



PKO BANK POLSKI
SPÓŁKA AKCYJNA

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

*Prepared in accordance with
International Financial Reporting Standards*

CONTENTS

1.	<u>SUMMARY AND SELECTED FINANCIAL DATA</u>	3
2.	<u>CONDENSED FINANCIAL DATA</u>	5
2.1.	CONDENSED FINANCIAL DATA OF THE PKO BP SA GROUP	5
2.2.	CONDENSED FINANCIAL DATA OF PKO BP SA	16
3.	<u>COMMENTARY ON CONDENSED FINANCIAL DATA</u>	21
3.1.	FINANCIAL RESULTS	21
3.1.1.	The PKO BP SA Group	21
3.1.2.	PKO BP SA	23
3.2.	BUSINESS DEVELOPMENT	24
3.2.1.	Segmentation of activities of the PKO BP SA Group	24
3.2.2.	Retail segment	27
3.2.2.1.	Activities of PKO BP SA in the retail segment	27
3.2.2.2.	Activities of the PKO BP SA Group companies in the retail segment	29
3.2.3.	Corporate segment	29
3.2.3.1.	Activities of PKO BP SA in the corporate segment	30
3.2.3.2.	Activities of the PKO BP SA Group companies in the corporate segment	30
3.2.4.	Investment segment	30
3.2.4.1.	Activities of the PKO BP SA Group companies in the investment segment	31
3.2.5.	Other areas of activities	31
4.	<u>ADDITIONAL INFORMATION</u>	32
4.1.	ACCOUNTING POLICIES USED IN THE PREPARATION OF THESE FINANCIAL STATEMENTS	32
4.2.	CHANGES TO DATA PRESENTATION METHODS	32
4.3.	EXTERNAL CONDITIONS	33
4.4.	DESCRIPTION OF THE PKO BP SA GROUP	34
4.4.1.	Entities included in the consolidated financial statements	34
4.4.2.	Changes in the organisation of subordinated entities	35
4.4.3.	Related party transactions	35
5.	<u>OTHER INFORMATION</u>	36

1. SUMMARY AND SELECTED FINANCIAL DATA

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

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

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

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

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

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

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

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

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

2. CONDENSED FINANCIAL DATA¹

2.1. CONDENSED FINANCIAL DATA OF THE PKO BP SA GROUP

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

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

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

BALANCE SHEET OF THE POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA GROUP

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

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

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

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

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

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

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

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

EXPLANATORY NOTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 18	risk weighted value	capital requirement
Banking portfolio - credit risk	80 016 034	6 401 283
Counterparty's credit risk - trading portfolio:	303 100	24 248
Market risk		220 143
Currency risk - both portfolios		-
Commodity price risk - trading portfolio		-
Equity securities price risk- trading portfolio		1 187
Debt instruments specific risk - trading portfolio		166 633
Interest general risk - trading portfolio		52 322
Other		-
Settlement risk - counterparty's delivery - trading portfolio		-
Securities underwriting - trading portfolio		-
Other		-
Total capital requirement		6 645 674

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

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

Note 19	As at 31.03.2008	As at 31.12.2007*
Basic funds (Tier 1)	9 559 926	8 449 415
Basic capital	1 000 000	1 000 000
Reserve capital	5 594 364	5 592 311
Other reserve capital	1 518 025	1 518 025
General risk fund	1 070 000	1 070 000
Result of the current period in the part verified by a certified auditor after reduction of forecasted charge	-	653 720
Result of the previous period in the part verified by a certified auditor after reduction of forecasted charge**	1 629 991	-
Result from previous years - other	109 396	(72 192)
Unrealised losses on debt and equity securities classified as available for sale	(66 184)	(55 228)
Capital exposures (50%)	(98 536)	(84 035)
Intangible assets	(1 200 997)	(1 183 491)
<i>including goodwill</i>	<i>(240 410)</i>	<i>(234 066)</i>
Foreign exchange differences	(62 544)	(47 761)
Minority interest	66 411	58 066
Supplementary funds (Tier 2)	1 503 184	1 517 988
Subordinated liabilities classified as supplementary funds	1 600 700	1 600 700
Unrealised profits on debt and equity securities classified as available for sale (60% of pre-tax balance)	1 019	1 323
Capital exposures (50%)	(98 535)	(84 035)
Short-term capital (Tier 3)	18 662	15 997
Total own funds and short-term capital	11 081 772	9 983 400

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

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

2.2. CONDENSED FINANCIAL DATA OF PKO BP SA

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

BALANCE SHEET OF POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

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

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

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

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

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

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

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

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

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

EXPLANATORY NOTES

NET INTEREST RESULT OF
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

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

FEES AND COMMISSION INCOME OF
POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI SA

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

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

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

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

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

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

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

3. COMMENTARY ON CONDENSED FINANCIAL DATA

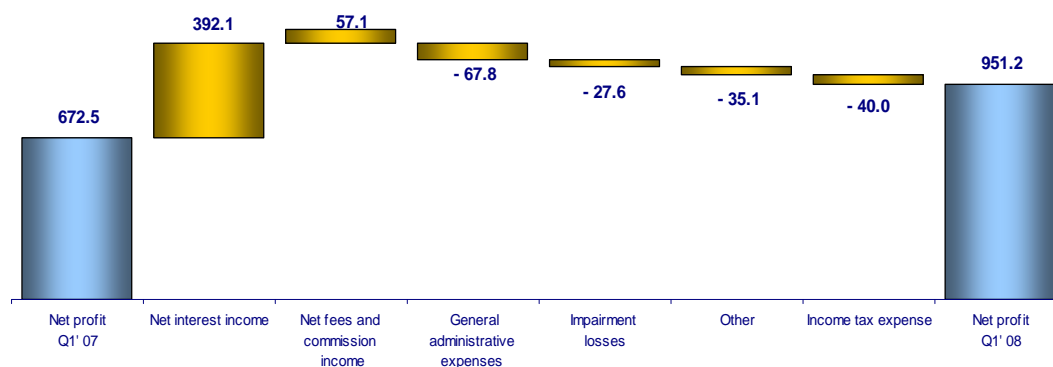
3.1. FINANCIAL RESULTS

3.1.1. The PKO BP SA Group

Financial results and profitability ratios

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

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



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

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

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

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

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

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

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

Balance sheet and off-balance sheet items

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

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

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

3.1.2. PKO BP SA

Financial result and profitability ratios

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

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

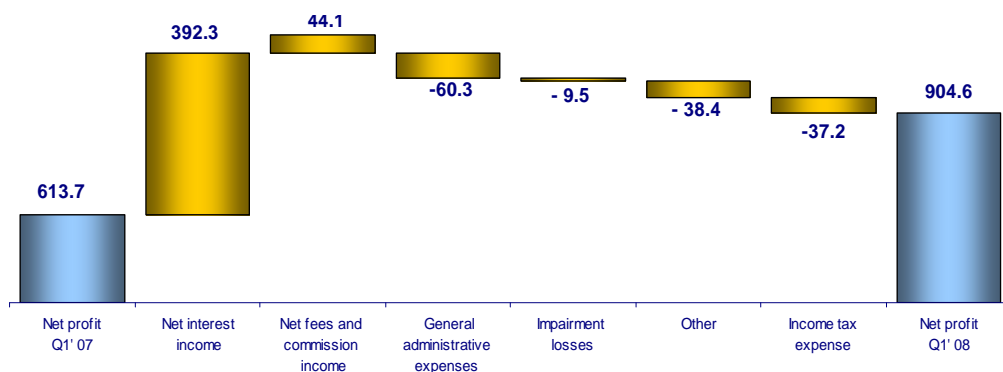


Table 6. Basic financial ratios of PKO BP SA

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

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

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

3.2. BUSINESS DEVELOPMENT²

3.2.1. Segmentation of activities of the PKO BP SA Group

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

Business segments

Segmentation by business is as follows:

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

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

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

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

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

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

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

Table 8. Business segments of the PKO BP SA Group

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

As at 31.03.2008

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

Table 9. Business segments of the PKO BP SA Group

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

As at 31.12.2007

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

3.2.2. Retail segment

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



3.2.2.1. Activities of PKO BP SA in the retail segment

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

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

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

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

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

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

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

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

Source: Bank's Management information

*without interest due and interest not due

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

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

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

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

Table 13. Branches and ATMs of PKO BP SA

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

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

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

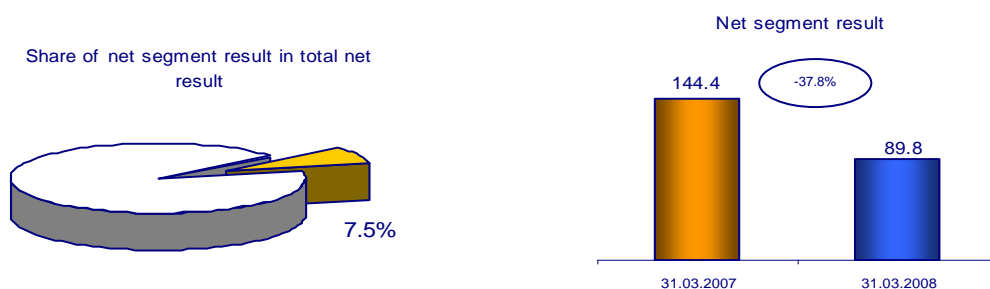
3.2.2.2. Activities of the PKO BP SA Group companies in the retail segment

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

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

3.2.3. Corporate segment

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



3.2.3.1. Activities of PKO BP SA in the corporate segment

Table 16. Gross loans and advances* and deposits of PKO BP SA (in PLN million)³

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

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

Table 17. Branches of PKO BP SA

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

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

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

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

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

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

3.2.4. Investment segment

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

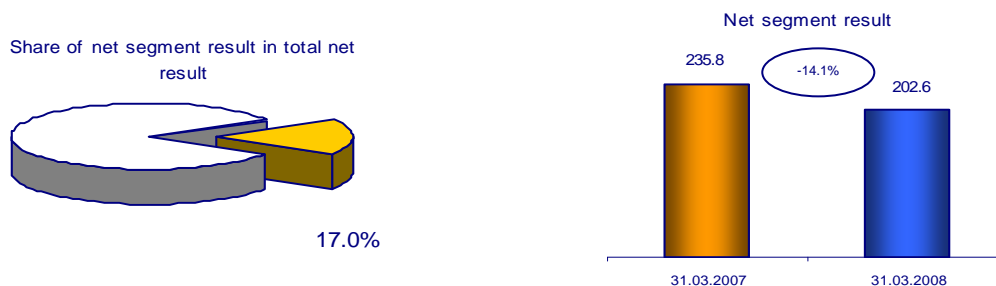


Table 20. Activities and achievements of PKO BP SA in the investment segment in the 1st quarter of 2008

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

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

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

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

3.2.5. Other areas of activities

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

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

4. ADDITIONAL INFORMATION

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

The accounting policies applied in the 1st quarter of 2008 do not differ from those applied in prior quarters. These policies were described in detail in the Financial statements of PKO BP SA for the year of 2007. When preparing the consolidated quarterly report, the Bank applied the following regulations:

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

4.2. CHANGES TO DATA PRESENTATION METHODS

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

Table 23. Financial data of the PKO BP SA Group

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

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

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

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

Table 24. Financial data of PKO BP SA

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

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

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

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

4) Change in presentation of fees and commission related to management of the PKO TFI funds

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

6) Change in presentation of costs related to investment settlements

4.3. EXTERNAL CONDITIONS

Macroeconomic factors

In the 1st quarter of 2008:

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

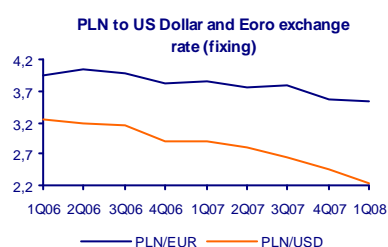
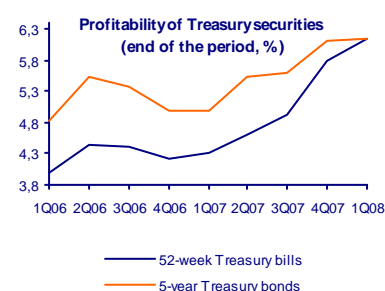
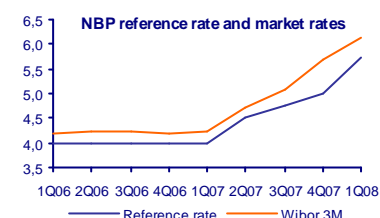
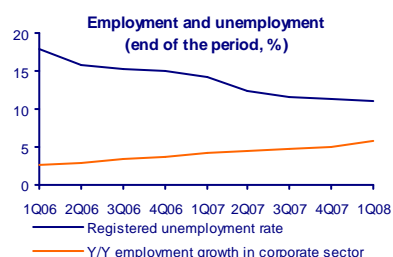
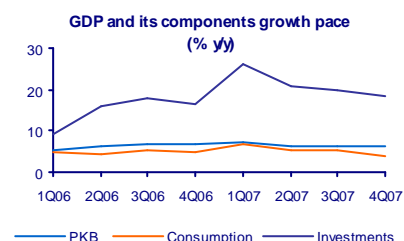
At the same time, in the 1st quarter of 2008 the activities and results of the PKO BP SA Group were affected by certain macroeconomic conditions in Ukraine, where the subsidiary of the Bank – KREDOBANK SA operates. These were among others:

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

Situation on the financial market

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

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



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

Regulatory factors

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

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

4.4. DESCRIPTION OF THE PKO BP SA GROUP

4.4.1. Entities included in the consolidated financial statements

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

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

No.	Entity name	Value of investment* PLN thousand	share capital %	Consolidation method
Parent company				
1	Pow szezchna Kasa Oszczędności Bank Polski Spółka Akcyjna			
Direct subsidiaries				
2	KREDOBANK SA	307 364	98.1815	full method
3	Pow szezchne Tow arzystw o Emerytalne BANKOWY SA	205 786	100	full method
4	Centrum Finansow e Puław ska Sp. z o.o.	128 288	100	full method
5	PKO Inw estycje Sp. z o.o.	123 313	100	full method
6	PKO Tow arzystw o Funduszy Inw estycyjnych SA	69 055	75	full method
7	Inteligo Financial Services SA	59 602	100	full method
8	Centrum Elektronicznych Usług Platniczych eService SA	55 500	100	full method
9	Bankow y Fundusz Leasingow y SA	40 000	100	full method
10	Bankow e Tow arzystw o Kapitałow e SA	18 566	100	full method
Indirect subsidiaries				
Subsidiaries of PKO Inw estycje Sp. z o.o.				
11	Wilanów Investments Sp. z o.o.	82 981	100	full method
12	POMERANKA Sp. z o.o.	19 000	100	full method
13	ARKADIA Inw estycje Sp. z o.o.	6 075	100	full method
14	Baltic Dom 2 Sp. z o.o.	6 009	50	full method
15	Fort Mokotów Sp. z o.o.	2 040	51	full method
16	UKRPOLINWESTYCJE Sp. z o.o.	519	55	full method
17	WISŁOK Inw estycje Sp. z o.o.	400	80	full method
Subsidiaries of PTE BANKOWY SA				
18	Finanse Agent Transferow y Sp. z o.o.	4 361	100	full method
Subsidiaries of Bankow y Fundusz Leasingow y SA				
19	Bankow y Leasing Sp. z o.o.	1 309	100	full method
20	BFL Nieruchomości Sp. z o.o.	1 109	100	full method

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

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

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

No.	Entity name	Value of investment* PLN thousand	share capital %	Valuation method
Jointly controlled entities				
1	CENTRUM HAFFNERA Sp. z o.o.	44 371	49.43	equity method
2	Centrum Obsługi Biznesu Sp. z o.o.	17 498	41.44	equity method
Subsidiaries of CENTRUM HAFFNERA Sp. z o.o.				
3	Sopot Zdrój Sp. z o.o.	58 923	100	equity method
4	Promenada Sopotka Sp. z o.o.	10 058	100	equity method
5	Centrum Majkowskiego Sp. z o.o.	6 609	100	equity method
6	Kamienica Morska Sp. z o.o.	976	100	equity method
Associates				
7	Bank Poczty SA	146 500	25.0001	equity method
8	Kolej Gondolowa Jaworzyna Krynicka SA	15 531	37.53	equity method
9	Ekogips SA – w upadłości	5 400	60.26	equity method
10	Poznański Fundusz Poręczeń Kredytowych Sp. z o.o.	1 500	33.33	equity method
11	Agencja Inwestycyjna CORP SA	29	22.31	equity method
Associate of Bankowego Towarzystwa Kapitałowego SA				
12	FINDER SA	6 500	46.43	equity method

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

4.4.2. Changes in the organisation of subordinated entities

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

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

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

4.4.3. Related party transactions

In the 1st quarter of 2008, PKO BP SA provided at arms' length the following services to its related parties (subordinated entities): keeping bank accounts, accepting deposits, extending loans and advances, issuing debt securities, providing guarantees and conducting spot foreign exchange transactions.

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

5. OTHER INFORMATION

Identification data

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

Seasonality or cyclical nature of activities in the reporting period

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

Prizes and awards

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

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

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

Issuance, redemption and repayment of debt and equity securities

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

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

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

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

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

To the best knowledge of the Bank, the shareholder holding, directly or indirectly, at least 5% of total votes at the General Shareholders' Meeting of the Bank is the State Treasury that holds 514 935 409 of the Bank's shares. That means that the percentage share of the State Treasury in the share capital of PKO BP SA is 51.49% and matches the percentage share in the total number of votes at the General Shareholders' Meeting of the Bank as at the date of submission of this Report.

Table 27. Ownership structure of PKO BP SA as at 31 March 2008

Shareholder	Percentage of votes at the General Shareholders' Meeting as at the date of submitting previous quarterly report	Number of shares as at the date of submitting previous quarterly report	% change from the date of submitting previous quarterly report	Percentage of votes at the General Shareholders' Meeting as at the date of submitting this Report	Number of shares as at the date of submitting this Report
State Treasury	51,49%	514 935 409	0,00 pp.	51,49%	514 935 409

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

Table 28. Shares held by the PKO BP SA's Management or Supervisory Board Members as at the date of submitting this Report

No.	Name	Number of shares as at the date of submitting previous quarterly report	Purchase	Disposal	Number of shares as at the date of submitting this Report
I. Management Board					
1.	Rafał Juszczak, President of the Bank's Management Board	-----	-----	-----	-----
2.	Berenika Duda-Uhryn, Vice-President of the Bank's Management Board	-----	-----	-----	-----
3.	Robert Działak, Vice-President of the Bank's Management Board	-----	-----	-----	-----
4.	Mariusz Klimczak, Vice-President of the Bank's Management Board	-----	-----	-----	-----
5.	Wojciech Kwiatkowski, Vice-President of the Bank's Management Board	-----	-----	-----	-----
6.	Aldona Michalak, Vice-President of the Bank's Management Board	-----	-----	-----	-----
7.	Adam Skowroński, Vice-President of the Bank's Management Board	-----	-----	-----	-----
8.	Stefan Świątkowski, Vice-President of the Bank's Management Board	-----	-----	-----	-----
II. Supervisory Board					
1.	Marzena Piszczek*, President of the Bank's Supervisory Board	x	x	x	-----
2.	Elżysz Jerzy Krześniak*, Vice-President of the Bank's Supervisory Board	x	x	x	-----
3.	Jan Bossak*, member of the Bank's Supervisory Board	x	x	x	-----
4.	Jerzy Osiałyński*, member of the Bank's Supervisory Board	x	x	x	-----
5.	Urszula Pałaszek, member of the Bank's Supervisory Board	-----	-----	-----	-----
5.	Roman Sobiecki*, member of the Bank's Supervisory Board	x	x	x	-----
6.	Ryszard Wierzbą*, member of the Bank's Supervisory Board	x	x	x	-----

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

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

In executing the provisions of the Lease Agreement dated 7 December 1995 (amended by Annexes No. 1 to 36) with the Bank's subsidiary, Centrum Finansowe Puławska Sp. z o.o. ("CFP"), in the 1st quarter of 2008, PKO BP SA made payments to CFP in the total gross amount of PLN 11.7 million. The Agreement determines the terms and conditions for the lease of space in the building located in Warsaw at 15 Puławska Street. The payments that were made by the Bank related to rental fees, maintenance costs and costs of cleaning common space.

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

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

The results of changes in the Bank's structure, including the results of merger, takeover or sale of Group entities have been described in point 4.4.2 of this Report.

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

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

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

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

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

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

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

Other Group companies have not conducted any proceedings before court, arbitration tribunal or public administration authority concerning receivables or liabilities, the value of which amounts to at least 10% of the shareholders' equity of PKO BP SA.

Integrated Information System of PKO BP SA

In 2008 the Bank continued the implementation of the Integrated Information System Application ('O-ZSI'). In the 1st quarter of 2008, O-ZSI Project's activities were focused on the development of functionalities in the successive versions of the application as well as on refining the underlying assumptions, drawing up documents describing functional gaps and reviewing them by the business units.

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

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

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

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

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

Information on dividend paid or declared

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

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

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

4) Mr Jerzy Michałowski

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

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

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

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

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

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

6 May 2008

Danuta Szymańska

Bank's Director

.....
(signature)