

**CONSOLIDATED ANNUAL REPORT 2013 OF  
THE CAPITAL GROUP OF  
POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
SPÓŁKA AKCYJNA**



Warsaw, March 2014

## Consolidated annual report 2013 of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna contains:

1. Selected items from financial statements contains:
  - Selected items from consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with IFRS);
  - Selected items from financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with PAS);
  - Selected items from financial statements of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (in accordance with PAS).
2. The Chairman's of the Management Board Representation of Powszechny Zakład Ubezpieczeń Spółka Akcyjna.
3. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. opinion on the audit of the consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2013.
4. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. report on the audit of the consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2013.
5. Consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2013 (prepared in accordance with IFRS).
6. Management's report of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2013.
7. European Embedded Value as of 31 December 2013 – PZU Group.

## SELECTED ITEMS FROM FINANCIAL STATEMENTS

The following exchange rates have been applied to translate data of foreign controlled entities and to present selected financial data:

Currency	1 January - 31 December 2013	31 December 2013	1 January - 31 December 2012	31 December 2012
LTL	1.2196	1.2011	1.2087	1.1840
UAH	0.3886	0.3706	0.4001	0.3825
EUR	4.2110	4.1472	4.1736	4.0882

The rates are:

- average rates of the National Bank of Poland ruling as of the balance sheet date – for the statement of financial position;
- rates determined as the arithmetic mean of the rates published by the National Bank of Poland, ruling as of the last day of each month of a given period - for the income statement, statement of comprehensive income and statement of cash flows.

### 1. Selected items from the consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with IFRS)

Items from consolidated statement of financial position	PLN '000 31 December 2013	PLN '000 31 December 2012	EUR '000 31 December 2013	EUR '000 31 December 2012
Assets	62 362 421	55 909 560	15 037 235	13 675 838
Share capital	86 352	86 352	20 822	21 122
Equity and provisions attributable to equity holders of the parent entity	13 111 446	14 190 131	3 161 518	3 470 997
Non-controlling interest	16 341	79 138	3 940	19 358
Total equity	13 127 787	14 269 269	3 165 458	3 490 355
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	151.84	164.33	36.61	40.20

Items from consolidated income statement	PLN '000 1 January - 31 December 2013	PLN '000 1 January - 31 December 2012	EUR '000 1 January - 31 December 2013	EUR '000 1 January - 31 December 2012
Gross written premiums	16 480 003	16 243 131	3 913 560	3 891 875
Net earned premiums	16 248 769	16 005 240	3 858 649	3 834 876
Revenue from commissions and fees	319 962	237 102	75 982	56 810
Net profit or loss on investment activities	2 488 068	3 704 729	590 850	887 658
Net insurance claims	(11 161 224)	(12 218 731)	(2 650 493)	(2 927 624)
Gross profit (loss)	4 120 692	4 038 708	978 554	967 680
Net profit (loss) attributable to equity holders of the parent entity	3 293 654	3 255 181	782 155	779 946
Net profit (loss) attributable to non-controlling interest	1 459	(1 355)	346	(325)
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	38.14	37.70	9.06	9.03

Items from consolidated statements of cash flows	PLN '000 31 December 2013	PLN '000 31 December 2012	EUR '000 31 December 2013	EUR '000 31 December 2012
Net cash flows generated by operating activities	2 832 771	1 228 357	672 707	294 316
Net cash used in/generated by investment activities	(2 395 792)	421 388	(568 937)	100 965
Net cash used in financing activities	(19 583)	(1 747 114)	(4 650)	(418 611)
Total net cash flows	417 396	(97 369)	99 120	(23 330)

## 2. Selected items from financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with PAS)

Items from statement of financial position	PLN '000 31 December 2013	PLN '000 31 December 2012	EUR '000 31 December 2013	EUR '000 31 December 2012
Assets	30 136 572	29 913 216	7 266 727	7 316 965
Share capital	86 352	86 352	20 822	21 122
Total equity	12 259 761	13 452 581	2 956 154	3 290 588
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	141.97	155.79	34.23	38.11

Items from non-life technical account and general profit and loss account	PLN '000 1 January - 31 December 2013	PLN '000 1 January - 31 December 2012	EUR '000 1 January - 31 December 2013	EUR '000 1 January - 31 December 2012
Gross written premiums	8 273 900	8 453 498	1 964 830	2 025 469
Technical result on non-life insurance	1 061 855	640 118	252 162	153 373
Net profit or loss on investment activities*	4 633 302	2 472 660	1 100 285	592 453
Net profit (loss)	5 106 345	2 580 720	1 212 621	618 344
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	59.13	29.89	14.04	7.16

\* Including "Share in net profit (loss) of entities measured using equity method".

## 3. Selected items from financial statements of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (prepared in accordance with PAS)

Items from statement of financial position	PLN '000 31 December 2013	PLN '000 31 December 2012	EUR '000 31 December 2013	EUR '000 31 December 2012
Assets	29 020 410	30 084 111	6 997 591	7 358 767
Total equity	4 446 746	6 748 062	1 072 228	1 650 619

Items from life technical account and general profit and loss account	PLN '000 1 January - 31 December 2013	PLN '000 1 January - 31 December 2012	EUR '000 1 January - 31 December 2013	EUR '000 1 January - 31 December 2012
Gross written premiums	8 843 023	9 313 416	2 099 982	2 231 507
Technical result on life insurance	1 822 930	1 828 065	432 897	438 007
Net profit or loss on investment activities	1 498 794	2 268 179	355 924	543 459
Net profit (loss)	1 694 657	1 852 875	402 436	443 951