneusz Fąfara*, member of the Bank's Supervisory Board	x	x	x	408
6.	Błażej Lepczyński, member of the Bank's Supervisory Board	0	0	0	0
7.	Alojzy Nowak*, member of the Bank's Supervisory Board	x	x	x	0

* Management and Supervisory Board members, who were appointed after the date of submitting the Report for the 1st half of 2009

Information on any transaction or a number of transactions concluded by the issuer or its subsidiary with other Group entities, if they are essential and were concluded not on arms' length

In the 3rd quarter of 2009 subsidiaries of PKO Bank Polski SA did not conclude any transaction with related parties not on arms' length.

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

The results of changes in the Bank's structure, including the results of merger, takeover or sale of the Group entities have been described in point 5.4.2 of these statements.

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

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

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

In the 3rd quarter of 2009, PKO Bank Polski SA and its subsidiaries did not grant any guarantees or warranties on loans on advances to a single entity or capital group that would constitute at least 10% of the Bank's net assets.

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

As at 30 September 2009, the total value of court proceedings against PKO Bank Polski SA was ca. PLN 259 851 thousand, while the total value of court proceedings initiated by PKO Bank Polski SA was circa PLN 69 170 thousand. No court proceedings with the participation of PKO Bank Polski SA are in progress, the value of which amounts to at least 10% of the Bank's shareholders' equity.

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

PKO Bank Polski SA Integrated IT System (ZSI)

In the 3rd quarter of 2009, the Bank continued works on the implementation of a new version of software for the Integrated IT System (ZSI) and development of its functions.

The most important tasks executed in the 3rd quarter of 2009 as part of the Integrated IT System project include:

- works on testing the functionalities of the 4.1 version of the software;
- preparation of the technical design of the functions of the new 4.2a and 4.2b versions of the software, whose implementation is planned for November 2009 and February 2010, respectively, in order to satisfy the reported needs;
- analysis of the new requirements of the Bank with respect to the 5.1 version of the software.

Position of the PKO Bank Polski SA Management Board in regards to possibility of achieving previously published forecasts for the given year

PKO Bank Polski SA did not publish any financial forecasts for 2009.

Information on dividend paid or declared

On 30 June 2009 the Annual General Meeting of PKO Bank Polski SA decided to a distribution of dividend for the year 2008 in the amount of PLN 1.00 per share. The list of the shareholders entitled to receive the dividend for 2008 was drawn up as at 24 September 2008, and the dividends was paid out on 5 October 2009.

Post-balance sheet events which are of particular importance to the assessment of the human resources and financial situation of the Issuer, its financial results and changes thereto

1. On 5 October 2009, the Bank, acting as a member of a consortium of banks, concluded three loan agreements with one of the PKO Bank Polski SA clients (the "Borrower"). The purpose of the agreements is to grant to the Borrower revolving working capital loans in the total amount of up to PLN 2 500 000 000 for financing the Borrower's activities. The revolving working capital loan agreements were concluded for a period of one year. The revolving working capital loan agreements were secured with powers of attorney to the Borrower's bank account. The interest on the revolving working capital loans is based on WIBOR T/N increased by the margin of the banking consortium

and is payable monthly. The PKO Bank Polski SA's total share in the above-mentioned revolving working capital loans is PLN 1 700 000 000.

2. The Bank took actions aimed at concluding a financing transaction in the amount of up to PLN 2.9 billion with the Bank's client (the "Client"). As part of the said actions, after obtaining the required corporate approvals, on 9 October 2009 the Bank signed a commitment for the financing with the Client. It is a commitment to conclude a transaction of conditional and/or unconditional purchase of Treasury debt securities from the Client's portfolio at the agreed price and on the agreed operating terms and conditions. The financing will be provided on the condition that the Client obtains corporate approvals and both parties sign a relevant agreement. If the transaction is concluded, the Bank will inform about it in a separate report.

10 November 2009

Danuta Szymańska

Director of the Bank

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(signature)