

**POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
SPÓŁKA AKCYJNA**

**FINANCIAL STATEMENTS  
FOR THE PERIOD OF 6 MONTHS ENDED  
30 JUNE 2013  
WITH AUDITOR'S OPINION**



*The attached financial statements together with notes are a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail*

## TABLE OF CONTENT

<b>I. INTRODUCTION TO THE FINANCIAL STATEMENTS .....</b>	<b>4</b>
1. INTRODUCTION.....	4
2. SELECTED FINANCIAL DATA OF PZU.....	5
3. PLN/EUR EXCHANGE RATES.....	5
4. CHANGES IN THE ACCOUNTING PRINCIPLES (POLICY) DURING THE FINANCIAL YEAR .....	5
5. CHANGES IN THE METHOD OF PREPARATION OF THE FINANCIAL STATEMENTS .....	6
6. ADJUSTMENTS OF PREVIOUS YEAR ERRORS.....	6
7. INFORMATION OF SIGNIFICANT POST-BALANCE SHEET EVENTS NOT DISCLOSED IN THE FINANCIAL STATEMENTS	6
8. SIGNIFICANT EVENTS PERTAINING TO PREVIOUS YEARS AND DISCLOSED IN THE FINANCIAL STATEMENTS FOR THE CURRENT REPORTING PERIOD.....	6
9. SIGNIFICANT EVENTS PERTAINING TO THE REPORTING PERIOD AND SIGNIFICANTLY CHANGING THE STRUCTURE OF BALANCE SHEET ITEMS AND THE FINANCIAL RESULT .....	6
10. COMPARABILITY OF FINANCIAL DATA WITH DATA FOR THE CORRESPONDING COMPARABLE PERIODS .....	6
11. MANAGING AND SUPERVISORY BODIES OF PZU.....	7
12. REMUNERATION OF THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS .....	8
13. ACCOUNTING PRINCIPLES (POLICY) .....	8
14. SIGNIFICANT DIFFERENCES BETWEEN IFRS AND PAS – INDICATION, EXPLANATION AND QUALIFICATIONS.....	19
<b>II. BALANCE SHEET AND OFF-BALANCE SHEET ITEMS .....</b>	<b>22</b>
<b>III. TECHNICAL INSURANCE ACCOUNT – PROPERTY AND CASUALTY INSURANCE.....</b>	<b>25</b>
<b>IV. GENERAL PROFIT AND LOSS ACCOUNT.....</b>	<b>26</b>
<b>V. STATEMENT OF CHANGES IN EQUITY.....</b>	<b>28</b>
<b>VI. CASH FLOW STATEMENT .....</b>	<b>30</b>
<b>VII. TECHNICAL ACCOUNTS – TOTAL DIRECT ACTIVITIES.....</b>	<b>32</b>
<b>VIII. TECHNICAL INSURANCE ACCOUNT – TOTAL INWARD REINSURANCE .....</b>	<b>51</b>
<b>IX. ACTUARY’S OPINION .....</b>	<b>60</b>
<b>X. NOTES .....</b>	<b>61</b>
1. INTANGIBLE ASSETS .....	61
2. INVESTMENTS .....	64
3. RECEIVABLES .....	99
4. OTHER ASSETS.....	104
5. PREPAYMENTS AND ACCRUALS .....	107
6. CHANGES IN IMPAIRMENT LOSSES .....	109
7. EQUITY.....	111
8. TECHNICAL PROVISIONS.....	114
9. EXPECTED RECOVERIES, RECOURSES AND SUBSIDIES .....	118
10. OTHER PROVISIONS .....	118
11. OTHER LIABILITIES AND SPECIAL FUNDS.....	122
12. ACCRUALS AND DEFERRED INCOME.....	127
13. REQUIRED SOLVENCY MARGIN.....	127
14. OFF-BALANCE SHEET ITEMS .....	129
15. GROSS WRITTEN PREMIUMS.....	131
16. GROSS EARNED PREMIUMS.....	132
17. REINSURANCE SETTLEMENTS .....	133
18. CLAIMS.....	133
19. SUPPLEMENTARY DATA TO THE TECHNICAL ACCOUNT .....	135
20. INFORMATION REGARDING CLAIM HANDLING PROCESS .....	139
21. COSTS OF INSURANCE ACTIVITY .....	139
22. OTHER OPERATING REVENUE .....	141

23.	OTHER OPERATING COSTS.....	142
24.	INTEREST INCOME AND EXPENSE.....	142
25.	INCOME TAX.....	144
26.	SHARE IN NET PROFIT (LOSSES) OF CONTROLLED ENTITIES MEASURED USING THE EQUITY METHOD .....	145
27.	ADDITIONAL INFORMATION TO THE CASH FLOW STATEMENT .....	146
28.	OTHER INFORMATION AND EXPLANATIONS .....	146
29.	DISPUTES .....	147
30.	EMPLOYMENT.....	151
31.	AGREEMENTS ON AUDIT AND REVIEW OF FINANCIAL STATEMENTS .....	151
32.	RELATED PARTY TRANSACTIONS.....	151

## **I. INTRODUCTION TO THE FINANCIAL STATEMENTS**

### **1. Introduction**

#### **1.1. Basic information about the Company**

Powszechny Zakład Ubezpieczeń Spółka Akcyjna ("PZU", "Company") with its registered office at Al. Jana Pawła II 24, was established via transformation of Państwowy Zakład Ubezpieczeń into a state-owned joint-stock company, pursuant to Article 97 of the Act of 28 July 1990 on insurance activity (consolidated text, Journal of Laws No. 11 of 1996, item 62 as amended).

PZU is recorded in the Register of Entrepreneurs of the National Court Register at the District Court for the capital city of Warsaw, XII Business Division of the National Court Register, under KRS number 0000009831.

According to Polish NACE (PKD), the core business of the Company includes other personal and property insurance (PKD 65.12) and according to NACE, non-life insurance (EKD 6603).

PZU is the parent entity in the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (PZU Group) and prepares consolidated financial statements.

#### **1.2. Period covered by the financial statements**

The separate financial statements have been prepared for the period of 6 months from 1 January to 30 June 2013.

#### **1.3. Purpose of preparation of the financial statements**

These separate financial statements have been prepared in relation to the 2013 interim dividend payment planned by the Management Board of PZU, in accordance with the provisions of Article 349 of the Code of Commercial Companies (Journal of Laws No. 94 of 2000, item 1037, as amended, hereinafter referred to as the "Code of Commercial Companies"), which interim dividend has been determined on the basis of the profit generated for the period of 6 months ended 30 June 2013, as disclosed in these audited financial statements.

#### **1.4. Going concern**

The separate financial statements have been prepared based on the assumption that the Company will operate as a going concern in the foreseeable future, i.e. during at least 12 months after the balance sheet date.

As of the date of signing the financial statements, there were no facts and circumstances indicating a risk to the Company's ability to operate as a going concern during 12 months after the balance sheet date due to the intended or forced discontinuation or material limitation of its activities.

#### **1.5. Presentation unit**

Unless expressly stated otherwise, all financial data presented in the separate financial statements are expressed in PLN thousand.

#### **1.6. Profit/loss on discontinued operations**

In the period of 6 months ended 30 June 2013 PZU did not discontinue any activities.

## 2. Selected financial data of PZU

Balance sheet data	PLN '000 30 June 2013	PLN '000 31 December 2012	EUR '000 30 June 2013	EUR '000 31 December 2012
Assets	33 192 104	29 913 216	7 667 029	7 316 965
Share capital	86 352	86 352	19 946	21 122
Total equity	12 465 060	13 452 581	2 879 299	3 290 588
Weighted average basic and diluted number of ordinary shares (items)	86 352 300	86 352 300	86 352 300	86 352 300
Book value per ordinary share (in PLN/EUR)	144.35	155.79	33.34	38.11

Data from technical account of property and casualty insurance and general profit and loss account	PLN '000 1 January – 30 June 2013	PLN '000 1 January – 30 June 2012	EUR '000 1 January – 30 June 2013	EUR '000 1 January – 30 June 2012
Gross written premiums	4 337 002	4 436 623	1 029 189	1 050 188
Technical result on property and casualty insurance	761 194	418 648	180 635	99 098
Net profit/loss on investing activities*	4 262 212	1 788 772	1 011 441	423 418
Net profit (loss)	4 679 913	1 895 361	1 110 563	448 649
Weighted average basic and diluted number of ordinary shares (items)	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted earnings (loss) per ordinary share (in PLN/EUR)	54.20	21.95	12.86	5.20

\* Including "Share in net profits (losses) of controlled entities measured using the equity method".

Data from cash flow statement	PLN '000 1 January – 30 June 2013	PLN '000 1 January – 30 June 2012	EUR '000 1 January – 30 June 2013	EUR '000 1 January – 30 June 2012
Net cash generated by operating activities	833 397	648 005	197 769	153 388
Net cash flows from investing activities	(1 001 836)	(418 833)	(237 740)	(99 141)
Net cash used in financing activities	201 097	(186 306)	47 721	(44 100)
Total net cash flows	32 658	42 866	7 750	10 147

## 3. PLN/EUR exchange rates

The following exchange rates have been applied herein (also for presentation of selected financial data):

EUR / PLN	1 January – 30 June 2013	30 June 2013	31 December 2012	1 January – 30 June 2012
Average rate	4.2140	4.3292	4.0882	4.2246
Highest rate of the period	4.3432	n.d.	n.d.	4.5135
Lowest rate of the period	4.0671	n.d.	n.d.	4.1062

The rates are:

- average rates of the National Bank of Poland ruling as of the balance sheet date – for the balance sheet;
- 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 profit and loss account and cash flow statement.

## 4. Changes in the accounting principles (policy) during the financial year

In the period of 6 months ended 30 June 2013 no changes to the Accounting Policy were introduced.

## **5. Changes in the method of preparation of the financial statements**

In the period of 6 months ended 30 June 2013 no changes were introduced to the manner of preparing the separate financial statements compared to the ones prepared by the PZU for 2012.

## **6. Adjustments of previous year errors**

In the period of 6 months ended 30 June 2013 no previous year errors were adjusted.

## **7. Information of significant post-balance sheet events not disclosed in the financial statements**

After the end of the reporting period, there were no significant events which would require disclosure in these financial statements.

## **8. Significant events pertaining to previous years and disclosed in the financial statements for the current reporting period**

By the date of these financial statements, there were no significant events pertaining to previous years that would not be included in these financial statements.

## **9. Significant events pertaining to the reporting period and significantly changing the structure of balance sheet items and the financial result**

### **9.1. Dividend due from Powszechny Zakład Ubezpieczeń na Życie SA**

On 21 June 2013, the General Shareholders' Meeting of PZU Życie (opened on 22 May 2013 and continued on 12 June 2013 and 21 June 2013) adopted resolutions concerning:

- allocation of a portion of the supplementary capital created from prior year profit, in the amount of PLN 2,000,000 thousand, to dividend payment;
- distribution of the profit for the 2012 financial year, in the amount of PLN 1,852,875 thousand, as follows:
  - ✓ allocation to dividend: PLN 1,842,875 thousand;
  - ✓ allocation to the Company's Social Benefits Fund: PLN 10,000 thousand.

The total dividend due to the sole shareholder, i.e. PZU, for 2012, in the amount of PLN 3,842,875 thousand, will be paid on 10 September 2013, whereas 21 June 2013 is the record date.

### **9.2. Transfer of portion of financial investments to funds**

The issue has been described in point 2.5.1. of Notes

### **9.3. Agreement with AXA France IARD**

On 25 January 2013, PZU made agreement with AXA France IARD on final settlement of a reinsurance contract for the years 2001 - 2005 regarding the Green Card insurance, which a positive impact on gross profit and net profit amounted to PLN 53,207 thousand and PLN 43,098 thousand respectively and consisted of the following elements:

- final PZU's reinsurance commissions receivable - positive impact on gross profit and net profit amounted to PLN 73,231 thousand and PLN 59,317 thousand respectively;
- surrender value of technical provisions by the reinsurer - negative impact on gross profit and net profit amounted to PLN 20,024 thousand and PLN 16,219 thousand respectively.

## **10. Comparability of financial data with data for the corresponding comparable periods**

The financial statements of PZU for the period of 6 months ended 30 June 2013 contains financial data presented in line with Attachment No. 3 to Ordinance of Minister of Finance of 18 October 2005 on the scope of information disclosed in separate and consolidated financial statements as required in prospectuses of listed issuers with registered office on the territory of the Republic of Poland applying Polish accounting principles (Journal of Laws No. 209 of 2005, item 1743 as amended "Ordinance on financial statements presented in prospectuses"), ensuring at the same time comparability of the financial data for the presented periods. while ensuring comparability of the financial data for the periods presented, in compliance with the requirements of Article 89.2 of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information submitted by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws No. 33 of 2009, item 259, as amended).

## **11. Managing and supervisory bodies of PZU**

### **11.1. Management Board of PZU**

As of 1 January 2013, composition of the Management Board of PZU was as follows:

- Andrzej Klesyk - Chairman of the Board;
- Przemysław Dąbrowski - Member of the Board;
- Bogusław Skuza - Member of the Board;
- Tomasz Tarkowski - Member of the Board;
- Ryszard Trepczyński - Member of the Board.

On 12 March 2013, the Supervisory Board of PZU appointed Dariusz Krzewina and Barbara Smalska to the position of Members of the Management Board effective from 15 March 2013.

Composition of the Management Board of PZU from 15 March 2013 to the date of signing of these financial statements:

- Andrzej Klesyk - Chairman of the Board;
- Przemysław Dąbrowski - Member of the Board;
- Dariusz Krzewina - Member of the Board;
- Bogusław Skuza - Member of the Board;
- Barbara Smalska - Member of the Board;
- Tomasz Tarkowski - Member of the Board;
- Ryszard Trepczyński - Member of the Board.

### **11.2. Supervisory Board of PZU**

Composition of the Supervisory Board as at 1 January 2013 was as follows:

- Waldemar Maj - Chairman;
- Zbigniew Ćwiąkalski - Vice-Chairman;
- Tomasz Zganiacz – Secretary of the Board;
- Dariusz Daniluk – Member;
- Zbigniew Derdziuk – Member;
- Dariusz Filar - Member;
- Włodzimierz Kiciński - Member;
- Alojzy Nowak – Member;
- Maciej Piotrowski - Member.

Till the date of these financial statements there were no changes in the composition of the Supervisory Board.

### **11.3. Directors in the Group**

Directors at the PZU Group as at 1 January 2013:

- Dariusz Krzewina;
- Rafał Grodzicki;
- Przemysław Henschke;
- Sławomir Niemierka.

On 5 February 2013, Barbara Smalska was appointed Director of the PZU Group by the Management Board of PZU and on 19 March 2013 she was dismissed from the aforementioned position as of 14 March 2013. The dismissal was due to her appointment as Member of the Management Board of PZU. For the same reason, Dariusz Krzewina was dismissed from the position of Director of the PZU Group on 19 March 2013, effective from 14 March 2013.

Directors of the PZU Group from 14 March 2013 to the date of signing of these financial statements:

- Rafał Grodzicki;
- Przemysław Henschke;
- Sławomir Niemierka.

All the present Directors at the PZU Group are also members of PZU Życie Management Board.

### **12. Remuneration of the entity authorized to audit financial statements**

In line with provisions of point 12a.b of "B. Additional explanatory notes" of Appendix 3 to the Ordinance on financial statements presented in prospectuses, information regarding remuneration of the entity authorized to audit financial statements is presented in point 31.1. of Additional explanatory notes.

### **13. Accounting principles (policy)**

Pursuant to Article 45.1a of the Accounting Act (Journal of Laws of 2013, item 330, as amended, the "Accounting Act"), financial statements of issuers of securities admitted to trading in a regulated market within the European Economic Area may be prepared in compliance with International Financial Reporting Standards and the related Interpretations published in the form of regulations of the European Commission (henceforth: IFRS).

As the General Meeting of Shareholders of PZU has not taken the decision referred to in Article 45.1c of the Accounting Act regarding preparation of financial statements in accordance with IFRS, separate financial statements of PZU are drawn up in line with Polish Accounting Standards (henceforth: PAS) as defined in the Accounting Act and its secondary legislation, among others including:

- Ordinance of the Minister of Finance of 28 December 2009 on special accounting principles for insurance and reinsurance companies (Journal of Laws No. 226 of 2009, item 1825);
- Ordinance of the Minister of Finance of 12 December 2001 on detailed principles of recognition, measurement, disclosure and presentation of financial instruments (Journal of Laws No. 149 of 2001, item 1674, as amended);).

Other major legal acts applicable to the financial statements include:

- Ordinance of the Minister of Finance of 28 November 2003 on calculation of the solvency margin and minimum capital and reserves required for insurance sections and groups (Dz. U. No. 211 of 2003 item 2060, as amended.);
- The Insurance Activity Act of 22 May 2003 (Journal of Laws No 11 of 2010 item, 66 as amended, "The Insurance Activity Act").

All matters not specified in the Accounting Act and the regulations issued on the basis thereof are governed by the Polish Accounting Standards and/or International Financial Reporting Standards.

#### **13.1. Intangible assets**

Intangible assets are recognized if it is likely than in the future they will cause an inflow of economic benefits closely related to such assets and include property rights acquired by PZU and suitable for economic use,



classified as non-current assets, with expected useful life exceeding one year, and intended for internal purposes of PZU.

Intangible assets include in particular: computer software, copyright, licenses and concessions.

Intangible assets are measured at acquisition price increased by costs directly related to acquisition and adjustment for use, reduced by amortization charges and impairment loss.

Intangible assets are amortized in accordance with the straight-line method over their expected useful life and pursuant to an amortization plan adopted by PZU and corresponding to their estimated economic useful life, with application of annual amortization rates ranging from 20% to 50%.

Intangible assets with a unit value of up to PLN 3,500 are charged to expenses in the month of their commissioning.

## **13.2. Investments**

### **13.2.1 Investments in real property**

Real property investment include: own land, perpetual usufruct of land, buildings and structures, as well as premises, ownership right to cooperative residential or commercial space, construction investments and advance payments for construction investments.

Real property investments are measured at acquisition price or manufacturing costs, including revaluation based on separate regulations (the last revaluation took place as of 1 January 1995 and its effects were charged to the revaluation reserve), reduced by depreciation accumulated as of the balance sheet date, including impairment loss.

Real property is depreciated in accordance with the straight-line method over its expected useful life and pursuant to a depreciation plan adopted by PZU and corresponding to its estimated economic useful life, with application of annual depreciation rates as presented below. Own land, construction investments and advance payments for construction investments are not depreciated.

<b>Asset type</b>	<b>Depreciation rate</b>
Land perpetual usufruct right	10%
Ownership right of cooperative residential or commercial space	2.5%
Buildings and structures	1.5 – 4.5%

### **13.2.2 Shares in controlled entities**

Shares in controlled entities are measured in line with the equity method, and for entities with immaterial impact on the financial statements of PZU – at acquisition price.

In case of impairment, PZU reduces the value of shares in controlled entities and creates an impairment loss.

The effects of measurement of shares in controlled entities according to the equity method are recognized in the following manner:

- revaluation of shares in controlled entities to the amount exceeding the acquisition price is recognized in revaluation reserve;
- revaluation of shares in controlled entities to the amount below the acquisition price is recognized in profit or loss.

### **13.2.3 Financial instruments**

Financial instruments are classified on the acquisition date to the following categories:

- financial assets and liabilities held for trading;
- financial assets held to maturity;
- originated loans and own receivables;
- assets available for sale.

Financial assets and liabilities are recognized in the balance sheet when PZU becomes a party to a binding contract under which it incurs risk and enjoys benefits related to a given financial instrument. For transactions concluded on an organized market on terms adopted on that market, purchase or sale of financial assets and liabilities are recognized as of the transaction date.

Financial instruments are initially recognized at fair value adjusted by transaction costs directly attributable to the purchase or sale of the given financial instrument. The fair value of a financial instrument upon initial recognition is usually its transaction price, unless the nature of the financial instrument provides otherwise.

For financial instruments generating interest income, interest is calculated beginning from the day after the transaction settlement date.

Release of financial instruments follows the FIFO (First In, First Out) principle, and for instruments purchased on the same date, the HIFO (Highest In, First Out) principle.

For each class of financial instruments, the fair value is determined based on publicly available quotations on an active market, and in their absence, using valuation models based on assumptions referring to data obtained on an active market. Shares whose fair value cannot be reliably estimated are exempted from this rule. They are measured at acquisition price reduced by impairment loss.

#### *Financial instruments held for trading*

Financial assets held for trading include those acquired for the purpose of obtaining economic benefits resulting from short-term price fluctuations and other market factors, or from a short life of the acquired instrument, as well as derivatives, unless classified as hedging instruments.

Financial instruments held for trading include also obligations to provide borrowed securities and other financial instruments if the entity concludes a short sale contract.

Financial assets classified as held for trading are not reclassified to other categories.

Financial instruments held for trading are measured at fair value, and if it cannot be reliably measured, at acquisition price including impairment loss.

#### *Derivatives*

The fair value of derivatives, such as forwards and interest rate swaps (IRS) not quoted in an active market is determined using the discounted cash flows and the information used in the measurement of the instruments comes from the money market.

Derivatives are recognized in the balance sheet in assets as "Other investments" or in equity and liabilities as "Other liabilities".

Changes in the fair value of derivatives not classified as hedging instruments are recognized in the profit or loss for the reporting period.

#### *Financial assets held to maturity*

Financial assets held to maturity include those not classified as originated loans and own receivables, for which concluded contracts determine the date of nominal value payment and the right to economic benefits obtainable within pre-defined deadlines – e.g. interest, in a fixed or determinable amount, provided that PZU intends and is able to maintain these assets (in particular debt securities) to their maturity.

The classification is mainly based on a judgment of the Management Board of PZU, which, making the assessment, assesses its intentions and ability to hold these financial instruments to maturity. The assessment is based on an analysis of material and financial position as well as possible mismatch of assets and liabilities of PZU.

Financial assets held to maturity are measured at adjusted acquisition price as of the balance sheet date.

#### *Originated loans and own receivables*

Originated loans and own receivables include financial assets arising from cash issued directly to the other party of a contract, regardless of their maturity (payment deadline).

Loans include also bonds and other debt instruments acquired in exchange for cash issued directly to the other party of a contract, if the contract clearly states that the disposing party has not lost control over the sold financial instruments (in particular, buy-sell-back transactions), as well as term deposits at credit institutions regardless of their maturity.

Originated loans, including term deposits and own receivables, are disclosed at adjusted acquisition price.

#### *Assets available for sale*

Financial assets available for sale include those not classified to the above categories, i.e.:

- financial instruments held for trading;
- financial assets held to maturity;
- originated loans and own receivables.

Financial assets held for trading are measured at fair value, and if it cannot be reliably determined, at acquisition price including impairment loss.

The difference between the fair value of financial assets available for sale and their adjusted acquisition price (acquisition price for equity instruments) is charged to the revaluation reserve.

The effects of revaluation of debt instruments available for sale to the adjusted acquisition price are recognized in profit or loss.

In the case of sale of instruments available for sale, the revaluation reserve regarding the instruments sold is derecognized and presented in profit or loss.

In case the instruments available for sale are impaired, revaluation losses previously recognized in the revaluation reserve are charged to profit or loss.

If the reason that necessitated recognition of an impairment loss on assets disappears, the equivalent of total or part of the previous revaluation write-down is recognized in profit or loss.

#### *Deposits with ceding undertakings*

Deposits with ceding undertakings include claims and premium deposits retained by insurers for which PZU provides reinsurance coverage. They represent a part of PZU receivables, however retained as security of future claims.

Deposits with ceding undertakings are measured at the amount due, determined in accordance with the terms and conditions of a reinsurance contract, and in the case when the deposit is a financial instrument, including also measurement of the instrument and impairment loss, if occurs.

#### *Transactions of acquiring and disposing of financial instruments whose economic content differs from legal content*

According to PZU opinion, buy-and-sell-back and sell-and-buy-back transactions do not mean transfer of rights and obligations related to the given financial instrument. The above transactions are classified as loans or liabilities, respectively.

#### *Foreign investments*

Foreign investments are located outside the territory of Poland.

Their location is determined by: the country of the issuer – for assets quoted in regulated markets; the redemption place – for other investments, in particular:

- the country of the registered office of the issuer, borrower or debtor – for debt securities, loans and receivables and other financial instruments with a guaranteed rate of return;
- registered office of the company – for shares and other equity instruments with the right to interest in the equity;
- the country of the registered office of the fund manager – for participation units and certificates of investment funds or other common investments.

### 13.3. Receivables

Receivables are recorded at the value determined when they occur. As of the balance sheet date, receivables are recognized at the amount due reduced by impairment loss. Write-downs on bad or doubtful receivables are based on an analysis of the economic and financial position of the debtors, ageing analysis of receivables and history of recovery contributing to the probability of payment.

#### 13.3.1 Receivables from direct insurance

Direct insurance receivables include receivables from policyholders for premium paid in installments and overdue premium; receivables from insurance intermediaries, i.e. brokers and agents.

Impairment losses on direct insurance receivables are classified as other technical expenses.

##### *Receivables from policyholders*

PZU reviews receivables from policyholders in order to determine whether there are any impairment indicators.

If case-by-case approach was not applied (as a special write-down determined in accordance with the evaluation of the debtor's economic and financial position), impairment is estimated on a collective basis, as a collective assessment of impairment risk for the portfolio of receivables from policyholders based on historical data regarding cash flows on receivables from policyholders.

#### 13.3.2 Receivables from reinsurance

Reinsurance receivables include receivables due to settlements with ceding undertakings, reinsurers and reinsurance brokers resulting from inward reinsurance, outward reinsurance and retrocession. The receivables are related mainly to the share of reinsurers in claims and benefits paid by the insurer, reinsurance commission and share in the reinsurers' profits.

Revaluation write-downs on reinsurance receivables are classified as other technical expenses.

#### 13.3.3 Other receivables

Other receivables include, e.g. receivables from due dividend, receivables from the State Budget and receivables from loss adjusting services.

Impairment losses on other receivables are classified as other operating costs.

### 13.4. Tangible assets

Tangible assets include tangible fixed assets excluding real property classified as investments, with expected useful life over one year, complete, suitable for use and designated for the company's purposes.

Tangible assets are recognized at acquisition price increased by all costs directly related to the purchase and adaptation of an asset for use, less depreciation and impairment loss.

Tangible assets are amortized beginning from first day of the month following the month of commissioning in accordance with straight-line method over their projected useful life and pursuant to an amortization plan adopted by PZU and corresponding to their estimated economic useful life, with application of annual depreciation rates as presented below.

Asset type	Depreciation rate for key assets in a given type
Machines and technical equipment	10% - 40%
Vehicles	18% - 33%
IT hardware	18% - 30%
Other non-current assets	7% - 20%

Tangible assets with a unit value of up to PLN 3,500 are charged to expenses in the month of their commissioning.

### **13.5. Cash**

Cash includes mainly cash in hand and at bank as well as promissory notes, third-party checks and cash in transit.

Cash is disclosed at face value.

### **13.6. Prepayments and accruals**

Prepayments and accruals include incurred and accrued costs, in whole or in part pertaining to periods after the balance sheet date, and include in particular costs related to insurance premiums which will be earned in later periods (i.e., among other things, acquisition costs, costs of obligatory payments, provided that they have a material impact on the financial statements).

In the case of property insurance acquisition commissions are deferred.

#### **13.6.1 Prepayments**

Costs of obligatory fees (including i.a. IT costs, cost of obligatory payments imposed by legal regulations) are recognized over time, proportionally to revenues providing the basis for fee measurement, if their impact on the financial statements is material.

Prepayments include, among other things, future receivables from recognized revenues from rent and revenues from reinsurance resulting from business events which took place by the balance sheet date and which will be settled in accordance with the contractual terms in the future.

#### **13.6.2 Accruals**

Accruals include costs pertaining to the current reporting period incurred in the following period, which have not been recognized as liabilities or provisions, including in particular acquisition costs, obligatory fees and outward reinsurance.

Reinsurance accruals include recognized costs resulting from business events that took place by the balance sheet date and which will be settled in accordance with the contractual terms in the future.

#### **13.6.3 Deferred income**

Deferred income includes, among other things, deferred reinsurance commissions settled in proportion to the premium earned on the reinsurers' share.

### **13.7. Equity**

#### **13.7.1 Share capital**

The share capital is recognized at the nominal value and is recorded in the National Court Register.

#### **13.7.2 Supplementary capital**

The supplementary capital is created and distributed in line with the provisions of the Code of Commercial Companies and the Articles of Association of PZU.

Supplementary capital is created from previous year net profit distribution and a portion of revaluation reserve reclassified upon disposal or liquidation of previously revalued fixed assets.

#### **13.7.3 Revaluation reserve**

The item includes the effects of:

- revaluation of shares in controlled entities (above acquisition price only) in correspondence with a change in deferred tax asset/provision;
- revaluation of investments classified as available for sale (above and below the acquisition price and for debt instruments, the adjusted acquisition price), in correspondence with a change in a deferred tax asset/provision;

- revaluation of fixed assets in line with relevant regulations. The last revaluation took place as of 1 January 1995.

#### **13.7.4 Previous year profit (loss)**

The item includes previous year net profit (loss), including the net financial result resulting from a change in accounting principles that was not distributed/covered by the General Shareholders' Meeting.

### **13.8. Technical provision**

Technical provisions are created in order to cover current and future claims and costs that may result from concluded insurance contracts. Provisions are created in line with the prudence principle.

#### **13.8.1 Provision for unearned premiums**

The provision for unearned premiums covers liabilities which may be incurred after the end of the reporting period and which result from the insurance contracts in which the coverage period started before the end of the reporting period.

The provision for unearned premiums is created as written premium for future reporting periods, in proportion to the period which the written premium covered. The provision for unearned premiums is determined using the individual method, accurate to one day, at the end of each reporting period.

In the case of insurance groups with uneven spread of risk over time, the provision for unearned premiums is created in the amount corresponding to the spread of the risk over time.

The share of reinsurers in the provision for unearned premiums is determined in line with the regulations of relevant reinsurance contracts, in the amount proportional to the reinsurance cover attributable to periods after the end of a given reporting period.

#### **13.8.2 Provisions for unexpired risks**

The provision for unexpired risks complements the provision for unearned premiums and covers future claims, benefits and costs relating to insurance contracts which do not expire on the last day of the reporting period.

The provision for unexpired risks is determined for all insurance groups (types) with claims ratio for the financial year exceeding 100%, as the difference between the product of provision for unearned premiums and claims ratio of a given financial year and the provision for unearned premiums - for the same insurance period.

The final amount of provision for unexpired risks is determined after a premium adequacy test.

The share of reinsurers in the provision for unexpired risks is determined in line with provisions of relevant reinsurance contracts.

#### **13.8.3 Provisions for outstanding claims**

The provision for outstanding claims includes the provision for outstanding claims incurred and reported, provision for claims incurred but not reported, provision for loss adjustment expenses and provision for capitalized annuity.

##### *Provision for claims reported but not paid*

The provision for claims reported but not paid is determined as the amount of average claim for claims which have not been assessed by the loss adjuster or as the amount determined by a loss adjusting unit. The provision includes the deductible, expected increase in the prices of goods and repair services and may not exceed the sum insured and the guaranteed sum.

The provision is revalued immediately after receiving information which impact its amount by individual assessment or estimated losses and claims.

#### *Provision for claims incurred but not reported*

The provisions for claims incurred but not reported ("IBNR") is created for losses and claims which have not been reported by the date of the provision using the loss triangle analysis: generalized Chain Ladder method, alternatively Bornhuetter-Ferguson method by each claim year.

#### *Provision for loss adjustment expenses*

The provision for loss adjustment expenses is determined at the end of each reporting period as the total of provision for direct and indirect loss adjustment expenses.

The provision for direct loss adjustment expenses is determined by the operating units, while the provision for claims incurred but not reported is determined using the loss triangle analysis: generalized Chain Ladder method by each claim year.

The provision for indirect loss adjustment expenses is created as the percentage of the provision for claims reported but not paid and provision for claims incurred but not reported and provision for direct loss adjustment expenses.

#### *Provision for capitalized annuity benefits*

The provision for capitalized annuity benefits is calculated individually as the present value of annuity (for life or periodic), paid in advance.

As at 30 June 2013 and 31 December 2012 for all annuities the technical rate of 3.6% was applied. At the same time, based on forecasts of inflation and remuneration growth as at 30 June 2013 PZU established annuities growth rate of 3.9% (as at 31 December 2012: 3.9%).

As regards life annuities, the period during which annuity claims are paid is determined based on Polish Life Expectancy Tables(PLET) for 2011, published by the Central Statistical Office (31 December 2012: PLET for 2011). Additionally, calculation of the provision for capitalized value of annuity includes the cost of their future management in the amount of 3% of the value of paid claims.

As of the end of each reporting period a provision for capitalized annuity benefits is created for claims incurred after 30 June 1990 by the balance sheet date and not disclosed as annuity (annuity IBNR).

As of the end of each reporting period the value of additional provision for liabilities resulting from increased annuity benefits from the so-called old portfolio is determined. Reassessment is carried out only for annuitants with the same provision calculated as of the end of 1997 whose claim at the end of a given period did not reach a satisfactory amount. The satisfactory amount of benefits is assumed as a determined percentage of the current average pay for the years 1960-1990. For the difference between the satisfactory and actual amount, a capitalized annuity amount is calculated in line with current principles.

#### *Reinsurers' share in technical provisions*

The share of reinsurers in provisions for outstanding claims is determined in line with provisions of relevant reinsurance contracts.

### **13.8.4 Equalization provision**

The equalization provision is created at the amount ensuring equalization of future fluctuations in the claims ratio, net of reinsurance, in accordance with the Ordinance.

### **13.8.5 Provision for bonuses and rebates (provision for profit sharing)**

The provision is created for insurance contracts assuming an increase in future benefits, including profit sharing of the insured.

The amount of the provision at the end of a given period is determined based on currently expected final amount of the increase in the benefit (or decrease in the premium) directly proportional to the premium earned at the end of a given period.

### **13.8.6 Expected recoveries and recourses**

When estimating future claims, PZU estimates the value of expected, future refunds of expenses as a result of assumption of claims against third parties (recoveries), rights to the insured property (recourses) and subsidies to cover part of claims due to agricultural producers for losses caused by drought, payable to the Company in accordance with the provisions of the Act on insurance of agricultural crops and livestock (Dz. U. No. 150 of 2005, item 1249, with subsequent amendments). When estimating the amount of recourse, recovery and subsidy, collection costs of recourse and recovery as well as subsidy obtaining expenses are included.

### **13.9. Other provisions**

"Other provisions" include provisions for certain or highly probable future liabilities arising on past events, with uncertain amount or payment deadline, but reliably estimated amount. In particular, provisions are created for jubilee awards, retirement benefits, unused paid vacation, losses on business transactions in progress, guarantees and sureties granted, losses arising on pending litigations and third party claims.

The costs of creating provisions are charged to other technical costs net of reinsurance, other operating costs or administrative costs, respectively, depending on the type of future liability.

#### **13.9.1 Provision for retirement benefits**

Pursuant to the Labor Code of 26 June 1974 (consolidated text: Journal of Laws No. 21 of 1998 item 94 with subsequent amendments – "the Labor Code"), employees of PZU are entitled to retirement benefit amounting to a monthly salary at the moment of retiring.

The costs of retirement benefits are estimated using actuarial methods and recognized on an accrual basis using the unit credit method.

Actuarial gains and losses are recognized in full in the period in which they occurred.

Provisions for retirement bonuses are measured at fair value of future performances that may be assigned to the current service, adjusted for unrecognized past service costs.

#### **13.9.2 Provision for unused paid vacation**

Pursuant to the Labor Code employees of PZU are entitled to paid vacation. PZU recognizes the costs of paid vacation on an accrual basis, using the liability method.

The provision for unused paid vacation is calculated as the difference between the number of days actually used and the number of days that would have been used had vacation been used proportionally to the passage of time in the entitlement period, in line with the valid legal regulations.

#### **13.9.3 Provision for survivor and post-employment benefits**

Pursuant to the Labor Code, in the event of death of an employee while in service or during period in which sickness benefit is collected, the family is entitled to a survivor benefit the amount of which depends on the employee's years in service with the employer and is an equivalent of the employee's remuneration for the period ranging from one to six months.

Pursuant to the Act on social benefits fund of 4 March 1994 (Journal of Laws. no. 43 of 1994, item 163 as amended) and Internal Regulations of the Social Benefit Fund of PZU, pensioners, former employees of PZU and their families are entitled to use the performances and services financed from the fund. According to the assumptions made by PZU, appropriations to the Company's Social Benefit Fund amount to 6,25% of the average monthly remuneration per pensioner.

Provisions for survivor and post-employment benefits are measured at fair value of future performances that may be assigned to the service to that date.

### **13.10. Liabilities due to reinsurers' deposits**

Liabilities due to reinsurers' deposits are recognized at the amount due, in line with concluded reinsurance contracts.



### **13.11. Other liabilities**

Liabilities are disclosed at the amount due.

### **13.12. Special funds**

Special funds include:

- the balance of the Company's Social Benefits Fund, expensed in line with relevant provisions. The Company's Social Benefits Fund is also increased by appropriations of net profit pursuant to the resolutions of the General Meeting;
- the balance of the Prevention Fund, created from appropriations, in line with the Insurance Act and the articles of association of PZU.

The balance of special funds is increased by investment income generated by these funds.

### **13.13. Revenues from insurance services**

Revenues from gross written premium are recognized starting from the date of concluded insurance contract, regardless of the date of inception of insurance coverage

The reinsurers' share in the premium has been determined for the insurance groups with reinsurance coverage, in the amount which - pursuant to relevant reinsurance contracts - corresponds to the transferred premium.

### **13.14. Investment income and expenses**

#### ***13.14.1 Income from real property and maintenance costs***

Income from real property considered as investments, such as rent and lease payments and other revenues related to the management of the property, are recognized under "Investment income from property" in profit or loss.

Costs of maintenance of property earmarked for investment purposes are recognized under "Costs of property maintenance" in profit or loss.

The costs of the maintenance of property used for own purposes are recognized in the technical account of personal and property insurance "Administrative costs" in the proportion resulting from space used by PZU.

#### ***13.14.2 Investing activities costs***

Investing activities costs include internal and external costs resulting from investing activities, including , investments managing costs, bank commissions and commission of brokerage offices.

#### ***13.14.3 Income and expenses from debt securities***

The result from the measurement of debt securities at the adjusted acquisition price is classified as income from debt securities.

The difference between the fair value as of the balance sheet date and the value at adjusted acquisition price is recognized as follows:

- in the case of debt securities (not recognized during calculation of the provision for capitalized annuity benefits and bonuses and rebates) classified as available-for-sale - under "Revaluation reserve";
- in the case of debt securities classified as investments held-for-trading - under "Unrealized gains" or "Unrealized losses on investments".

Gains/losses on sale/redemption of debt securities are recognized under "Gains/losses on investments".

#### ***13.14.4 Gains and losses on shares***

Unrealized gains and losses on valuation of shares classified as investments held for trading are recognized at the amount of the difference between the fair value and acquisition cost or carrying amount at the end of the previous financial year (in the case when the securities were purchased in prior years) under "Unrealized gains/losses on investments".

Unrealized gains and losses on measurement of shares classified as investments available for sale, not included in calculation of the technical provisions, are recognized in the revaluation reserve.

Gains/losses on sale of shares are recognized under "Gains/losses on investments".

Impairment losses on investments created in the reporting period are recognized under "Loss on revaluation of investments" and revenue from reversal of losses created in previous years are recognized under "Gain on revaluation of investments".

Dividend income is recognized at gross amount at the date the right to dividend has been established.

#### **13.14.5 *Net investment (including costs), reclassified from the general profit and loss account***

Investment income included in calculation of the provision for capitalized annuity and provisions for bonuses and rebates are reclassified from the general profit and loss account to the technical account of property and casualty insurance.

Due to the fact that the insurer's own funds and the those from the insurance fund are invested jointly and the investments are not separated, the investment income to be transferred from the general profit and loss account to the technical account of property and casualty insurance are calculated as the product of the provision for capitalized annuity at the beginning of the month and profitability of Treasury bonds held to maturity in a given month, including relevant investment expenses.

#### **13.14.6 *Interest income on term deposits at credit institutions***

Interest income on deposits at credit institutions is recognized on an accrual basis, i.e. all interest for a given reporting period is recognized irrespective of the date when it was received. If the deposit matures after the balance sheet date, interest is calculated on an accrual basis, proportionally to the passage of time since the first day of the deposit until the balance sheet date, inclusive.

#### **13.15. *Costs of claims and benefits***

The costs of the reporting period include all costs of claims and benefits paid for accidents and losses which took place during the reporting period and in the prior periods, including direct and indirect loss adjustment expenses and a change in the provisions for claims outstanding, less all received recoveries, recourses and subsidies as well as a change in the balance of estimated recoveries, recourses and subsidies.

The reinsurers' share in claims and benefits has been determined for the insurance groups with reinsurance coverage, in the amount which - pursuant to relevant reinsurance contracts valid in a given period - corresponds to the reinsurers' share in claims and benefits.

Loss adjustment expenses include direct and indirect costs related to activities which aim at settlement of reported claims or support activities aimed at settlement of such claims.

#### **13.16. *Costs of insurance activity***

Acquisition costs include direct and indirect expenses related to conclusion and renewal of insurance contracts. Direct acquisition costs include among other things the insurance agent commission, payroll related to conclusion of insurance contracts, costs of attestation, studies and research regarding the risk insured. Indirect acquisition costs include advertisement and promotion of insurance products and general costs related to analyzing applications and issuing policies.

In order to ensure that acquisition costs and revenues are matched, the commission for gross written premium in a given year, which will be paid in future are charged to acquisition costs and incurred and recognized acquisition costs regarding future reporting periods are deferred.

The costs of commission are recognized in the period when the premium serving as the basis for the commission is due. The value of acquisition costs is adjusted by the change in the balance of deferred acquisition costs.

Administrative costs include the costs of insurance activity, not classified as acquisition costs, costs of claims and benefits and investment expenses related to collected premium, managed portfolio of insurance contracts, reinsurance contracts and general and administrative costs of the insurance company.

The costs of insurance activity are adjusted by the value of reinsurance commission and shares in reinsurers' and retrocessionaries' profits, received or receivable from brokers and reinsurers under outward reinsurance or retrocession. The value of reinsurance commission received or receivable is adjusted by the value of deferred reinsurance commission in the part concerning future reporting periods.

### **13.17. Foreign currency transactions**

Assets and liabilities denominated in foreign currencies are translated as of the balance sheet date at the average exchange rate of the National Bank of Poland as of that date.

Business transactions denominated in foreign currencies are recognized on conclusion date at the average exchange rate determined for a given currency by the National Bank of Poland as of the day preceding the transaction, unless a different rate was defined in a customs application or any other binding document.

### **13.18. Income tax**

Income tax recognized in the profit and loss account includes current and deferred portion.

Current CIT liabilities are calculated pursuant to the Polish tax regulations.

The deferred portion recognized in profit or loss is the difference between the balance of deferred tax provisions and assets as of the beginning and end of the reporting period; deferred tax provisions and assets for transactions charged to equity are charged to equity.

Deferred tax provisions and assets are determined using the balance sheet method, considering corporate income tax rates which - according to expectations - will apply at the time when the asset is recovered or provision settled, in line with the tax law provisions applicable in Poland, issued by the balance sheet date.

PZU, as a company governed by the Polish tax regulations, can effectively offset tax liabilities and receivables by paying a net CIT amount. Therefore, deferred tax assets and liabilities are presented in the financial statements after being set off.

## **14. Significant differences between IFRS and PAS – indication, explanation and qualifications**

Since PZU prepared its first consolidated financial statements of the PZU group for the year ended 31 December 2005 and presented therein comparable date for the previous year, 1 January 2004 is assumed as the date of transition to IFRS of the PZU Group. Based on Point 17 of Appendix D to IFRS 1, indication, explanation and quantification of material differences between PAS and IFRS are presented upon the assumption that PZU transitioned to IFRS for separate financial statements purposes as at 1 January 2004 despite the fact that PZU does not prepare separate financial statements in line with IFRS.

Below please find description of significant differences between PAS and IFRS that would materially impact financial profit/loss or equity in the separate financial statements of PZU prepared in line with IFRS.

### **14.1. Measurement of investments in controlled entities**

Under PAS, shares in controlled entities are measured in line with equity method.

In line with IAS 27, in separate financial statements prepared in line with IFRS shares in controlled entities would be measured at acquisition cost including impairment loss.

In accordance with IAS 39.66, impairment loss on unquoted equity instruments not measured at fair value (if the fair value cannot be reliably determined) cannot be reversed.

### **14.2. Measurement of property**

Pursuant to the provisions of the Ordinance on accounting principles in insurance undertakings, property is measured at the acquisition or manufacturing cost, less depreciation as at the balance sheet date and impairment loss.

As at the date of transition to IFRSs (i.e. as at 1 January 2004), the manufacturing costs of owned property used for internal purposed was determined and the difference was charged to undistributed profit/uncovered loss of

previous years. In later periods, this leads to a difference in depreciation and accumulated impairment losses on the real property.

In accordance with IFRS, investment property is measured at fair value as at the balance sheet date and any changes in the fair value during the reporting period are charged to profit or loss of the period.

If a real property used for own purposes becomes an investment property measured at fair value, depreciation is continued until the reclassification date, and the difference between the carrying amount and fair value is charged to revaluation reserve.

#### **14.3. Land perpetual usufruct right**

In the consolidated financial statements prepared in accordance with PAS, the land perpetual usufruct right received free of charge as a result of an administrative decision is accounted for as deferred income and settled over time.

In accordance with IFRS, assets received free of charge which do not require additional conditions to be met may be recognized as revenue when the asset is received, if there are no reasons to classify the assets to periods other than when they were received.

Perpetual usufruct of land right has been included in adjustments referred to in point 14.2.

#### **14.4. Revaluation reserve – property, plant and equipment**

Pursuant to the provisions of the Accounting Act and based on separate regulations concerning revaluation of property, plant and equipment in 1995, property, plant and equipment was revalued in the Polish accounting records and the effects of revaluation were charged to revaluation reserve. The revaluation does not meet the requirements of IAS 29.

#### **14.5. Equalization provision – property and casualty insurance**

The provisions of the Ordinance on accounting principles in insurance undertakings specify the principles of creating and applying the equalization provision. The provision does not refer to specific liabilities resulting from concluded insurance policies. In accordance with PAS, the change in the provision is the current period expense; in accordance with IFRS it is allocation of net profits.

#### **14.6. Prevention fund**

Pursuant to the Act on insurance activity, PZU may charge the appropriations to the prevention fund to the current period expenses. Pursuant to the provisions of the Ordinance on accounting principles in insurance undertakings, the fund is recognized as special funds in liabilities.

Pursuant to the provisions of IAS 37, such funds may not be charged to the current period expenses and they are disclosed as allocation of net profits and the costs of prevention activities are recognized when they are incurred.

#### **14.7. Impairment loss on equity instruments classified as available for sale**

For certain equity instruments classified as available for sale, impairment loss was recognized.

Pursuant to the provisions of the Accounting Act, when the reason for the impairment loss of financial assets no longer exists, the equivalent of the entire impairment loss or its relevant part increased the value of a given assets and is classified as gain on revaluation of investments.

In accordance with IAS 39.69, impairment loss on unquoted equity instruments classified as available for sale through profit or loss cannot be reversed.

#### **14.8. The Company's Social Benefits Fund**

If the General Meeting of PZU decides to assign a portion of net profit/loss for the previous year to the Social Benefit Fund maintained by PZU, in accordance to PAS the fact is recognized as distribution of previous year profit not influencing the profit/loss for the year in which the distribution took place.

The above transaction does not meet the definition of cost in IFRS and pursuant to the provisions of IAS 1 it is disclosed in the consolidated income statement for the financial year when the appropriation to the Social Benefit Fund was recognized.

#### 14.9. Differences due to deferred tax

All the differences between Polish PAS and IFRS include also the effect of the deferred tax differences which was included in calculation of all presented adjustments whenever it was justified.

#### 14.10. Reconciliation of equity and net financial profit/loss prepared in line with PAS and IFRS

Description	Point	Net profit 1 January - 30 June 2013	Equity 30 June 2013	Net profit 1 January - 30 June 2012	Equity 31 December 2012
<b>Financial statements in accordance with PAS</b>		<b>4 679 913</b>	<b>12 465 060</b>	<b>1 895 361</b>	<b>13 452 581</b>
Measurement of investments in controlled entities (*)	14.1	(5 992)	(3 171 900)	4 030	(6 276 791)
Measurement of property	14.2, 14.4	(27 699)	144 360	(2 235)	163 490
Land perpetual usufruct right	14.3, 14.4	(716)	3 983	(722)	4 699
Equalization provision – property and casualty insurance	14.5	-	472 844	-	472 844
Prevention Fund	14.6	(1 031)	15 306	2 869	16 337
Impairment loss on equity instruments classified as available for sale	14.7	(1 139)	-	1 263	-
The Company's Social Benefits Fund	14.8	(10 000)	-	(10 000)	-
<b>Total adjustments</b>		<b>(46 577)</b>	<b>(2 535 407)</b>	<b>(4 795)</b>	<b>(5 619 421)</b>
<b>Financial statements in accordance with IFRS</b>		<b>4 633 336</b>	<b>9 929 653</b>	<b>1 890 566</b>	<b>7 833 160</b>

(\*) PZU has never prepared separate financial statements in line with IFRS and for the purposes of this note it was assumed that investments in controlled entities are measured at cost, or cost less impairment losses recognized on a one-off basis as of the date of transition of the PZU Group (i.e. PZU for the purposes of consolidated reporting) to IFRS on 1 January 2004 (deemed cost). The measurement is the same as the measurement of investments in controlled entities in the consolidated financial statements of the PZU Group as at 1 January 2004.

## II. BALANCE SHEET AND OFF-BALANCE SHEET ITEMS

Assets	Note	30 June 2013	31 December 2012
<b>I. Intangible assets, including:</b>	<b>X.1</b>	<b>149 445</b>	<b>129 729</b>
- goodwill		-	-
<b>II. Investments</b>	<b>X.2</b>	<b>26 274 875</b>	<b>27 591 485</b>
1. Real property	X.2.3	549 611	561 589
2. Investments in controlled entities	X.2.4	4 143 219	7 243 170
- investments in controlled entities measured using the equity method		4 115 072	7 212 032
3. Other financial investments	X.2.5	21 579 170	19 782 584
4. Deposits with ceding undertakings	X.2.7	2 875	4 142
<b>III. Net unit-linked assets</b>		<b>-</b>	<b>-</b>
<b>IV. Receivables</b>	<b>X.3</b>	<b>6 017 453</b>	<b>1 473 952</b>
1. Receivables from direct insurance	X.3.1	1 379 565	1 276 089
1.1. From controlled entities		106	368
1.2. From other entities		1 379 459	1 275 721
2. Receivables from reinsurance	X.3.2	40 111	14 598
2.1. From controlled entities		320	3
2.2. From other entities		39 791	14 595
3. Other receivables	X.3.3	4 597 777	183 265
3.1. Receivables from the State Budget		83 917	81 050
3.2. Other receivables		4 513 860	102 215
a) from controlled entities		3 901 104	4 430
b) from other entities		612 756	97 785
<b>V. Other assets</b>	<b>X.4</b>	<b>172 249</b>	<b>140 580</b>
1. Tangible assets	X.4.1	95 771	98 968
2. Cash	X.4.2	76 478	41 612
3. Other assets		-	-
<b>VI. Prepayments</b>	<b>X.5</b>	<b>578 082</b>	<b>577 470</b>
1. Deferred tax asset	X.5.1	-	16 610
2. Deferred acquisition costs		497 479	490 285
3. Recognized interest and rent		-	-
4. Other prepayments	X.5.2	80 603	70 575
<b>Total assets</b>		<b>33 192 104</b>	<b>29 913 216</b>

Liabilities and equity	Note	30 June 2013	31 December 2012
<b>I. Equity</b>	<b>X.7</b>	<b>12 465 060</b>	<b>13 452 581</b>
1. Share capital	X.7.1	86 352	86 352
2. Called up share capital (negative value)		-	-
3. Treasury shares (negative value)		-	-
4. Supplementary capital	X.7.3	3 973 662	3 967 599
5. Revaluation reserve	X.7.4	3 725 133	6 817 910
6. Other reserve capitals		-	-
7. Previous year profit (loss)		-	-
8. Net profit (loss)		4 679 913	2 580 720
9. Appropriations of net profit during the financial year (negative value)		-	-
<b>II. Subordinated liabilities</b>		<b>-</b>	<b>-</b>
<b>III. Technical provisions</b>	<b>X.8</b>	<b>16 270 835</b>	<b>15 771 187</b>
<b>IV. Reinsurers' share in technical provisions (negative value)</b>	<b>X.8</b>	<b>(463 050)</b>	<b>(721 301)</b>
<b>V. Expected recoveries and recourses (negative value)</b>	<b>X.9</b>	<b>(99 132)</b>	<b>(116 776)</b>
1. Expected recoveries and recourses (gross)		(101 818)	(119 306)
2. Reinsurers' share in expected recoveries and recourses		2 686	2 530
<b>VI. Other provisions</b>	<b>X.10</b>	<b>213 069</b>	<b>218 355</b>
1. Provisions for pension and other obligatory employee benefits	X.10.1	83 906	72 560
2. Provision for deferred income tax	X.10.2	3 486	-
3. Other provisions	X.10.3	125 677	145 795
<b>VII. Liabilities due to reinsurers' deposits</b>		<b>-</b>	<b>-</b>
<b>VIII. Other liabilities and special funds</b>	<b>X.11</b>	<b>4 473 203</b>	<b>810 652</b>
1. Liabilities due to direct insurance	X.11.1	309 786	341 828
1.1. To controlled entities		1 072	1 070
1.2. To other entities		308 714	340 758
2. Liabilities due to reinsurance	X.11.2	64 345	20 568
2.1. To controlled entities		155	-
2.2. To other entities		64 190	20 568
3. Liabilities arising from issue of debt securities and obtained loans		-	-
4. Liabilities to credit institutions	X.11.3	207 700	-
5. Other liabilities	X.11.4	3 757 476	340 837
5.1. Liabilities to the state budget		78 942	28 109
5.2. Other liabilities		3 678 534	312 728
a) to controlled entities		69 200	72 074
b) to other entities		3 609 334	240 654
6. Special funds	X.11.6	133 896	107 419
<b>IX. Accruals</b>	<b>X.12</b>	<b>332 119</b>	<b>498 518</b>
1. Accrued expenses		317 544	483 677
2. Negative goodwill		-	-
3. Deferred income		14 575	14 841
<b>Total liabilities and equity</b>		<b>33 192 104</b>	<b>29 913 216</b>

Item	30 June 2013	31 December 2012
Book value	12 465 060	13 452 581
Number of shares	86 352 300	86 352 300
Book value per share (in PLN)	144.35	155.79
Diluted number of shares	86 352 300	86 352 300
Diluted book value per share (in PLN)	144.35	155.79

Off-balance sheet items	Note	30 June 2013	31 December 2012
<b>1. Contingent receivables, including:</b>	<b>X.14.1</b>	<b>8 006 643</b>	<b>8 726 276</b>
1.1. Guarantees and sureties received		18 246	17 746
1.2. Other		7 988 397	8 708 530
<b>2. Contingent liabilities, including:</b>	<b>X.14.2</b>	<b>158 778</b>	<b>102 107</b>
2.1. Guarantees and sureties issued		4 392	6 789
2.2. Accepted and endorsed promissory notes		-	-
2.3. Buy-sell-back assets		-	-
2.4. Other liabilities collateralized by the Company's assets or revenue		-	-
2.5. Disputed claims not acknowledged by the insurer and brought to court by creditors		153 708	94 543
<b>3. Reinsurance collateral for the insurance company</b>		-	-
<b>4. Reinsurance collateral pledged by the insurance company for cedants</b>		-	-
<b>5. Third-party assets not recognized in the entity's assets</b>		<b>145 282</b>	<b>217 594</b>
<b>6. Other non-balance sheet items (by type)</b>		-	-
6.1. assets of the insurance company used as collateral		-	-
6.2. other off-balance sheet items		-	-
<b>Total off-balance sheet items</b>		<b>8 310 703</b>	<b>9 045 977</b>
Own funds	X.13	9 857 628	10 956 132
Solvency margin	X.13	1 369 183	1 343 831
Surplus (shortage) of own funds to cover the solvency margin	X.13	8 488 445	9 612 301
Technical provisions amount*		16 169 017	15 651 881
Assets to cover technical provisions		19 143 728	19 741 146
Surplus (shortage) of assets to cover technical provisions		2 974 711	4 089 265

\* less gross expected recourses and recoveries



### III. TECHNICAL INSURANCE ACCOUNT – PROPERTY AND CASUALTY INSURANCE

Technical insurance account - property and casualty insurance	Note	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>		<b>2 037 157</b>	<b>4 047 613</b>	<b>2 086 556</b>	<b>4 084 173</b>
1. Gross written premiums	X.15	2 016 574	4 337 002	1 995 432	4 436 623
2. Reinsurers' share in written premium		20 067	39 079	19 132	60 617
3. Change in provisions for unearned premiums and unexpired risks (gross)		(67 518)	199 567	(123 806)	259 552
4. Reinsurers' share in change in provisions for unearned premiums		(26 868)	(50 743)	(13 550)	(32 281)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>		<b>77 414</b>	<b>152 346</b>	<b>72 765</b>	<b>144 813</b>
<b>III. Other technical revenue net of reinsurance</b>		<b>8 754</b>	<b>28 760</b>	<b>28 696</b>	<b>44 780</b>
<b>IV. Claims</b>	<b>X.18</b>	<b>1 290 338</b>	<b>2 401 630</b>	<b>1 360 210</b>	<b>2 633 393</b>
1. Claims paid net of reinsurance		993 063	1 875 150	1 163 132	2 271 414
1.1. Gross claims paid		1 029 050	2 063 510	1 210 847	2 344 293
1.2. Reinsurers' share in claims paid		35 987	188 360	47 715	72 879
2. Change in provision for claims outstanding, net of reinsurance:		297 275	526 480	197 078	361 979
2.1. Change in provision for claims outstanding (gross)		257 173	318 816	295 173	411 347
2.2. Reinsurers' share in change in provisions for claims outstanding		(40 102)	(207 664)	98 095	49 368
<b>V. Changes in other technical provisions, net of reinsurance</b>		-	-	-	-
1. Change in other technical provisions (gross)		-	-	-	-
2. Reinsurers' share in change in other technical provisions		-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>		<b>(1 543)</b>	<b>(711)</b>	<b>(1 725)</b>	<b>(3 144)</b>
<b>VII. Costs of insurance activity</b>	<b>X.21</b>	<b>480 719</b>	<b>897 310</b>	<b>507 465</b>	<b>1 044 995</b>
1. Acquisition costs, including:	X.21.1	351 470	694 220	360 428	730 776
- change in deferred acquisition costs		7 676	(7 194)	14 564	(5 106)
2. Administrative costs	X.21.2	131 244	281 695	136 387	300 985
3. Reinsurers' commissions and share in reinsurers' profit		1 995	78 605	(10 650)	(13 234)
<b>VIII. Other technical charges – net of reinsurance</b>		<b>63 779</b>	<b>169 296</b>	<b>77 887</b>	<b>179 874</b>
<b>IX. Changes in equalization provisions</b>		-	-	-	-
<b>X. Technical result on property and casualty insurance</b>		<b>290 032</b>	<b>761 194</b>	<b>244 180</b>	<b>418 648</b>

#### IV. GENERAL PROFIT AND LOSS ACCOUNT

General profit and loss account	Note	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Technical result on property and casualty insurance</b>		<b>290 032</b>	<b>761 194</b>	<b>244 180</b>	<b>418 648</b>
<b>II. Investment income</b>		<b>4 153 878</b>	<b>4 441 416</b>	<b>1 581 097</b>	<b>1 902 140</b>
1. Investment income - real property		1 574	3 203	1 582	3 161
2. Investment income – controlled entities		3 886 588	3 886 588	1 196 608	1 206 357
2.1. On shares		3 886 588	3 886 588	1 196 608	1 206 357
2.2. On loans and debt securities		-	-	-	-
2.3. On other investments		-	-	-	-
3. Investment income – other financial investments		185 700	369 248	290 170	488 604
3.1. On shares, other variable income securities as well as units and investment certificates in investment funds		1 047	1 911	25 492	25 527
3.2. On debt securities and other fixed income securities		156 192	304 333	213 943	381 482
3.3. On term deposits with credit institutions		2 928	20 313	19 325	33 486
3.4. On other investments		25 533	42 691	31 410	48 109
4. Gain on revaluation of investments		1 423	1 456	200	200
5. Gain on realization of investments		78 593	180 921	92 537	203 818
<b>III. Unrealized gains on investments</b>		<b>99 655</b>	<b>146 175</b>	<b>11 815</b>	<b>82 835</b>
<b>IV. Net investment income, taking into account costs, reclassified from the technical account for life insurance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V. Costs of investing activities</b>		<b>130 333</b>	<b>205 211</b>	<b>77 302</b>	<b>138 742</b>
1. Costs of property maintenance		1 780	5 277	1 183	2 629
2. Other costs of investing activities		6 223	12 217	7 037	13 844
3. Loss on revaluation of investments		5 070	11 141	7 117	7 117
4. Loss on realization of investments		117 260	176 576	61 965	115 152
<b>VI. Unrealized losses on investments</b>		<b>72 717</b>	<b>127 858</b>	<b>33 954</b>	<b>53 431</b>
<b>VII. Net investment income, taking into account costs, reclassified to the technical account for property and casualty insurance</b>		<b>77 414</b>	<b>152 346</b>	<b>72 765</b>	<b>144 813</b>
<b>VIII. Other operating revenue</b>	<b>X.22</b>	<b>4 440</b>	<b>22 850</b>	<b>9 873</b>	<b>25 040</b>
<b>IX. Other operating costs</b>	<b>X.23</b>	<b>18 343</b>	<b>28 100</b>	<b>10 699</b>	<b>25 263</b>
<b>X. Operating profit (loss)</b>		<b>4 249 198</b>	<b>4 858 120</b>	<b>1 652 245</b>	<b>2 066 414</b>
<b>XI. Extraordinary gains</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XII. Extraordinary losses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. Gross profit (loss)</b>		<b>4 249 198</b>	<b>4 858 120</b>	<b>1 652 245</b>	<b>2 066 414</b>
<b>XIV. Income tax</b>	<b>X.25</b>	<b>69 258</b>	<b>185 897</b>	<b>85 601</b>	<b>167 023</b>
a) current portion		72 577	170 036	92 457	115 217
b) deferred portion		(3 319)	15 861	(6 856)	51 806
<b>XV. Other statutory reductions in profit (increases in loss)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. Share in net profits (losses) of controlled entities measured using the equity method</b>	<b>X.26</b>	<b>4 867</b>	<b>7 690</b>	<b>4 987</b>	<b>(4 030)</b>
<b>XVII. Net profit (loss)</b>		<b>4 184 807</b>	<b>4 679 913</b>	<b>1 571 631</b>	<b>1 895 361</b>

	<b>1 January - 30 June 2013</b>	<b>1 January - 30 June 2012</b>
Net profit (loss) (annualized)	9 359 826	3 790 722
Weighted average number of ordinary shares	86 352 300	86 352 300
Earnings (loss) per ordinary share (in PLN)	108.39	43.90
Weighted average diluted number of ordinary shares	86 352 300	86 352 300
Diluted earnings (loss) per ordinary share (in PLN)	108.39	43.90

## V. STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity	1 January – 30 June 2013	1 January – 31 December 2012	1 January – 30 June 2012
<b>I. Opening balance of equity</b>	<b>13 452 581</b>	<b>11 745 410</b>	<b>11 745 410</b>
a) changes in the accounting principles (policy)	-	-	-
b) error adjustments	-	-	-
<b>I. a. Opening balance of equity after adjustments</b>	<b>13 452 581</b>	<b>11 745 410</b>	<b>11 745 410</b>
<b>1. Opening balance of share capital</b>	<b>86 352</b>	<b>86 352</b>	<b>86 352</b>
1.1. Changes in share capital	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
<b>1.2. Closing balance of share capital</b>	<b>86 352</b>	<b>86 352</b>	<b>86 352</b>
<b>2. Opening balance of called up share capital</b>	-	-	-
2.1. Changes in called up share capital	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
<b>2.2. Closing balance of called up share capital</b>	-	-	-
<b>3. Opening balance of treasury shares</b>	-	-	-
3.1. Changes in treasury shares	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
<b>3.2. Closing balance of treasury shares</b>	-	-	-
<b>4. Opening balance of supplementary capital</b>	<b>3 967 599</b>	<b>3 331 838</b>	<b>3 331 838</b>
4.1. Changes in supplementary capital	6 063	635 761	635 520
a) increase (due to)	6 063	635 761	635 520
- profit distribution (above the statutory minimum value)	6 057	635 421	635 421
- from revaluation reserve – sale and liquidation of fixed assets	6	340	99
b) decrease	-	-	-
<b>4.2. Closing balance of supplementary capital</b>	<b>3 973 662</b>	<b>3 967 599</b>	<b>3 967 358</b>
<b>5. Opening balance of revaluation reserve</b>	<b>6 817 910</b>	<b>5 744 917</b>	<b>5 744 917</b>
- changes in the accounting principles (policy)	-	-	-
5.1. Changes in revaluation reserve	(3 092 777)	1 072 993	(64 995)
a) increase (due to)	168 340	1 618 306	394 188
- measurement of financial investments	167 589	1 611 956	387 071
- reclassification of impairment loss on investments available for sale	751	6 350	7 117
b) decrease (due to)	3 261 117	545 313	459 183
- measurement of financial investments	3 261 029	544 213	459 084
- sale and liquidation of fixed assets	6	340	99
- other decrease	82	760	-
<b>5.2. Closing balance of revaluation reserve</b>	<b>3 725 133</b>	<b>6 817 910</b>	<b>5 679 922</b>
<b>6. Opening balance of other reserve capitals</b>	-	-	-
6.1. Changes in other reserve capitals	-	-	-
a) increase (due to)	-	-	-
- reclassified to reserve capital for funding of advances for dividend	-	-	-
b) decrease (due to)	-	-	-
- financing advance payments towards expected dividend	-	-	-
<b>6.2. Closing balance of other reserve capitals</b>	-	-	-
<b>7. Opening balance of previous year profit (loss)</b>	<b>2 580 720</b>	<b>2 582 303</b>	<b>2 582 303</b>
<b>7.1. Opening balance of previous year profit</b>	<b>2 580 720</b>	<b>2 582 303</b>	<b>2 582 303</b>

Warsaw, 26 August 2013

The enclosed notes are an integral part of the financial statements

Statement of changes in equity	1 January – 30 June 2013	1 January – 31 December 2012	1 January – 30 June 2012
a) changes in the accounting principles (policy)	-	-	-
b) error adjustments	-	-	-
<b>7.2. Opening balance of previous year profit reconciled to comparative data</b>	<b>2 580 720</b>	<b>2 582 303</b>	<b>2 582 303</b>
a) increase	-	-	-
b) decrease (due to)	2 580 720	2 582 303	2 582 303
- reclassification to supplementary capital	6 057	635 421	635 421
- dividend payment	2 564 663	1 936 882	1 936 882
- reclassification/appropriations to the Company's Social Benefits Fund	10 000	10 000	10 000
<b>7.3. Closing balance of previous year profit</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7.4. Opening balance of previous year loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) changes in the accounting principles (policy)	-	-	-
b) error adjustments	-	-	-
<b>7.5. Opening balance of previous year loss reconciled to comparative data</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7.6. Closing balance of previous year loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7.7. Closing balance of previous year profit (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Net result</b>	<b>4 679 913</b>	<b>2 580 720</b>	<b>1 895 361</b>
a) net profit	4 679 913	2 580 720	1 895 361
b) net loss	-	-	-
c) appropriations of profit	-	-	-
<b>II. Closing balance of equity</b>	<b>12 465 060</b>	<b>13 452 581</b>	<b>11 628 993</b>
<b>III. Equity, including proposed profit distribution (loss coverage)</b>	<b>10 738 014 <sup>1)</sup></b>	<b>13 52 581</b>	<b>11 628 993</b>

<sup>1)</sup> Equity after proposed profit distribution (loss coverage)“ has been calculated by taking into account the issue presented in Section 7.2.2 of the Notes.

## VI. CASH FLOW STATEMENT

Cash Flow Statement	Note	1 January – 30 June 2013	1 January – 30 June 2012
<b>A. Cash flows from operating activities</b>			
<b>I. Inflows</b>		<b>4 969 600</b>	<b>4 848 264</b>
<b>1. Inflows from direct business and outward reinsurance</b>		<b>4 352 097</b>	<b>4 470 649</b>
1.1. Inflows from gross premiums		4 259 508	4 365 732
1.2. Inflows from recoveries, recourses and claim refunds		73 880	88 162
1.3. Other inflows from direct business		18 709	16 755
<b>2. Inflows from reinsurance</b>		<b>240 727</b>	<b>99 580</b>
2.1. Inflows due to reinsurers' share in claims		174 147	76 512
2.2. Inflows from reinsurance commissions and share in reinsurers' profits		66 576	6 186
2.3. Other inflows from reinsurance		4	16 882
<b>3. Inflows from other operating activities</b>		<b>376 776</b>	<b>278 035</b>
3.1. Inflows from loss adjusting services		150 054	130 258
3.2. Disposal of intangible assets and tangible fixed assets other than investments		1 533	1 547
3.3. Other inflows	X.27	225 189	146 230
<b>II. Outflows</b>		<b>4 136 203</b>	<b>4 200 259</b>
<b>1. Outflows for direct business and outward reinsurance</b>		<b>3 297 899</b>	<b>3 581 246</b>
1.1. Return of gross premiums		96 854	80 340
1.2. Gross claims paid		1 805 704	2 081 837
1.3. Acquisition costs		523 728	510 842
1.4. Administrative costs		745 239	779 975
1.5. Outflows due to handling claims and costs of recourses		58 220	49 694
1.6. Paid commissions and profit sharing due to outward reinsurance		819	1 183
1.7. Other outflows due to direct business and inward reinsurance		67 335	77 375
<b>2. Outflows due to outward reinsurance</b>		<b>100 420</b>	<b>111 242</b>
2.1. Premiums paid due to reinsurance		100 340	90 325
2.2. Other outflows due to outward reinsurance		80	20 917
<b>3. Outflows for other operating activities</b>		<b>737 884</b>	<b>507 771</b>
3.1. Outflows for loss adjusting services		243 387	232 754
3.2. Acquisition of intangible assets and tangible fixed assets other than investments		80 748	35 833
3.3. Other operating costs	X.27	413 749	239 184
<b>III. Net cash flows generated by operating activities (I-II)</b>		<b>833 397</b>	<b>648 005</b>
<b>B. Cash flows from investing activities</b>			
<b>I. Inflows</b>		<b>80 890 408</b>	<b>84 380 577</b>
1. Disposal of real property		64	-
2. Disposal of shares in controlled entities		265	-
3. Disposal of shares in other entities and units and investment certificates in investment funds		-	784 056
4. Redemption of debt securities issued by controlled entities and repayment of loans taken out by those entities		-	-
5. Redemption of debt securities issued by other entities		6 998 007	14 034 035
6. Withdrawal of term deposits with credit institutions		20 555 302	28 720 468
7. Cash from other investments		52 753 751	40 487 771
8. Inflows from real property		4 144	3 541
9. Interest received		535 162	304 176
10. Dividends received		43 713	46 530
11. Other inflows from investments		-	-
<b>II. Outflows</b>		<b>81 892 244</b>	<b>84 799 410</b>
1. Acquisition of real property		-	-
2. Acquisition of shares in controlled entities		6 248	8 505
3. Acquisition of shares in other entities and units and investment certificates in investment funds		1 076 750	585 312

Warsaw, 26 August 2013

The enclosed notes are an integral part of the financial statements

<b>Cash Flow Statement</b>	<b>Note</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
4. Acquisition of debt securities issued by controlled entities and granting loans to those entities		-	-
5. Acquisition of debt securities issued by other entities		7 408 457	13 528 067
6. Term deposits made with credit institutions		19 901 062	28 775 473
7. Acquisition of other investments		53 487 896	41 890 248
8. Outflows for maintenance of property		6 427	7 614
9. Other outflows for investments		5 404	4 191
<b>III. Net cash flows from investing activities (I-II)</b>		<b>(1 001 836)</b>	<b>(418 833)</b>
<b>C. Cash flows from financing activities</b>			
<b>I. Inflows</b>		<b>1 804 832</b>	<b>12 125 179</b>
1. Net inflows from issue of shares and capital contributions		-	-
2. Credit facilities, loans and issue of debt securities		1 804 832	12 125 179
3. Other inflows from financing activities		-	-
<b>II. Outflows</b>		<b>1 603 735</b>	<b>12 311 485</b>
1. Dividends		2	132
2. Profit distribution payments other than dividend		-	-
3. Acquisition of treasury shares		-	-
4. Repayment of credit facilities and loans and redemption of debt securities		1 603 733	12 311 353
5. Interest on credit facilities, loans and issued debt securities		-	-
6. Other outflows for financing activities		-	-
<b>III. Net cash flows from financing activities (I-II)</b>		<b>201 097</b>	<b>(186 306)</b>
<b>D. Total net cash flows (A.III+/-B.III+/-C.III)</b>		<b>32 658</b>	<b>42 866</b>
<b>E. Balance sheet change in cash, including:</b>		<b>34 866</b>	<b>43 446</b>
- change in cash due to exchange differences		2 208	(580)
<b>F. Opening balance of cash</b>		<b>41 612</b>	<b>107 868</b>
<b>G. Cash at the end of the financial year (F+/-D), including:</b>		<b>76 478</b>	<b>151 314</b>
- restricted cash	X.27.1.	67 577	51 117

## VII. TECHNICAL ACCOUNTS – TOTAL DIRECT ACTIVITIES

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>2 033 665</b>	<b>4 033 535</b>	<b>2 080 892</b>	<b>4 067 457</b>
1. Gross written premiums	2 005 484	4 314 846	1 989 206	4 425 586
2. Reinsurers' share in written premium	17 322	36 266	18 337	59 799
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(69 445)	199 827	(123 059)	265 599
4. Reinsurers' share in change in provisions for unearned premiums	(23 942)	(45 218)	(13 036)	(32 731)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>77 414</b>	<b>152 346</b>	<b>72 765</b>	<b>144 813</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>8 647</b>	<b>27 679</b>	<b>28 393</b>	<b>44 233</b>
<b>IV. Claims</b>	<b>1 288 743</b>	<b>2 389 827</b>	<b>1 353 259</b>	<b>2 626 431</b>
1. Claims paid net of reinsurance	990 977	1 862 705	1 160 150	2 267 441
1.1. Gross claims paid	1 026 964	2 051 065	1 207 865	2 340 320
1.2. Reinsurers' share in claims paid	35 987	188 360	47 715	72 879
2. Change in provision for claims outstanding, net of reinsurance:	297 766	527 122	193 109	358 990
2.1. Change in provisions for claims outstanding (gross)	257 664	319 458	290 744	407 898
2.2. Reinsurers' share in change in provisions for claims outstanding	(40 102)	(207 664)	97 635	48 908
<b>V. Changes in other technical provisions, net of reinsurance</b>	-	-	-	-
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>(1 543)</b>	<b>(711)</b>	<b>(1 725)</b>	<b>(3 144)</b>
<b>VII. Costs of insurance activity</b>	<b>479 053</b>	<b>894 229</b>	<b>505 870</b>	<b>1 042 639</b>
1. Acquisition costs	350 112	691 994	359 092	729 017
1.1. including change in the balance of deferred acquisition costs	7 676	(7 194)	14 564	(5 106)
2. Administrative costs	130 936	280 840	136 128	300 388
3. Reinsurers' commissions and share in reinsurers' profit	1 995	78 605	(10 650)	(13 234)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>63 720</b>	<b>168 776</b>	<b>78 464</b>	<b>179 311</b>
<b>IX. Changes in equalization provisions</b>	-	-	-	-
<b>X. Technical result on property and casualty insurance</b>	<b>289 753</b>	<b>761 439</b>	<b>246 182</b>	<b>411 266</b>



## Technical insurance account – direct

### GROUP 1 Accident insurance, including industrial injury and occupational disease

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>112 782</b>	<b>223 119</b>	<b>128 944</b>	<b>254 056</b>
1. Gross written premiums	80 684	172 157	83 840	238 243
2. Reinsurers' share in written premium	76	43	3	3
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(32 196)	(51 077)	(45 127)	(15 855)
4. Reinsurers' share in change in provisions for unearned premiums	(22)	(72)	(20)	(39)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>195</b>	<b>687</b>	<b>431</b>	<b>896</b>
<b>IV. Claims</b>	<b>38 770</b>	<b>66 415</b>	<b>53 393</b>	<b>88 796</b>
1. Claims paid net of reinsurance	36 530	72 336	41 838	81 075
1.1. Gross claims paid	36 530	72 336	41 838	81 075
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	2 240	(5 921)	11 555	7 721
2.1. Change in provisions for claims outstanding (gross)	2 241	(5 921)	11 555	7 720
2.2. Reinsurers' share in change in provisions for claims outstanding	1	-	-	(1)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>34 816</b>	<b>69 581</b>	<b>37 009</b>	<b>74 512</b>
1. Acquisition costs	25 013	48 705	25 060	49 677
1.1. including change in the balance of deferred acquisition costs	8 201	13 964	9 085	12 264
2. Administrative costs	9 807	21 009	12 000	24 804
3. Reinsurers' commissions and share in reinsurers' profit	4	133	51	(31)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>1 041</b>	<b>1 978</b>	<b>3 539</b>	<b>5 323</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>38 350</b>	<b>85 832</b>	<b>35 434</b>	<b>86 321</b>

## Technical insurance account – direct insurance

### GROUP 2 – Sickness insurance

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>2 472</b>	<b>5 062</b>	<b>2 813</b>	<b>5 755</b>
1. Gross written premiums	2 261	4 598	2 768	5 759
2. Reinsurers' share in written premium	1	1	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(213)	(466)	(45)	3
4. Reinsurers' share in change in provisions for unearned premiums	(1)	(1)	-	(1)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>10</b>	<b>27</b>	<b>11</b>	<b>11</b>
<b>IV. Claims</b>	<b>1 546</b>	<b>2 531</b>	<b>1 444</b>	<b>2 813</b>
1. Claims paid net of reinsurance	1 424	2 956	1 806	3 507
1.1. Gross claims paid	1 424	2 956	1 806	3 507
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	122	(425)	(362)	(694)
2.1. Change in provisions for claims outstanding (gross)	122	(425)	(365)	(697)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	(3)	(3)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>718</b>	<b>1 415</b>	<b>783</b>	<b>1 731</b>
1. Acquisition costs	442	878	507	1 078
1.1. including change in the balance of deferred acquisition costs	40	82	8	(8)
2. Administrative costs	276	537	276	653
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>22</b>	<b>34</b>	<b>14</b>	<b>45</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>196</b>	<b>1 109</b>	<b>583</b>	<b>1 177</b>

## Technical insurance account – direct insurance

### GROUP 3 – „Casco” insurance of land vehicles other than railway rolling stock

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>516 150</b>	<b>1 035 438</b>	<b>556 512</b>	<b>1 116 567</b>
1. Gross written premiums	509 918	1 027 274	548 903	1 116 135
2. Reinsurers' share in written premium	(146)	(446)	1 392	1 835
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(12 426)	(20 291)	(14 701)	(13 563)
4. Reinsurers' share in change in provisions for unearned premiums	(6 340)	(12 573)	(5 700)	(11 296)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>2 299</b>	<b>4 329</b>	<b>2 673</b>	<b>4 647</b>
<b>IV. Claims</b>	<b>351 246</b>	<b>685 688</b>	<b>330 971</b>	<b>689 661</b>
1. Claims paid net of reinsurance	298 261	617 551	294 442	645 699
1.1. Gross claims paid	298 151	617 515	294 552	645 832
1.2. Reinsurers' share in claims paid	(110)	(36)	110	133
2. Change in provision for claims outstanding, net of reinsurance:	52 985	68 137	36 529	43 962
2.1. Change in provisions for claims outstanding (gross)	53 573	69 340	37 159	45 171
2.2. Reinsurers' share in change in provisions for claims outstanding	588	1 203	630	1 209
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>355</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>110 431</b>	<b>216 483</b>	<b>117 474</b>	<b>242 074</b>
1. Acquisition costs	86 494	170 265	94 545	190 347
1.1. including change in the balance of deferred acquisition costs	2 600	5 264	2 031	4 470
2. Administrative costs	24 078	49 023	23 626	51 020
3. Reinsurers' commissions and share in reinsurers' profit	141	2 805	697	(707)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>9 459</b>	<b>15 669</b>	<b>16 848</b>	<b>22 296</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>47 313</b>	<b>121 572</b>	<b>93 892</b>	<b>167 183</b>

## Technical insurance account – direct insurance

### GROUP 4 – „Casco” insurance of railway rolling stock

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>1 540</b>	<b>3 812</b>	<b>3 415</b>	<b>5 178</b>
1. Gross written premiums	755	2 391	6 669	8 799
2. Reinsurers' share in written premium	17	512	862	1 256
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(1 373)	(3 045)	3 721	3 220
4. Reinsurers' share in change in provisions for unearned premiums	(571)	(1 112)	1 329	855
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>163</b>	<b>393</b>	<b>27</b>	<b>39</b>
<b>IV. Claims</b>	<b>571</b>	<b>1 184</b>	<b>(287)</b>	<b>3 079</b>
1. Claims paid net of reinsurance	411	1 107	2 890	4 342
1.1. Gross claims paid	438	1 134	4 508	6 011
1.2. Reinsurers' share in claims paid	27	27	1 618	1 669
2. Change in provision for claims outstanding, net of reinsurance:	160	77	(3 177)	(1 263)
2.1. Change in provisions for claims outstanding (gross)	180	132	(4 828)	209
2.2. Reinsurers' share in change in provisions for claims outstanding	20	55	(1 651)	1 472
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>317</b>	<b>986</b>	<b>398</b>	<b>829</b>
1. Acquisition costs	369	980	530	975
1.1. including change in the balance of deferred acquisition costs	193	402	(632)	(531)
2. Administrative costs	21	54	58	123
3. Reinsurers' commissions and share in reinsurers' profit	73	48	190	269
<b>VIII. Other technical charges – net of reinsurance</b>	<b>33</b>	<b>44</b>	<b>41</b>	<b>53</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>782</b>	<b>1 991</b>	<b>3 290</b>	<b>1 256</b>

## Technical insurance account – direct insurance

### GROUP 5 – „Casco” insurance of aircraft

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>1 338</b>	<b>3 662</b>	<b>2 608</b>	<b>4 952</b>
1. Gross written premiums	2 087	4 522	8 943	10 680
2. Reinsurers' share in written premium	412	456	(131)	(158)
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(664)	(1 524)	5 471	3 939
4. Reinsurers' share in change in provisions for unearned premiums	(1 001)	(1 928)	(995)	(1 947)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>74</b>	<b>164</b>	<b>(22)</b>	<b>49</b>
<b>IV. Claims</b>	<b>7 968</b>	<b>6 997</b>	<b>4 720</b>	<b>4 082</b>
1. Claims paid net of reinsurance	2 590	2 625	775	1 398
1.1. Gross claims paid	2 599	2 926	1 116	1 718
1.2. Reinsurers' share in claims paid	9	301	341	320
2. Change in provision for claims outstanding, net of reinsurance:	5 378	4 372	3 945	2 684
2.1. Change in provisions for claims outstanding (gross)	5 487	4 128	3 844	2 561
2.2. Reinsurers' share in change in provisions for claims outstanding	109	(244)	(101)	(123)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>445</b>	<b>892</b>	<b>572</b>	<b>1 080</b>
1. Acquisition costs	476	972	514	965
1.1. including change in the balance of deferred acquisition costs	7	84	(701)	(522)
2. Administrative costs	55	91	21	78
3. Reinsurers' commissions and share in reinsurers' profit	86	171	(37)	(37)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>70</b>	<b>83</b>	<b>51</b>	<b>124</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(7 077)</b>	<b>(4 152)</b>	<b>(2 757)</b>	<b>(285)</b>

## Technical insurance account – direct insurance

### GROUP 6 – Insurance of vessels in sea and inland navigation

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>2 673</b>	<b>6 544</b>	<b>3 593</b>	<b>6 075</b>
1. Gross written premiums	4 273	14 313	3 033	12 015
2. Reinsurers' share in written premium	493	1 445	(554)	991
3. Changes in provisions for unearned premiums and unexpired risks (gross)	371	6 125	(626)	4 195
4. Reinsurers' share in change in provisions for unearned premiums	(736)	(199)	(620)	(754)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(4)</b>	<b>12</b>	<b>(36)</b>	<b>24</b>
<b>IV. Claims</b>	<b>1 008</b>	<b>1 255</b>	<b>5 752</b>	<b>6 308</b>
1. Claims paid net of reinsurance	1 625	10 852	2 517	3 830
1.1. Gross claims paid	1 762	11 008	2 517	3 844
1.2. Reinsurers' share in claims paid	137	156	-	14
2. Change in provision for claims outstanding, net of reinsurance:	(617)	(9 597)	3 235	2 478
2.1. Change in provisions for claims outstanding (gross)	(1 311)	(10 047)	3 302	100
2.2. Reinsurers' share in change in provisions for claims outstanding	(694)	(450)	67	(2 378)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>11</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>804</b>	<b>1 860</b>	<b>937</b>	<b>1 610</b>
1. Acquisition costs	665	1 413	601	1 298
1.1. including change in the balance of deferred acquisition costs	21	(736)	35	(453)
2. Administrative costs	203	486	115	360
3. Reinsurers' commissions and share in reinsurers' profit	64	39	(221)	48
<b>VIII. Other technical charges – net of reinsurance</b>	<b>(122)</b>	<b>923</b>	<b>282</b>	<b>340</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>968</b>	<b>2 488</b>	<b>(3 414)</b>	<b>(2 159)</b>

## Technical insurance account – direct insurance

### GROUP 7 – Goods-in-transit insurance

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>1 613</b>	<b>3 917</b>	<b>1 901</b>	<b>3 933</b>
1. Gross written premiums	5 892	8 489	2 937	5 819
2. Reinsurers' share in written premium	1 932	1 996	73	52
3. Changes in provisions for unearned premiums and unexpired risks (gross)	3 216	3 213	634	1 180
4. Reinsurers' share in change in provisions for unearned premiums	869	637	(329)	(654)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(75)</b>	<b>29</b>	<b>12</b>	<b>23</b>
<b>IV. Claims</b>	<b>3 304</b>	<b>4 358</b>	<b>503</b>	<b>1 326</b>
1. Claims paid net of reinsurance	1 225	1 657	654	1 012
1.1. Gross claims paid	1 225	1 657	654	1 012
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	2 079	2 701	(151)	314
2.1. Change in provisions for claims outstanding (gross)	2 021	2 650	(136)	340
2.2. Reinsurers' share in change in provisions for claims outstanding	(58)	(51)	15	26
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>9</b>	<b>9</b>	<b>(6)</b>	<b>(18)</b>
<b>VII. Costs of insurance activity</b>	<b>1 025</b>	<b>1 863</b>	<b>1 069</b>	<b>1 997</b>
1. Acquisition costs	749	1 406	829	1 569
1.1. including change in the balance of deferred acquisition costs	(207)	(213)	(169)	(247)
2. Administrative costs	280	461	239	427
3. Reinsurers' commissions and share in reinsurers' profit	4	4	(1)	(1)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>413</b>	<b>521</b>	<b>71</b>	<b>217</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(3 213)</b>	<b>(2 805)</b>	<b>276</b>	<b>434</b>

## Technical insurance account – direct insurance

### GROUP 8 – Insurance against fire and natural forces, covering damage to property not included in groups 3-7

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>246 702</b>	<b>488 654</b>	<b>248 711</b>	<b>476 787</b>
1. Gross written premiums	213 720	683 176	171 571	635 878
2. Reinsurers' share in written premium	1 993	4 401	(131)	21 074
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(45 339)	170 049	(83 999)	128 124
4. Reinsurers' share in change in provisions for unearned premiums	(10 364)	(20 072)	(6 990)	(9 893)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>418</b>	<b>1 940</b>	<b>1 069</b>	<b>2 534</b>
<b>IV. Claims</b>	<b>155 529</b>	<b>233 453</b>	<b>68 260</b>	<b>149 033</b>
1. Claims paid net of reinsurance	88 805	179 132	73 118	153 034
1.1. Gross claims paid	95 455	172 639	79 210	172 366
1.2. Reinsurers' share in claims paid	6 650	(6 493)	6 092	19 332
2. Change in provision for claims outstanding, net of reinsurance:	66 724	54 321	(4 858)	(4 001)
2.1. Change in provisions for claims outstanding (gross)	64 713	54 053	(9 691)	(25 175)
2.2. Reinsurers' share in change in provisions for claims outstanding	(2 011)	(268)	(4 833)	(21 174)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>(1 333)</b>	<b>(1 268)</b>	<b>(1 479)</b>	<b>(2 669)</b>
<b>VII. Costs of insurance activity</b>	<b>65 081</b>	<b>149 700</b>	<b>63 543</b>	<b>154 210</b>
1. Acquisition costs	52 133	112 206	51 143	116 912
1.1. including change in the balance of deferred acquisition costs	(2 407)	(14 659)	5 965	(6 786)
2. Administrative costs	13 154	37 767	12 441	37 659
3. Reinsurers' commissions and share in reinsurers' profit	206	273	41	361
<b>VIII. Other technical charges – net of reinsurance</b>	<b>2 356</b>	<b>37 984</b>	<b>363</b>	<b>31 971</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>25 487</b>	<b>70 725</b>	<b>119 093</b>	<b>146 776</b>



## Technical insurance account - direct insurance

**GROUP 9 – Insurance against other damage to or loss of property (other than included in groups 3, 4, 5, 6 or 7) due to hail or frost, and any event such as theft, other than those included in group 8**

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>186 658</b>	<b>355 861</b>	<b>165 671</b>	<b>312 735</b>
1. Gross written premiums	250 931	388 781	182 829	323 633
2. Reinsurers' share in written premium	7 556	9 617	4 749	6 352
3. Changes in provisions for unearned premiums and unexpired risks (gross)	58 814	22 131	7 428	(5 297)
4. Reinsurers' share in change in provisions for unearned premiums	2 097	(1 172)	(4 981)	(9 843)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	-	-	-	-
<b>III. Other technical revenue net of reinsurance</b>	<b>19</b>	<b>2 909</b>	<b>547</b>	<b>2 119</b>
<b>IV. Claims</b>	<b>98 229</b>	<b>115 639</b>	<b>67 263</b>	<b>274 396</b>
1. Claims paid net of reinsurance	55 598	79 064	217 236	289 109
1.1. Gross claims paid	57 494	100 114	219 590	292 638
1.2. Reinsurers' share in claims paid	1 896	21 050	2 354	3 529
2. Change in provision for claims outstanding, net of reinsurance:	42 631	36 575	(149 973)	(14 713)
2.1. Change in provisions for claims outstanding (gross)	45 140	37 842	(155 845)	(18 219)
2.2. Reinsurers' share in change in provisions for claims outstanding	2 509	1 267	(5 872)	(3 506)
<b>V. Changes in other technical provisions, net of reinsurance</b>	-	-	-	-
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>(311)</b>	<b>62</b>	<b>(193)</b>	<b>(244)</b>
<b>VII. Costs of insurance activity</b>	<b>60 533</b>	<b>114 601</b>	<b>60 454</b>	<b>118 509</b>
1. Acquisition costs	43 462	83 607	43 543	84 903
1.1. including change in the balance of deferred acquisition costs	(3 755)	511	(2 483)	(1 524)
2. Administrative costs	17 239	31 306	16 879	33 513
3. Reinsurers' commissions and share in reinsurers' profit	168	312	(32)	(93)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>8 707</b>	<b>10 765</b>	<b>1 523</b>	<b>3 094</b>
<b>IX. Changes in equalization provisions</b>	-	-	-	-
<b>X. Technical result on property and casualty insurance</b>	<b>19 519</b>	<b>117 703</b>	<b>37 171</b>	<b>(80 901)</b>

## Technical insurance account - direct insurance

### GROUP 10 – Motor third-party liability insurance - All liability arising out of the possession and use of self-propelled land vehicles, including carrier's liability

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>723 113</b>	<b>1 445 590</b>	<b>752 645</b>	<b>1 461 718</b>
1. Gross written premiums	701 494	1 435 600	759 844	1 513 518
2. Reinsurers' share in written premium	(1 474)	(1 593)	(121)	(655)
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(22 021)	(12 081)	5 451	48 790
4. Reinsurers' share in change in provisions for unearned premiums	(1 876)	(3 684)	(1 869)	(3 665)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>70 988</b>	<b>139 613</b>	<b>66 463</b>	<b>132 306</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>4 706</b>	<b>13 693</b>	<b>23 255</b>	<b>28 788</b>
<b>IV. Claims</b>	<b>519 000</b>	<b>1 059 332</b>	<b>599 486</b>	<b>1 110 106</b>
1. Claims paid net of reinsurance	421 197	724 370	433 045	900 897
1.1. Gross claims paid	423 180	865 290	456 495	933 272
1.2. Reinsurers' share in claims paid	1 983	140 920	23 450	32 375
2. Change in provision for claims outstanding, net of reinsurance:	97 803	334 962	166 441	209 209
2.1. Change in provisions for claims outstanding (gross)	95 629	146 588	148 073	172 527
2.2. Reinsurers' share in change in provisions for claims outstanding	(2 174)	(188 374)	(18 368)	(36 682)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(75)</b>
<b>VII. Costs of insurance activity</b>	<b>128 725</b>	<b>183 552</b>	<b>136 640</b>	<b>272 412</b>
1. Acquisition costs	80 442	157 302	83 457	161 502
1.1. including change in the balance of deferred acquisition costs	3 195	1 732	(279)	(2 300)
2. Administrative costs	48 502	98 614	51 663	107 717
3. Reinsurers' commissions and share in reinsurers' profit	219	72 364	(1 520)	(3 193)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>40 864</b>	<b>85 844</b>	<b>52 844</b>	<b>107 304</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>110 218</b>	<b>270 168</b>	<b>53 399</b>	<b>133 065</b>

## Technical insurance account - direct insurance

### GROUP 11 – Aircraft liability – All liability arising out of the possession and use of aircraft, including carrier's liability

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>701</b>	<b>1 790</b>	<b>1 516</b>	<b>2 366</b>
1. Gross written premiums	1 682	3 111	2 300	3 911
2. Reinsurers' share in written premium	963	1 240	(267)	541
3. Changes in provisions for unearned premiums and unexpired risks (gross)	181	173	650	860
4. Reinsurers' share in change in provisions for unearned premiums	163	92	(401)	(144)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>29</b>	<b>56</b>	<b>12</b>	<b>24</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>2</b>	<b>27</b>	<b>(10)</b>	<b>2</b>
<b>IV. Claims</b>	<b>1 353</b>	<b>1 412</b>	<b>757</b>	<b>126</b>
1. Claims paid net of reinsurance	146	191	138	1 559
1.1. Gross claims paid	146	2 756	138	1 559
1.2. Reinsurers' share in claims paid	-	2 565	-	-
2. Change in provision for claims outstanding, net of reinsurance:	1 207	1 221	619	(1 433)
2.1. Change in provisions for claims outstanding (gross)	3 873	554	674	(1 388)
2.2. Reinsurers' share in change in provisions for claims outstanding	2 666	(667)	55	45
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>387</b>	<b>724</b>	<b>602</b>	<b>971</b>
1. Acquisition costs	380	642	456	769
1.1. including change in the balance of deferred acquisition costs	22	(4)	(32)	(45)
2. Administrative costs	17	110	117	227
3. Reinsurers' commissions and share in reinsurers' profit	10	28	(29)	25
<b>VIII. Other technical charges – net of reinsurance</b>	<b>78</b>	<b>167</b>	<b>60</b>	<b>103</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(1 086)</b>	<b>(430)</b>	<b>99</b>	<b>1 192</b>

## Technical insurance account - direct insurance

### GROUP 12 – Liability for ships in sea and inland navigation, arising out of the possession and use of sea and inland vessels, including carrier's liability

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>75</b>	<b>173</b>	<b>109</b>	<b>217</b>
1. Gross written premiums	296	330	259	316
2. Reinsurers' share in written premium	39	-	2	1
3. Changes in provisions for unearned premiums and unexpired risks (gross)	179	114	144	91
4. Reinsurers' share in change in provisions for unearned premiums	(3)	(43)	(4)	(7)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IV. Claims</b>	<b>162</b>	<b>160</b>	<b>34</b>	<b>(10)</b>
1. Claims paid net of reinsurance	12	66	7	48
1.1. Gross claims paid	12	66	7	48
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	150	94	27	(58)
2.1. Change in provisions for claims outstanding (gross)	150	92	27	(60)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	(2)	-	(2)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>87</b>	<b>119</b>	<b>97</b>	<b>135</b>
1. Acquisition costs	55	79	61	89
1.1. including change in the balance of deferred acquisition costs	(18)	(8)	(19)	(7)
2. Administrative costs	32	40	36	46
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>6</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(189)</b>	<b>(119)</b>	<b>(27)</b>	<b>86</b>

## Technical insurance account - direct insurance

### GROUP 13 - General liability – Liability other than those forms included in groups 10-12

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>160 862</b>	<b>313 358</b>	<b>143 316</b>	<b>280 266</b>
1. Gross written premiums	146 557	408 720	132 586	390 864
2. Reinsurers' share in written premium	2 152	7 912	7 678	11 413
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(16 603)	89 970	(14 076)	104 141
4. Reinsurers' share in change in provisions for unearned premiums	(146)	2 520	4 332	4 956
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>6 397</b>	<b>12 677</b>	<b>6 290</b>	<b>12 483</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>297</b>	<b>1 363</b>	<b>592</b>	<b>1 110</b>
<b>IV. Claims</b>	<b>76 830</b>	<b>134 500</b>	<b>87 567</b>	<b>147 601</b>
1. Claims paid net of reinsurance	46 622	98 498	52 331	103 960
1.1. Gross claims paid	47 873	100 677	52 368	104 264
1.2. Reinsurers' share in claims paid	1 251	2 179	37	304
2. Change in provision for claims outstanding, net of reinsurance:	30 208	36 002	35 236	43 641
2.1. Change in provisions for claims outstanding (gross)	10 357	37 440	59 129	67 152
2.2. Reinsurers' share in change in provisions for claims outstanding	(19 851)	1 438	23 893	23 511
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>20</b>	<b>24</b>	<b>(11)</b>	<b>(20)</b>
<b>VII. Costs of insurance activity</b>	<b>39 832</b>	<b>85 468</b>	<b>37 678</b>	<b>86 700</b>
1. Acquisition costs	32 694	65 732	30 013	64 612
1.1. including change in the balance of deferred acquisition costs	25 868	12 589	(514)	(13 919)
2. Administrative costs	7 175	19 987	7 654	22 585
3. Reinsurers' commissions and share in reinsurers' profit	37	251	(11)	497
<b>VIII. Other technical charges – net of reinsurance</b>	<b>448</b>	<b>12 299</b>	<b>1 773</b>	<b>6 339</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>50 426</b>	<b>95 107</b>	<b>23 191</b>	<b>53 239</b>

## Technical insurance account - direct insurance

### GROUP 14 – Credit insurance

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>3 781</b>	<b>7 146</b>	<b>3 318</b>	<b>6 138</b>
1. Gross written premiums	3 885	8 379	4 505	9 112
2. Reinsurers' share in written premium	381	904	600	1 091
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(181)	501	1 005	2 255
4. Reinsurers' share in change in provisions for unearned premiums	96	172	418	372
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>130</b>	<b>264</b>	<b>(74)</b>	<b>429</b>
<b>IV. Claims</b>	<b>558</b>	<b>736</b>	<b>(25)</b>	<b>(26)</b>
1. Claims paid net of reinsurance	70	970	(191)	(205)
1.1. Gross claims paid	159	1 946	(388)	(389)
1.2. Reinsurers' share in claims paid	89	976	(197)	(184)
2. Change in provision for claims outstanding, net of reinsurance:	488	(234)	166	179
2.1. Change in provisions for claims outstanding (gross)	777	33	295	281
2.2. Reinsurers' share in change in provisions for claims outstanding	289	267	129	102
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>38</b>	<b>24</b>	<b>44</b>	<b>(13)</b>
<b>VII. Costs of insurance activity</b>	<b>1 427</b>	<b>2 864</b>	<b>1 544</b>	<b>2 890</b>
1. Acquisition costs	823	1 629	867	1 649
1.1. including change in the balance of deferred acquisition costs	396	781	113	(748)
2. Administrative costs	751	1 555	742	1 565
3. Reinsurers' commissions and share in reinsurers' profit	147	320	65	324
<b>VIII. Other technical charges – net of reinsurance</b>	<b>172</b>	<b>212</b>	<b>105</b>	<b>112</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>1 716</b>	<b>3 574</b>	<b>1 576</b>	<b>3 604</b>

## Technical insurance account - direct insurance

### GROUP 15 – Suretyship

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>5 063</b>	<b>9 866</b>	<b>(2 026)</b>	<b>3 602</b>
1. Gross written premiums	3 647	8 968	9 737	20 292
2. Reinsurers' share in written premium	1 519	3 730	3 572	7 237
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(5 482)	(8 883)	12 559	14 091
4. Reinsurers' share in change in provisions for unearned premiums	(2 547)	(4 255)	4 368	4 638
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>203</b>	<b>205</b>	<b>9</b>	<b>39</b>
<b>IV. Claims</b>	<b>260</b>	<b>3 467</b>	<b>92 414</b>	<b>94 564</b>
1. Claims paid net of reinsurance	4 759	8 004	8 529	12 566
1.1. Gross claims paid	7 920	13 745	14 247	18 411
1.2. Reinsurers' share in claims paid	3 161	5 741	5 718	5 845
2. Change in provision for claims outstanding, net of reinsurance:	(4 499)	(4 537)	83 885	81 998
2.1. Change in provisions for claims outstanding (gross)	(7 596)	(9 164)	198 304	197 453
2.2. Reinsurers' share in change in provisions for claims outstanding	(3 097)	(4 627)	114 419	115 455
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>3 475</b>	<b>6 940</b>	<b>15 423</b>	<b>22 343</b>
1. Acquisition costs	2 439	4 807	3 171	6 113
1.1. including change in the balance of deferred acquisition costs	654	1 082	91	(70)
2. Administrative costs	1 838	3 925	2 373	5 387
3. Reinsurers' commissions and share in reinsurers' profit	802	1 792	(9 879)	(10 843)
<b>VIII. Other technical charges – net of reinsurance</b>	<b>19</b>	<b>203</b>	<b>44</b>	<b>83</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>1 512</b>	<b>(539)</b>	<b>(109 898)</b>	<b>(113 349)</b>

## Technical insurance account - direct insurance

### GROUP 16 – Insurance of various financial risks

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>18 733</b>	<b>32 349</b>	<b>20 814</b>	<b>32 976</b>
1. Gross written premiums	21 898	38 767	17 023	31 073
2. Reinsurers' share in written premium	1 409	6 052	591	8 744
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(1 686)	(2 931)	(5 861)	(15 777)
4. Reinsurers' share in change in provisions for unearned premiums	(3 442)	(3 297)	(1 479)	(5 130)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>174</b>	<b>1 561</b>	<b>(122)</b>	<b>3 470</b>
<b>IV. Claims</b>	<b>2 385</b>	<b>14 106</b>	<b>8 038</b>	<b>1 109</b>
1. Claims paid net of reinsurance	3 649	9 667	1 809	7 173
1.1. Gross claims paid	24 543	30 641	10 001	16 715
1.2. Reinsurers' share in claims paid	20 894	20 974	8 192	9 542
2. Change in provision for claims outstanding, net of reinsurance:	(1 264)	4 439	6 229	(6 064)
2.1. Change in provisions for claims outstanding (gross)	(19 667)	(12 779)	(4 523)	(34 534)
2.2. Reinsurers' share in change in provisions for claims outstanding	(18 403)	(17 218)	(10 752)	(28 470)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>17</b>	<b>47</b>	<b>(74)</b>	<b>(105)</b>
<b>VII. Costs of insurance activity</b>	<b>12 732</b>	<b>21 890</b>	<b>12 580</b>	<b>25 594</b>
1. Acquisition costs	11 982	19 465	12 123	24 387
1.1. including change in the balance of deferred acquisition costs	2 626	1 920	2 952	6 333
2. Administrative costs	784	2 490	493	1 354
3. Reinsurers' commissions and share in reinsurers' profit	34	65	36	147
<b>VIII. Other technical charges – net of reinsurance</b>	<b>(532)</b>	<b>1 060</b>	<b>348</b>	<b>1 153</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>4 305</b>	<b>(3 193)</b>	<b>(200)</b>	<b>8 695</b>



## Technical insurance account - direct insurance

### GROUP 17 - Insurance of legal protection

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>71</b>	<b>(50)</b>	<b>218</b>	<b>428</b>
1. Gross written premiums	395	664	242	564
2. Reinsurers' share in written premium	-	-	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	324	714	24	136
4. Reinsurers' share in change in provisions for unearned premiums	-	-	-	-
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(4)</b>	<b>1</b>	<b>-</b>	<b>2</b>
<b>IV. Claims</b>	<b>113</b>	<b>259</b>	<b>161</b>	<b>264</b>
1. Claims paid net of reinsurance	127	257	96	248
1.1. Gross claims paid	127	257	96	248
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	(14)	2	65	16
2.1. Change in provisions for claims outstanding (gross)	(14)	2	65	16
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>224</b>	<b>434</b>	<b>155</b>	<b>491</b>
1. Acquisition costs	147	287	104	341
1.1. including change in the balance of deferred acquisition costs	-	2	-	(1)
2. Administrative costs	77	147	51	150
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>33</b>	<b>33</b>	<b>11</b>	<b>17</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(303)</b>	<b>(775)</b>	<b>(109)</b>	<b>(342)</b>

## Technical insurance account - direct insurance

### GROUP 18 - Insurance of assistance and benefits to persons encountering difficulties while traveling or when away from their place of residence

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>49 338</b>	<b>97 244</b>	<b>46 814</b>	<b>93 708</b>
1. Gross written premiums	55 109	104 606	51 217	98 975
2. Reinsurers' share in written premium	(1)	(4)	19	22
3. Changes in provisions for unearned premiums and unexpired risks (gross)	5 654	7 135	4 289	5 066
4. Reinsurers' share in change in provisions for unearned premiums	(118)	(231)	(95)	(179)
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>42</b>	<b>75</b>	<b>31</b>	<b>51</b>
<b>IV. Claims</b>	<b>29 911</b>	<b>58 335</b>	<b>32 808</b>	<b>53 203</b>
1. Claims paid net of reinsurance	27 926	53 402	29 110	58 189
1.1. Gross claims paid	27 926	53 402	29 110	58 189
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	1 985	4 933	3 698	(4 986)
2.1. Change in provisions for claims outstanding (gross)	1 989	4 940	3 705	(5 559)
2.2. Reinsurers' share in change in provisions for claims outstanding	4	7	7	(573)
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>17 994</b>	<b>34 857</b>	<b>18 912</b>	<b>34 551</b>
1. Acquisition costs	11 347	21 619	11 568	21 831
1.1. including change in the balance of deferred acquisition costs	(1 117)	(1 344)	(887)	(1 012)
2. Administrative costs	6 647	13 238	7 344	12 720
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>646</b>	<b>944</b>	<b>542</b>	<b>731</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>829</b>	<b>3 183</b>	<b>(5 417)</b>	<b>5 274</b>

## VIII. TECHNICAL INSURANCE ACCOUNT – TOTAL INWARD REINSURANCE

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>3 492</b>	<b>14 078</b>	<b>5 664</b>	<b>16 716</b>
1. Gross written premiums	11 090	22 156	6 226	11 037
2. Reinsurers' share in written premium	2 745	2 813	795	818
3. Changes in provisions for unearned premiums and unexpired risks (gross)	1 927	(260)	(747)	(6 047)
4. Reinsurers' share in change in provisions for unearned premiums	(2 926)	(5 525)	(514)	450
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>107</b>	<b>1 081</b>	<b>303</b>	<b>547</b>
<b>IV. Claims</b>	<b>1 595</b>	<b>11 803</b>	<b>6 951</b>	<b>6 962</b>
1. Claims paid net of reinsurance	2 086	12 445	2 982	3 973
1.1. Gross claims paid	2 086	12 445	2 982	3 973
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	(491)	(642)	3 969	2 989
2.1. Change in provisions for claims outstanding (gross)	(491)	(642)	4 429	3 449
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	460	460
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>1 666</b>	<b>3 081</b>	<b>1 595</b>	<b>2 356</b>
1. Acquisition costs	1 358	2 226	1 336	1 759
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	308	855	259	597
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>59</b>	<b>520</b>	<b>(577)</b>	<b>563</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>279</b>	<b>(245)</b>	<b>(2 002)</b>	<b>7 382</b>

In the period of 6 months ended 30 June 2013 and in 2012 PZU carried out inward reinsurance activities in all accounting classes, except for classes 8 and 9.

## Technical insurance account –inward reinsurance

### ACCOUNTING CLASS 1 - Accidents and sickness (groups 1 and 2)

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>17</b>	<b>35</b>	<b>(124)</b>	<b>(47)</b>
1. Gross written premiums	2	5	(144)	(94)
2. Reinsurers' share in written premium	-	-	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(15)	(30)	(20)	(47)
4. Reinsurers' share in change in provisions for unearned premiums	-	-	-	-
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(1)</b>	<b>2</b>	<b>-</b>	<b>3</b>
<b>IV. Claims</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>8</b>
1. Claims paid net of reinsurance	-	-	-	-
1.1. Gross claims paid	-	-	-	-
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	4	7	4	8
2.1. Change in provisions for claims outstanding (gross)	4	7	4	8
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>8</b>
1. Acquisition costs	-	-	-	-
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	-	-	5	8
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>8</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>12</b>	<b>30</b>	<b>(126)</b>	<b>(68)</b>

**Technical insurance account – inward reinsurance**

**ACCOUNTING CLASS 2 - Motor third party liability insurance (group 10)**

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>97</b>	<b>(445)</b>	<b>31</b>	<b>183</b>
1. Gross written premiums	(2)	11	(69)	(51)
2. Reinsurers' share in written premium	-	3	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(158)	338	(100)	(234)
4. Reinsurers' share in change in provisions for unearned premiums	(59)	(115)	-	-
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>122</b>	<b>214</b>	<b>20</b>	<b>45</b>
<b>IV. Claims</b>	<b>(709)</b>	<b>(627)</b>	<b>285</b>	<b>64</b>
1. Claims paid net of reinsurance	370	1 119	347	521
1.1. Gross claims paid	370	1 119	347	521
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	(1 079)	(1 746)	(62)	(457)
2.1. Change in provisions for claims outstanding (gross)	(1 079)	(1 746)	(62)	(457)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>(77)</b>	<b>(129)</b>	<b>53</b>	<b>109</b>
1. Acquisition costs	(77)	(130)	54	110
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	-	1	(1)	(1)
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>3</b>	<b>4</b>	<b>(110)</b>	<b>205</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>1 002</b>	<b>521</b>	<b>(177)</b>	<b>(150)</b>

**Technical insurance account – inward reinsurance**

**ACCOUNTING CLASS 3 - Motor, other groups (group 3)**

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>38</b>	<b>608</b>	<b>155</b>	<b>473</b>
1. Gross written premiums	-	533	(91)	(60)
2. Reinsurers' share in written premium	-	-	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(38)	(75)	(246)	(533)
4. Reinsurers' share in change in provisions for unearned premiums	-	-	-	-
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>21</b>	<b>34</b>	<b>3</b>	<b>6</b>
<b>IV. Claims</b>	<b>(82)</b>	<b>(59)</b>	<b>8</b>	<b>(54)</b>
1. Claims paid net of reinsurance	(2)	(11)	(26)	(43)
1.1. Gross claims paid	(2)	(11)	(26)	(43)
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	(80)	(48)	34	(11)
2.1. Change in provisions for claims outstanding (gross)	(80)	(48)	34	(11)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>34</b>	<b>140</b>	<b>(26)</b>	<b>82</b>
1. Acquisition costs	34	115	(20)	86
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	-	25	(6)	(4)
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>(56)</b>	<b>22</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>107</b>	<b>561</b>	<b>232</b>	<b>429</b>

## Technical insurance account –inward reinsurance

### ACCOUNTING CLASS 4 - Marine, aviation and transport (groups 4, 5, 6 and 7)

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>(1 503)</b>	<b>493</b>	<b>375</b>	<b>774</b>
1. Gross written premiums	3 883	6 513	1 476	1 528
2. Reinsurers' share in written premium	2 135	2 150	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	3 082	3 556	1 045	853
4. Reinsurers' share in change in provisions for unearned premiums	(169)	(314)	(56)	99
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>6</b>	<b>78</b>	<b>-</b>	<b>4</b>
<b>IV. Claims</b>	<b>2</b>	<b>32</b>	<b>53</b>	<b>109</b>
1. Claims paid net of reinsurance	2	90	33	41
1.1. Gross claims paid	2	90	33	41
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	-	(58)	20	68
2.1. Change in provisions for claims outstanding (gross)	-	(58)	20	68
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>572</b>	<b>977</b>	<b>344</b>	<b>357</b>
1. Acquisition costs	483	837	327	339
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	89	140	17	18
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>-</b>	<b>42</b>	<b>(28)</b>	<b>35</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(2 071)</b>	<b>(480)</b>	<b>6</b>	<b>277</b>

## Technical insurance account –inward reinsurance

### ACCOUNTING CLASS 5 - Fire and other damage to property (groups 8 and 9)

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>4 596</b>	<b>12 829</b>	<b>4 626</b>	<b>13 015</b>
1. Gross written premiums	3 119	10 367	3 835	7 491
2. Reinsurers' share in written premium	430	484	778	801
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(4 186)	(7 250)	(1 948)	(5 982)
4. Reinsurers' share in change in provisions for unearned premiums	(2 279)	(4 304)	(379)	343
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(16)</b>	<b>649</b>	<b>236</b>	<b>357</b>
<b>IV. Claims</b>	<b>451</b>	<b>9 428</b>	<b>4 028</b>	<b>3 941</b>
1. Claims paid net of reinsurance	243	9 058	1 415	1 489
1.1. Gross claims paid	243	9 058	1 415	1 489
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	208	370	2 613	2 452
2.1. Change in provisions for claims outstanding (gross)	208	370	3 073	2 912
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	460	460
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>465</b>	<b>1 254</b>	<b>1 074</b>	<b>1 538</b>
1. Acquisition costs	424	806	847	1 075
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	41	448	227	463
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>(12)</b>	<b>368</b>	<b>(396)</b>	<b>231</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>3 676</b>	<b>2 428</b>	<b>156</b>	<b>7 662</b>



**Technical insurance account –inward reinsurance**

**ACCOUNTING CLASS 6 - Third party liability (groups 11, 12 and 13)**

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>33</b>	<b>210</b>	<b>184</b>	<b>655</b>
1. Gross written premiums	3 949	4 007	543	691
2. Reinsurers' share in written premium	141	141	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	3 775	3 655	356	41
4. Reinsurers' share in change in provisions for unearned premiums	-	(1)	(3)	5
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>IV. Claims</b>	<b>1 850</b>	<b>2 674</b>	<b>2 310</b>	<b>2 612</b>
1. Claims paid net of reinsurance	1 471	2 179	1 086	1 808
1.1. Gross claims paid	1 471	2 179	1 086	1 808
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	379	495	1 224	804
2.1. Change in provisions for claims outstanding (gross)	379	495	1 224	804
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>572</b>	<b>587</b>	<b>74</b>	<b>105</b>
1. Acquisition costs	435	447	43	69
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	137	140	31	36
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>67</b>	<b>67</b>	<b>(1)</b>	<b>2</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(2 455)</b>	<b>(3 116)</b>	<b>(2 199)</b>	<b>(2 064)</b>

**Technical insurance account –inward reinsurance**

**ACCOUNTING CLASS 7 - Credit and suretyship (groups 14 and 15)**

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>(40)</b>	<b>88</b>	<b>(5)</b>	<b>114</b>
1. Gross written premiums	(23)	223	24	124
2. Reinsurers' share in written premium	-	-	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	17	135	29	10
4. Reinsurers' share in change in provisions for unearned premiums	-	-	-	-
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>1</b>	<b>7</b>	<b>-</b>	<b>-</b>
<b>IV. Claims</b>	<b>15</b>	<b>24</b>	<b>5</b>	<b>28</b>
1. Claims paid net of reinsurance	-	2	2	32
1.1. Gross claims paid	-	2	2	32
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	15	22	3	(4)
2.1. Change in provisions for claims outstanding (gross)	15	22	3	(4)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>85</b>	<b>156</b>	<b>23</b>	<b>34</b>
1. Acquisition costs	40	65	18	1
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	45	91	5	33
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>1</b>	<b>1</b>	<b>(3)</b>	<b>6</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>(140)</b>	<b>(86)</b>	<b>(30)</b>	<b>46</b>

## Technical insurance account –inward reinsurance

### ACCOUNTING CLASS 10 - Miscellaneous (group 16)

Item	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Premiums</b>	<b>254</b>	<b>260</b>	<b>422</b>	<b>1 549</b>
1. Gross written premiums	162	497	652	1 408
2. Reinsurers' share in written premium	39	35	17	17
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(550)	(589)	137	(155)
4. Reinsurers' share in change in provisions for unearned premiums	(419)	(791)	(76)	3
<b>II. Net investment income, taking into account costs, reclassified from the general profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. Other technical revenue net of reinsurance</b>	<b>(27)</b>	<b>95</b>	<b>44</b>	<b>132</b>
<b>IV. Claims</b>	<b>64</b>	<b>324</b>	<b>258</b>	<b>254</b>
1. Claims paid net of reinsurance	2	8	125	125
1.1. Gross claims paid	2	8	125	125
1.2. Reinsurers' share in claims paid	-	-	-	-
2. Change in provision for claims outstanding, net of reinsurance:	62	316	133	129
2.1. Change in provisions for claims outstanding (gross)	62	316	133	129
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-	-	-
<b>V. Changes in other technical provisions, net of reinsurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Change in other technical provisions (gross)	-	-	-	-
2. Reinsurers' share in change in other technical provisions	-	-	-	-
<b>VI. Bonuses and rebates net of reinsurance, including change in provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. Costs of insurance activity</b>	<b>15</b>	<b>96</b>	<b>48</b>	<b>123</b>
1. Acquisition costs	19	86	67	79
1.1. including change in the balance of deferred acquisition costs	-	-	-	-
2. Administrative costs	(4)	10	(19)	44
3. Reinsurers' commissions and share in reinsurers' profit	-	-	-	-
<b>VIII. Other technical charges – net of reinsurance</b>	<b>-</b>	<b>38</b>	<b>24</b>	<b>54</b>
<b>IX. Changes in equalization provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. Technical result on property and casualty insurance</b>	<b>148</b>	<b>(103)</b>	<b>136</b>	<b>1 250</b>

**IX. ACTUARY'S OPINION**

I state hereby that as at 30 June 2013, technical provisions recognized in Powszechny Zakład Ubezpieczeń Spółka Akcyjna based on insurance mathematics method are correct.

Paweł Chadysz  
Chief Actuary at PZU

---

Warsaw, 26 August 2013

The enclosed notes are an integral part of the financial statements

## X. NOTES

### 1. Intangible assets

Intangible assets	30 June 2013	31 December 2012
a) R&D expenses	-	-
b) goodwill	-	-
c) acquired concessions, patents, licenses and similar items, including:	82 556	69 961
- computer software	80 621	68 024
d) other intangible assets	-	-
e) advance payments for intangible assets	66 889	59 768
<b>Total intangible assets</b>	<b>149 445</b>	<b>129 729</b>

Change in intangible assets, total	1 January - 30 June 2013	1 January - 30 June 2012
<b>a) gross value of intangible assets – opening balance</b>	<b>330 315</b>	<b>284 559</b>
b) increases (due to)	67 774	36 826
- purchase	38 056	15 002
- reclassification	29 718	21 824
- donation	-	-
- other	-	-
c) decreases (due to)	29 797	21 824
- sale	-	-
- liquidation	79	-
- donation	-	-
- reclassification	29 718	21 824
<b>d) gross value of intangible assets – closing balance</b>	<b>368 292</b>	<b>299 561</b>
<b>e) accumulated amortization – opening balance</b>	<b>187 590</b>	<b>171 255</b>
f) amortization for the period (due to)	17 052	17 588
- current year charges	17 131	17 588
- sale	-	-
- liquidation	(79)	-
- donation	-	-
- other	-	-
<b>g) accumulated amortization – closing balance</b>	<b>204 642</b>	<b>188 843</b>
<b>h) impairment losses – opening balance</b>	<b>12 996</b>	<b>6 300</b>
- increases	1 209	-
- decreases	-	-
<b>i) impairment losses – closing balance</b>	<b>14 205</b>	<b>6 300</b>
<b>j) net value of intangible assets – closing balance</b>	<b>149 445</b>	<b>104 418</b>

Intangible assets – ownership structure	30 June 2013	31 December 2012
a) own	149 445	129 729
b) used based on lease, rental or other agreement	-	-
<b>Total intangible assets</b>	<b>149 445</b>	<b>129 729</b>

Change in intangible assets in the period of 6 months ended 30 June 2013	a) R&D expenses	b) goodwill	c) acquired concessions, patents, licenses and similar items	- including software	d) other intangible assets	e) advances for intangible assets under construction	Total intangible assets
<b>a) gross value of intangible assets – opening balance</b>	-	-	<b>257 538</b>	<b>250 221</b>	<b>13</b>	<b>72 764</b>	<b>330 315</b>
b) increases (due to)	-	-	29 726	29 303	-	38 048	67 774
- purchase	-	-	8	8	-	38 048	38 056
- reclassification	-	-	29 718	28 781	-	-	29 718
- donation	-	-	-	-	-	-	-
- other	-	-	-	514	-	-	-
c) decreases (due to)	-	-	79	79	-	29 718	29 797
- sale	-	-	-	-	-	-	-
- liquidation	-	-	79	79	-	-	79
- donation	-	-	-	-	-	-	-
- reclassification	-	-	-	-	-	29 718	29 718
<b>d) gross value of intangible assets – closing balance</b>	-	-	<b>287 185</b>	<b>279 445</b>	<b>13</b>	<b>81 094</b>	<b>368 292</b>
<b>e) accumulated amortization – opening balance</b>	-	-	<b>187 577</b>	<b>182 197</b>	<b>13</b>	-	<b>187 590</b>
f) depreciation for the period	-	-	17 052	16 627	-	-	17 052
- current year charges	-	-	17 131	16 476	-	-	17 131
- sale	-	-	-	-	-	-	-
- liquidation	-	-	(79)	(79)	-	-	(79)
- donation	-	-	-	-	-	-	-
- other	-	-	-	230	-	-	-
<b>g) accumulated amortization – closing balance</b>	-	-	<b>204 629</b>	<b>198 824</b>	<b>13</b>	-	<b>204 642</b>
<b>h) impairment losses – opening balance</b>	-	-	-	-	-	<b>12 996</b>	<b>12 996</b>
- increases	-	-	-	-	-	1 209	1 209
- decreases	-	-	-	-	-	-	-
<b>i) impairment losses – closing balance</b>	-	-	-	-	-	<b>14 205</b>	<b>14 205</b>
<b>j) net value of intangible assets – closing balance</b>	-	-	<b>82 556</b>	<b>80 621</b>	-	<b>66 889</b>	<b>149 445</b>

Change in intangible assets in the period 6 months ended 30 June 2013	a) R&D expenses	b) goodwill	c) acquired concessions, patents, licenses and similar items	- including software	d) other intangible assets	e) advances for intangible assets under construction	Total intangible assets
<b>a) gross value of intangible assets – opening balance</b>	-	-	<b>201 335</b>	<b>193 605</b>	<b>13</b>	<b>83 211</b>	<b>284 559</b>
b) increases (due to)	-	-	21 824	21 096	-	15 002	36 826
- purchase	-	-	-	-	-	15 002	15 002
- reclassification	-	-	21 824	21 096	-	-	21 824
- donation	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-
c) decreases (due to)	-	-	-	-	-	21 824	21 824
- sale	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-
- donation	-	-	-	-	-	-	-
- reclassification	-	-	-	-	-	21 824	21 824
<b>d) gross value of intangible assets – closing balance</b>	-	-	<b>223 159</b>	<b>214 701</b>	<b>13</b>	<b>76 389</b>	<b>299 561</b>
<b>e) accumulated amortization – opening balance</b>	-	-	<b>171 242</b>	<b>165 411</b>	<b>13</b>	-	<b>171 255</b>
f) depreciation for the period	-	-	17 588	16 910	-	-	17 588
- current year charges	-	-	17 588	16 910	-	-	17 588
- sale	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-
- donation	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-
<b>g) accumulated amortization – closing balance</b>	-	-	<b>188 830</b>	<b>182 321</b>	<b>13</b>	-	<b>188 843</b>
<b>h) impairment losses – opening balance</b>	-	-	-	-	-	<b>6 300</b>	<b>6 300</b>
- increases	-	-	-	-	-	-	-
- decreases	-	-	-	-	-	-	-
<b>i) impairment losses – closing balance</b>	-	-	-	-	-	<b>6 300</b>	<b>6 300</b>
<b>j) net value of intangible assets – closing balance</b>	-	-	<b>34 329</b>	<b>32 380</b>	-	<b>70 089</b>	<b>104 418</b>

## 2. Investments

### 2.1. Geographical structure of investments

Geographical structure of investments as of 30 June 2013	Domestic				Foreign – EU countries				Foreign - other countries				Total			
	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss
I. Real property*	843 893	926 324	549 611	78 860	-	-	-	-	-	-	-	-	843 893	926 324	549 611	78 860
II. Investments in controlled entities**	663 953	4 032 427	4 032 427	6 515	217 076	90 347	90 347	-	176 250	20 445	20 445	-	1 057 279	4 143 219	4 143 219	6 515
III. Other financial investments	19 760 720	20 748 056	20 490 294	13 646	822 234	953 889	953 889	-	129 626	134 987	134 987	-	20 712 580	21 836 932	21 579 170	13 646
1. Shares and other variable income securities	12 788	69	69	12 719	-	-	-	-	-	-	-	-	12 788	69	69	12 719
- measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- measured at acquisition cost	12 788	69	69	12 719	-	-	-	-	-	-	-	-	12 788	69	69	12 719
2. Units and investment certificates in investment funds	9 230 920	9 654 377	9 654 377	927	-	-	-	-	-	-	-	-	9 230 920	9 654 377	9 654 377	927
3. Debt securities and other fixed income securities	8 352 803	8 892 184	8 634 422	-	822 234	846 476	846 476	-	129 626	134 987	134 987	-	9 304 663	9 873 647	9 615 885	-
- measured at fair value	1 159 644	1 163 877	1 163 877	-	752 612	772 952	772 952	-	129 626	134 987	134 987	-	2 041 882	2 071 816	2 071 816	-
- measured at adjusted acquisition price or acquisition cost	7 193 159	7 728 307	7 470 545	-	69 622	73 524	73 524	-	-	-	-	-	7 262 781	7 801 831	7 544 069	-
4. Shares in joint investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgage loans	69 815	69 991	69 991	-	-	-	-	-	-	-	-	-	69 815	69 991	69 991	-
6. Other loans	1 809 109	1 809 999	1 809 999	-	-	-	-	-	-	-	-	-	1 809 109	1 809 999	1 809 999	-
7. Term deposits with credit institutions	285 285	287 331	287 331	-	-	-	-	-	-	-	-	-	285 285	287 331	287 331	-
8. Other investments	-	34 105	34 105	-	-	107 413	107 413	-	-	-	-	-	-	141 518	141 518	-
IV. Deposits with ceding undertakings	-	-	-	-	2 875	2 875	2 875	-	-	-	-	-	2 875	2 875	2 875	-
<b>Total</b>	<b>21 268 566</b>	<b>25 706 807</b>	<b>25 072 332</b>	<b>99 021</b>	<b>1 042 185</b>	<b>1 047 111</b>	<b>1 047 111</b>	<b>-</b>	<b>305 876</b>	<b>155 432</b>	<b>155 432</b>	<b>-</b>	<b>22 616 627</b>	<b>26 909 350</b>	<b>26 274 875</b>	<b>99 021</b>

\* The fair value of real property results from valuations carried out mainly between 2008-2013, based primarily on the income method

\*\* In the case of companies measured using the equity method, the presented fair value of investments in controlled entities (which cannot be precisely specified and estimations would be charged with a significant error margin) was adopted at the level of net assets of those companies assigned to PZU as of the balance sheet date, including impairment losses.



Investment structure as at 30 June 2013	Domestic - net carrying amount	Foreign – EU countries – net carrying amount	Foreign – other countries – net carrying amount	Total
<b>I. Real property</b>	<b>549 611</b>	-	-	<b>549 611</b>
<b>II. Investments in controlled entities</b>	<b>4 032 427</b>	<b>90 347</b>	<b>20 445</b>	<b>4 143 219</b>
- unrestricted, quoted on a regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	4 032 427	90 347	20 445	4 143 219
- restricted	-	-	-	-
<b>III. Other financial investments</b>	<b>20 490 294</b>	<b>953 889</b>	<b>134 987</b>	<b>21 579 170</b>
<b>1. Shares and other variable income securities</b>	<b>69</b>	-	-	<b>69</b>
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	69	-	-	69
- restricted	-	-	-	-
<b>2. Units and investment certificates in investment funds</b>	<b>9 654 377</b>	-	-	<b>9 654 377</b>
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	9 654 377	-	-	9 654 377
- restricted	-	-	-	-
<b>3. Debt securities and other fixed income securities</b>	<b>8 634 422</b>	<b>846 476</b>	<b>134 987</b>	<b>9 615 885</b>
- unrestricted, quoted on regulated market	8 609 193	772 952	134 987	9 517 132
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	25 229	73 524	-	98 753
- restricted	-	-	-	-
<b>4. Shares in joint investments</b>	-	-	-	-
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	-	-	-	-
- restricted	-	-	-	-
<b>5. Mortgage loans</b>	<b>69 991</b>	-	-	<b>69 991</b>
<b>6. Other loans</b>	<b>1 809 999</b>	-	-	<b>1 809 999</b>
<b>7. Term deposits with credit institutions</b>	<b>287 331</b>	-	-	<b>287 331</b>
<b>8. Other investments</b>	<b>34 105</b>	<b>107 413</b>	-	<b>141 518</b>
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	34 105	107 413	-	141 518
- restricted	-	-	-	-
<b>IV. Deposits with ceding undertakings</b>	-	<b>2 875</b>	-	<b>2 875</b>
<b>Total</b>	<b>25 072 332</b>	<b>1 047 111</b>	<b>155 432</b>	<b>26 274 875</b>

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Geographical structure of investments as of 31 December 2012	Domestic				Foreign – EU countries				Foreign - other countries				Total			
	Purchase price	Fair value	Net carrying amount	Impairment loss		Purchase price	Fair value	Net carrying amount	Impairment loss		Purchase price	Fair value	Net carrying amount	Impairment loss		Purchase price
I. Real property*	840 431	1 001 110	561 589	73 486	-	-	-	-	-	-	-	-	840 431	1 001 110	561 589	73 486
II. Investments in controlled entities**	665 245	7 144 225	7 144 225	4 816	210 843	83 652	83 652	-	176 250	15 293	15 293	-	1 052 338	7 243 170	7 243 170	4 816
III. Other financial investments	18 371 082	19 480 708	18 991 829	12 719	607 890	677 007	677 007	-	110 290	113 748	113 748	-	19 089 262	20 271 463	19 782 584	12 719
1. Shares and other variable income securities	293 732	353 295	353 295	12 719	-	-	-	-	-	-	-	-	293 732	353 295	353 295	12 719
- measured at fair value	280 944	353 226	353 226	-	-	-	-	-	-	-	-	-	280 944	353 226	353 226	-
- measured at acquisition cost	12 788	69	69	12 719	-	-	-	-	-	-	-	-	12 788	69	69	12 719
2. Units and investment certificates in investment funds	6 562 471	6 860 257	6 860 257	-	-	-	-	-	-	-	-	-	6 562 471	6 860 257	6 860 257	-
3. Debt securities and other fixed income securities	9 419 017	10 153 399	9 664 520	-	607 890	611 336	611 336	-	110 290	113 748	113 748	-	10 137 197	10 878 483	10 389 604	-
- measured at fair value	1 507 628	1 537 726	1 537 726	-	538 268	541 909	541 909	-	110 290	113 748	113 748	-	2 156 186	2 193 383	2 193 383	-
- measured at adjusted acquisition price or acquisition cost.	7 911 389	8 615 673	8 126 794	-	69 622	69 427	69 427	-	-	-	-	-	7 981 011	8 685 100	8 196 221	-
4. Shares in joint investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgage loans	26 838	26 847	26 847	-	-	-	-	-	-	-	-	-	26 838	26 847	26 847	-
6. Other loans	1 039 903	1 040 923	1 040 923	-	-	-	-	-	-	-	-	-	1 039 903	1 040 923	1 040 923	-
7. Term deposits with credit institutions	1 029 121	1 033 591	1 033 591	-	-	-	-	-	-	-	-	-	1 029 121	1 033 591	1 033 591	-
8. Other investments	-	12 396	12 396	-	-	65 671	65 671	-	-	-	-	-	-	78 067	78 067	-
IV. Deposits with ceding undertakings	-	-	-	-	4 142	4 142	4 142	-	-	-	-	-	4 142	4 142	4 142	-
<b>Total</b>	<b>19 876 758</b>	<b>27 626 043</b>	<b>26 697 643</b>	<b>91 021</b>	<b>822 875</b>	<b>764 801</b>	<b>764 801</b>	<b>-</b>	<b>286 540</b>	<b>129 041</b>	<b>129 041</b>	<b>-</b>	<b>20 986 173</b>	<b>28 519 885</b>	<b>27 591 485</b>	<b>91 021</b>

\* The fair value of real property results from valuations carried out mainly between 2008-2012, based primarily on the income method

\*\* In the case of companies measured using the equity method, the presented fair value of investments in controlled entities (which cannot be precisely specified and estimations would be charged with a significant error margin) was adopted at the level of net assets of those companies assigned to PZU as of the balance sheet date, including impairment losses.

Investment structure as at 31 December 2012	Domestic - net carrying amount	Foreign – EU countries – net carrying amount	Foreign – other countries – net carrying amount	Total
<b>I. Real property</b>	<b>561 589</b>	-	-	<b>561 589</b>
<b>II. Investments in controlled entities</b>	<b>7 144 225</b>	<b>83 652</b>	<b>15 293</b>	<b>7 243 170</b>
- unrestricted, quoted on a regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	7 144 225	83 652	15 293	7 243 170
- restricted	-	-	-	-
<b>III. Other financial investments</b>	<b>18 991 829</b>	<b>677 007</b>	<b>113 748</b>	<b>19 782 584</b>
<b>1. Shares and other variable income securities</b>	<b>353 295</b>	-	-	<b>353 295</b>
- unrestricted, quoted on regulated market	353 226	-	-	353 226
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	69	-	-	69
- restricted	-	-	-	-
<b>2. Units and investment certificates in investment funds</b>	<b>6 860 257</b>	-	-	<b>6 860 257</b>
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	6 860 257	-	-	6 860 257
- restricted	-	-	-	-
<b>3. Debt securities and other fixed income securities</b>	<b>9 664 520</b>	<b>611 336</b>	<b>113 748</b>	<b>10 389 604</b>
- unrestricted, quoted on regulated market	8 366 208	541 909	113 748	9 021 865
- unrestricted, quoted on OTC market	48 618	-	-	48 618
- unrestricted, not quoted on a regulated market	1 249 694	69 427	-	1 319 121
- restricted	-	-	-	-
<b>4. Shares in joint investments</b>	-	-	-	-
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	-	-	-	-
- restricted	-	-	-	-
<b>5. Mortgage loans</b>	<b>26 847</b>	-	-	<b>26 847</b>
<b>6. Other loans</b>	<b>1 040 923</b>	-	-	<b>1 040 923</b>
<b>7. Term deposits with credit institutions</b>	<b>1 033 591</b>	-	-	<b>1 033 591</b>
<b>8. Other investments</b>	<b>12 396</b>	<b>65 671</b>	-	<b>78 067</b>
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	12 396	65 671	-	78 067
- restricted	-	-	-	-
<b>IV. Deposits with ceding undertakings</b>	-	<b>4 142</b>	-	<b>4 142</b>
<b>Total</b>	<b>26 697 643</b>	<b>764 801</b>	<b>129 041</b>	<b>27 591 485</b>

## 2.2. Change in financial instruments divided by portfolio

Change in financial instruments by portfolio in the period of 6 months ended 30 June 2013	Opening balance	Increases, including:		Decreases, including:		Closing balance
		Acquisition	Value increase	Sale or redemption	Value reduction	
<b>a) financial assets held for trading, including:</b>	<b>929 091</b>	<b>12 026 143</b>	<b>174 323</b>	<b>11 809 780</b>	<b>152 353</b>	<b>1 167 424</b>
Investments in controlled entities	-	-	-	-	-	-
Shares, stock and other variable income securities, participation units and certificates of investment funds	198 131	-	8 287	68 155	-	138 263
Debt securities and other fixed income securities	652 893	723 803	24 518	471 297	42 274	887 643
Other investments	78 067	11 302 340	141 518	11 270 328	110 079	141 518
<b>b) financial liabilities held for trading</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) originated loans and own receivables including:</b>	<b>3 154 762</b>	<b>62 873 158</b>	<b>2 457</b>	<b>63 863 056</b>	<b>-</b>	<b>2 167 321</b>
Debt securities and other fixed income securities	1 053 401	-	-	1 053 401	-	-
Mortgage loans	26 847	45 478	199	2 533	-	69 991
Other loans	1 040 923	42 926 618	220	42 157 762	-	1 809 999
Term deposits with credit institutions	1 033 591	19 901 062	2 038	20 649 360	-	287 331
<b>d) financial assets held to maturity, including:</b>	<b>7 142 820</b>	<b>1 452 308</b>	<b>170 223</b>	<b>1 216 809</b>	<b>4 474</b>	<b>7 544 068</b>
Debt securities and other fixed income securities	7 142 820	1 452 308	170 223	1 216 809	4 474	7 544 068
<b>e) financial assets available for sale, including:</b>	<b>15 799 081</b>	<b>9 057 676</b>	<b>952 857</b>	<b>7 008 821</b>	<b>3 957 217</b>	<b>14 843 576</b>
Investments in controlled entities	7 243 170	6 233	767 981	385	3 873 780	4 143 219
Shares, stock and other variable income securities, participation units and certificates of investment funds	7 015 421	3 045 199	168 291	667 746	44 982	9 516 183
Debt securities and other fixed income securities	1 540 490	6 006 244	16 585	6 340 690	38 455	1 184 174
<b>Total</b>	<b>27 025 754</b>	<b>85 409 285</b>	<b>1 299 860</b>	<b>83 898 466</b>	<b>4 114 044</b>	<b>25 722 389</b>

Change in financial instruments by portfolio in the period of 6 months ended 30 June 2012	Opening balance	Increases, including:		Decreases, including:		Closing balance
		Acquisition	Value increase	Sale or redemption	Value reduction	
<b>a) financial assets held for trading, including:</b>	<b>1 609 689</b>	<b>11 346 001</b>	<b>101 816</b>	<b>11 751 107</b>	<b>65 157</b>	<b>1 241 242</b>
Investments in controlled entities	52	-	8	-	-	60
Shares, stock and other variable income securities, participation units and certificates of investment funds	755 048	535 539	47 271	660 759	36 123	640 976
Debt securities and other fixed income securities	815 308	627 348	26 584	886 552	10 435	572 253
Other investments	39 281	10 183 114	27 953	10 203 796	18 599	27 953
<b>b) financial liabilities held for trading</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) originated loans and own receivables including:</b>	<b>1 972 477</b>	<b>59 955 214</b>	<b>6 910</b>	<b>58 467 605</b>	<b>19</b>	<b>3 466 977</b>
Debt securities and other fixed income securities	53 977	565 000	2 032	100 482	19	520 508
Mortgage loans	32 264	-	-	2 630	-	29 634
Other loans	863 273	30 659 840	799	29 642 093	-	1 881 819
Term deposits with credit institutions	1 022 963	28 730 374	4 079	28 722 400	-	1 035 016
<b>d) financial assets held to maturity, including:</b>	<b>7 682 395</b>	<b>370 593</b>	<b>195 059</b>	<b>1 197 224</b>	<b>3 168</b>	<b>7 047 655</b>
Debt securities and other fixed income securities	7 682 395	370 593	195 059	1 197 224	3 168	7 047 655
<b>e) financial assets available for sale, including:</b>	<b>13 030 341</b>	<b>15 270 605</b>	<b>186 967</b>	<b>14 764 876</b>	<b>163 992</b>	<b>13 559 045</b>
Investments in controlled entities	6 425 878	8 505	5 214	-	138 610	6 300 987
Shares, stock and other variable income securities, participation units and certificates of investment funds	529 077	60 576	27 734	96 337	6 917	514 133
Debt securities and other fixed income securities	6 075 386	15 201 524	154 019	14 668 539	18 465	6 743 925
<b>Total</b>	<b>24 294 902</b>	<b>86 942 413</b>	<b>490 752</b>	<b>86 180 812</b>	<b>232 336</b>	<b>25 314 919</b>

## 2.3. Investments in real property

<b>Investments in real property (by group)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) own land	31 005	31 339
- by purchase price	36 851	36 985
- by current value	70 004	83 701
b) land perpetual usufruct right	11 963	13 594
c) buildings and structures	496 277	506 482
- by purchase price	734 160	730 439
- by current value	705 540	756 596
d) cooperative ownership of premises	6 789	6 969
e) construction investments	3 577	3 205
f) advances for construction investments	-	-
<b>Investments in real property (by group), total</b>	<b>549 611</b>	<b>561 589</b>

<b>Change in investments in real property</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>a) gross value – opening balance</b>	<b>840 431</b>	<b>842 103</b>
b) increases (due to)	7 837	5 790
- investments	3 862	3 309
- donations	-	-
- direct purchase	-	-
- other	3 975	2 481
c) decreases (due to)	4 376	3 524
- liquidation	-	-
- sale	401	1 043
- donations	-	-
- other	3 975	2 481
<b>d) gross value – closing balance</b>	<b>843 892</b>	<b>844 369</b>
<b>e) accumulated amortization – opening balance</b>	<b>205 356</b>	<b>182 500</b>
f) depreciation for the period (due to)	10 065	10 660
- current year charges	10 152	11 027
- accumulated depreciation of fixed assets liquidated	-	-
- accumulated depreciation of fixed assets sold	(87)	(367)
- accumulated depreciation of fixed assets donated	-	-
- accumulated depreciation of fixed assets lost by accident	-	-
- other	-	-
<b>g) accumulated depreciation – closing balance</b>	<b>215 421</b>	<b>193 160</b>
<b>h) impairment losses – opening balance</b>	<b>73 486</b>	<b>77 275</b>
- increases	5 761	-
- decreases	387	-
<b>i) impairment losses – closing balance</b>	<b>78 860</b>	<b>77 275</b>
<b>j) net value – closing balance</b>	<b>549 611</b>	<b>573 934</b>

Change in real property value in the period of 6 months ended 30 June 2013	Land and perpetual usufruct right of land	Buildings and structures, premises	Titles to apartments and premises	Construction investments	Advances for construction investments	Total real property
<b>a) gross value of real property – opening balance</b>	<b>80 161</b>	<b>730 439</b>	<b>10 869</b>	<b>14 216</b>	<b>4 746</b>	<b>840 431</b>
<b>b) increases (due to)</b>	<b>23</b>	<b>3 854</b>	<b>98</b>	<b>3 862</b>	<b>-</b>	<b>7 837</b>
- investments	-	-	-	3 862	-	3 862
- donations	-	-	-	-	-	-
- direct purchase	-	-	-	-	-	-
- reclassification	23	3 854	98	-	-	3 975
- other	-	-	-	-	-	-
<b>c) decreases (due to)</b>	<b>165</b>	<b>134</b>	<b>200</b>	<b>3 877</b>	<b>-</b>	<b>4 376</b>
- liquidation	-	-	-	-	-	-
- sale	165	36	200	-	-	401
- donations	-	-	-	-	-	-
- reclassification	-	98	-	3 877	-	3 975
- other	-	-	-	-	-	-
<b>d) gross value of real property – closing balance</b>	<b>80 019</b>	<b>734 159</b>	<b>10 767</b>	<b>14 201</b>	<b>4 746</b>	<b>843 892</b>
<b>e) accumulated amortization – opening balance</b>	<b>27 944</b>	<b>173 512</b>	<b>3 900</b>	<b>-</b>	<b>-</b>	<b>205 356</b>
<b>f) depreciation for the period (due to)</b>	<b>1 624</b>	<b>8 363</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>10 065</b>
- current year charges	1 630	8 388	134	-	-	10 152
- accumulated depreciation of real property liquidated	-	-	-	-	-	-
- accumulated depreciation of real property sold	(6)	(25)	(56)	-	-	(87)
- accumulated depreciation of real property donated	-	-	-	-	-	-
- accumulated depreciation of real property lost by accident	-	-	-	-	-	-
- other	-	-	-	-	-	-
<b>g) accumulated depreciation – closing balance</b>	<b>29 568</b>	<b>181 875</b>	<b>3 978</b>	<b>-</b>	<b>-</b>	<b>215 421</b>
<b>h) impairment losses – opening balance</b>	<b>7 284</b>	<b>50 445</b>	<b>-</b>	<b>11 011</b>	<b>4 746</b>	<b>73 486</b>
- increases	199	5 562	-	-	-	5 761
- decreases	-	-	-	387	-	387
<b>i) impairment losses – closing balance</b>	<b>7 483</b>	<b>56 007</b>	<b>-</b>	<b>10 624</b>	<b>4 746</b>	<b>78 860</b>
<b>j) net value of real property – closing balance</b>	<b>42 968</b>	<b>496 277</b>	<b>6 789</b>	<b>3 577</b>	<b>-</b>	<b>549 611</b>

Change in intangible assets in the period of 6 months ended 30 June 2012	Land and perpetual usufruct right of land	Buildings and structures, premises	Titles to apartments and premises	Construction investments	Advances for construction investments	Total real property
<b>a) gross value of real property – opening balance</b>	<b>80 923</b>	<b>732 731</b>	<b>10 483</b>	<b>13 220</b>	<b>4 746</b>	<b>842 103</b>
<b>b) increases (due to)</b>	<b>-</b>	<b>2 078</b>	<b>403</b>	<b>3 309</b>	<b>-</b>	<b>5 790</b>
- investments	-	-	-	3 309	-	3 309
- donations	-	-	-	-	-	-
- direct purchase	-	-	-	-	-	-
- reclassification	-	2 078	403	-	-	2 481
- other	-	-	-	-	-	-
<b>c) decreases (due to)</b>	<b>-</b>	<b>1 043</b>	<b>-</b>	<b>2 481</b>	<b>-</b>	<b>3 524</b>
- liquidation	-	-	-	-	-	-
- sale	-	1 043	-	-	-	1 043
- donations	-	-	-	-	-	-
- reclassification	-	-	-	2 481	-	2 481
- other	-	-	-	-	-	-
<b>d) gross value of real property – closing balance</b>	<b>80 923</b>	<b>733 766</b>	<b>10 886</b>	<b>14 048</b>	<b>4 746</b>	<b>844 369</b>
<b>e) accumulated amortization – opening balance</b>	<b>23 233</b>	<b>155 631</b>	<b>3 636</b>	<b>-</b>	<b>-</b>	<b>182 500</b>
<b>f) depreciation for the period (due to)</b>	<b>1 714</b>	<b>8 810</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>10 660</b>
- current year charges	1 714	9 177	136	-	-	11 027
- accumulated depreciation of real property liquidated	-	-	-	-	-	-
- accumulated depreciation of real property sold	-	(367)	-	-	-	(367)
- accumulated depreciation of real property donated	-	-	-	-	-	-
- accumulated depreciation of real property lost by accident	-	-	-	-	-	-
- other	-	-	-	-	-	-
<b>g) accumulated depreciation – closing balance</b>	<b>24 947</b>	<b>164 441</b>	<b>3 772</b>	<b>-</b>	<b>-</b>	<b>193 160</b>
<b>h) impairment losses – opening balance</b>	<b>8 761</b>	<b>52 802</b>	<b>-</b>	<b>10 966</b>	<b>4 746</b>	<b>77 275</b>
- increases	-	-	-	-	-	-
- decreases	-	-	-	-	-	-
<b>i) impairment losses – closing balance</b>	<b>8 761</b>	<b>52 802</b>	<b>-</b>	<b>10 966</b>	<b>4 746</b>	<b>77 275</b>
<b>j) net value of real property – closing balance</b>	<b>47 215</b>	<b>516 523</b>	<b>7 114</b>	<b>3 082</b>	<b>-</b>	<b>573 934</b>



<b>Real property (by use)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) used for own purposes	465 492	481 097
b) other	84 119	80 492
<b>Real property (by use) total</b>	<b>549 611</b>	<b>561 589</b>

<b>Investments in real property</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) short-term	-	-
b) long-term	549 611	561 589
<b>Total investments in real property</b>	<b>549 611</b>	<b>561 589</b>

<b>Investments in real property (by currency)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) in PLN	549 611	561 589
b) in foreign currencies (by currency and translated to PLN)	-	-
<b>Total investments in real property</b>	<b>549 611</b>	<b>561 589</b>

<b>Investments in real property</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Value of land in perpetual usufruct not used for own purposes	1 876	2 243
<b>Total value of land in perpetual usufruct not used for own purposes</b>	<b>1 876</b>	<b>2 243</b>

## 2.4. Investments in controlled entities

<b>Investments in controlled entities</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) shares in subsidiaries including:	4 143 219	7 243 170
- long-term investments	4 143 219	7 243 170
b) shares in co-subsidiaries including:	-	-
- long-term investments	-	-
c) shares in associates including:	-	-
- long-term investments	-	-
d) loans granted to subsidiaries including:	-	-
- long-term investments	-	-
e) loans granted to co-subsidiaries including:	-	-
- long-term investments	-	-
f) loans granted to associates including:	-	-
- long-term investments	-	-
g) debt securities of subsidiaries including:	-	-
- long-term investments	-	-
f) debt securities of co-subsidiaries including:	-	-
- long-term investments	-	-
i) debt securities of associates including:	-	-
- long-term investments	-	-
j) other investments (by type), including:	-	-
- long-term investments	-	-
<b>Total investments in controlled entities</b>	<b>4 143 219</b>	<b>7 243 170</b>

As of 30 June 2013 and 31 December 2012, PZU did not hold any securities in controlled entities, guaranteed by the State Treasury or international organizations which Poland has joined or local authorities.

<b>Investments in controlled entities measured using the equity method</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) shares or stock including:	4 115 072	7 212 032
- in subsidiaries	4 115 072	7 212 032
- in co-subsidiaries	-	-
- in associates	-	-
f) loans originated, including:	-	-
- to subsidiaries	-	-
- to co-subsidiaries	-	-
- to associates	-	-
c) debt instruments, including:	-	-
- subsidiaries	-	-
- co-subsidiaries	-	-
- associates	-	-
d) other (by basis), including:	-	-
- in subsidiaries	-	-
- in co-subsidiaries	-	-
- in associates	-	-
<b>Investments in controlled entities measured with equity method total / Investments in controlled entities measured with equity method, total</b>	<b>4 115 072</b>	<b>7 212 032</b>

<b>Investments in controlled entities measured using the equity method</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) goodwill of controlled entities	-	-
- subsidiaries	-	-
- co-subsidiaries	-	-
- associates	-	-
b) negative goodwill of controlled entities	-	-
- subsidiaries	-	-
- co-subsidiaries	-	-
- associates	-	-

<b>Changes in goodwill - controlled entities</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
a) gross value of goodwill – opening balance including:	-	-
b) increases (due to)	-	-
c) decreases (due to)	-	-
d) gross value of goodwill – closing balance	-	-
e) impairment of goodwill – opening balance	-	-
f) impairment of goodwill for the period (due to)	-	-
e) impairment of goodwill – closing balance	-	-
h) net value of goodwill – closing balance	-	-

<b>Change in investments in controlled entities (by type)</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>a) opening balance</b>	<b>7 243 170</b>	<b>6 425 930</b>
- shares and stock in controlled entities	7 243 170	6 425 930
- originated loans	-	-
- contribution to share capital	-	-
<b>b) increases (due to)</b>	<b>774 214</b>	<b>13 727</b>
- acquisition	6 233	8 505
- revaluation adjustments	767 981	5 222
- other	-	-
<b>c) decreases (due to)</b>	<b>3 874 165</b>	<b>138 610</b>
- disposal or redemption	385	-
- revaluation adjustments	3 873 780	138 610
- other	-	-
<b>d) closing balance</b>	<b>4 143 219</b>	<b>6 301 047</b>
- shares and stock in controlled entities	4 143 219	6 301 047
- originated loans	-	-
- contribution to share capital	-	-

<b>Shares and securities in controlled entities</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) listed on a regulated market	-	-
b) not listed on a regulated market	4 143 219	7 243 170
<b>Shares and securities in controlled entities total</b>	<b>4 143 219</b>	<b>7 243 170</b>

<b>Shares, stock and other financial instruments in controlled entities (long-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>A. Unrestricted, quoted on regulated market (carrying amount)</b>	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	(52)
- opening balance	-	52
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>B. Unrestricted, quoted on OTC market (carrying amount)</b>	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>C. Unrestricted, not quoted on a regulated market (carrying amount)</b>	<b>4 143 219</b>	<b>7 243 170</b>
a) stock (carrying amount):	3 889 583	6 991 258
- revaluation adjustments (for the period)	(3 101 675)	810 263
- opening balance	6 991 258	6 180 995
- at purchase price	798 191	793 250

<b>Shares, stock and other financial instruments in controlled entities (long-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value):	253 636	251 912
shares in controlled entities	253 636	251 912
- revaluation adjustments (for the period)	1 724	7 029
- opening balance	251 912	244 883
- at purchase price	255 229	255 229
<b>D. Restricted (carrying amount)</b>	-	-
a) shares or stock (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- by purchase price	-	-
c) other – by group (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>By purchase price, total</b>	<b>1 053 420</b>	<b>1 048 479</b>
<b>Opening balance total</b>	<b>7 243 170</b>	<b>6 425 930</b>
<b>Revaluation adjustments (for the period) total</b>	<b>(3 099 951)</b>	<b>817 240</b>
<b>Total carrying amount</b>	<b>4 143 219</b>	<b>7 243 170</b>

<b>Shares, stock and other financial instruments in controlled entities (short-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>A. Unrestricted, quoted on regulated market (carrying amount)</b>	-	-
a) stock (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
c) other – by group (carrying value):	-	-
- fair value	-	-
- market value	-	-
- by purchase price	-	-
<b>B. Unrestricted, quoted on OTC market (carrying amount)</b>	-	-
a) stock (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- by purchase price	-	-
c) other – by group (carrying value):	-	-
- fair value	-	-
- market value	-	-
- by purchase price	-	-
<b>C. Unrestricted, not quoted on a regulated market (carrying amount)</b>	-	-
a) stock (carrying amount)	-	-

<b>Shares, stock and other financial instruments in controlled entities (short-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
- fair value	-	-
- market value	-	-
- by purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- by purchase price	-	-
c) other – by group (carrying value):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
<b>D. Restricted (carrying amount)</b>	-	-
a) shares or stock (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- by purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
c) other – by group (carrying value):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
<b>At purchase price, total</b>	-	-
<b>Opening balance total</b>	-	-
<b>Revaluation adjustments (for the period) total</b>	-	-
<b>Total carrying amount</b>	-	-

*Controlled entities as at 30 June 2013 with financial data*

a) Entity's name and legal form	b) Registered office	c) Core business	d) Capital relationship	e) Consolidation method applied / measurement with equity method or statement that the entity is excluded from consolidation/ measurement with equity method	f) Control assuming date marking commencement of significant influence	g) Value of shares/ stock (at purchase cost)	h) Revaluation adjustments total*	i) Carrying amount of stock/ shares	j) Percent of share capital held directly by PZU	k) Share in the total number of votes at general shareholders meeting	l) basis of control/ joint control/ significant influence other than defined in point j) or k)
1. PZU ŻYCIE SA („PZU Życie”)	Warsaw	Life insurance	subsidiary	full method consolidation	18.12.1991	295 088	3 370 518	3 665 606	100.00%	100.00%	n/a
2. UAB DK PZU Lietuva	Vilnius Lithuania	Property insurance	subsidiary	full method consolidation	26.04.2002	176 840	(114 719)	62 121	99.76%	99.76%	n/a
3. Tower-Inwestycje Sp. z o.o. (d. PZU Tower Sp. z o.o.) („PZU Tower”)	Warsaw	Acquisition and disposal of real property, agency in real property trade, real property management	indirect subsidiary	full method consolidation	17.08.1999	112 900	(4 564)	108 336	27.47%	27.47%	n/a
4. PZU Asset Management S.A. („PZU AM”)	Warsaw	Management of securities portfolios for the account of third parties	subsidiary	full method consolidation	12.07.2001	11 463	(276)	11 187	100.00%	100.00%	n/a
5. Syta Development Sp. z o.o. w likwidacji („Syta Development”)	Warsaw	Acquisition and disposal of real property, agency in real property trade, real property management	subsidiary	not consolidated	29.04.1996	22	(22)	-	100.00%	100.00%	n/a
6. Ogródowa - Inwestycje Sp. z o.o. („Ogródowa Inwestycje”)	Warsaw	Business and management consulting services, holding activities	subsidiary	full method consolidation	15.09.2004	142 255	3 009	145 264	100.00%	100.00%	n/a
7. UAB PZU Lietuva Gyvybes Draudimas	Vilnius Lithuania	Life insurance	subsidiary	full method consolidation	08.04.2004	40 236	(12 010)	28 226	99.34%	99.34%	n/a
8. Międzyzakładowe Pracownicze Tow. Emerytalne S.A. („MPTE”)	Warsaw	Developing and managing of employee pension plan	subsidiary	full method consolidation	13.08.2004	500	-	500	100.00%	100.00%	n/a
9. PrJSC IC PZU Ukraine	Kiev-Ukraine	Property insurance	subsidiary	full method consolidation	01.07.2005	143 666	(128 167)	15 499	89.97%	89.97%	n/a
10. PrJSC IC PZU Ukraine Life Insurance	Kiev-Ukraine	Life insurance	subsidiary	full method consolidation	01.07.2005	32 584	(27 638)	4 946	53.47%	53.47%	n/a
11. Ipsilon Sp. z o.o.	Warsaw	Assistance and medical services	subsidiary	full method consolidation	02.04.2009	52	(16)	36	100.00%	100.00%	n/a
12. PZU Pomoc SA	Warsaw	Assistance services	subsidiary	full method consolidation	18.03.2009	18 566	(2 319)	16 247	100.00%	100.00%	n/a
13. Towarzystwo Funduszy Inwestycyjnych PZU SA	Warsaw	Creation, representing and management of investment funds	subsidiary	full method consolidation	27.09.2011	38 403	(184)	38 219	100.00%	100.00%	n/a
14. PZU Centrum Operacji SA	Warsaw	Auxiliary activity related to insurance and pension funds	subsidiary	full method consolidation	27.09.2011	40 645	6 210	46 855	100.00%	100.00%	n/a
15. Ipsilon Bis SA	Warsaw	Entity does not carry out business activity	subsidiary	full method consolidation	02.09.2011	100	(18)	82	100.00%	100.00%	n/a
16. Omicron SA	Warsaw	Entity does not carry out business activity	subsidiary	full method consolidation	13.09.2011	100	(5)	95	100.00%	100.00%	n/a
<b>Total</b>						<b>1 053 420</b>	<b>3 089 799</b>	<b>4 143 219</b>			

\* "Total revaluation adjustments" include revaluation resulting from the measurement using the equity method, goodwill amortization and an impairment loss on goodwill.

*Controlled entities as at 31 December 2012 with financial data*

a) Entity's name and legal form		b) Registered office	c) Core business	d) Capital relationship	e) Consolidation method applied / measurement with equity method or statement that the entity is excluded from consolidation/ measurement with equity method	f) Control assuming date marking commencement of significant influence	g) Value of shares/ stock (at purchase cost)	h) Revaluation adjustments total*	i) Carrying amount of stock/ shares	j) Percent of share capital held directly by PZU	k) Share in the total number of votes at general shareholders meeting	l) basis of control/ joint control/ significant influence other than defined in point j) or k)
1.	PZU ŻYCIE SA („PZU Życie”)	Warsaw	Life insurance	subsidiary	full method consolidation	18.12.1991	295 088	6 452 973	6 748 061	100.00%	100.00%	n/a
2.	UAB DK PZU Lietuva	Vilnius Lithuania	Property insurance	subsidiary	full method consolidation	26.04.2002	170 607	(114 035)	56 572	99.76%	99.76%	n/a
3.	Tower-Inwestycje Sp. z o.o. (d. PZU Tower Sp. z o.o.) („PZU Tower”)	Warsaw	Acquisition and disposal of real property, agency in real property trade, real property management	indirect subsidiary	full method consolidation	17.08.1999	112 900	(6 824)	106 076	27.47%	27.47%	n/a
4.	PZU Asset Management S.A. („PZU AM”)	Warsaw	Management of securities portfolios for the account of third parties	subsidiary	not consolidated	12.07.2001	11 463	-	11 463	100.00%	100.00%	n/a
5.	Syta Development Sp. z o.o. w likwidacji („Syta Development”)	Warsaw	Acquisition and disposal of real property, agency in real property trade, real property management	subsidiary	not consolidated	29.04.1996	22	(22)	-	100.00%	100.00%	n/a
6.	Ogrodowa - Inwestycje Sp. z o.o. („Ogrodowa Inwestycje”)	Warsaw	Business and management consulting services, holding activities	subsidiary	full method consolidation	15.09.2004	142 255	3 543	145 798	100.00%	100.00%	n/a
7.	UAB PZU Lietuva Gyvybes Draudimas	Vilnius	Life insurance	subsidiary	not consolidated	08.04.2004	40 236	(13 156)	27 080	99.34%	99.34%	n/a
8.	Międzyszakładowe Pracownice Tow. Emerytalne S.A. („MPTE”)	Warsaw	Developing and managing of employee pension plan	subsidiary	not consolidated	13.08.2004	500	-	500	100.00%	100.00%	n/a
9.	PrJSC IC PZU Ukraine	Kiev Ukraine	Property insurance	subsidiary	full method consolidation	01.07.2005	143 666	(131 990)	11 676	89.97%	89.97%	n/a
10.	PrJSC IC PZU Ukraine Life Insurance	Kiev Ukraine	Life insurance	subsidiary	not consolidated	01.07.2005	32 584	(28 967)	3 617	53.47%	53.47%	n/a
11.	ICH Center S.A. w likwidacji („ICH Center”)**	Warsaw	Loss handling services - green card	subsidiary	not consolidated	31.01.1996	1 292	(907)	385	90.00%	90.00%	n/a
12.	Ipsilon Sp. z o.o.	Warsaw	Assistance and medical services	subsidiary	not consolidated	02.04.2009	52	(14)	38	100.00%	100.00%	n/a
13.	PZU Pomoc SA	Warsaw	Assistance services	subsidiary	not consolidated	18.03.2009	18 566	-	18 566	100.00%	100.00%	n/a
14.	Towarzystwo Funduszy Inwestycyjnych PZU SA („TFI PZU”)	Warsaw	Creation, representing and management of investment funds	subsidiary	not consolidated	27.09.2011	38 403	6 538	44 941	100.00%	100.00%	n/a
15.	PZU Centrum Operacji SA („PZU CO”)	Warsaw	Auxiliary activity related to insurance and pension funds	subsidiary	full method consolidation	27.09.2011	40 645	27 566	68 211	100.00%	100.00%	n/a
16.	Ipsilon Bis SA	Warsaw	Entity does not carry out business activity	subsidiary	not consolidated	02.09.2011	100	(14)	86	100.00%	100.00%	n/a
17.	Omicron SA	Warsaw	Entity does not carry out business activity	subsidiary	not consolidated	13.09.2011	100	-	100	100.00%	100.00%	n/a
<b>Total</b>							<b>1 048 479</b>	<b>6 194 691</b>	<b>7 243 170</b>			

\* "Total revaluation adjustments" include revaluation resulting from the measurement using the equity method, goodwill amortization and an impairment loss on goodwill.

\*\* Pursuant to the decision of the Extraordinary Shareholders' Meeting of 8 March 2012 the liquidation process commencement was set at 16 March 2012.. On 20 May 2013, the entity was deregistered.

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

a) Entity's name and legal form		m) Equity, including:						n) Liabilities and provisions for liabilities including:		o) Receivables:		p) Total assets	r) Sales revenue	s) Value of stock/shares not paid by the issuer	t)Dividends paid by the entity or due for the last financial year
		- Share capital	- Called up share capital (negative value)	- Supplementary capital	- Other equity, including:			- Long-term liabilities	- Short-term liabilities	- long-term	- short-term				
					- Other equity	- Previous year profit (loss)	- Net profit (loss)								
1.	PZU ŻYCIE SA („PZU Życie”)	295 000	-	4 368 091	232 096	-	1 852 875	3 200	542 227	1 139	296 139	30 084 111	9 345 213	-	1 177 476
2.	UAB DK PZU Lietuva 1/3	107 042	-	-	(27)	(51 586)	1 276	324	22 710	-	26 955	284 912	195 721	-	-
3.	Tower-Inwestycje Sp. z o.o. (d. PZU Tower Sp. z o.o.) („PZU Tower”)	411 000	-	-	166 974	(56 010)	23 123	-	30	-	15	545 153	19	-	-
4.	PZU Asset Management S.A. („PZU AM”)	5 000	-	2 913	1 475	-	1 251	-	1 019	89	2 628	12 621	18 595	-	3 188
5.	Syta Development Sp. z o.o. w likwidacji („Syta Development”)	792	-	6 008	(285)	(11 774)	2 207	-	3 588	-	1	5 372	2 748	-	-
6.	Ogrodowa - Inwestycje Sp. z o.o. ("Ogrodowa Inwestycje")	142 255	-	2 863	48	-	570	1 565	2 265	-	1 585	150 544	22 196	-	2 355
7.	UAB PZU Lietuva Gyvybes Draudimas 2/3	29 309	-	-	1 383	(3 977)	545	-	1 600	-	161	79 900	25 495	-	-
8.	Międzynarodowe Pracownicze Tow. Emerytalne S.A. („MPTE”)	500	-	167	-	-	685	-	184	-	77	1 578	1 891	-	-
9.	PrJSC IC PZU Ukraine1/3	6 867	-	211	157 067	(150 932)	(235)	-	39 393	-	19 748	156 607	142 228	-	-
10.	PrJSC IC PZU Ukraine Life Insurance 2/3	7 153	-	-	31 373	(26 363)	429	-	3 815	-	57 100	86 498	38 583	-	-
11.	ICH Center S.A. w likwidacji („ICH Center”)	593	-	-	-	-	(215)	-	20	-	-	400	-	-	3 545
12.	Ipsilon Sp. z o.o.	50	-	-	-	(10)	(3)	-	-	-	-	38	-	-	-
13.	PZU Pomoc SA	4 886	-	13 653	-	(2 244)	(130)	-	2 466	-	4 275	19 729	16 988	-	-
14.	Towarzystwo Funduszy Inwestycyjnych PZU SA („TFI PZU”)	13 000	-	14 131	4 635	-	12 019	-	15 997	100	14 967	71 421	80 564	-	13 581
15.	PZU Centrum Operacji SA („PZU CO”)	500	-	35 509	-	-	31 894	369	10 515	1 469	13 214	92 161	133 872	-	6 204
16.	Ipsilon Bis SA	100	-	-	-	(4)	(12)	-	-	-	-	87	-	-	-
17.	Omicron SA	100	-	-	-	-	(3)	-	-	-	-	100	-	-	-

The above data have been disclosed based on the audited financial statements of the entities

1/ Data according to IFRS

2/ Data according to local accounting standards

3/ For insurance companies, "sales revenue" includes gross written premium and other technical revenue



<b>Investments in controlled entities (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) in PLN	4 032 427	7 144 225
b) in foreign currencies (by currency and translated to PLN)	110 792	98 945
b1. LTL'000	72 059	70 652
PLN'000	90 347	83 652
b2. UAH'000	50 569	39 982
PLN'000	20 445	15 293
<b>Total investments in controlled entities</b>	<b>4 143 219</b>	<b>7 243 170</b>

#### **2.4.1 Capital injection to PZU Lietuva**

On 21 June 2013, the Management Board of PZU adopted a resolution concerning a capital injection to PZU Lietuva, having approved an investment of capital of LTL 5,000 thousand (PLN 6,248 thousand) to the aforementioned entity. The Extraordinary Shareholders' Meeting of PZU Lietuva, held on 25 June 2013, adopted a similar resolution and the funds were transferred by PZU on 26 June 2013. The aforementioned capital injection is aimed at ensuring PZU Lietuva's satisfaction of regulatory requirements under which it is obliged to cover the solvency margin, and it forms part of an investment of capital planned for 2013-2014 in the total amount of LTL 24 million, in accordance with the business plan of PZU Lietuva with respect to investments in Latvia and Estonia.

#### **2.5. Other financial investments**

<b>Other financial investments</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) shares and other variable income securities	69	353 295
b) units and investment certificates in investment funds	9 654 377	6 860 257
c) debt securities and other fixed income securities	9 615 885	10 389 604
d) interests in joint ventures (investments)	-	-
e) mortgage loans, including:	69 991	26 847
- additionally collateralized with policies	-	-
f) other loans, including:	1 809 999	1 040 923
- for the insured, with policies as the basic collateral	-	-
- for the insured, not collateralized with policies	-	-
g) term deposits with credit institutions	287 331	1 033 591
h) other investments (by type)	141 518	78 067
<b>Total other financial investments</b>	<b>21 579 170</b>	<b>19 782 584</b>

<b>Change in other investments (by type)</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>a) opening balance</b>	<b>19 782 584</b>	<b>17 868 972</b>
Shares, stock and other variable income securities, participation units and certificates of investment funds	7 213 552	1 284 125
Debt securities and other fixed income securities	10 389 604	14 627 066
Other investments	2 179 428	1 957 781
<b>b) increases (due to)</b>	<b>85 934 931</b>	<b>87 419 438</b>
- acquisition	85 403 052	86 933 908
- revaluation adjustments	531 879	485 530
- other	-	-
<b>c) decreases (due to)</b>	<b>84 138 345</b>	<b>86 274 538</b>
- sale or redemption	83 898 081	86 180 812
- revaluation adjustments	240 264	93 726
- other	-	-
<b>d) closing balance</b>	<b>21 579 170</b>	<b>19 013 872</b>
- Stock, shares, other variable income securities, participation units and investment certificates of investment funds	9 654 446	1 155 109
- Debt securities and other fixed income securities	9 615 885	14 884 341
- Other investments	2 308 839	2 974 422

<b>Other financial investments</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) long-term	17 069 942	14 936 530
b) short-term	4 509 228	4 846 054
<b>Total other financial investments</b>	<b>21 579 170</b>	<b>19 782 584</b>

<b>Other financial investments (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) in PLN	20 230 737	18 713 700
b) in foreign currencies (by currency and translated to PLN)	1 348 433	1 068 884
b1. EUR'000	250 304	185 132
PLN'000	1 083 614	756 855
b2. USD'000	74 241	51 099
PLN'000	246 295	158 388
b3. other currencies PLN'000	18 524	153 641
<b>Total other financial investments</b>	<b>21 579 170</b>	<b>19 782 584</b>

<b>Investments by portfolio qualification</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) financial assets held for trading	1 167 424	929 091
b) originated loans and own receivables	2 167 321	3 154 762
c) financial assets held to maturity	7 544 068	7 142 820
d) financial assets available for sale	10 700 357	8 555 911
<b>Total investments</b>	<b>21 579 170</b>	<b>19 782 584</b>

<b>Other financial investments – in financial instruments</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) issued by the State Treasury or international organizations to which the Republic of Poland belongs	8 225 238	7 662 709
- long-term investments	5 568 666	4 849 740
- short-term investments	2 656 572	2 812 969
b) guaranteed by the State Treasury or international organizations to which the Republic of Poland belongs	358 526	703 499
c) issued by the National Bank of Poland	-	-
d) guaranteed by the National Bank of Poland	-	-
e) issued by local government units or their associations, or by the capital city of Warsaw	25 429	52 759
f) guaranteed by local government units or their associations, or by the capital city of Warsaw	-	-
g) other	12 969 977	11 363 617
<b>Total other financial investments – in financial instruments</b>	<b>21 579 170</b>	<b>19 782 584</b>

<b>Securities (other financial investments)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) listed on a regulated market	9 517 132	9 375 091
b) not listed on a regulated market	98 822	1 367 808
<b>Total securities (other financial investments)</b>	<b>9 615 954</b>	<b>10 742 899</b>

<b>Shares and other variable income securities (carrying amount)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) shares and stock including:	69	353 295
- long-term investments	69	285 140
b) debt securities, including:	-	-
- long-term investments	-	-
c) other (by type)	9 654 377	6 860 257
units and investment certificates in investment funds	9 654 377	6 860 257
- including: long-term investments	9 516 114	6 730 281
<b>Shares and other variable income securities total</b>	<b>9 654 446</b>	<b>7 213 552</b>

<b>Change in the balance of investments in shares and other variable income securities (by type)</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>a) opening balance</b>	<b>7 213 552</b>	<b>1 284 125</b>
- Shares and other variable income securities	353 295	817 760
- Units and investment certificates in investment funds	6 860 257	466 365
<b>b) increases (due to)</b>	<b>3 221 777</b>	<b>671 120</b>
- purchase	3 045 199	596 115
- value adjustment	176 578	75 005
- other	-	-
<b>c) decreases (due to)</b>	<b>780 883</b>	<b>800 136</b>
-disposal	735 901	757 096
- value adjustment	44 982	43 040
- other	-	-
<b>d) closing balance</b>	<b>9 654 446</b>	<b>1 155 109</b>
Shares and other variable income securities	69	601 504
Units and investment certificates in investment funds	9 654 377	553 605

<b>Shares, stock and other variable income financial instruments (long-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>A. Unrestricted, quoted on regulated market (carrying amount)</b>	<b>-</b>	<b>285 072</b>
a) stock (carrying amount)	-	285 072
- revaluation adjustments (for the period)	(285 072)	91 038
- opening balance	285 072	194 034
- at purchase price	-	232 740
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
mortgage bonds (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
open investment fund units (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>B. Unrestricted, quoted on OTC market (carrying amount)</b>	<b>-</b>	<b>-</b>
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-

<b>Shares, stock and other variable income financial instruments (long-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>C. Unrestricted, not quoted on a regulated market (carrying amount)</b>	<b>9 516 183</b>	<b>6 730 349</b>
a) stock (carrying amount)	69	68
- revaluation adjustments (for the period)	1	-
- opening balance	68	68
- at purchase price	12 788	12 788
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	9 516 114	6 730 281
closed investment fund units (carrying value)	9 516 114	6 730 281
- revaluation adjustments (for the period)	2 785 833	6 395 307
- opening balance	6 730 281	334 974
- at purchase price	9 109 916	6 441 466
loans (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>D. Restricted (carrying amount)</b>	<b>-</b>	<b>-</b>
a) shares or stock (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
<b>At purchase price, total</b>	<b>9 122 704</b>	<b>6 686 994</b>
<b>Opening balance total</b>	<b>7 015 421</b>	<b>529 076</b>
<b>Revaluation adjustments (for the period) total</b>	<b>2 500 762</b>	<b>6 486 345</b>
<b>Total carrying amount</b>	<b>9 516 183</b>	<b>7 015 421</b>

<b>Shares, stock and other variable income financial instruments (short-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>A. Unrestricted, quoted on regulated market (carrying amount)</b>	-	<b>68 154</b>
a) stock (carrying amount)	-	68 154
- fair value	-	68 154
- market value	-	68 154
- at purchase price	-	48 204
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
units and investment certificates (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
<b>B. Unrestricted, quoted on OTC market (carrying amount)</b>	-	-
a) stock (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
treasury bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
<b>C. Unrestricted, not quoted on a regulated market (carrying amount)</b>	<b>138 263</b>	<b>129 977</b>
a) stock (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
c) other – by group (carrying value)	138 263	129 977
term deposits with financial institutions (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
derivatives (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
units and investment certificates (carrying amount)	138 263	129 977
- fair value	138 263	129 977
- market value	138 263	129 977
- at purchase price	121 004	121 004
loans (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
<b>D. Restricted (carrying amount)</b>	-	-
a) shares or stock (carrying amount):	-	-
- fair value	-	-
- market value	-	-

<b>Shares, stock and other variable income financial instruments (short-term investments) by disposability</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
- fair value	-	-
- market value	-	-
- at purchase price	-	-
<b>At purchase price, total</b>	<b>121 004</b>	<b>169 208</b>
<b>Opening balance total</b>	<b>198 131</b>	<b>755 049</b>
<b>Revaluation adjustments (for the period) total</b>	<b>(59 868)</b>	<b>(556 918)</b>
<b>Total carrying amount</b>	<b>138 263</b>	<b>198 131</b>

Both as at 30 June 2013 and 31 December 2012, PZU held no shares providing 5% or more interest in share capital and total number of votes at the General Shareholders Meeting or at the shareholders meetings of the entities other than entities presented as controlled entities.

### **2.5.1 Transfer of a portion of financial investments to funds**

In 2013, PZU continued the process of transferring financial investments to funds, commenced in 2012.

The objective of the transfer was to improve the effectiveness of the management of financial investments, among others by tax optimization (CIT on capital gains and VAT paid to other companies in the PZU Group for the management of the portfolio of securities, not deductible by PZU).

#### *Debt instruments*

On 25 February 2013, PZU subscribed for investment certificates of PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 1, making a payment in the form of debt instruments of PLN 1,244,056 thousand and in the form of cash of PLN 500,000 thousand.

On 5 March 2013, TFI PZU awarded investment certificates of PLN 1,744,056 thousand to PZU.

#### *Equity instruments*

On 27 March 2013, PZU subscribed for investment certificates of PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 2, making payments in the form of shares of PLN 724,394 thousand.

On 28 March 2013, TFI PZU awarded investment certificates corresponding to the value of the aforementioned payments, to PZU.

On 17 April 2013, PZU made a cash payment of PLN 200,000 thousand for investment certificates of PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 2. On 18 April 2013, TFI PZU awarded investment certificates of PLN 200,000 thousand to PZU.

## 2.5.2 Other loans

Other loans	30 June 2013		31 December 2012	
	Carrying amount	Type of collateral	Carrying amount	Type of collateral
Buy-sell-back transactions	1 294 205	Securities	584 708	Securities
Collateralized with assets loans, other than mortgage	515 794	Pledges on shares, liability portfolios as well as bank accounts, other loans or other forms of collateral	456 215	Pledges on shares, liability portfolios as well as bank accounts, other loans or other forms of collateral
<b>Other loans, total</b>	<b>1 809 999</b>		<b>1 040 923</b>	

## 2.5.3 Debt securities issued by companies and local government authorities

Debt securities by issuer as at 30 June 2013	Classification	Purchase price	Carrying amount	Adjusted acquisition price	Fair value
Companies from WIG – Banki	Available for sale	90 661	96 353	96 353	-
	Held to maturity	25 000	25 229	n/a	-
WIG-Paliwa	Available for sale y	13 489	13 741	13 741	-
Foreign banks	Held to maturity	69 622	73 524	n/a	-
Local authorities	Held to maturity	25 000	25 428	n/a	-
<b>Total</b>		<b>223 772</b>	<b>234 275</b>	<b>n/a</b>	<b>-</b>

Debt securities by issuer as at 31 December 2012	Classification	Purchase price	Carrying amount	Adjusted acquisition price	Fair value
Companies from WIG – Banki	Available for sale	93 065	94 124	94 124	-
	Held to maturity	25 000	25 296	n/a	-
	Originated loans and own receivables	545 000	555 830	n/a	-
WIG-Paliwa	Available for sale	119 390	127 289	127 289	-
	Originated loans and own receivables	450 000	450 793	n/a	-
Domestic banks not listed	Originated loans and own receivables	22 500	23 234	n/a	-
Foreign banks	Held to maturity	69 622	69 426	n/a	-
	Available for sale	22 816	26 505	26 505	-
	Held to maturity	25 000	26 255	27 199	-
Other	Originated loans and own receivables	23 500	23 543	n/a	-
<b>Total</b>		<b>1 395 893</b>	<b>1 422 295</b>	<b>n/a</b>	<b>-</b>

## 2.5.4 Debt securities issued by state treasuries other than polish

As at 30 June 2013:

Issuer	Currency	Classification	Purchase price	Carrying amount	Fair value	Adjusted acquisition price
Iceland	USD	Held for trading	129 626	134 987	134 987	-
Germany	EUR	Available for sale	128 959	130 091	130 091	-
Romania	EUR	Held for trading	166 036	175 030	175 030	-
Slovenia	EUR	Held for trading	167 693	167 316	167 316	-
Slovenia	USD	Held for trading	58 179	57 678	57 678	-
Hungary	EUR	Held for trading	41 382	45 483	45 483	-
Italy	EUR	Available for sale	86 213	87 261	87 261	-
<b>Total</b>			<b>778 088</b>	<b>797 846</b>	<b>797 846</b>	<b>-</b>

As at 31 December 2012:

Issuer	Currency	Classification	Purchase price	Carrying amount	Fair value	Adjusted acquisition price
Iceland	USD	Held for trading	110 290	113 748	113 748	-
Germany	EUR	Available for sale	62 787	59 448	59 448	-
Romania	EUR	Held for trading	170 142	172 021	172 021	-
Slovenia	EUR	Held for trading	54 995	57 788	57 788	-
Slovenia	USD	Held for trading	38 552	40 867	40 867	-
Hungary	CHF	Held for trading	4 342	4 306	4 306	-

Issuer	Currency	Classification	Purchase price	Carrying amount	Fair value	Adjusted acquisition price
Hungary	EUR	Held for trading	18 660	20 578	20 578	-
Hungary	HUF	Held for trading	135 342	132 345	132 345	-
<b>Total</b>			<b>595 110</b>	<b>601 101</b>	<b>601 101</b>	<b>-</b>

### 2.5.5 Term deposits with credit institutions

Term deposits with credit institutions by maturity period after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	236 900	400 784
b) over 3 months and up to 1 year	50 431	632 807
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
<b>Term deposits in credit institutions, total</b>	<b>287 331</b>	<b>1 033 591</b>

Term deposits with credit institutions (currency structure)	30 June 2013	31 December 2012
a) in PLN	259 291	786 938
b) in foreign currencies with domestic banks (by currency and translated into PLN)	28 040	246 653
b1. EUR'000	480	59 422
PLN'000	2 078	242 930
b2. USD'000	7 826	1 201
PLN'000	25 962	3 723
c) in foreign currencies with foreign banks (by currency and translated into PLN)	-	-
<b>Term deposits in credit institutions, total</b>	<b>287 331</b>	<b>1 033 591</b>

### 2.5.6 Derivatives

Both in the period of 6 months ended 30 June 2013 and in 2012, PZU did not apply hedge accounting and had no derivatives to hedge the value of technical provisions.

PZU in its investing activities uses various types of derivatives to manage various types of investment risk. The instruments decrease or increase exposure to specific types of risk. In the period of 6 months ended 30 June 2013 and in 2012 the Company used swap transactions, interest rate forwards and exchange rates, as well as, stock index futures and bond prices.

The basic type of risk related to derivatives at PZU is market risk which includes interest rate risk and the risk of fluctuations in the prices of various instruments.



Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

As at 30 June 2013, PZU held the following derivatives and achieved the following results on transactions involving such instruments in the period of 6 months ended 30 June 2013:

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 30 June 2013	Nominal value as of 30 June 2013 translated into '000 PLN	Number as of 30 June 2013	Position as at 30 June 2013 (short/long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2013 in '000 PLN	Unrealized gain/loss in 2013 in '000 in PLN
Forex risk	trade	Forward contracts for raw materials	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 027	-
Forex risk	trade	Forward contracts for interest rate	CHF	2014-12-20	Yes	None	None	n/a	n/a	2 000	short	1 403	-	-	1 403
Forex risk	trade	Forward contracts for interest rate	CHF	2015-06-20	Yes	None	None	n/a	n/a	1 000	short	-	1 640	-	(1 640)
Forex risk	trade	Forward contracts for interest rate	CHF	2015-12-20	Yes	None	None	n/a	n/a	13	short	-	7	-	(7)
Forex risk	trade	Forward contracts for interest rate	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4 474)	-
Forex risk	trade	Forward contracts for interest rate	USD	2017-12-20	Yes	None	None	n/a	n/a	500	short	2 654	-	-	2 654
Interest rate risk	trade	FRA	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(2 118)	-
Interest rate risk	trade	FRA	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 337	-
Interest rate risk	trade	FRA	ZAR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(5 077)	-
Interest rate risk	trade	FRA	PLN	2013-10-11	Yes	None	None	1 500 000	1 500 000	1	n/a	-	2 285	-	(2 285)
Interest rate risk	trade	FRA	PLN	2014-02-04	Yes	None	None	3 000 000	3 000 000	1	n/a	-	3 894	-	(3 894)
Interest rate risk	trade	FRA	PLN	2014-02-07	Yes	None	None	1 000 000	1 000 000	1	n/a	-	1 219	-	(1 219)
Interest rate risk	trade	FRA	PLN	2015-05-08	Yes	None	None	500 000	500 000	1	n/a	237	-	-	237
Interest rate risk	trade	FRA	PLN	2014-02-14	Yes	None	None	500 000	500 000	1	n/a	816	-	-	816
Interest rate risk	trade	FRA	PLN	2014-02-17	Yes	None	None	1 000 000	1 000 000	1	n/a	1 692	-	-	1 692
Interest rate risk	trade	FRA	PLN	2013-10-15	Yes	None	None	250 000	250 000	1	n/a	498	-	-	498
Interest rate risk	trade	FRA	PLN	2013-10-21	Yes	None	None	1 000 000	1 000 000	1	n/a	2 018	-	-	2 018
Interest rate risk	trade	FRA	PLN	2014-02-19	Yes	None	None	1 000 000	1 000 000	1	n/a	1 586	-	-	1 586
Interest rate risk	trade	FRA	PLN	2015-05-19	Yes	None	None	500 000	500 000	1	n/a	-	53	-	(53)
Interest rate risk	trade	FRA	PLN	2014-02-19	Yes	None	None	1 500 000	1 500 000	1	n/a	2 045	-	-	2 045
Interest rate risk	trade	FRA	PLN	2013-12-18	Yes	None	None	1 000 000	1 000 000	1	n/a	-	1 168	-	(1 168)
Interest rate risk	trade	FRA	PLN	2013-12-18	Yes	None	None	1 000 000	1 000 000	1	n/a	-	1 168	-	(1 168)
Interest rate risk	trade	FRA	PLN	2013-12-18	Yes	None	None	600 000	600 000	1	n/a	-	694	-	(694)
Interest rate risk	trade	FRA	PLN	2013-12-18	Yes	None	None	500 000	500 000	1	n/a	473	-	-	473
Interest rate risk	trade	FRA	PLN	2013-12-18	Yes	None	None	500 000	500 000	1	n/a	473	-	-	473
Interest rate risk	trade	FRA	PLN	2013-12-18	Yes	None	None	500 000	500 000	1	n/a	479	-	-	479
Interest rate risk	trade	FRA	PLN	2014-05-20	Yes	None	None	150 000	150 000	1	n/a	-	319	-	(319)
Interest rate risk	trade	FRA	PLN	2014-11-20	Yes	None	None	1 500 000	1 500 000	1	n/a	-	569	-	(569)
Forex risk	trade	Futures	CAD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 406)	-
Forex risk	trade	Futures	CZK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	24	-
Forex risk	trade	Futures	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(3 617)	-
Forex risk	trade	Futures	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(244)	-
Forex risk	trade	Futures	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	698	-
Forex risk	trade	Futures	RON	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	2 939	-
Forex risk	trade	Futures	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	919	-
Forex risk	trade	Futures	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	3 323	-
Forex risk	trade	Futures	CAD	2013-07-26	Yes	None	None	20 000	63 344	1	n/a	-	3 778	-	(3 778)
Forex risk	trade	Futures	RON	2013-07-22	Yes	None	None	67 000	65 137	1	n/a	-	1 709	-	(1 709)

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 30 June 2013	Nominal value as of 30 June 2013 translated into '000 PLN	Number as of 30 June 2013	Position as at 30 June 2013 (short/long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2013 in '000 PLN	Unrealized gain/loss in 2013 in '000 in PLN
Forex risk	trade	Futures	CZK	2013-07-22	Yes	None	None	30 000	5 007	1	n/a	-	56	-	(56)
Forex risk	trade	Futures	CZK	2013-07-22	Yes	None	None	65 000	10 849	1	n/a	-	172	-	(172)
Forex risk	trade	Futures	CZK	2013-07-22	Yes	None	None	300 000	50 070	1	n/a	-	1 020	-	(1 020)
Forex risk	trade	Futures	CAD	2013-06-11	Yes	None	None	20 000	63 344	1	n/a	2 170	-	-	2 170
Forex risk	trade	Futures	RON	2013-07-22	Yes	None	None	67 000	65 137	1	n/a	-	504	-	(504)
Forex risk	trade	Futures	CZK	2013-07-22	Yes	None	None	395 000	65 926	1	n/a	-	1 638	-	(1 638)
Forex risk	trade	Futures	USD	2013-07-02	Yes	None	None	25 000	82 938	1	n/a	1 013	-	-	1 013
Forex risk	trade	Futures	EUR	2013-07-02	Yes	None	None	25 000	108 230	1	n/a	840	-	-	840
Forex risk	trade	Futures	USD	2013-07-03	Yes	None	None	15 000	49 763	1	n/a	-	84	-	(84)
Forex risk	trade	Futures	USD	2013-07-02	Yes	None	None	25 000	82 938	1	n/a	-	1 678	-	(1 678)
Forex risk	trade	FX SWAP	CHF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	106	-
Forex risk	trade	FX SWAP	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(15 968)	-
Forex risk	trade	FX SWAP	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 945)	-
Forex risk	trade	FX SWAP	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(5)	-
Forex risk	trade	FX SWAP	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(311)	-
Forex risk	trade	FX SWAP	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 472	-
Forex risk	trade	FX SWAP	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(18 193)	-
Forex risk	trade	FX SWAP	EUR	2013-07-31	Yes	None	None	10 500	45 457	1	n/a	189	-	-	189
Forex risk	trade	FX SWAP	EUR	2013-07-31	Yes	None	None	40 200	174 034	1	n/a	722	-	-	722
Forex risk	trade	FX SWAP	EUR	2013-07-31	Yes	None	None	38 800	167 973	1	n/a	697	-	-	697
Forex risk	trade	FX SWAP	USD	2013-07-31	Yes	None	None	17 000	56 398	1	n/a	321	-	-	321
Forex risk	trade	FX SWAP	USD	2013-07-31	Yes	None	None	40 700	135 022	1	n/a	769	-	-	769
Forex risk	trade	FX SWAP	EUR	2013-07-31	Yes	None	None	25 000	108 230	1	n/a	772	-	-	772
Interest rate risk	trade	IRS	BRL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 411)	-
Interest rate risk	trade	IRS	CAD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4 604)	-
Interest rate risk	trade	IRS	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 339)	-
Interest rate risk	trade	IRS	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(816)	-
Interest rate risk	trade	IRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(2 025)	-
Interest rate risk	trade	IRS	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	13	-
Interest rate risk	trade	IRS	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	4 151	-
Interest rate risk	trade	IRS	PLN	2014-04-14	Yes	None	None	100 000	100 000	1	n/a	2 401	-	(1 994)	2 401
Interest rate risk	trade	IRS	PLN	2014-04-14	Yes	None	None	100 000	100 000	1	n/a	-	2 398	1 993	(2 398)
Interest rate risk	trade	IRS	PLN	2014-05-10	Yes	None	None	50 000	50 000	1	n/a	1 210	-	(1 020)	1 210
Interest rate risk	trade	IRS	ZAR	2014-09-22	Yes	None	None	2 250 000	747 900	1	n/a	4 067	-	-	4 548
Interest rate risk	trade	IRS	PLN	2014-09-29	Yes	None	None	132 500	132 500	1	n/a	5 185	-	(4 836)	5 185
Interest rate risk	trade	IRS	PLN	2014-10-01	Yes	None	None	66 000	66 000	1	n/a	2 553	-	(2 389)	2 553
Interest rate risk	trade	IRS	ZAR	2014-10-01	Yes	None	None	2 250 000	747 900	1	n/a	-	4 723	-	(4 590)
Interest rate risk	trade	IRS	PLN	2014-10-06	Yes	None	None	265 000	265 000	1	n/a	9 977	-	(9 340)	9 977
Interest rate risk	trade	IRS	PLN	2014-10-08	Yes	None	None	66 000	66 000	1	n/a	2 538	-	(2 385)	2 538
Interest rate risk	trade	IRS	PLN	2014-10-16	Yes	None	None	120 000	120 000	1	n/a	4 461	-	(4 209)	4 461
Interest rate risk	trade	IRS	PLN	2014-10-20	Yes	None	None	236 500	236 500	1	n/a	8 448	-	(7 996)	8 448
Interest rate risk	trade	IRS	PLN	2014-11-20	Yes	None	None	1 100 000	1 100 000	1	n/a	6 400	-	-	6 400
Interest rate risk	trade	IRS	PLN	2014-12-23	Yes	None	None	165 000	165 000	1	n/a	70	-	-	103
Interest rate risk	trade	IRS	PLN	2015-01-07	Yes	None	None	165 000	165 000	1	n/a	54	-	-	54
Interest rate risk	trade	IRS	PLN	2015-01-08	Yes	None	None	880 000	880 000	1	n/a	2 334	-	-	2 334
Interest rate risk	trade	IRS	PLN	2015-01-09	Yes	None	None	830 000	830 000	1	n/a	1 845	-	-	1 845

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 30 June 2013	Nominal value as of 30 June 2013 translated into '000 PLN	Number as of 30 June 2013	Position as at 30 June 2013 (short/ long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2013 in '000 PLN	Unrealized gain/loss in 2013 in '000 in PLN
Interest rate risk	trade	IRS	PLN	2015-01-13	Yes	None	None	330 000	330 000	1	n/a	484	-	-	484
Interest rate risk	trade	IRS	PLN	2015-05-11	Yes	None	None	500 000	500 000	1	n/a	-	3 826	-	(3 826)
Interest rate risk	trade	IRS	PLN	2015-05-19	Yes	None	None	1 000 000	1 000 000	1	n/a	-	8 406	-	(8 406)
Interest rate risk	trade	IRS	PLN	2015-06-10	Yes	None	None	500 000	500 000	1	n/a	1 948	-	-	1 948
Interest rate risk	trade	IRS	PLN	2015-06-18	Yes	None	None	200 000	200 000	1	n/a	918	-	-	918
Interest rate risk	trade	IRS	PLN	2015-07-13	Yes	None	None	275 000	275 000	1	n/a	-	6 385	-	(40)
Interest rate risk	trade	IRS	PLN	2015-07-31	Yes	None	None	275 000	275 000	1	n/a	4 850	-	-	(183)
Interest rate risk	trade	IRS	RUB	2016-04-13	Yes	None	None	650 000	65 845	1	n/a	878	-	(1 353)	878
Interest rate risk	trade	IRS	RUB	2016-04-15	Yes	None	None	650 000	65 845	1	n/a	-	133	-	(133)
Interest rate risk	trade	IRS	PLN	2016-12-23	Yes	None	None	165 000	165 000	1	n/a	1 456	-	-	1 415
Interest rate risk	trade	IRS	PLN	2017-01-07	Yes	None	None	165 000	165 000	1	n/a	1 432	-	-	1 432
Interest rate risk	trade	IRS	PLN	2017-01-08	Yes	None	None	780 000	780 000	1	n/a	5 067	-	-	5 067
Interest rate risk	trade	IRS	PLN	2017-01-09	Yes	None	None	930 000	930 000	1	n/a	6 372	-	-	6 372
Interest rate risk	trade	IRS	PLN	2017-01-13	Yes	None	None	330 000	330 000	1	n/a	2 398	-	-	2 398
Interest rate risk	trade	IRS	EUR	2017-06-19	Yes	None	None	95 000	411 274	1	n/a	-	2 126	-	(2 126)
Interest rate risk	trade	IRS	USD	2017-06-19	Yes	None	None	127 100	421 654	1	n/a	4 373	-	-	4 373
Interest rate risk	trade	IRS	PLN	2017-09-28	Yes	None	None	50 000	50 000	1	n/a	-	2 211	3 009	(2 211)
Interest rate risk	trade	IRS	PLN	2017-10-02	Yes	None	None	25 000	25 000	1	n/a	-	1 104	1 508	(1 104)
Interest rate risk	trade	IRS	PLN	2017-10-04	Yes	None	None	112 500	112 500	1	n/a	-	4 713	6 544	(4 713)
Interest rate risk	trade	IRS	PLN	2017-10-09	Yes	None	None	25 000	25 000	1	n/a	-	1 096	1 507	(1 096)
Interest rate risk	trade	IRS	PLN	2017-10-16	Yes	None	None	50 000	50 000	1	n/a	-	1 971	2 811	(1 971)
Interest rate risk	trade	IRS	PLN	2017-10-19	Yes	None	None	100 000	100 000	1	n/a	-	3 832	5 532	(3 832)
Interest rate risk	trade	IRS	PLN	2017-11-20	Yes	None	None	312 500	312 500	1	n/a	-	12 971	-	(12 971)
Interest rate risk	trade	IRS	BRL	2018-01-02	Yes	None	None	77 664	117 179	1	n/a	1 413	-	-	1 413
Interest rate risk	trade	IRS	PLN	2018-07-12	Yes	None	None	112 500	112 500	1	n/a	3 473	-	-	(2 475)
Interest rate risk	trade	IRS	PLN	2018-07-31	Yes	None	None	125 000	125 000	1	n/a	-	2 480	-	2 871
Interest rate risk	trade	IRS	HUF	2020-04-30	Yes	None	None	2 000 000	29 328	1	n/a	1 747	-	(1 601)	1 747
Interest rate risk	trade	IRS	HUF	2020-05-11	Yes	None	None	2 000 000	29 328	1	n/a	-	2 350	2 144	(2 350)
Interest rate risk	trade	IRS	ZAR	2022-09-20	Yes	None	None	637 500	211 905	1	n/a	-	7 154	-	(7 226)
Interest rate risk	trade	IRS	ZAR	2022-10-03	Yes	None	None	637 500	211 905	1	n/a	6 844	-	-	7 227
Interest rate risk	trade	IRS	USD	2023-01-08	Yes	None	None	44 500	147 629	1	n/a	4 747	-	-	4 747
Interest rate risk	trade	IRS	USD	2023-01-30	Yes	None	None	25 000	82 938	1	n/a	2 586	-	-	2 586
Interest rate risk	trade	IRS	USD	2023-03-12	Yes	None	None	69 500	230 566	1	n/a	-	5 977	-	(5 976)
Interest rate risk	trade	IRS	PLN	2023-05-14	Yes	None	None	25 000	25 000	1	n/a	2 437	-	-	2 436
Interest rate risk	trade	IRS	USD	2023-05-14	Yes	None	None	111 000	368 243	1	n/a	11 207	-	-	11 206
Interest rate risk	trade	IRS	USD	2023-05-21	Yes	None	None	114 000	378 195	1	n/a	-	12 545	-	(12 544)
Interest rate risk	trade	IRS	PLN	2023-06-20	Yes	None	None	130 000	130 000	1	n/a	2 030	-	-	2 029
Interest rate risk	trade	IRS	PLN	2023-06-24	Yes	None	None	12 500	12 500	1	n/a	-	23	-	(23)
Interest rate risk	trade	IRS	PLN	2023-06-26	Yes	None	None	50 000	50 000	1	n/a	975	-	-	975
Interest rate risk	trade	IRS	PLN	2023-06-28	Yes	None	None	25 000	25 000	1	n/a	-	-	-	-
<b>TOTAL</b>												<b>141 518</b>	<b>110 079</b>	<b>(59 619)</b>	<b>33 070</b>

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

As of 31 December 2012, PZU held the following derivatives and achieved in 2012 the following results:

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 31 December 2012	Nominal value as of 31 December 2012 translated into '000 PLN	Number as of 31 December 2012	Position as at 31 December 2012 (short/ long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2012 in '000 PLN	Unrealized gain/loss in 2012 in '000 in PLN
Forex risk	trade	Forward contracts for raw materials	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(27)	-
Forex risk	trade	Forward contracts for Indices	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(2 723)	-
Forex risk	trade	Forward contracts for Indices	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 001	-
Forex risk	trade	Forward contracts WIG20	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(11 520)	-
Interest rate risk	trade	FRA	CHF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	876	-
Interest rate risk	trade	FRA	CZK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	953	-
Interest rate risk	trade	FRA	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1	-
Interest rate risk	trade	FRA	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(5 802)	-
Interest rate risk	trade	FRA	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 217	-
Interest rate risk	trade	FRA	EUR	2014-12-17	Yes	None	None	500 000	2 044 100	1	n/a	5 982	-	-	5 982
Interest rate risk	trade	FRA	EUR	2015-03-17	Yes	None	None	500 000	2 044 100	1	n/a	4 939	-	-	4 939
Interest rate risk	trade	FRA	PLN	2013-04-05	Yes	None	None	500 000	500 000	1	n/a	-	412	-	(412)
Interest rate risk	trade	FRA	PLN	2013-03-07	Yes	None	None	500 000	500 000	1	n/a	209	-	-	209
Forex risk	trade	Futures	AUD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	925	-
Forex risk	trade	Futures	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(260)	-
Forex risk	trade	Futures	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	315	-
Forex risk	trade	Futures	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 740	-
Forex risk	trade	Futures	USD	2013-01-22	Yes	None	None	15 000	46 494	1	n/a	-	852	-	(852)
Forex risk	trade	Futures	USD	2013-01-22	Yes	None	None	15 000	46 494	1	n/a	49	-	-	49
Forex risk	trade	Futures	RON	2013-03-28	Yes	None	None	75 000	68 978	1	n/a	-	424	-	(424)
Forex risk	trade	FX SWAP	AUD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	136	-
Forex risk	trade	FX SWAP	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	11 603	-
Forex risk	trade	FX SWAP	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(489)	-
Forex risk	trade	FX SWAP	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 774)	-
Forex risk	trade	FX SWAP	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 182	-
Forex risk	trade	FX SWAP	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	26 768	-
Forex risk	trade	FX SWAP	ZAR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	923	-
Forex risk	trade	FX SWAP	CHF	2013-05-21	Yes	None	None	1 275	4 318	1	n/a	189	-	-	189
Forex risk	trade	FX SWAP	HUF	2013-02-13	Yes	None	None	3 446 853	48 177	1	n/a	2 136	-	-	2 136
Forex risk	trade	FX SWAP	TRY	2013-01-21	Yes	None	None	10 000	17 357	1	n/a	-	199	-	(199)
Forex risk	trade	FX SWAP	EUR	2013-01-22	Yes	None	None	5 000	20 441	1	n/a	-	16	-	(16)
Forex risk	trade	FX SWAP	EUR	2013-01-22	Yes	None	None	42 000	171 704	1	n/a	-	135	-	(135)
Forex risk	trade	FX SWAP	EUR	2013-01-22	Yes	None	None	13 900	56 826	1	n/a	-	45	-	(45)
Forex risk	trade	FX SWAP	USD	2013-01-22	Yes	None	None	12 750	39 520	1	n/a	-	341	-	(341)
Forex risk	trade	FX SWAP	USD	2013-01-22	Yes	None	None	36 600	113 445	1	n/a	-	978	-	(978)
Forex risk	trade	FX SWAP	EUR	2013-01-21	Yes	None	None	5 000	20 441	1	n/a	-	253	-	(253)
Forex risk	trade	FX SWAP	HUF	2013-01-09	Yes	None	None	5 904 036	82 521	1	n/a	2 162	-	-	2 162
Interest rate risk	trade	IRS	AUD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	2 509	-
Interest rate risk	trade	IRS	BRL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	15	-

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 31 December 2012	Nominal value as of 31 December 2012 translated into '000 PLN	Number as of 31 December 2012	Position as at 31 December 2012 (short/long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2012 in '000 PLN	Unrealized gain/loss in 2012 in '000 PLN
Interest rate risk	trade	IRS	CHF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	52	-
Interest rate risk	trade	IRS	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(3 305)	-
Interest rate risk	trade	IRS	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	13	-
Interest rate risk	trade	IRS	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-	-
Interest rate risk	trade	IRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	4 152	-
Interest rate risk	trade	IRS	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	121	-
Interest rate risk	trade	IRS	THB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(484)	-
Interest rate risk	trade	IRS	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	3 783	-
Interest rate risk	trade	IRS	ZAR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	130	-
Interest rate risk	trade	IRS	HUF	2020-04-30	Yes	None	None	2 000 000	27 954	1	n/a	2 428	-	956	2 428
Interest rate risk	trade	IRS	HUF	2020-05-11	Yes	None	None	1 000 000	13 977	1	n/a	-	1 569	(188)	(1 569)
Interest rate risk	trade	IRS	HUF	2020-05-11	Yes	None	None	1 000 000	13 977	1	n/a	-	1 560	(197)	(1 560)
Interest rate risk	trade	IRS	PLN	2013-01-14	Yes	None	None	250 000	250 000	1	n/a	-	6 326	6 841	(6 326)
Interest rate risk	trade	IRS	PLN	2013-01-18	Yes	None	None	125 000	125 000	1	n/a	-	3 172	3 415	(3 172)
Interest rate risk	trade	IRS	RUB	2013-01-21	Yes	None	None	1 550 000	157 635	1	n/a	6 731	-	(6 344)	6 731
Interest rate risk	trade	IRS	RUB	2013-01-21	Yes	None	None	200 000	20 340	1	n/a	658	-	1 155	658
Interest rate risk	trade	IRS	RUB	2013-01-28	Yes	None	None	1 550 000	157 635	1	n/a	-	7 174	6 863	(7 174)
Interest rate risk	trade	IRS	PLN	2013-01-28	Yes	None	None	250 000	250 000	1	n/a	10 664	-	(10 825)	10 664
Interest rate risk	trade	IRS	PLN	2013-01-30	Yes	None	None	250 000	250 000	1	n/a	10 619	-	(10 780)	10 619
Interest rate risk	trade	IRS	RUB	2013-04-15	Yes	None	None	750 000	76 275	1	n/a	1 296	-	(1 208)	1 296
Interest rate risk	trade	IRS	RUB	2013-04-15	Yes	None	None	75 000	7 628	1	n/a	1 318	-	(1 229)	1 318
Interest rate risk	trade	IRS	RUB	2016-04-13	Yes	None	None	325 000	33 053	1	n/a	-	287	33	(287)
Interest rate risk	trade	IRS	RUB	2016-04-13	Yes	None	None	325 000	33 053	1	n/a	-	351	94	(351)
Interest rate risk	trade	IRS	PLN	2013-04-18	Yes	None	None	250 000	250 000	1	n/a	-	8 911	8 774	(8 911)
Interest rate risk	trade	IRS	PLN	2013-04-18	Yes	None	None	125 000	125 000	1	n/a	-	3 707	3 762	(3 707)
Interest rate risk	trade	IRS	PLN	2014-05-10	Yes	None	None	50 000	50 000	1	n/a	2 560	-	(1 872)	2 560
Interest rate risk	trade	IRS	PLN	2014-04-14	Yes	None	None	100 000	100 000	1	n/a	4 805	-	(2 356)	4 805
Interest rate risk	trade	IRS	PLN	2014-04-14	Yes	None	None	100 000	100 000	1	n/a	-	4 801	2 356	(4 801)
Interest rate risk	trade	IRS	PLN	2018-07-12	Yes	None	None	112 500	112 500	1	n/a	5 948	-	-	5 948
Interest rate risk	trade	IRS	PLN	2015-07-13	Yes	None	None	275 000	275 000	1	n/a	-	6 345	(287)	(6 345)
Interest rate risk	trade	IRS	PLN	2015-07-31	Yes	None	None	275 000	275 000	1	n/a	5 033	-	-	5 033
Interest rate risk	trade	IRS	PLN	2018-07-31	Yes	None	None	125 000	125 000	1	n/a	-	5 351	-	(5 351)
Interest rate risk	trade	IRS	ZAR	2014-09-22	Yes	None	None	2 250 000	821 475	1	n/a	-	481	-	(481)
Interest rate risk	trade	IRS	ZAR	2022-09-20	Yes	None	None	637 500	232 751	1	n/a	72	-	-	72
Interest rate risk	trade	IRS	PLN	2014-09-29	Yes	None	None	132 500	132 500	1	n/a	1 584	-	-	1 584
Interest rate risk	trade	IRS	PLN	2017-09-28	Yes	None	None	50 000	50 000	1	n/a	-	1 782	-	(1 782)
Interest rate risk	trade	IRS	PLN	2017-10-02	Yes	None	None	25 000	25 000	1	n/a	-	889	-	(889)
Interest rate risk	trade	IRS	PLN	2014-10-01	Yes	None	None	66 000	66 000	1	n/a	754	-	-	754
Interest rate risk	trade	IRS	ZAR	2014-10-01	Yes	None	None	2 250 000	821 475	1	n/a	-	133	-	(133)
Interest rate risk	trade	IRS	ZAR	2022-10-03	Yes	None	None	637 500	232 751	1	n/a	-	383	-	(383)
Interest rate risk	trade	IRS	PLN	2014-10-06	Yes	None	None	265 000	265 000	1	n/a	2 812	-	-	2 812
Interest rate risk	trade	IRS	PLN	2017-10-04	Yes	None	None	112 500	112 500	1	n/a	-	3 773	-	(3 773)
Interest rate risk	trade	IRS	PLN	2014-10-08	Yes	None	None	66 000	66 000	1	n/a	766	-	-	766
Interest rate risk	trade	IRS	PLN	2017-10-09	Yes	None	None	25 000	25 000	1	n/a	-	894	-	(894)
Interest rate risk	trade	IRS	PLN	2017-10-11	Yes	None	None	25 000	25 000	1	n/a	-	871	-	(871)

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 31 December 2012	Nominal value as of 31 December 2012 translated into '000 PLN	Number as of 31 Decemb er 2012	Position as at 31 Decemb er 2012 (short/ long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2012 in '000 PLN	Unrealized gain/loss in 2012 in '000 in PLN
Interest rate risk	trade	IRS	PLN	2014-10-13	Yes	None	None	59 000	59 000	1	n/a	675	-	-	675
Interest rate risk	trade	IRS	PLN	2017-10-16	Yes	None	None	50 000	50 000	1	n/a	-	1 594	-	(1 594)
Interest rate risk	trade	IRS	PLN	2014-10-16	Yes	None	None	120 000	120 000	1	n/a	1 289	-	-	1 289
Interest rate risk	trade	IRS	PLN	2017-10-19	Yes	None	None	50 000	50 000	1	n/a	-	3 144	-	(3 144)
Interest rate risk	trade	IRS	PLN	2014-10-20	Yes	None	None	118 250	118 250	1	n/a	2 348	-	-	2 348
Interest rate risk	trade	IRS	PLN	2014-12-23	Yes	None	None	165 000	165 000	1	n/a	-	33	-	(33)
Interest rate risk	trade	IRS	PLN	2016-12-23	Yes	None	None	165 000	165 000	1	n/a	41	-	-	41
<b>TOTAL</b>												<b>78 067</b>	<b>67 186</b>	<b>30 994</b>	<b>10 881</b>

## 2.6. Investment risks

The risk management objective is to ensure that PZU, when pursuing its business goals, keeps monitoring and managing its portfolios in a safe manner and adequately to the scale of incurred risk. Key elements of risk management in PZU include:

- identification, measurement, evaluation, monitoring and reporting processes and management measures regarding each type of risk;
- risk management organizational structure, in which Supervisory Board, Management Board, ALCO, Credit Risk Committee (the "Committees"), Investment Function and Risk Office play key roles;
- the system of limits and restrictions to acceptable risk level determined by the Supervisory Board, Management Board and adequate Committees.

Based on internal regulations of the Company, the Supervisory Board, Management Board and Committees supervise the process of achieving the key risk management objective, i.e. mitigating risk through its active monitoring and management.

The risk appetite has been determined by setting the minimum capital requirements coverage ratio and it is supported by a system of limits taking into account all significant factors related to the investment risk. Basic investment risk management tools used by PZU:

1. Value at Risk limits, the risk measure identifying a potential loss unlikely to be exceeded (99.5% probability that it will not be exceeded) under normal market conditions within one year;
2. Basis Point Value limits, i.e. changes in the value of financial instruments and portfolio if interest rate curves move 1 b.p. up;
3. share price risk sensitivity limits;
4. limit of the maximum position for each foreign currency;
5. limit of the global position for each foreign currency;
6. position limits for individual foreign currencies;
7. exposure limits to separate or mutually related entities;
8. net credit exposure limits weighted by maturity.

Investment risk reports are prepared on a daily basis for operating purposes and periodically (monthly, quarterly) for management purposes. The periodic reports are addressed mainly to the Supervisory Board, Management Board and Committees.

Below please find information regarding most material investment risks in PZU.

### 2.6.1 Interest rate risk

Interest rate risk is defined as a possibility to incur a loss following changes in the value of financial instruments or assets and fluctuations in the present value of projected cash flows on liabilities following changes in term structure of market interest rates or changing variability of these rates.

PZU is exposed to interest rate risk arising from investments, in particular in debt securities, bank deposits, loans, investment fund participation units and derivatives, such as interest rate swaps, future interest risk contracts, currency forwards and currency swaps.

As at 30 June 2013, the value of financial instruments exposed to interest rate risk in the held for trading and available for sale portfolio amounted to PLN 2,071.8 million (PLN 2,271.4 million as at 31 December 2012). The decrease in assets was related to the process of transferring financial instruments to investment funds.

As at 30 June 2013, the value of instruments in the held to maturity portfolio was PLN 7,544.1 million (as at 31 December 2012: PLN 7,142.8 million).

As at 30 June 2013, the loan portfolio did not include any debt securities (PLN 1,053.4 million as at 31 December 2012). The decrease in the value of assets was due to the process of transferring financial instruments to investment funds, carried out by PZU. As at 30 June 2013, the value of units in debt investment funds was PLN 5,271.8 million (compared to PLN 5,137.3 million as at 31 December 2012).

## 2.6.2 Share price risk

Share price risk is defined as a possibility to incur a loss following changes in the value of assets, liabilities and financial instruments as a result of changes in market prices of shares or their volatility.

PZU is exposed to the share price risk arising from its investments, in particular in quoted and non-quoted shares, rights issue, rights to shares, investment fund participation units, derivatives with shares or stock exchange indexes as the underlying instrument.

As at 30 June 2013, financial instruments exposed to the equity risk amounted to PLN 4,628.2 million and included unlisted shares of PLN 4,143.3 million as well as units in investment certificates of PLN 484.9 million (as at 31 December 2012: PLN 8,444,5 million including quoted shares of PLN 353,2 million, unquoted shares of PLN 7,517,4 million and share fund participation units of PLN 574,9 million). The aforementioned difference results mainly from a decrease in the net asset value of PZU Życie following approval of dividend payment, as presented in detail in Section 9.1 of the Introduction to the Financial Statements.

## 2.6.3 Credit risk

Credit risk is defined as the risk of loss or unfavorable change of the financial standing resulting from fluctuations of reliability and creditworthiness of issuers of securities, counterparties and debtors, which materializes in their failure to perform or an increase in credit spread.

Credit risk exposure in PZU arises from investing in financial instruments exposed to this risk, in particular in: debt securities, cash and term deposits in credit institutions, loans and receivables arising from future payments on derivatives, reinsurance shares in technical provisions, receivables from reinsurers and deposits from cedents.

The tables below present the value of items exposed to the credit risk, broken down by rating categories, without taking into account the value of collateral.

The credit risk exposure resulting from repo transactions has been presented as exposure towards the issuer of the securities and Fitch investment ratings have been used (in the absence of a Fitch rating, a rating of Standard&Poors or Moody's has been used).

Assets with a credit risk - balance as of 30 June 2013 (PLN million)	AAA	AA	A	BBB	BB	Lower than BB or not rated	Total
Debt securities and other fixed income securities	130	-	8 877	490	119	-	9 616
- held to maturity	-	-	7 445	25	74	-	7 544
- available for sale	45	-	1 071	68	-	-	1 184
- measured at fair value	85	-	361	397	45	-	888
- loans	-	-	-	-	-	-	-
Bank deposits and repo transactions involving treasury securities	-	-	1 309	181	91	-	1 581
Mortgage loans	-	-	-	-	-	70	70
Other loans	-	-	-	-	-	516	516
Derivatives	4	-	64	74	-	-	142
Reinsurers' share in net claim provisions	-	145	122	17	-	43	327
Deposits with ceding undertakings	-	-	-	-	-	3	3
Receivables from reinsurance	-	16	13	3	-	8	40
<b>Total assets exposed to credit risk</b>	<b>134</b>	<b>161</b>	<b>10 385</b>	<b>765</b>	<b>210</b>	<b>640</b>	<b>12 295</b>



Assets with a credit risk - balance as of 31 December 2012 (PLN million)	AAA	AA	A	BBB	BB	Lower than BB or not rated	Total
Debt securities and other fixed income securities	59	-	9 069	937	280	44	10 389
- held to maturity	-	-	7 048	95	-	-	7 143
- available for sale	59	-	1 301	57	123	-	1 540
- measured at fair value	-	-	210	286	157	-	653
- loans	-	-	510	499	-	44	1 053
Bank deposits and repo transactions involving treasury securities	-	-	932	611	76	-	1 619
Mortgage loans	-	-	-	-	-	27	27
Other loans	-	-	-	-	-	456	456
Derivatives	-	5	56	17	-	-	78
Reinsurers' share in net claim provisions	-	155	313	21	-	50	539
Deposits with ceding undertakings	-	-	-	-	-	4	4
Receivables from reinsurance	-	5	5	1	-	4	15
<b>Total assets exposed to credit risk</b>	<b>59</b>	<b>165</b>	<b>10 375</b>	<b>1 587</b>	<b>356</b>	<b>585</b>	<b>13 127</b>

As at 30 June 2013, the maximum potential credit loss for PZU was PLN 400.6 million (as at 31 December 2012: PLN 479.2 million). The amount has been based on average accumulated probability ratios regarding insolvency for a ten-year horizon in a given rating group as published by Standard&Poor's and presented below:

Rating	AAA	AA	A	BBB	BB	Lower than BB or not rated *
The ratio for the conversion as at 30 June 2013 (%)*	0.76	0.88	1.65	4.59	15.09	27.84
The ratio for the conversion as at 31 December 2012 (%)*	0.78	0.86	1.77	4.88	15.59	28.70

\* In the case of exposure to mortgages with no rating, the ratio of 2% was adopted corresponding to the lowest BBB+ investment rating.

#### 2.6.4 Risk concentration

As at 30 June 2013, the Company held securities issued by the Polish Ministry of Finance with contingent transactions relating to those securities of PLN 9,519.4 million (31 December 2012: PLN 8,247.4 million), which was 31.9% of the value of investments (31 December 2012: 29.9%).

As at 30 June 2013, the Company's exposure to controlled entities (including TFI PZU investment fund units and bonds issued by these funds) was PLN 13,803.1 million (PLN 14,127.0 million as at 31 December 2012), which accounted for 52.5% of investments (51.2% as at 31 December 2012).

#### 2.6.5 Real property risk

Real property risk is defined as a possibility to incur a loss following changes in the value of assets, liabilities and financial instruments as a result of changes in market prices of real property or changes in market property price volatility.

Exposure to real property risk results from investing in property and investment certificates of funds that invest in the real property sector.

As at 30 June 2013, the value of investments exposed to real property risk was PLN 1,082.6 million (as at 30 December 2012: PLN 1,097.3), including PLN 533.0 million in investment certificates of the real property sector funds (as at 31 December 2012: PLN 535.7).

#### 2.6.6 Currency risk

Currency property risk is defined as a possibility to incur a loss following changes in the value of assets, technical provisions net of reinsurance and derivatives resulting from changes or volatility of currency exchange rates.

PZU is exposed to currency risk arising from currency mismatch of technical provisions whose value depends on exchange rates and assets denominated in foreign currencies, in particular: securities, investments in financial institutions, investment fund participation units and derivatives, i.e. fx forward, fx swap, interest/currency swap with forex rates as underlying instruments, i.e. fx forward, fx swap and interest rate - fx swaps.

As at 30 June 2013, the mismatch was plus PLN 349.5 million (the value of assets denominated in foreign currencies was PLN 1,021.6 million and the value of technical provisions denominated in foreign currencies net of reinsurance was PLN 672.1 million). For comparison, at the end of 2012, the currency mismatch was PLN 569.3 million (value of assets denominated in foreign currencies was PLN 1,185.5 million and the value of technical provisions denominated in foreign currencies was PLN 616.2 million).

## 2.7. Deposits with ceding undertakings

Deposits with ceding undertakings (currency structure)	30 June 2013	31 December 2012
a) deposits denominated in PLN including with:	-	-
b) deposits denominated in foreign currencies including with:	2 875	4 142
- subsidiaries, including:	2 824	3 813
b1. EUR'000	652	933
PLN'000	2 824	3 813
- other, including:	51	329
b1. EUR'000	6	57
PLN'000	24	231
b2. USD'000	8	31
PLN'000	27	98
c) impairment loss	-	-
<b>Deposits with ceding undertakings (gross)</b>	<b>2 875</b>	<b>4 142</b>

Both in period of 6 months ended 30 June 2013 and 2012, no impairment losses on deposits with ceding undertakings occurred.

Deposits with ceding undertakings by maturity period after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	2 875	4 142
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
<b>Deposits with ceding undertakings total</b>	<b>2 875</b>	<b>4 142</b>

### 3. Receivables

Geographical structure in receivables	30 June 2013				31 December 2012			
	Domestic	Foreign – EU countries	Domestic	Foreign – EU countries	Domestic	Foreign – EU countries	Domestic	Total
<b>I. Receivables from direct insurance</b>	<b>1 376 528</b>	<b>3 004</b>	<b>33</b>	<b>1 379 565</b>	<b>1 274 041</b>	<b>2 026</b>	<b>22</b>	<b>1 276 089</b>
1. Receivables from policyholders	1 203 642	1 696	33	1 205 371	1 102 659	753	22	1 103 434
2. Receivables from insurance intermediaries	120 403	35	-	120 438	136 225	-	-	136 225
3. Other receivables	52 483	1 273	-	53 756	35 157	1 273	-	36 430
<b>II. Receivables from reinsurance</b>	<b>8 111</b>	<b>21 579</b>	<b>10 421</b>	<b>40 111</b>	<b>2 766</b>	<b>7 903</b>	<b>3 929</b>	<b>14 598</b>
<b>III. Other receivables</b>	<b>4 226 023</b>	<b>363 315</b>	<b>8 439</b>	<b>4 597 777</b>	<b>169 446</b>	<b>7 025</b>	<b>6 794</b>	<b>183 265</b>
1. Receivables from the State Budget	83 917	-	-	83 917	81 050	-	-	81 050
2. Other receivables	4 142 106	363 315	8 439	4 513 860	88 396	7 025	6 794	102 215
<b>Total receivables</b>	<b>5 610 662</b>	<b>387 898</b>	<b>18 893</b>	<b>6 017 453</b>	<b>1 446 253</b>	<b>16 954</b>	<b>10 745</b>	<b>1 473 952</b>

### 3.1. Receivables from direct insurance

Receivables from direct insurance	30 June 2013	31 December 2012
a) receivables from policyholders including:	1 205 371	1 103 434
- from controlled entities	106	368
- domestic	106	368
- foreign	-	-
- from other entities	1 205 265	1 103 066
- domestic	1 203 536	1 102 291
- foreign	1 729	775
b) receivables from intermediaries, including:	120 438	136 225
- from controlled entities	-	-
- domestic	-	-
- foreign	-	-
- from other entities	120 438	136 225
- domestic	120 403	136 225
- foreign	35	-
c) other receivables, including:	53 756	36 430
- from controlled entities	-	-
- domestic	-	-
- foreign	-	-
- from other entities	53 756	36 430
- domestic	52 483	35 157
- foreign	1 273	1 273
<b>Receivables from direct insurance (net)</b>	<b>1 379 565</b>	<b>1 276 089</b>
d) impairment losses	583 704	532 148
<b>Receivables from direct insurance (gross)</b>	<b>1 963 269</b>	<b>1 808 237</b>

Receivables from direct insurance with maturity periods after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	860 083	840 974
b) over 3 months and up to 1 year	440 647	415 538
c) over 1 year and up to 5 years	78 834	19 573
d) over 5 years	1	4
<b>Receivables from direct insurance total</b>	<b>1 379 565</b>	<b>1 276 089</b>

Receivables from direct insurance (net)	30 June 2013	31 December 2012
a) from subsidiaries	40	236
b) from co-subsidiaries	-	-
c) from associates	66	132
d) from a major investor	-	-
e) from a shareholder in a co-subsidiary	-	-
f) from holding company	-	-
g) other	1 379 459	1 275 721
<b>Receivables from direct insurance total</b>	<b>1 379 565</b>	<b>1 276 089</b>

Receivables from direct insurance (currency structure)	30 June 2013	31 December 2012
a) in PLN	1 379 565	1 276 089
b) in foreign currencies (by currency and translated to PLN)	-	-
b1. EUR'000	-	-
PLN'000	-	-
b2. USD'000	-	-
PLN'000	-	-
<b>Receivables from direct insurance total</b>	<b>1 379 565</b>	<b>1 276 089</b>

Balance of co-insurance settlements	30 June 2013	31 December 2012
Balance of co-insurance settlements	212 840	125 374

### 3.2. Receivables from reinsurance

Receivables from reinsurance	30 June 2013	31 December 2012
a) current receivables from inward reinsurance	1 364	1 517
- from domestic ceding undertakings	737	1 307
- from foreign ceding undertakings	627	210
b) current receivables from outward reinsurance including:	38 413	13 081
- from domestic reinsurers	7 365	1 459
- from foreign reinsurers	31 048	11 622
c) current receivables from retrocession including:	334	-
- domestic	9	-
- foreign	325	-
d) receivables from reinsurance commission brought forward	-	-
e) receivables from reinsurers' share in claims paid	-	-
<b>Receivables from reinsurance (net) total</b>	<b>40 111</b>	<b>14 598</b>
f) impairment losses	4 245	3 959
<b>Receivables from reinsurance (gross) total</b>	<b>44 356</b>	<b>18 557</b>

Receivables from reinsurance	30 June 2013	31 December 2012
a) from subsidiaries	320	3
b) from co-subsidiaries	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from a shareholder in a co-subsidiary	-	-
f) from holding company	-	-
g) other	39 791	14 595
<b>Receivables from reinsurance total</b>	<b>40 111</b>	<b>14 598</b>

Receivables from reinsurance	30 June 2013	31 December 2012
a) current receivables from inward reinsurance including:	1 364	1 517
- from ceding undertakings being subsidiaries	320	3
- from ceding undertakings being co-subsidiaries	-	-
- from ceding undertakings being associates	-	-
- from a ceding undertaking being a major investor	-	-
- from a ceding undertaking being a shareholder in a co-subsidiary	-	-
- from a ceding undertaking being the holding company	-	-
b) current receivables from outward reinsurance including:	38 413	13 081
- from ceding undertakings being subsidiaries	-	-
- from ceding undertakings being co-subsidiaries	-	-
- from ceding undertakings being associates	-	-
- from a ceding undertaking being a major investor	-	-
- from a ceding undertaking being a shareholder in a co-subsidiary	-	-
- from a ceding undertaking being the holding company	-	-
c) current receivables from retrocession including:	334	-
- from subsidiaries	-	-
- from co-subsidiaries	-	-
- from associates	-	-
- from a major investor	-	-
- from a shareholder in a co-subsidiary	-	-
- from the holding company	-	-
d) other	-	-
<b>Receivables from reinsurance total</b>	<b>40 111</b>	<b>14 598</b>

Receivables from reinsurance (net) with maturity periods after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	37 994	12 268
b) over 3 months and up to 1 year	1 109	1 231
c) over 1 year and up to 5 years	94	232
d) over 5 years	914	867
<b>Receivables from reinsurance (net) total</b>	<b>40 111</b>	<b>14 598</b>

Receivables from reinsurance (currency structure)	30 June 2013	31 December 2012
a) in PLN	37 920	12 909
b) in foreign currencies (by currency and translated to PLN)	2 191	1 689
b1. EUR'000	135	200
PLN'000	583	816
b2. USD'000	480	282
PLN'000	1 593	873
b3. SEK'000	-	-
PLN'000	-	-
b4. UAH'000	37	-
PLN'000	15	-
<b>Receivables from reinsurance total</b>	<b>40 111</b>	<b>14 598</b>

### 3.3. Other receivables

Other receivables	30 June 2013	31 December 2012
a) receivables from the state budget	83 917	81 050
b) receivables from guarantees and letters of credit	-	-
c) other receivables, including:	4 513 860	102 215
- Receivables due to dividend from PZU Życie SA	3 842 875	-
- Receivables from the Company's Social Benefits Fund	57 544	58 999
- Receivables from prevention activities	10 355	11 839
- Receivables due to margin deposits and investment transactions not accounted for	524 728	8 778
- Receivables from loss adjusting services	5 610	5 354
- Receivables from shortages and damage	4 884	4 266
- Retained guarantee deposits	3 596	4 006
- Receivables arising from settlements of Tax Capital Group	56 234	2 325
- Advance payments for suppliers	1 845	800
- Receivables from PTE PZU arising from commission for acquisition activities on behalf of OPF	-	98
<b>Total other receivables (net)</b>	<b>4 597 777</b>	<b>183 265</b>
d) impairment losses	15 592	15 634
<b>Other receivables (gross) total</b>	<b>4 613 369</b>	<b>198 899</b>

Other receivables	30 June 2013	31 December 2012
a) from subsidiaries	3 901 104	4 430
b) from co-subsidiaries	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from a shareholder in a co-subsidiary	-	-
f) from holding company	-	-
g) other	696 673	178 835
<b>Total other receivables</b>	<b>4 597 777</b>	<b>183 265</b>

Other receivables by maturity period after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	4 579 063	173 225
b) over 3 months and up to 1 year	6 207	1 715
c) over 1 year and up to 5 years	12 346	7 926
d) over 5 years	161	399
<b>Total other receivables</b>	<b>4 597 777</b>	<b>183 265</b>

<b>Other receivables (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) in PLN	4 596 735	182 255
b) in foreign currencies (by currency and translated to PLN)	1 042	1 010
b1. EUR'000	233	246
PLN'000	1 009	1 007
b2. USD'000	-	1
PLN'000	-	3
b3. CHF'000	-	-
PLN'000	-	-
b4. GBP'000	7	-
PLN'000	33	-
<b>Total other receivables</b>	<b>4 597 777</b>	<b>183 265</b>

### 3.4. Other information on receivables

#### 3.4.1 Change in impairment loss on receivables by type

<b>Change in impairment loss on receivables by type</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>a) opening balance (by type of receivable)</b>	<b>551 741</b>	<b>525 660</b>
<b>impairment losses on receivables from direct insurance</b>	<b>532 148</b>	<b>478 957</b>
<b>impairment losses on receivables from reinsurance</b>	<b>3 959</b>	<b>4 848</b>
<b>impairment losses on other receivables</b>	<b>15 634</b>	<b>41 855</b>
b) increases (due to)	60 601	66 131
impairment losses on receivables from direct insurance	59 902	66 043
impairment losses on receivables from reinsurance	699	88
impairment losses on other receivables	-	-
c) decreases (due to)	8 801	4 268
-assigned	859	107
impairment losses on receivables from direct insurance	847	103
impairment losses on receivables from reinsurance	-	-
impairment losses on other receivables	12	4
-impairment losses reversed following repayment and other bases	7 942	4 161
impairment losses on receivables from direct insurance	7 499	3 675
impairment losses on receivables from reinsurance	413	451
impairment losses on other receivables	30	35
<b>d) closing balance (by type of receivable)</b>	<b>603 541</b>	<b>587 523</b>
<b>impairment losses on receivables from direct insurance</b>	<b>583 704</b>	<b>541 222</b>
<b>impairment losses on receivables from reinsurance</b>	<b>4 245</b>	<b>4 485</b>
<b>impairment losses on other receivables</b>	<b>15 592</b>	<b>41 816</b>

#### 3.4.2 Overdue receivables

<b>Overdue receivables</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) up to 3 months	135 226	79 088
- receivables from direct insurance	133 386	75 349
- receivables from reinsurance	-	-
- other receivables	1 840	3 739
b) over 3 months	136 944	230 862
- receivables from direct insurance	131 932	209 335
- receivables from reinsurance	-	-
- other receivables	5 012	21 527
<b>Total overdue receivables including:</b>	<b>272 170</b>	<b>309 950</b>
a) up to 3 months	135 226	79 088
b) over 3 months	136 944	230 862

#### 4. Other assets

##### 4.1. Tangible assets

<b>Tangible assets</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) technical equipment and machines	32 404	26 666
b) vehicles	39 099	37 960
c) other fixed assets	21 164	20 980
d) fixed assets under construction	1 929	11 101
e) advance payments for fixed assets under construction	-	-
f) inventory	982	1 874
g) claim recoveries	193	387
<b>Total tangible assets</b>	<b>95 771</b>	<b>98 968</b>

<b>Tangible assets – ownership structure</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) own	95 771	98 968
b) leased	-	-
<b>Total tangible assets</b>	<b>95 771</b>	<b>98 968</b>

<b>Fixed assets (balance sheet) – ownership structure</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) own	95 771	98 968
b) used based on lease, rental or other agreement	-	-
<b>Fixed assets (balance sheet) total</b>	<b>95 771</b>	<b>98 968</b>

<b>Fixed assets (off-balance sheet)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
- used based on lease, rental or other agreement including:	145 282	217 594
- lease	145 282	217 594
<b>Fixed assets (off-balance sheet) total</b>	<b>145 282</b>	<b>217 594</b>

In the period of 6 months ended 30 June 2013 and 2012, PZU did not incur costs of manufacturing fixed assets under construction and for internal purposes.



Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Changes in tangible assets in the period of 6 months ended 30 June 2013	Technical equipment and machines	Vehicles	Other fixed assets	Fixed assets under construction	Advance payments for fixed assets under construction	Inventories	Claim recoveries	Total tangible assets
<b>a) gross value of fixed assets – opening balance</b>	<b>322 583</b>	<b>76 467</b>	<b>66 570</b>	<b>11 262</b>	-	<b>1 874</b>	<b>387</b>	<b>479 143</b>
<b>b) increases (due to)</b>	<b>13 525</b>	<b>5 582</b>	<b>3 609</b>	<b>5 171</b>	-	<b>1 977</b>	<b>1 140</b>	<b>31 004</b>
- investments	-	-	-	-	-	-	-	-
- donations	-	-	-	-	-	-	-	-
- direct purchase	5 005	-	3 063	5 171	-	-	-	13 239
- reclassification	8 520	5 361	542	-	-	-	-	14 423
- other	-	221	4	-	-	1 977	1 140	3 342
<b>c) decreases (due to)</b>	<b>5 771</b>	<b>7 533</b>	<b>2 132</b>	<b>14 423</b>	-	<b>2 869</b>	<b>1 334</b>	<b>34 062</b>
- liquidation	4 638	-	2 043	-	-	-	-	6 681
- sale	147	7 533	51	-	-	-	-	7 731
- donations	986	-	38	-	-	-	-	1 024
- reclassification	-	-	-	14 423	-	-	-	14 423
- other	-	-	-	-	-	2 869	1 334	4 203
<b>d) gross value of fixed assets – closing balance</b>	<b>330 337</b>	<b>74 516</b>	<b>68 047</b>	<b>2 010</b>	-	<b>982</b>	<b>193</b>	<b>476 085</b>
<b>e) accumulated depreciation – opening balance</b>	<b>295 917</b>	<b>38 507</b>	<b>45 590</b>	-	-	-	-	<b>380 014</b>
<b>f) depreciation for the period (due to)</b>	<b>2 016</b>	<b>(3 090)</b>	<b>1 293</b>	-	-	-	-	<b>219</b>
- current year charges	7 675	4 007	2 949	-	-	-	-	14 631
- accumulated depreciation of liquidated fixed assets	(4 581)	-	(1 567)	-	-	-	-	(6 148)
- accumulated depreciation of fixed assets sold	(147)	(7 310)	(51)	-	-	-	-	(7 508)
- accumulated depreciation of fixed assets donated	(931)	-	(38)	-	-	-	-	(969)
- accumulated depreciation of fixed assets lost	-	-	-	-	-	-	-	-
- other	-	213	-	-	-	-	-	213
<b>g) accumulated depreciation – closing balance</b>	<b>297 933</b>	<b>35 417</b>	<b>46 883</b>	-	-	-	-	<b>380 233</b>
<b>h) impairment losses – opening balance</b>	-	-	-	<b>161</b>	-	-	-	<b>161</b>
- increases	-	-	-	-	-	-	-	-
- decreases	-	-	-	80	-	-	-	80
<b>i) impairment losses – closing balance</b>	-	-	-	<b>81</b>	-	-	-	<b>81</b>
<b>j) net value of fixed assets – closing balance</b>	<b>32 404</b>	<b>39 099</b>	<b>21 164</b>	<b>1 929</b>	-	<b>982</b>	<b>193</b>	<b>95 771</b>

Powszechny Zakład Ubezpieczeń Spółka Akcyjna  
Financial Statements for the period of 6 months ended 30 June 2013

Changes in tangible assets in the period of 6 months ended 30 June 2012	Technical equipment and machines	Vehicles	Other fixed assets	Fixed assets under construction	Advance payments for fixed assets under construction	Inventories	Claim recoveries	Total tangible assets
<b>a) gross value of fixed assets – opening balance</b>	<b>362 436</b>	<b>72 059</b>	<b>103 173</b>	<b>10 440</b>	-	<b>2 954</b>	<b>755</b>	<b>551 817</b>
<b>b) increases (due to)</b>	<b>1 771</b>	<b>3 830</b>	<b>1 240</b>	<b>4 292</b>	-	<b>768</b>	<b>1 006</b>	<b>12 907</b>
- investments	-	-	-	-	-	-	-	-
- donations	-	-	-	-	-	-	-	-
- direct purchase	-	-	22	4 292	-	-	-	4 314
- reclassification	1 697	3 282	753	-	-	-	-	5 732
- other	74	548	465	-	-	768	1 006	2 861
<b>c) decreases (due to)</b>	<b>28 276</b>	<b>6 639</b>	<b>6 103</b>	<b>5 732</b>	-	<b>453</b>	<b>1 446</b>	<b>48 649</b>
- liquidation	25 912	-	4 705	-	-	-	-	30 617
- sale	112	6 639	187	-	-	-	-	6 938
- donations	2 252	-	1 211	-	-	-	-	3 463
- reclassification	-	-	-	5 732	-	-	-	5 732
- other	-	-	-	-	-	453	1 446	1 899
<b>d) gross value of fixed assets – closing balance</b>	<b>335 931</b>	<b>69 250</b>	<b>98 310</b>	<b>9 000</b>	-	<b>3 269</b>	<b>315</b>	<b>516 075</b>
<b>e) accumulated depreciation – opening balance</b>	<b>327 115</b>	<b>43 315</b>	<b>80 544</b>	-	-	-	-	<b>450 974</b>
<b>f) depreciation for the period (due to)</b>	<b>(18 259)</b>	<b>(448)</b>	<b>(2 768)</b>	-	-	-	-	<b>(21 475)</b>
- current year charges	9 537	5 190	2 999	-	-	-	-	17 726
- accumulated depreciation of liquidated fixed assets	(25 841)	-	(4 387)	-	-	-	-	(30 228)
- accumulated depreciation of fixed assets sold	(110)	(6 195)	(187)	-	-	-	-	(6 492)
- accumulated depreciation of fixed assets donated	(1 845)	-	(1 193)	-	-	-	-	(3 038)
- accumulated depreciation of fixed assets lost	-	-	-	-	-	-	-	-
- other	-	557	-	-	-	-	-	557
<b>g) accumulated depreciation – closing balance</b>	<b>308 856</b>	<b>42 867</b>	<b>77 776</b>	-	-	-	-	<b>429 499</b>
<b>h) impairment losses – opening balance</b>	-	-	-	<b>166</b>	-	-	-	<b>166</b>
- increases	-	-	-	-	-	-	-	-
- decreases	-	-	-	-	-	-	-	-
<b>i) impairment losses – closing balance</b>	-	-	-	<b>166</b>	-	-	-	<b>166</b>
<b>j) net value of fixed assets – closing balance</b>	<b>27 075</b>	<b>26 383</b>	<b>20 534</b>	<b>8 834</b>	-	<b>3 269</b>	<b>315</b>	<b>86 410</b>

## 4.2. Cash

Cash	30 June 2013	31 December 2012
a) cash in hand and at bank	74 072	39 196
b) other cash	2 406	2 416
<b>Total cash</b>	<b>76 478</b>	<b>41 612</b>

Cash of limited disposability has been described in point 27.1 of the Notes.

Cash – currency structure	30 June 2013	31 December 2012
a) in PLN	70 784	41 059
b) in foreign currencies (by currency and translated to PLN)	5 694	553
b1. EUR'000	1 264	106
PLN'000	5 472	432
b2. USD'000	67	39
PLN'000	222	121
<b>Total cash</b>	<b>76 478</b>	<b>41 612</b>

## 5. Prepayments and accruals

### 5.1. Deferred tax assets

Change in deferred tax assets	1 January – 30 June 2013	1 January – 30 June 2012
<b>1. Deferred tax assets opening balance including:</b>		
	<b>16 610</b>	<b>125 546</b>
a) charged to financial profit/loss	<b>89 281</b>	<b>137 317</b>
b) charged to equity	<b>(72 671)</b>	<b>(11 771)</b>
c) charged to goodwill or negative goodwill	-	-
2. Increases	72 671	-
a) charged to the financial profit/loss for the period in relation to taxable negative differences (due to)	-	-
- occurrence of temporary differences	-	-
- changes in tax rates	-	-
- not recognized temporary difference from previous period	-	-
b) charged to the financial profit/loss for the period in relation to tax loss (due to)	-	-
c) charged to equity in relation to taxable negative differences (due to)	72 671	-
- occurrence of temporary differences	72 671	-
- changes in tax rates	-	-
- not recognized temporary difference from previous period	-	-
d) charged to equity in relation to tax loss (due to)	-	-
e) charged to goodwill or negative goodwill period in relation to taxable negative differences (due to)	-	-
3. Decreases	89 281	66 926
a) charged to the financial profit/loss for the period in relation to taxable negative differences (due to)	89 281	51 807
- reversed temporary differences (application of deferred tax provision)	89 281	51 807
- changes in tax rates	-	-
- write-off of deferred tax assets	-	-
b) charged to the financial profit/loss for the period in relation to tax loss (due to)	-	-
c) charged to equity in relation to taxable negative differences (due to)	-	15 119
- reversed temporary differences (application of deferred tax provision)	-	15 119
- changes in tax rates	-	-
- write-off of deferred tax assets	-	-
d) charged to equity in relation to tax loss (due to)	-	-
e) charged to goodwill or negative goodwill period in relation to taxable negative differences (due to)	-	-
<b>4. Total deferred tax assets closing balance</b>	<b>-</b>	<b>58 620</b>

<b>Change in deferred tax assets</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
a) charged to financial profit/loss	-	<b>85 510</b>
b) charged to equity	-	<b>(26 890)</b>
c) charged to goodwill or negative goodwill	-	-

Deferred tax assets and liabilities are recognized after offsetting relevant taxable and deductible differences.

<b>Additional information on temporary taxable negative differences</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) opening balance of temporary taxable negative differences	16 610	125 546
b) closing balance of temporary taxable negative differences including:	-	16 610
negative forex gains expiring within one year	-	43 746
negative forex gains expiring within more than one year	-	(27 136)

## 5.2. Other prepayments

<b>Other prepayments</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) prepayments relating to reinsurance	50 490	54 861
b) settlement of appropriation to the Preventive Fund	10 000	-
c) settlement of appropriation to the Company's Social Benefits Fund	5 091	-
d) IT expenses	8 438	8 505
e) property insurance	1 797	3 025
f) other expenses	4 787	4 184
<b>Other prepayments, total</b>	<b>80 603</b>	<b>70 575</b>

## 6. Changes in impairment losses

*Changes in impairment losses in the period of 6 months ended 30 June 2013.*

Item	Impairment losses as of 1 January 2013, including:		Recognized, including:		Reversed, including:		Derecognition of assets from the balance sheet, including:		Other changes, including:		Impairment losses as of 30 June 2013, including:	
	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity
I. Intangible assets	12 996	-	1 209	-	-	-	-	-	-	-	14 205	-
II. Investments	90 203	818	11 085	-	(1 711)	(82)	(1 292)	-	-	-	98 285	736
1. Real property	72 668	818	5 761	-	(305)	(82)	-	-	-	-	78 124	736
2. Investments in controlled entities	4 816	-	4 364	-	(1 373)	-	(1 292)	-	-	-	6 515	-
3. Other financial investments	12 719	-	960	-	(33)	-	-	-	-	-	13 646	-
a) shares and other variable income securities	12 719	-	33	-	(33)	-	-	-	-	-	12 719	-
b) units and investment certificates in investment funds	-	-	927	-	-	-	-	-	-	-	927	-
c) debt securities and other fixed income securities	-	-	-	-	-	-	-	-	-	-	-	-
d) interests in joint ventures (investments)	-	-	-	-	-	-	-	-	-	-	-	-
e) mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-	-	-
g) term deposits with credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
h) other investments (by type)	-	-	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-	-	-
III. Net unit-linked assets	-	-	-	-	-	-	-	-	-	-	-	-
IV. Receivables	551 741	-	60 601	-	(7 942)	-	-	-	(859)	-	603 541	-
1. Receivables from direct insurance	532 148	-	59 902	-	(7 499)	-	-	-	(847)	-	583 704	-
2. Receivables from reinsurance	3 959	-	699	-	(413)	-	-	-	-	-	4 245	-
3. Other receivables	15 634	-	-	-	(30)	-	-	-	(12)	-	15 592	-
1.1. Receivables from the state budget	-	-	-	-	-	-	-	-	-	-	-	-
1.2. Other receivables	15 634	-	-	-	(30)	-	-	-	(12)	-	15 592	-
VI. Other assets, including:	161	-	-	-	(80)	-	-	-	-	-	81	-
1. Tangible assets	161	-	-	-	(80)	-	-	-	-	-	81	-
2. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
VII. Prepayments	48	-	10	-	-	-	-	-	-	-	58	-
1. Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-
3. Recognized interest and rent	-	-	-	-	-	-	-	-	-	-	-	-
4. Other prepayments	48	-	10	-	-	-	-	-	-	-	58	-

*Changes in impairment losses in the period of 6 months ended 30 June 2012.*

Item	Impairment losses as of 1 January 2012, including:		Recognized, including:		Reversed, including:		Derecognition of assets from the balance sheet, including:		Other changes, including:		Impairment losses as of 30 June 2012, including:	
	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity
I. Intangible assets	6 300	-	-	-	-	-	-	-	-	-	6 300	-
II. Investments	107 602	818	8 786	-	(13 578)	-	(1 900)	-	-	-	100 910	818
1. Real property	76 457	818	-	-	-	-	-	-	-	-	76 457	818
2. Investments in controlled entities	5 792	-	-	-	-	-	(1 900)	-	-	-	3 892	-
3. Other financial investments	25 353	-	8 786	-	(13 578)	-	-	-	-	-	20 561	-
a) shares and other variable income securities	25 353	-	-	-	(11 710)	-	-	-	-	-	13 643	-
b) units and investment certificates in investment funds	-	-	8 786	-	(1 868)	-	-	-	-	-	6 918	-
c) debt securities and other fixed income securities	-	-	-	-	-	-	-	-	-	-	-	-
d) interests in joint ventures (investments)	-	-	-	-	-	-	-	-	-	-	-	-
e) mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-	-	-
g) term deposits with credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
h) other investments (by type)	-	-	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-	-	-
III. Net unit-linked assets	-	-	-	-	-	-	-	-	-	-	-	-
IV. Receivables	525 660	-	66 131	-	(4 161)	-	-	-	(107)	-	587 523	-
1. Receivables from direct insurance	478 957	-	66 043	-	(3 675)	-	-	-	(103)	-	541 222	-
2. Receivables from reinsurance	4 848	-	88	-	(451)	-	-	-	-	-	4 485	-
3. Other receivables	41 855	-	-	-	(35)	-	-	-	(4)	-	41 816	-
1.1. Receivables from the state budget	-	-	-	-	-	-	-	-	-	-	-	-
1.2. Other receivables	41 855	-	-	-	(35)	-	-	-	(4)	-	41 816	-
VI. Other assets, including:	166	-	-	-	-	-	-	-	-	-	166	-
1. Tangible assets	166	-	-	-	-	-	-	-	-	-	166	-
2. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
VII. Prepayments	157	-	33	-	-	-	-	-	-	-	190	-
1. Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-
3. Recognized interest and rent	-	-	-	-	-	-	-	-	-	-	-	-
4. Other prepayments	157	-	33	-	-	-	-	-	-	-	190	-

## 6.1. Carrying amount of interest accrued on assets with impairment loss assigned

As at 30 June 2013 and 31 December 2012, no interest accrued on impaired assets occurred.

## 7. Equity

### 7.1. Share capital

*Share capital structure as of 30 June 2013*

Face value per share	Series /issue	Share type	Preference	Limited rights to shares	Number of shares	Face value of series/issue in PLN	Capital coverage	Registration date	Cum dividend (as of)
PLN 1	A	Registered	None	None	4 011	4 011	Cash	23.01.1997	27.12.1991
PLN 1	A	Bearer shares	None	None	60 442 309	60 442 309	Cash	23.01.1997	27.12.1991
PLN 1	B	Bearer shares	None	None	25 905 980	25 905 980	Contribution in kind	31.03.1999	01.01.1999
<b>Total</b>					<b>86 352 300</b>	<b>86 352 300</b>			

*Share capital structure as of 31 December 2012*

Face value per share	Series /issue	Share type	Preference	Limited rights to shares	Number of shares	Face value of series/issue in PLN	Capital coverage	Registration date	Cum dividend (as of)
PLN 1	A	Registered	None	None	7 602	7 602	Cash	23.01.1997	27.12.1991
PLN 1	A	Bearer shares	None	None	60 438 718	60 438 718	Cash	23.01.1997	27.12.1991
PLN 1	B	Bearer shares	None	None	25 905 980	25 905 980	Contribution in kind	31.03.1999	01.01.1999
<b>Total</b>					<b>86 352 300</b>	<b>86 352 300</b>			

*Shareholding structure as of 30 June 2013*

No.	Shareholder's name	Number of shares and votes	Percentage shares in the share capital and total number of votes at GSM
1.	State Treasury	30 385 253	35.1875%
2.	Other shareholders	55 967 047	64.8125%
	<b>Total</b>	<b>86 352 300</b>	<b>100.0000%</b>

Following acquisition of shares in transactions accounted for on 1 February 2013, ING Otwarty Fundusz Emerytalny ("ING OFE") increased its shareholding in PZU above the level of 5% (up to 5.0446%) of votes at the General Meeting of PZU, which shareholding decreased below 5% after ING OFE's disposal of shares in transactions accounted for on 31 May 2013.

*Shareholding structure as of 31 December 2012*

No.	Shareholder's name	Number of shares and votes	Percentage shares in the share capital and total number of votes at GSM
1.	State Treasury	30 385 253	35.1875%
2.	Other shareholders	55 967 047	64.8125%
	<b>Total</b>	<b>86 352 300</b>	<b>100.0000%</b>

Transactions on significant interests in PZU share capital are described in point 28.1 of the Notes.

## 7.2. Dividend

### 7.2.1 Distribution of profit for 2012

On 23 May 2013, General Shareholders Meeting distributed the 2012 net profit of PLN 2,580,720 thousand in the following manner:

- PLN 2,564,663 thousand for dividend paid to shareholders, i.e. PLN 29.70 per share;
- PLN 6,057 thousand for supplementary capital;
- PLN 10,000 thousand to the Company's Social Benefits Fund.

The cum dividend date was determined at 23 August 2013, and the dividend payment date at 12 September 2013.

Proceedings against PZU to cancel the resolutions regarding distribution of PZU profit for the year 2006 has been described in details in point **Błąd! Nie można odnaleźć źródła odwołania.** of Notes.

Appropriations on net profit during the financial year	1 January – 30 June 2013	1 January – 30 June 2012
Appropriations of net profit in the financial year	-	-
<b>Appropriations on net profit in the financial year total</b>	<b>-</b>	<b>-</b>

### 7.2.2 Advance payment for dividend expected at the end of 2013

The Management Board of PZU plans the advance payment for the dividend expected at the end of 2013 in the amount of PLN 1,727,046 thousand, which is PLN 20.00 per share, in accordance with the provisions of Article 349 of the Code of Commercial Companies, from the profit for the period of 6 months ended 30 June 2013 and disclosed in these financial statements.

## 7.3. Supplementary capital

Supplementary capital	30 June 2013	31 December 2012
a) share premium	538 139	538 139
b) statutory	28 784	28 784
c) arising from by-laws or articles of association above the statutory amount	3 404 241	3 398 184
d) shareholder contributions	-	-
c) other	2 498	2 492
<b>Total supplementary capital</b>	<b>3 973 662</b>	<b>3 967 599</b>

## 7.4. Revaluation reserve

Revaluation reserve	30 June 2013	31 December 2012
a) revaluation of fixed assets	16 062	16 150
b) deferred income tax	(76 905)	(72 671)
c) exchange differences from translation of foreign branches	-	-
c) other (by type)	3 785 976	6 874 431
- due to revaluation of financial investments (gross)	3 785 976	6 874 431
<b>Total revaluation reserve</b>	<b>3 725 133</b>	<b>6 817 910</b>



<b>Revaluation reserve on financial instruments (gross)</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>1. Opening balance</b>	<b>6 874 431</b>	<b>5 739 438</b>
<b>2. Increases due to:</b>	<b>168 516</b>	<b>416 898</b>
a) effects of re-measurement of AFS financial assets including:	168 516	416 898
- gains on periodic measurement	167 589	338 359
- amounts deducted as at the de-recognition date (e.g. sales)	-	69 753
- impairment losses charged to the general profit and loss account in case impairment is detected	927	8 786
- gains on measurement as at the date of reclassifying assets to available for sale (AFS) from held to maturity (HTM)	-	-
- amounts settled upon reclassification of assets to HTM (re-reclassified to HTM after the period referred to in clause 8.4 of the Ordinance on financial instruments).	-	-
b) arising from hedge accounting:	-	-
- amounts settled upon hedging of fair value of an interest-bearing financial instrument	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of changes in cash flows	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of shares in net assets of foreign undertakings	-	-
c) other	-	-
d) deferred tax asset and provision determined, revalued and charged to financial profit/loss	-	-
<b>3. Decreases due to:</b>	<b>3 256 971</b>	<b>466 676</b>
a) effects of re-measurement of AFS financial assets including:	3 256 971	466 676
- losses on periodic measurement	3 252 913	366 582
- amounts deducted as at the de-recognition date (e.g. sales)	4 058	100 094
- losses on measurement as at the date of reclassifying assets to available for sale (AFS) from held to maturity (HTM)	-	-
- amounts settled upon reclassification of assets to HTM (re-reclassified to HTM after the period referred to in clause 8.4 of the Ordinance on financial instruments).	-	-
b) arising from hedge accounting:	-	-
- amounts settled upon hedging of fair value of an interest-bearing financial instrument	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of changes in cash flows	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of shares in net assets of foreign undertakings	-	-
c) other	-	-
d) deferred tax asset and provision determined, revalued and charged to financial profit/loss	-	-
<b>4. Closing balance</b>	<b>3 785 976</b>	<b>5 689 660</b>

## 8. Technical provisions

Technical provisions	30 June 2013	31 December 2012
a) provision for unearned premiums:	4 362 659	4 112 808
- gross value	4 494 050	4 294 942
- reinsurers' share	131 391	182 134
b) provision for unexpired risks:	459	-
- gross value	459	-
- reinsurers' share	-	-
c) life assurance provision:	-	-
- gross value	-	-
- reinsurers' share	-	-
d) provisions for claims outstanding:	10 859 343	10 350 507
- gross value	11 191 002	10 889 674
- reinsurers' share	331 659	539 167
e) provisions for bonuses and rebates for the insured:	1 565	2 812
- gross value	1 565	2 812
- reinsurers' share	-	-
f) equalization provisions	583 759	583 759
g) provisions for premium repayment to undertaking members	-	-
- gross value	-	-
- reinsurers' share	-	-
h) other technical provisions specified in the Articles of Association	-	-
- gross value	-	-
- reinsurers' share	-	-
i) unit-linked reserves	-	-
- gross value	-	-
- reinsurers' share	-	-
<b>Total technical provisions</b>	<b>15 807 785</b>	<b>15 049 886</b>

Technical provisions (currency structure)	30 June 2013	31 December 2012
a) provision for unearned premiums:	4 494 050	4 294 942
- in PLN	4 494 050	4 294 942
- in foreign currencies (by currency and translated to PLN)	-	-
b) provision for unexpired risks:	459	-
- in PLN	459	-
- in foreign currencies (by currency and translated to PLN)	-	-
c) life assurance provision:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
d) provisions for claims outstanding:	11 191 002	10 889 674
- in PLN	10 518 891	10 273 468
- in foreign currencies (by currency and translated to PLN)	672 111	616 206
d1. EUR'000	155 234	150 710
PLN'000	672 039	616 131
d2. USD'000	22	24
PLN'000	72	75
e) provisions for bonuses and rebates for the insured:	1 565	2 812
- in PLN	1 565	2 812
- in foreign currencies (by currency and translated to PLN)	-	-
f) equalization provisions:	583 759	583 759
- in PLN	583 759	583 759
- in foreign currencies (by currency and translated to PLN)	-	-
g) provisions for premium repayment to undertaking members:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
h) other technical provisions specified in the Articles of Association:	-	-
- in PLN	-	-

<b>Technical provisions (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
- in foreign currencies (by currency and translated to PLN)	-	-
i) unit linked reserve (life insurance)	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
<b>Total technical provisions</b>	<b>16 270 835</b>	<b>15 771 187</b>

<b>Reinsurers' share in technical provisions (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) reinsurers' share in change in provisions for unearned premiums:	131 391	182 134
- in PLN	131 391	182 134
- in foreign currencies (by currency and translated to PLN)	-	-
b) reinsurers' share in provision for unexpired risks:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
c) reinsurers' share in life assurance provision:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
d) reinsurers' share in provision for claims outstanding:	331 659	539 167
- in PLN	331 659	400 806
- in foreign currencies (by currency and translated to PLN)	-	138 361
d1. EUR'000	-	33 844
PLN'000	-	138 361
d2. USD'000	-	-
PLN'000	-	-
e) reinsurers' share in provision for bonuses and rebates for the insured	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
f) reinsurers' share in other technical provisions specified in the Articles of Association	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
g) reinsurers' share in unit linked reserve	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
<b>Reinsurers' share in technical provisions, total</b>	<b>463 050</b>	<b>721 301</b>

#### 8.1. Provision for unearned premiums and for unexpired risk

<b>Provision for unearned premiums and for unexpired risk</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) provision for unearned premiums:	4 362 659	4 112 808
- gross provisions	4 494 050	4 294 942
- reinsurers' share	131 391	182 134
b) provision for unexpired risks:	459	-
- gross provisions	459	-
- reinsurers' share	-	-
<b>Total provision for unearned premiums and for unexpired risks</b>	<b>4 363 118</b>	<b>4 112 808</b>

## 8.2. Provisions for outstanding claims

### 8.2.1 Gross provision for claims outstanding

Gross provision for claims outstanding	Balance as of 30 June 2013	Provision for claims occurring in the reporting period
Accident and sickness insurance (groups 1 and 2)	116 286	39 696
MTPL insurance (group 10)	8 332 130	693 240
Auto casco insurance (group 3)	497 819	273 089
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	53 126	12 599
Insurance against fire and other damage to property (groups 8, 9)	472 898	179 588
TPL insurance (groups 11, 12, 13)	1 501 603	146 978
Credit insurance and suretyship (groups 14, 15)	122 101	1 757
Assistance (group 18)	40 117	19 662
Insurance of legal protection (group 17)	1 976	270
Other insurance (group 16)	52 946	4 734
<b>Provisions for claims outstanding, total</b>	<b>11 191 002</b>	<b>1 371 613</b>

Gross provision for claims outstanding	Balance as of 31 December 2012	Provision for claims occurring in the reporting period
Accident and sickness insurance (groups 1 and 2)	122 626	91 582
MTPL insurance (group 10)	8 194 786	1 144 518
Auto casco insurance (group 3)	436 596	322 741
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	56 322	20 874
Insurance against fire and other damage to property (groups 8, 9)	382 954	175 825
TPL insurance (groups 11, 12, 13)	1 463 013	341 914
Credit insurance and suretyship (groups 14, 15)	130 817	123 654
Assistance (group 18)	35 177	25 380
Insurance of legal protection (group 17)	1 973	554
Other insurance (group 16)	65 410	11 486
<b>Provisions for claims outstanding, total</b>	<b>10 889 674</b>	<b>2 258 528</b>

### 8.2.2 Reinsurers' share in provision for claims outstanding

Reinsurers' share in provision for claims outstanding	Balance as of 30 June 2013	Provision for claims occurring in the reporting period
Accident and sickness insurance (groups 1 and 2)	6	3
MTPL insurance (group 10)	176 007	946
Auto casco insurance (group 3)	1 478	1 422
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	3 256	448
Insurance against fire and other damage to property (groups 8, 9)	39 392	1 755
TPL insurance (groups 11, 12, 13)	33 363	1 862
Credit insurance and suretyship (groups 14, 15)	72 055	547
Assistance (group 18)	71	5
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	6 031	3 308
<b>Reinsurers' share in provision for claims outstanding, total</b>	<b>331 659</b>	<b>10 296</b>

<b>Reinsurers' share in provision for claims outstanding</b>	<b>Balance as of 31 December 2012</b>	<b>Provision for claims occurring in the reporting period</b>
Accident and sickness insurance (groups 1 and 2)	7	5
MTPL insurance (group 10)	364 774	1 587
Auto casco insurance (group 3)	37	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	3 946	2 035
Insurance against fire and other damage to property (groups 8, 9)	38 343	3 240
TPL insurance (groups 11, 12, 13)	32 595	25 930
Credit insurance and suretyship (groups 14, 15)	76 151	73 587
Assistance (group 18)	64	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	23 250	352
<b>Reinsurers' share in provision for claims outstanding, total</b>	<b>539 167</b>	<b>106 736</b>

### 8.3. Provisions for capitalized value of annuity claims

#### 8.3.1 Provisions for capitalized value of annuity claims before discounts and gross write-downs

<b>Provisions for capitalized value of annuity claims before discounts and gross write-downs</b>	<b>Balance as of 30 June 2013</b>	<b>Reinsurers' share</b>
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	8 986 978	260 035
Auto casco insurance (group 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	-	-
TPL insurance (groups 11, 12, 13)	783 737	41
Credit insurance and suretyship (groups 14, 15)	-	-
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
<b>Total provisions</b>	<b>9 770 715</b>	<b>260 076</b>

<b>Provisions for capitalized value of annuity claims before discounts and gross write-downs</b>	<b>Balance as of 31 December 2012</b>	<b>Reinsurers' share</b>
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	8 061 082	400 570
Auto casco insurance (group 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	-	-
TPL insurance (groups 11, 12, 13)	718 069	-
Credit insurance and suretyship (groups 14, 15)	-	-
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
<b>Total provisions</b>	<b>8 779 151</b>	<b>400 570</b>

## 9. Expected recoveries, recourses and subsidies

### 9.1. Estimated recoveries, recourses and subsidies (gross)

Estimated recoveries, recourses and subsidies (gross)	30 June 2013	31 December 2012
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	20 467	27 972
Auto casco insurance (group 3)	55 399	63 468
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	20 615	22 935
TPL insurance (groups 11, 12, 13)	97	86
Credit insurance and suretyship (groups 14, 15)	5 240	4 845
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
<b>Total estimated recoveries, recourses and subsidies (gross)</b>	<b>101 818</b>	<b>119 306</b>

### 9.2. Reinsurers' share in estimated recourses, recoveries and subsidies

Reinsurers' share in estimated recourses, recoveries and subsidies	30 June 2013	31 December 2012
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	22	419
Auto casco insurance (group 3)	240	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	62	12
TPL insurance (groups 11, 12, 13)	-	-
Credit insurance and suretyship (groups 14, 15)	2 362	2 099
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
<b>Total estimated recoveries, recourses and subsidies (gross)</b>	<b>2 686</b>	<b>2 530</b>

## 10. Other provisions

### 10.1. Provisions for pension and other obligatory employee benefits

Provisions for pension and other obligatory employee benefits	30 June 2013	31 December 2012
a) provisions for pension benefits	7 705	8 162
b) other obligatory employee benefits (by basis):	76 201	64 398
provisions for unused paid vacation	41 080	29 894
provisions for death benefits	12 661	12 244
provisions for post-employment benefits	22 460	22 260
<b>Total provisions for pension and other obligatory employee benefits</b>	<b>83 906</b>	<b>72 560</b>

Change in provisions for pension and other obligatory employee benefits	1 January – 30 June 2013	1 January – 30 June 2012
<b>a) opening balance (by basis)</b>	<b>72 560</b>	<b>216 628</b>
provisions for pension benefits	8 162	68 992
provisions for jubilee bonuses	-	87 819
provisions for unused paid vacation	29 894	26 316
provisions for death benefits	12 244	11 393
provisions for post-employment benefits	22 260	22 108
b) increases (due to)	12 546	14 108
provisions for pension benefits	548	-
provisions for jubilee bonuses	-	1 961
provisions for unused paid vacation	11 186	11 410
provisions for death benefits	511	469
provisions for post-employment benefits	301	268

Change in provisions for pension and other obligatory employee benefits	1 January – 30 June 2013	1 January – 30 June 2012
c) applied (due to)	1 075	-
provisions for pension benefits	981	-
provisions for jubilee bonuses	-	-
provisions for unused paid vacation	-	-
provisions for death benefits	94	-
provisions for post-employment benefits	-	-
d) reversed (due to)	125	2 203
provisions for pension benefits	24	955
provisions for jubilee bonuses	-	-
provisions for unused paid vacation	-	-
provisions for death benefits	-	-
provisions for post-employment benefits	101	1 248
<b>e) closing balance (by basis)</b>	<b>83 906</b>	<b>228 533</b>
<b>provisions for pension benefits</b>	<b>7 705</b>	<b>68 037</b>
<b>provisions for jubilee bonuses</b>	<b>-</b>	<b>89 780</b>
<b>provisions for unused paid vacation</b>	<b>41 080</b>	<b>37 726</b>
<b>provisions for death benefits</b>	<b>12 661</b>	<b>11 862</b>
<b>provisions for post-employment benefits</b>	<b>22 460</b>	<b>21 128</b>

Provisions for pension and other obligatory employee benefits (currency structure)	30 June 2013	31 December 2012
a) in PLN	83 906	72 560
b) in foreign currencies (by currency and translated to PLN)	-	-
<b>Total provisions for pension and other obligatory employee benefits</b>	<b>83 906</b>	<b>72 560</b>

## 10.2. Provision for deferred income tax

Change in provision for deferred income tax	1 January – 30 June 2013	1 January – 30 June 2012
<b>1. Deferred income tax provision opening balance including:</b>	-	-
<b>a) charged to financial profit/loss</b>	-	-
<b>b) charged to equity</b>	-	-
<b>c) charged to goodwill or negative goodwill</b>	-	-
<b>2. Increases</b>	<b>76 905</b>	-
a) charged to the financial profit/loss for the period in relation to taxable differences (due to)	-	-
- occurrence of temporary differences	-	-
b) charged to equity in relation to taxable differences (due to)	76 905	-
- positive measurement of financial instruments through revaluation reserve	76 905	-
<b>3. Decreases</b>	<b>73 419</b>	-
a) charged to the financial profit/loss for the period in relation to taxable differences (due to)	73 419	-
- reversed temporary differences (application of deferred tax provision)	73 419	-
b) charged to equity in relation to taxable differences (due to)	-	-
- negative measurement of financial instruments through revaluation reserve	-	-
<b>4. Total deferred income tax provision closing balance</b>	<b>3 486</b>	-
<b>a) charged to financial profit/loss</b>	<b>(73 419)</b>	-
<b>b) charged to equity</b>	<b>76 905</b>	-
<b>c) charged to goodwill or negative goodwill</b>	-	-

Deferred tax assets and liabilities are recognized after offsetting relevant taxable and deductible differences.

Additional information on temporary taxable differences	30 June 2013	31 December 2012
a) opening balance of temporary taxable differences	-	-
b) closing balance of temporary taxable differences including:	3 486	-
forex gains expiring within one year	(42 832)	-
forex gains expiring within more than one year	46 318	-
c) total amount of temporary differences related to investments in controlled entities, branches and joint ventures not included into deferred tax provision	-	-

<b>Provision for deferred income tax (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) in PLN	3 486	-
b) in foreign currencies (by currency and translated to PLN)	-	-
<b>Total provision for deferred income tax</b>	<b>3 486</b>	<b>-</b>

### 10.3. Other provisions

<b>Other provisions</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
provision for restructuring expenses	30 565	47 914
provisions for reinsurance settlements	4 947	8 037
provision for disputed claims and potential liabilities under insurance contracts	2 777	2 687
provision for penalties imposed by the Office of Competition and Consumer Protection	82 684	82 684
provisions for potential liabilities relating to CLSIOR investments	916	916
other provisions	3 788	3 557
<b>Total other provisions</b>	<b>125 677</b>	<b>145 795</b>

As at 30 June 2013 the provision for restructuring costs included the restructuring provision, the restructuring process has been presented in detail in point 28.3. of the Notes.

Court disputes related to fines imposed by the Office of Competition and Consumer Protection have been presented in detail in Section 29.2 of the Notes.

"Provisions for reinsurance settlements" includes only provisions for the share of reinsurers in the technical provisions that are in arrears with payments to PZU or which may in future have problems with settlement of their liabilities.

<b>Change in other provisions</b>	<b>1 January – 30 June 2013</b>	<b>1 January – 30 June 2012</b>
<b>a) opening balance (by basis)</b>	<b>145 795</b>	<b>196 278</b>
<b>provision for restructuring expenses</b>	<b>47 914</b>	<b>86 877</b>
<b>provisions for reinsurance settlements</b>	<b>8 037</b>	<b>18 613</b>
<b>provision for penalties imposed by the Office of Competition and Consumer Protection</b>	<b>82 684</b>	<b>82 684</b>
<b>other provisions</b>	<b>7 160</b>	<b>8 104</b>
<b>b) increases (due to)</b>	<b>1 773</b>	<b>11 047</b>
provision for restructuring expenses	-	-
provisions for reinsurance settlements	956	10 124
provision for penalties imposed by the Office of Competition and Consumer Protection	-	-
other provisions	817	923
<b>c) applied (due to)</b>	<b>21 395</b>	<b>48 236</b>
provision for restructuring expenses	17 349	26 251
provisions for reinsurance settlements	4 046	21 985
provision for penalties imposed by the Office of Competition and Consumer Protection	-	-
other provisions	-	-
<b>d) reversed (due to)</b>	<b>496</b>	<b>3 321</b>
provision for restructuring expenses	-	2 457
provisions for reinsurance settlements	-	-
provision for penalties imposed by the Office of Competition and Consumer Protection	-	-
other provisions	496	864
<b>e) closing balance (by basis)</b>	<b>125 677</b>	<b>155 768</b>
<b>provision for restructuring expenses</b>	<b>30 565</b>	<b>58 169</b>
<b>provisions for reinsurance settlements</b>	<b>4 947</b>	<b>6 752</b>
<b>provision for penalties imposed by the Office of Competition and Consumer Protection</b>	<b>82 684</b>	<b>82 684</b>
<b>other provisions</b>	<b>7 481</b>	<b>8 163</b>



<b>Other provisions (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) in PLN	125 677	145 795
b) in foreign currencies (by currency and translated to PLN)	-	-
<b>Total other provisions</b>	<b>125 677</b>	<b>145 795</b>

## 11. Other liabilities and special funds

Geographical structure of liabilities	30 June 2013				31 December 2012			
	Domestic	Foreign – EU countries	Foreign - other countries	Total	Domestic	Foreign – EU countries	Foreign - other countries	Total
<b>I. Liabilities due to reinsurers' deposits</b>	-	-	-	-	-	-	-	-
<b>II. Liabilities due to direct insurance</b>	<b>291 661</b>	<b>17 249</b>	<b>876</b>	<b>309 786</b>	<b>324 126</b>	<b>17 025</b>	<b>677</b>	<b>341 828</b>
1. Liabilities to policyholders	124 903	128	6	125 037	116 175	-	6	116 181
2. Liabilities to insurance intermediaries	135 913	-	-	135 913	125 493	-	-	125 493
3. Other insurance liabilities	30 845	17 121	870	48 836	82 458	17 025	671	100 154
<b>III. Liabilities due to reinsurance</b>	<b>4 428</b>	<b>39 896</b>	<b>20 021</b>	<b>64 345</b>	<b>11 552</b>	<b>8 948</b>	<b>68</b>	<b>20 568</b>
<b>IV. Liabilities arising from issue of debt securities and obtained loans</b>	-	-	-	-	-	-	-	-
<b>V. Liabilities to credit institutions</b>	<b>207 700</b>	-	-	<b>207 700</b>	-	-	-	-
<b>VI. Other liabilities</b>	<b>2 977 801</b>	<b>779 650</b>	<b>25</b>	<b>3 757 476</b>	<b>258 005</b>	<b>72 468</b>	<b>10 364</b>	<b>340 837</b>
1. Liabilities to the state budget	78 942	-	-	78 942	28 109	-	-	28 109
2. Other liabilities	2 898 859	779 650	25	3 678 534	229 896	72 468	10 364	312 728
<b>Total liabilities</b>	<b>3 481 590</b>	<b>836 795</b>	<b>20 922</b>	<b>4 339 307</b>	<b>593 683</b>	<b>98 441</b>	<b>11 109</b>	<b>703 233</b>

The major element of liabilities towards credit institutions are liabilities due to contingent sell-buy-back transactions amounted to PLN 207,638 thousand. The remaining part is made-up of bank account overdrafts.

Key information on sell-buy-back transactions as at 01 June 2013 has been presented in the table below.

Maturity day	Carrying amount	Transaction currency	Carrying amount of hedge assets	Hedging financial instrument	Quantity
2013-07-02	33 136	PLN	32 996	DS1017	30 000
2013-07-26	47 650	PLN	46 646	DS1020	41 992
2013-07-03	23 214	PLN	23 327	DS1020	21 000
2013-07-02	22 350	PLN	22 216	DS1020	20 000
2013-07-02	18 822	PLN	18 812	OK0715	20 000
2013-07-05	8 587	PLN	8 668	POLEN 13/19 MTN	2 000
2013-07-26	53 879	PLN	53 766	PS1016	50 000
<b>Total</b>	<b>207 638</b>		<b>206 431</b>		<b>184 992</b>

As at 31 December 2012, there were no liabilities to credit institutions.

### 11.1. Liabilities due to direct insurance

Liabilities due to direct insurance	30 June 2013	31 December 2012
a) liabilities to policyholders including:	125 037	116 181
- to controlled entities	6	5
- domestic	6	5
- foreign	-	-
- to other entities	125 031	116 176
- domestic	124 897	116 170
- foreign	134	6
b) liabilities to insurance intermediaries including:	135 913	125 493
- to controlled entities	5	4
- domestic	5	4
- foreign	-	-
- to other entities	135 908	125 489
- domestic	135 908	125 489
- foreign	-	-
c) other insurance liabilities including:	48 836	100 154
- to controlled entities	1 061	1 061
- domestic	931	906
- foreign	130	155
- to other entities	47 775	99 093
- domestic	29 914	81 552
- foreign	17 861	17 541
<b>Total liabilities due to direct insurance</b>	<b>309 786</b>	<b>341 828</b>

Liabilities due to direct insurance	30 June 2013	31 December 2012
a) subsidiaries	1 072	1 070
b) co-subsidiaries	-	-
c) associates	-	-
d) major investor	-	-
e) shareholder in a co-subsidiary	-	-
f) holding company	-	-
g) other	308 714	340 758
<b>Total liabilities due to direct insurance</b>	<b>309 786</b>	<b>341 828</b>

Liabilities arising from direct insurance with maturity periods after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	309 786	341 828
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
<b>Total liabilities due to direct insurance</b>	<b>309 786</b>	<b>341 828</b>

Liabilities due to direct insurance (currency structure)	30 June 2013	31 December 2012
a) in PLN	291 421	324 132
b) in foreign currencies (by currency and translated to PLN)	18 365	17 696
b1. EUR'000	3 261	3 628
PLN'000	14 119	14 830
b2. USD'000	43	9
PLN'000	143	27
b3. GBP'000	491	386
PLN'000	2 486	1 933
b4. CHF'000	24	27
PLN'000	85	91
b5. other in PLN'000	1 532	815
<b>Total liabilities due to direct insurance</b>	<b>309 786</b>	<b>341 828</b>

## 11.2. Liabilities due to reinsurance

Liabilities due to reinsurance	30 June 2013	31 December 2012
a) current liabilities due to inward reinsurance including:	387	458
- domestic ceding undertakings	175	407
- foreign ceding undertakings	212	51
b) current liabilities due to outward reinsurance including:	63 249	20 110
- domestic reinsurers	4 226	11 145
- foreign reinsurers	59 023	8 965
c) liabilities due to retrocession including:	709	-
- domestic retrocessionaries	27	-
- foreign retrocessionaries	682	-
d) liabilities due to reinsurance premiums settled over time	-	-
<b>Total liabilities due to reinsurance</b>	<b>64 345</b>	<b>20 568</b>

Liabilities due to reinsurance	30 June 2013	31 December 2012
a) current receivables from inward reinsurance including to:	387	458
- ceding undertakings being subsidiaries	-	-
- ceding undertakings being co-subsiaries	-	-
- ceding undertakings being associates	-	-
- a ceding undertaking being a major investor	-	-
- a ceding undertaking being a shareholder in a co-subsiary	-	-
- a ceding undertaking being the holding company	-	-
a) current receivables from outward reinsurance including to:	63 249	20 110
- reinsurers being subsidiaries	155	-
- reinsurers being subsidiaries	-	-
- reinsurers being associates	-	-
- a reinsurer being a major investor	-	-
- a reinsurer being a shareholder in a co-subsiary	-	-
- a reinsurer being the holding company	-	-
c) current liabilities to retrocessionaries including to:	709	-
- retrocessionaries being subsidiaries	-	-
- retrocessionaries being co-subsiaries	-	-
- retrocessionaries being associates	-	-
- a retrocessionary being a major investor	-	-
- a retrocessionary being a shareholder in a co-subsiary	-	-
- a retrocessionary being the holding company	-	-
d) other	-	-
<b>Total liabilities due to reinsurance</b>	<b>64 345</b>	<b>20 568</b>

Liabilities arising from reinsurance with maturity periods after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	59 273	12 181
b) over 3 months and up to 1 year	3 050	5 003
c) over 1 year and up to 5 years	1 008	2 417
d) over 5 years	1 014	967
<b>Total liabilities due to reinsurance</b>	<b>64 345</b>	<b>20 568</b>

Liabilities due to reinsurance (currency structure)	30 June 2013	31 December 2012
a) in PLN	51 520	14 092
b) in foreign currencies (by currency and translated to PLN)	12 825	6 476
b1. EUR'000	2 635	1 358
PLN'000	11 409	5 553
b2. USD'000	427	298
PLN'000	1 416	923
<b>Total liabilities due to reinsurance</b>	<b>64 345</b>	<b>20 568</b>

### 11.3. Liabilities to credit institutions

Liabilities to credit institutions (currency structure)	30 June 2013	31 December 2012
a) up to 3 months	207 700	-
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
<b>Liabilities to credit institutions total</b>	<b>207 700</b>	<b>-</b>

Liabilities to credit institutions (currency structure)	30 June 2013	31 December 2012
a) in PLN	207 700	-
b) in foreign currencies (by currency and translated to PLN)	-	-
<b>Liabilities to credit institutions total</b>	<b>207 700</b>	<b>-</b>

### 11.4. Other liabilities

Other liabilities	30 June 2013	31 December 2012
<b>a) Liabilities to the State Budget including:</b>	<b>78 942</b>	<b>28 109</b>
- corporate income tax	72 020	17 848
- personal income tax	5 723	8 497
- value added tax	685	1 325
- other	514	439
<b>b) other liabilities, including:</b>	<b>3 678 534</b>	<b>312 728</b>
- dividend settlements with shareholders	2 568 009	3 453
- liabilities due to margin deposits and investment transactions not accounted for	848 767	28 345
- measurement of derivatives – held-for-trading liabilities	110 079	67 186
- liabilities arising from settlements of Tax Capital Group	65 407	66 660
- estimated non-insurance liabilities	32 717	77 252
- social security premiums and benefits	14 173	11 826
- liability to the Guarantee Fund	9 003	7 249
- liabilities arising from construction of Central Vehicle and Driver Register	2 337	3 792
- retained guarantee deposits	1 122	705
- liabilities to employees	293	154
- liabilities due to unsettled investment transactions	-	-
- other	26 627	46 106
<b>Total other liabilities</b>	<b>3 757 476</b>	<b>340 837</b>

Other liabilities	30 June 2013	31 December 2012
a) subsidiaries	69 200	72 074
b) co-subsidiaries	-	-
c) associates	-	-
d) major investor	-	-
e) shareholder in a co-subsidiary	-	-
f) holding company	-	-
g) other	3 688 276	268 763
<b>Total other liabilities</b>	<b>3 757 476</b>	<b>340 837</b>

Other liabilities by maturity period after the balance sheet date	30 June 2013	31 December 2012
a) up to 3 months	3 757 476	340 837
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
<b>Total other liabilities</b>	<b>3 757 476</b>	<b>340 837</b>

Other liabilities (currency structure)	30 June 2013	31 December 2012
a) in PLN	3 709 401	325 561
b) in foreign currencies (by currency and translated to PLN)	48 075	15 276
b1. EUR'000	574	133
PLN'000	2 485	544
b2. USD'000	6 241	700
PLN'000	20 706	2 171
b3. RUB'000	1 313	76 814
PLN'000	133	7 812
b4. ZAR'000	35 731	-
PLN'000	11 877	-
b5. CAD'000	1 193	-
PLN'000	3 778	-
b6. CZK'000	17 292	-
PLN'000	2 886	-
b7. other in PLN'000	6 210	4 749
<b>Total other liabilities</b>	<b>3 757 476</b>	<b>340 837</b>

## 11.5. Other information regarding liabilities

### 11.5.1 Liabilities secured on the assets of the issuer and its related parties

As at 30 June 2013 and 31 December 2012, PZU did not have any liabilities secured on its assets except from the issue described in point 11 of the Notes.

### 11.5.2 Overdue liabilities

As at 30 June 2013 and 31 December 2012 no overdue liabilities occurred.

### 11.5.3 Liabilities to the State Treasury or local self-government due to acquisition of an ownership title to buildings and structures

As of 30 June 2013 and 31 December 2012, the Company had no liabilities to the State Budget or local government due to acquisition of an ownership title to buildings and structures.

## 11.6. Special funds

Special funds	30 June 2013	31 December 2012
a) Prevention Fund	28 896	20 169
b) Company's Social Benefits Fund	105 000	87 250
c) Company's Bonus Fund	-	-
<b>Total special funds</b>	<b>133 896</b>	<b>107 419</b>

## 12. Accruals and deferred income

Accruals and deferred income	30 June 2013	31 December 2012
<b>a) accruals, including:</b>	<b>317 544</b>	<b>483 677</b>
- long-term (by basis):	-	-
- short-term (by basis):	<b>317 544</b>	<b>483 677</b>
- accrued costs of commissions on direct insurance	167 979	153 822
- deferred income and accrued expenses relating to reinsurance	69 920	171 472
- accrued payroll costs	46 713	76 359
- accrued employee bonuses	25 538	68 350
- other accruals	7 394	13 674
<b>b) negative goodwill</b>	-	-
<b>c) deferred income, including:</b>	<b>14 575</b>	<b>14 841</b>
- land perpetual usufruct right received free of charge	3 982	4 699
- deferred reinsurance commissions	10 593	10 142
- other	-	-
<b>Total accruals</b>	<b>332 119</b>	<b>498 518</b>

Change in accruals and deferred income	1 January – 30 June 2013	1 January – 30 June 2012
<b>Opening balance (by basis)</b>	<b>498 518</b>	<b>517 914</b>
<b>accrued expenses</b>	<b>483 677</b>	<b>498 186</b>
<b>deferred income</b>	<b>14 841</b>	<b>19 728</b>
a) increases (due to)	686 476	255 223
accrued expenses	140 012	223 420
deferred income	546 464	31 803
b) decreases (due to)	852 875	435 467
accrued expenses	306 145	407 398
deferred income	546 730	28 069
<b>Closing balance (by basis)</b>	<b>332 119</b>	<b>337 670</b>
<b>accrued expenses</b>	<b>317 544</b>	<b>314 208</b>
<b>deferred income</b>	<b>14 575</b>	<b>23 462</b>

## 13. Required solvency margin

### 13.1. Numeric data used to calculated own funds to cover the solvency margin

Solvency statement	30 June 2013	31 December 2012
1. Assets of the insurance company	33 192 104	29 913 216
2. Assets allocated to settle all expected liabilities	20 727 044	16 460 635
a) subordinated liabilities	-	-
b) technical provisions	15 708 653	14 933 110
c) technical provisions for life insurance products for unit linked products	-	-
d) other provisions	213 069	218 355
e) liabilities arising from reinsurers' investments	-	-
f) other liabilities and special funds	4 473 203	810 652
g) accruals and deferred income	332 119	498 518
h) any other liabilities of the insurance company not included in items a-g	-	-
3. Intangible assets	149 445	129 729
4. Shares and other deductible assets pursuant to Article 148.2, 2a, 2b of the act including Article 148.2c and 2d of the act	3 776 398	6 847 006
a) Shares and other assets used to finance equity of insurance companies in the same insurance capital group, pursuant to Article 148.2 of the act	3 776 398	6 847 006
b) Shares or assets used to finance equity of other insurance companies, credit and financial institutions as understood by the banking law and investment companies firm which are members of a financial conglomerate pursuant to Article 148.2a of the Act (unless included in item 4a))	-	-
c) held by the insurance company with respect to other insurance companies, credit and financial institutions as understood by the banking law and investment companies pursuant to Article 148.2b of the Act	-	-
i) subordinated loans granted by the insurance company which meet the conditions specified in Article 148.4.2 of the act	-	-
ii) accumulated unpaid dividends due to preference shares	-	-
d) Total amounts in the case of which the supervisory authority agreed not to apply deduction pursuant to Article 148.2c of the act	-	-
d) Total amounts in the case of which the supervisory authority agreed not to apply	-	-

<b>Solvency statement</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
deduction pursuant to Article 148.2d of the act (unless included in item 4d))		
5. Impact of participation of the national insurance company in the insurance capital group on the value of equity of the insurance company	1 635 562	4 789 418
6. Deferred tax asset	317 151	309 132
7. In the case of mutual insurance companies, the value of liabilities to the members of the company, provided that the conditions specified in Article 148.3.2 of the act have been met	-	-
8. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.4.1 of the act, authorized to be classified as equity	-	-
9. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.4.2 of the act, authorized to be classified as equity	-	-
10. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.4.3 of the act, authorized to be classified as equity	-	-
11. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.5 of the act, authorized to be classified as equity	-	-
12. Value of deposit referred to in Article 113 of the act	-	-
<b>13. Value of equity</b>	<b>9 857 628</b>	<b>10 956 132</b>
14. Equity to cover guarantee fund pursuant to Article 148a of the act	9 857 628	10 956 132
a) Total values resulting from Article 148.3.1-6 and clause 4.1 and 4.2 of the act including the elements indicated in Article 148.1 2-4 and clause 2a and 2b of the act	9 857 628	10 956 132
<b>15. Required solvency margin</b>	<b>1 369 183</b>	<b>1 343 831</b>
16. Minimum amount of the guarantee fund	15 048	15 624
17. 1/3 of the amount of the required solvency margin	456 394	447 944
<b>18. Surplus/shortage of equity to cover solvency margin</b>	<b>8 488 445</b>	<b>9 612 301</b>
19. Guarantee fund	456 394	447 944
<b>20. Surplus/shortage of equity to cover capital and reserves</b>	<b>9 401 234</b>	<b>10 508 188</b>
a) Difference between the amount indicated in 14a and the guarantee capital	9 401 234	10 508 188

### 13.2. Numeric data used to calculated the solvency margin for property and casualty insurance

<b>Required solvency margin</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
1. Premium amount (G) (the higher of (1a-1b+50%*1c) and (1d-1e+50%*1f))	8 735 039	8 784 443
a) Premium written during the last 12 months from direct insurance and inward reinsurance including reversals, not reduced by reinsurers and retrocessionaries' share	8 353 878	8 453 498
b) Tax included in the premium under 1a	-	-
c) Premium from groups 11, 12 and 13 included in 1a after tax deduction	678 960	661 889
d) Premium written during the last 12 months reduced by change in the provision for unearned premiums from direct insurance and inward reinsurance including reversals, not reduced by reinsurers and retrocessionaries' share	8 411 430	8 451 065
e) Tax included in the premium under 1d	-	-
f) Premium from groups 11, 12 and 13 included in 1d after tax deduction	647 217	615 312
2. PLN equivalent of T1 at the average exchange rate of NBP as per Rate Table 1 of each reporting year (P1)	249 313	256 680
3. Sickness insurance premium amount	-	-
a) up to P1 amount	-	-
a) over P1 amount	-	-
4. Other insurance premium amount	8 735 038	8 784 443
a) up to P1 amount	249 313	256 680
a) over P1 amount	8 485 725	8 527 763
5. Reinsurance rate in percent (H) (5b/5a, not less than 50%)	97,6180%	95,2636%
a) Gross claims paid during last 36 months net of returns, recourses and recoveries including the change in the provision for gross unpaid claims for the period	16 341 477	17 218 215
b) Gross claims net of reinsurance paid during last 36 months net of returns, recourses and recoveries including the change in the provision for gross unpaid claims net of reinsurance for the period	15 952 230	16 402 687
<b>6. Solvency margin calculated on the basis of premiums</b> ((3a*6%+3b*16%/three+4a*18%+4b*16%)*5)	<b>1 369 183</b>	<b>1 343 831</b>
7. Comparative period (last 36 or 84 months)	36	36
a) Premium written during the last 12 months from direct insurance and inward reinsurance including reversals, not reduced by reinsurers and retrocessionaries' share	8 353 878	8 453 498
b) Premium written during the last 12 months from insurance from storm, hail, frost or credit, not reduced by reinsurers and retrocessionaries' share	1 895 139	1 783 426
c) Share ratio of insurance from storm, hail, frost or credit (7b/7a)	22,6857%	21,0969%
8. Average annual claims amount (J) ((8a - 8b + 8c - 8d + 1/2*(8e - 8f + 8g - 8h))/7)*twelve	5 636 862	5 916 108
a) Claims paid from direct insurance and inward reinsurance in the reporting period, not reduced by reinsurers and retrocessionaries' share	14 885 631	15 415 431
b) Returns, recourses and recoveries of the reporting period	467 147	440 175
c) Provisions for unpaid claims as at the last day of the comparative period, not	11 089 184	10 770 367



Required solvency margin	30 June 2013	31 December 2012
reduced by reinsurers and retrocessionaries' share		
d) Provisions for unpaid claims as at the first day of the comparative period, not reduced by reinsurers and retrocessionaries' share	9 166 191	8 527 408
e) Claims paid in groups 11, 12 and 13 included in 8a	674 752	670 671
f) Returns, recoveries and recourses in groups 11, 12 and 13 included in 8b	2 080	1 491
g) Provisions for unpaid claims paid in groups 11, 12 and 13 included in 8c	1 490 704	1 452 618
h) Provisions for unpaid claims paid in groups 11, 12 and 13 included in 8d	1 025 156	1 061 579
9. PLN equivalent of T2 at the average exchange rate of NBP as per Rate Table 1 of each reporting year (P2)	174 479	179 899
10. Average annual amount of sickness insurance claims	-	-
a) up to P2 amount	-	-
a) over P2 amount	-	-
11. Average annual amount of other insurance claims	5 636 863	5 916 108
a) up to P2 amount	174 479	179 899
a) over P2 amount	5 462 384	5 736 209
<b>12. Solvency margin calculated on the basis of average annual amount of claims</b> ((10a*26%/trzy+10b*23%/three+11a*26%+11b*23%)*5)	<b>1 270 706</b>	<b>1 301 398</b>
<b>13. Solvency margin calculated on the basis of premiums and average annual amount of claims</b> (the higher of the amounts in items 6 and 12)	<b>1 369 183</b>	<b>1 343 831</b>
14. Solvency margin as at the same day of the previous year	1 348 012	1 338 798
15. Adjustment ratio (15a/15b, not higher than 1)	100,0000%	100,0000%
a) Change in provision for claims outstanding, net of reinsurance as at the reporting date	10 760 211	10 233 731
b) Change in provision for claims outstanding, net of reinsurance as at the date following the same day of the previous year	9 527 251	9 165 273
<b>16. Solvency margin after adjustment</b> (14 * 15)	<b>1 348 012</b>	<b>1 338 798</b>
<b>17. Solvency margin for section II</b> (the higher of the amounts in items 13 and 16)	<b>1 369 183</b>	<b>1 343 831</b>

#### 14. Off-balance sheet items

##### 14.1. Contingent receivables

Contingent receivables	30 June 2013	31 December 2012
a) guarantees and sureties received	18 246	17 746
b) other (by type)	7 988 397	8 708 530
promissory notes related to suretyship granted	7 235 243	7 958 329
other promissory notes	42 473	42 499
- including: from subsidiaries	2 275	2 275
other contingent receivables	710 681	707 702
<b>Contingent receivables total</b>	<b>8 006 643</b>	<b>8 726 276</b>

<b>Contingent receivables (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) guarantees and sureties received	18 246	17 746
- in PLN	18 246	17 746
- in foreign currencies (by currency and translated to PLN)	-	-
h) other (by type)	7 988 397	8 708 530
- in PLN	7 737 638	8 435 879
- in foreign currencies (by currency and translated to PLN)	250 759	272 651
b1. EUR'000	57 806	66 577
PLN'000	250 253	272 179
b2. USD'000	153	152
PLN'000	506	472
b3. DKK'000	<b>8 006 643</b>	<b>8 726 276</b>

#### **14.1.1 Guarantees received**

Under the guarantee line agreement of 26 September 2008 between PZU and Bank Millennium SA, the bank extended bank guarantees (bid bonds and contractual guarantees) to PZU in procurement proceedings for insurance services. The guarantee facility amounts to PLN 15 million and is annually extended for another year.

As at 30 June 2013, under the facility valid for the period from 28 September 2012 to 27 September 2013, 39 guarantees for the total amount of PLN 4,391 thousand were granted.

#### **14.2. Contingent liabilities**

<b>Contingent liabilities due to:</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) guarantees and sureties granted	4 392	6 789
b) accepted and endorsed promissory notes	-	-
c) assets with resale obligation (by type)	-	-
d) other liabilities secured on assets or revenue (by type)	-	-
e) other (by type)	154 386	95 318
disputed claims not acknowledged by the insurer and brought to court by creditors	153 708	94 543
contingency liabilities arising from sub-issue contracts	-	-
other contingent liabilities	678	775
<b>Contingent liabilities total</b>	<b>158 778</b>	<b>102 107</b>

<b>Contingent liabilities (currency structure)</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
a) guarantees and sureties granted	4 392	6 789
- in PLN	4 392	6 789
- in foreign currencies (by currency and translated to PLN)	-	-
b) accepted and endorsed promissory notes	-	-
c) assets with resale obligation (by type)	-	-
d) other liabilities secured on assets or revenue (by type)	-	-
e) other (by type)	154 386	95 318
disputed claims not acknowledged by the insurer and brought to court by creditors	153 708	94 543
- in PLN	153 708	94 543
- in foreign currencies (by currency and translated to PLN)	-	-
other contingent liabilities	678	775
- in PLN	678	775
- in foreign currencies (by currency and translated to PLN)	-	-
<b>Contingent liabilities total</b>	<b>158 778</b>	<b>102 107</b>

### 14.3. Other non-balance sheet items

Other non-balance sheet items due to	30 June 2013	31 December 2012
Other non-balance sheet items (by type):	145 282	217 594
third-party assets not recognized in the entity's assets	145 282	217 594
- including: to subsidiaries	8 607	3 665
<b>Other non-balance sheet items total</b>	<b>145 282</b>	<b>217 594</b>

Other non-balance sheet items (currency structure)	30 June 2013	31 December 2012
a) in PLN	145 282	217 594
b) in foreign currencies (by currency and translated to PLN)	-	-
<b>Other non-balance sheet items total</b>	<b>145 282</b>	<b>217 594</b>

### 15. Gross written premiums

Gross written premiums	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) in direct insurance including:	2 005 484	4 314 846	1 989 206	4 425 586
- from contracts concluded outside Poland including:	669	1 900	954	1 059
- from contracts concluded in EU member states	372	1 435	687	740
b) in indirect insurance	11 090	22 156	6 226	11 037
<b>Total gross written premiums</b>	<b>2 016 574</b>	<b>4 337 002</b>	<b>1 995 432</b>	<b>4 436 623</b>

#### 15.1. Gross written premiums – direct insurance

Gross written premium in direct property and casualty insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) accident and sickness insurance (groups 1 and 2)	82 945	176 755	86 608	244 002
b) MTPL insurance (group 10)	701 494	1 435 600	759 844	1 513 518
c) auto casco insurance (group 3)	509 918	1 027 274	548 903	1 116 135
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	13 007	29 715	21 582	37 313
e) insurance against fire and other damage to property (groups 8, 9)	464 651	1 071 957	354 400	959 511
f) TPL insurance (groups 11, 12, 13)	148 535	412 161	135 145	395 091
g) credit insurance and suretyship (groups 14, 15)	7 532	17 347	14 242	29 404
h) assistance (group 18)	55 109	104 606	51 217	98 975
i) legal protection (group 17)	395	664	242	564
j) other (group 16)	21 898	38 767	17 023	31 073
<b>Total gross premiums - direct insurance (by accounting class)</b>	<b>2 005 484</b>	<b>4 314 846</b>	<b>1 989 206</b>	<b>4 425 586</b>

Total gross earned premiums – direct property and personal insurance arising from obligatory TPL insurance by groups	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
Group 10	691 729	1 414 459	750 867	1 493 361
Group 11	1 645	3 030	2 277	3 864
Group 13	57 241	216 752	51 519	188 830
<b>Total gross earned premiums – direct property and casualty insurance arising from obligatory TPL insurance by groups total</b>	<b>750 615</b>	<b>1 634 241</b>	<b>804 663</b>	<b>1 686 055</b>

#### 15.2. Gross written premiums – indirect insurance

Gross written premium in indirect property and personal insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) accident and sickness insurance (groups 1 and 2)	2	5	(144)	(94)
b) MTPL insurance (group 10)	(2)	11	(69)	(51)
c) auto casco insurance (group 3)	-	533	(91)	(60)
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	3 883	6 513	1 476	1 528
e) insurance against fire and other damage to property (groups 8, 9)	3 119	10 367	3 835	7 491
f) TPL insurance (groups 11, 12, 13)	3 949	4 007	543	691
g) credit insurance and suretyship (groups 14, 15)	(23)	223	24	124

Gross written premium in indirect property and personal insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
h) assistance (group 18)	-	-	-	-
i) legal protection (group 17)	-	-	-	-
j) other (group 16)	162	497	652	1 408
<b>Total gross premiums - indirect insurance (by accounting class)</b>	<b>11 090</b>	<b>22 156</b>	<b>6 226</b>	<b>11 037</b>

Total gross earned premiums – indirect property and casualty insurance arising from obligatory TPL insurance by group	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
Group 10	-	(1)	(35)	(17)
Group 11	3 451	3 451	34	34
Group 13	-	-	-	2
<b>Total gross earned premiums – indirect property and casualty insurance arising from obligatory TPL insurance by group total</b>	<b>3 451</b>	<b>3 450</b>	<b>(1)</b>	<b>19</b>

## 16. Gross earned premiums

### 16.1. Gross earned premiums – direct insurance

Gross earned premium in direct property and casualty insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) accident and sickness insurance (groups 1 and 2)	115 354	228 298	131 780	259 854
b) MTPL insurance (group 10)	723 515	1 447 681	754 393	1 464 728
c) auto casco insurance (group 3)	522 344	1 047 565	563 604	1 129 698
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	11 457	24 946	12 382	24 779
e) insurance against fire and other damage to property (groups 8, 9)	451 176	879 777	430 971	836 684
f) TPL insurance (groups 11, 12, 13)	164 778	321 904	148 427	289 999
g) credit insurance and suretyship (groups 14, 15)	13 195	25 729	678	13 058
h) assistance (group 18)	49 455	97 471	46 928	93 909
i) legal protection (group 17)	71	(50)	218	428
j) other (group 16)	23 584	41 698	22 884	46 850
<b>Total gross earned premiums – direct property and casualty insurance</b>	<b>2 074 929</b>	<b>4 115 019</b>	<b>2 112 265</b>	<b>4 159 987</b>

Total gross earned premiums – direct property and casualty insurance arising from obligatory TPL insurance by groups	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
Group 10	713 740	1 428 344	745 259	1 446 880
Group 11	1 454	2 835	1 569	2 888
Group 13	82 708	160 548	62 313	117 548
<b>Total gross earned premiums – direct property and casualty insurance</b>	<b>797 902</b>	<b>1 591 727</b>	<b>809 141</b>	<b>1 567 316</b>

### 16.2. Gross earned premiums – indirect insurance

Gross earned premium in indirect property and casualty insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) accident and sickness insurance (groups 1 and 2)	17	35	(124)	(47)
b) MTPL insurance (group 10)	156	(327)	31	183
c) auto casco insurance (group 3)	38	608	155	473
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	801	2 957	431	675
e) insurance against fire and other damage to property (groups 8, 9)	7 305	17 617	5 783	13 473
f) TPL insurance (groups 11, 12, 13)	174	352	187	650
g) credit insurance and suretyship (groups 14, 15)	(40)	88	(5)	114
h) assistance (group 18)	-	-	-	-
i) legal protection (group 17)	-	-	-	-
j) other (group 16)	712	1 086	515	1 563

Gross earned premium in indirect property and casualty insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>Total gross earned premiums – indirect property and casualty insurance</b>	<b>9 163</b>	<b>22 416</b>	<b>6 973</b>	<b>17 084</b>

Total gross earned premiums – indirect property and casualty insurance arising from obligatory TPL insurance by groups	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
Group 10	(153)	348	50	179
Group 11	9	17	26	48
Group 13	-	-	116	257
<b>Total gross earned premiums – indirect property and casualty insurance</b>	<b>(144)</b>	<b>365</b>	<b>192</b>	<b>484</b>

## 17. Reinsurance settlements

Reinsurance settlements	1 January – 30 June 2013	1 January – 31 December 2012
a) insurance premiums received from abroad	22 127	20 245
b) reinsurance premiums transferred abroad	86 121	137 434
c) outward reinsurance balance	(21 070)	(3 146)
d) inward reinsurance balance	1 080	1 135
e) receivables and liabilities arising from outward reinsurance including:	102 705	33 191
- receivables from reinsurers collateralized with guarantees of financial institutions	-	-
f) receivables and liabilities arising from inward reinsurance including:	1 751	1 975
- liabilities to ceding undertakings collateralized with insurer's guarantees	-	-
- liabilities to retroceding undertakings collateralized with insurer's guarantees	-	-

## 18. Claims

Gross claims paid	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) from direct insurance, including:	1 026 964	2 051 065	1 207 865	2 340 320
- claims handling costs	119 494	236 412	128 813	252 402
b) from indirect insurance, including:	2 086	12 445	2 982	3 973
- claims handling costs	9	239	216	216
<b>Total gross claims paid</b>	<b>1 029 050</b>	<b>2 063 510</b>	<b>1 210 847</b>	<b>2 344 293</b>

### 18.1. Gross claims paid

Total gross claims paid - direct property and casualty insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) accident and sickness insurance (groups 1 and 2)	37 954	75 292	43 644	84 582
b) MTPL insurance (group 10)	423 180	865 290	456 495	933 272
c) auto casco insurance (group 3)	298 151	617 515	294 552	645 832
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	6 024	16 725	8 795	12 585
e) insurance against fire and other damage to property (groups 8, 9)	152 949	272 753	298 800	465 004
f) TPL insurance (groups 11, 12, 13)	48 031	103 499	52 513	105 871
g) credit insurance and suretyship (groups 14, 15)	8 079	15 691	13 859	18 022
h) assistance (group 18)	27 926	53 402	29 110	58 189
i) legal protection (group 17)	127	257	96	248
j) other (group 16)	24 543	30 641	10 001	16 715
<b>Total gross claims paid - direct insurance (by accounting class)</b>	<b>1 026 964</b>	<b>2 051 065</b>	<b>1 207 865</b>	<b>2 340 320</b>

Total gross claims paid - indirect property and casualty insurance (by accounting class)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) accident and sickness insurance (groups 1 and 2)	-	-	-	-
b) MTPL insurance (group 10)	370	1 119	347	521
c) auto casco insurance (group 3)	(2)	(11)	(26)	(43)

<b>Total gross claims paid - indirect property and casualty insurance (by accounting class)</b>	<b>1 April - 30 June 2013</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2012</b>	<b>1 January - 30 June 2012</b>
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	2	90	33	41
e) insurance against fire and other damage to property (groups 8, 9)	243	9 058	1 415	1 489
f) TPL insurance (groups 11, 12, 13)	1 471	2 179	1 086	1 808
g) credit insurance and suretyship (groups 14, 15)	-	2	2	32
h) assistance (group 18)	-	-	-	-
i) legal protection (group 17)	-	-	-	-
j) other (group 16)	2	8	125	125
<b>Total gross claims paid - indirect insurance (by accounting class)</b>	<b>2 086</b>	<b>12 445</b>	<b>2 982</b>	<b>3 973</b>

## 18.2. Claim handling costs

<b>Total claims handling costs – direct property and casualty insurance (by accounting class)</b>	<b>1 April - 30 June 2013</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2012</b>	<b>1 January - 30 June 2012</b>
a) accident and sickness insurance (groups 1 and 2)	13 354	26 088	15 392	29 904
b) MTPL insurance (group 10)	48 584	98 147	51 809	100 175
c) auto casco insurance (group 3)	22 532	44 743	25 063	49 790
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	192	569	238	468
e) insurance against fire and other damage to property (groups 8, 9)	21 651	39 698	22 699	43 972
f) TPL insurance (groups 11, 12, 13)	9 535	19 410	9 630	19 294
g) credit insurance and suretyship (groups 14, 15)	196	840	194	1 359
h) assistance (group 18)	3 330	6 669	3 436	6 958
i) legal protection (group 17)	9	20	11	19
j) other (group 16)	111	228	341	463
<b>Total claims handling costs – direct insurance (by accounting class)</b>	<b>119 494</b>	<b>236 412</b>	<b>128 813</b>	<b>252 402</b>

<b>Total claims handling costs – indirect property and casualty insurance (by accounting class)</b>	<b>1 April - 30 June 2013</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2012</b>	<b>1 January - 30 June 2012</b>
a) accident and sickness insurance (groups 1 and 2)	-	-	-	-
b) MTPL insurance (group 10)	-	-	-	-
c) auto casco insurance (group 3)	-	-	-	-
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-	-	-
e) insurance against fire and other damage to property (groups 8, 9)	7	77	91	91
f) TPL insurance (groups 11, 12, 13)	-	154	-	-
g) credit insurance and suretyship (groups 14, 15)	-	-	-	-
h) assistance (group 18)	-	-	-	-
i) legal protection (group 17)	-	-	-	-
j) other (group 16)	2	8	125	125
<b>Total claims handling costs – indirect insurance (by accounting class)</b>	<b>9</b>	<b>239</b>	<b>216</b>	<b>216</b>

## 19. Supplementary data to the technical account

### 19.1. Supplementary data to the technical account for the period of 6 months ended 30 June 2013

Total direct and indirect insurance for the period of 6 months ended 30 June 2013	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	176 760	228 333	49 214	26 088	10	(32)	71 129
MTPL insurance (group 10)	1 435 611	1 447 354	781 125	98 147	12 863	(509)	255 787
Auto casco insurance (group 3)	1 027 807	1 048 173	611 172	44 743	38 411	(12 992)	219 428
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	36 228	27 903	16 350	569	104	(2 493)	6 840
Insurance against fire and other damage to property (groups 8, 9)	1 082 324	897 394	254 932	39 775	12 896	(16 856)	266 140
TPL insurance (groups 11, 12, 13)	416 168	322 256	86 538	19 564	424	(5 436)	87 177
Credit insurance and suretyship (groups 14, 15)	17 570	25 817	20 810	840	5 957	(769)	12 072
Assistance (group 18)	104 606	97 471	46 883	6 669	150	(263)	34 857
Insurance of legal protection (group 17)	664	(50)	247	20	10	-	434
Other insurance (group 16)	39 264	42 784	30 440	236	27	19 360	22 051
<b>Total direct and indirect insurance</b>	<b>4 337 002</b>	<b>4 137 435</b>	<b>1 897 711</b>	<b>236 651</b>	<b>70 852</b>	<b>(19 990)</b>	<b>975 915</b>

Direct insurance for the period of 6 months ended 30 June 2013	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	176 755	228 298	49 214	26 088	10	(32)	71 129
MTPL insurance (group 10)	1 435 600	1 447 681	780 006	98 147	12 863	(587)	255 916
Auto casco insurance (group 3)	1 027 274	1 047 565	611 183	44 743	38 411	(12 992)	219 288
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	29 715	24 946	16 260	569	104	(2 899)	5 863
Insurance against fire and other damage to property (groups 8, 9)	1 071 957	879 777	245 951	39 698	12 896	(17 380)	264 886
TPL insurance (groups 11, 12, 13)	412 161	321 904	84 513	19 410	424	(5 470)	86 590
Credit insurance and suretyship (groups 14, 15)	17 347	25 729	20 808	840	5 957	(769)	11 916
Assistance (group 18)	104 606	97 471	46 883	6 669	150	(263)	34 857
Insurance of legal protection (group 17)	664	(50)	247	20	10	-	434
Other insurance (group 16)	38 767	41 698	30 440	228	27	19 322	21 955
<b>Total direct insurance</b>	<b>4 314 846</b>	<b>4 115 019</b>	<b>1 885 505</b>	<b>236 412</b>	<b>70 852</b>	<b>(21 070)</b>	<b>972 834</b>

Indirect insurance the period of 6 months ended 30 June 2013	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	5	35	-	-	-	-	-
MTPL insurance (group 10)	11	(327)	1 119	-	-	78	(129)
Auto casco insurance (group 3)	533	608	(11)	-	-	-	140
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	6 513	2 957	90	-	-	406	977
Insurance against fire and other damage to property (groups 8, 9)	10 367	17 617	8 981	77	-	524	1 254
TPL insurance (groups 11, 12, 13)	4 007	352	2 025	154	-	34	587
Credit insurance and suretyship (groups 14, 15)	223	88	2	-	-	-	156
Assistance (group 18)	-	-	-	-	-	-	-
Insurance of legal protection (group 17)	-	-	-	-	-	-	-
Other insurance (group 16)	497	1 086	-	8	-	38	96
<b>Total indirect insurance</b>	<b>22 156</b>	<b>22 416</b>	<b>12 206</b>	<b>239</b>	<b>-</b>	<b>1 080</b>	<b>3 081</b>



## 19.2. Supplementary data to the technical account for the period of 6 months ended 30 June 2013

Total direct and indirect insurance the period of 6 months ended 30 June 2012	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	243 908	259 807	54 695	29 904	17	(25)	76 220
MTPL insurance (group 10)	1 513 467	1 464 911	845 706	100 175	12 088	8 391	269 328
Auto casco insurance (group 3)	1 116 075	1 130 171	645 887	49 790	49 888	(9 665)	241 449
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	38 841	25 454	12 292	468	134	(2 457)	6 152
Insurance against fire and other damage to property (groups 8, 9)	967 002	850 157	441 435	44 063	19 005	(19 801)	274 525
TPL insurance (groups 11, 12, 13)	395 782	290 649	88 541	19 294	156	(5 781)	88 433
Credit insurance and suretyship (groups 14, 15)	29 528	13 172	20 846	1 359	4 151	2 207	14 748
Assistance (group 18)	98 975	93 909	51 234	6 958	3	(168)	34 551
Insurance of legal protection (group 17)	564	428	241	19	12	-	491
Other insurance (group 16)	32 481	48 413	16 277	588	25	1 539	25 864
<b>Total direct and indirect insurance</b>	<b>4 436 623</b>	<b>4 177 071</b>	<b>2 177 154</b>	<b>252 618</b>	<b>85 479</b>	<b>(25 760)</b>	<b>1 031 761</b>

Direct insurance for the period of 6 months ended 30 June 2012	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	244 002	259 854	54 695	29 904	17	(25)	76 212
MTPL insurance (group 10)	1 513 518	1 464 728	845 185	100 175	12 088	8 391	269 219
Auto casco insurance (group 3)	1 116 135	1 129 698	645 930	49 790	49 888	(9 767)	241 367
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	37 313	24 779	12 251	468	134	(2 721)	5 795
Insurance against fire and other damage to property (groups 8, 9)	959 511	836 684	440 037	43 972	19 005	(24 404)	272 987
TPL insurance (groups 11, 12, 13)	395 091	289 999	86 733	19 294	156	(5 816)	88 328
Credit insurance and suretyship (groups 14, 15)	29 404	13 058	20 814	1 359	4 151	2 207	14 714
Assistance (group 18)	98 975	93 909	51 234	6 958	3	(168)	34 551
Insurance of legal protection (group 17)	564	428	241	19	12	-	491
Other insurance (group 16)	31 073	46 850	16 277	463	25	1 100	25 741
<b>Total direct insurance</b>	<b>4 425 586</b>	<b>4 159 987</b>	<b>2 173 397</b>	<b>252 402</b>	<b>85 479</b>	<b>(31 203)</b>	<b>1 029 405</b>

Indirect insurance for the period of 6 months ended 30 June 2012	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	(94)	(47)	-	-	-	-	8
MTPL insurance (group 10)	(51)	183	521	-	-	-	109
Auto casco insurance (group 3)	(60)	473	(43)	-	-	102	82
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	1 528	675	41	-	-	264	357
Insurance against fire and other damage to property (groups 8, 9)	7 491	13 473	1 398	91	-	4 603	1 538
TPL insurance (groups 11, 12, 13)	691	650	1 808	-	-	35	105
Credit insurance and suretyship (groups 14, 15)	124	114	32	-	-	-	34
Assistance (group 18)	-	-	-	-	-	-	-
Insurance of legal protection (group 17)	-	-	-	-	-	-	-
Other insurance (group 16)	1 408	1 563	-	125	-	439	123
<b>Total indirect insurance</b>	<b>11 037</b>	<b>17 084</b>	<b>3 757</b>	<b>216</b>	<b>-</b>	<b>5 443</b>	<b>2 356</b>

## 20. Information regarding claim handling process

Loss adjustment process in the period of 6 months ended 30 June 2013 (data for direct insurance)	Average claim handling time in days	Amount of claims occurred in the financial period under contracts concluded in the same period including:	
		Claims paid	Provision for claims outstanding recognized at year end
Accident and sickness insurance (groups 1 and 2)	6.50	3 697	8 401
MTPL insurance (group 10)	19.84	63 747	144 752
Auto casco insurance (group 3)	16.10	93 482	88 941
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	157.30	1 038	6 512
Insurance against fire and other damage to property (groups 8, 9)	13.04	67 361	85 507
TPL insurance (groups 11, 12, 13)	30.72	6 417	52 228
Credit insurance and suretyship (groups 14, 15)	27.19	128	322
Assistance (group 18)	36.36	12 437	9 996
Insurance of legal protection (group 17)	16.75	8	103
Other insurance (group 16)	24.13	521	512
<b>Total</b>	<b>15.08</b>	<b>248 835</b>	<b>397 274</b>

Loss adjustment process in the year ended 31 December 2012 (data for direct insurance)	Average claim handling time in days	Amount of claims occurred in the financial period under contracts concluded in the same period including:	
		Claims paid	Provision for claims outstanding recognized at year end
Accident and sickness insurance (groups 1 and 2)	8.17	25 912	45 112
MTPL insurance (group 10)	18.78	391 444	448 602
Auto casco insurance (group 3)	15.34	476 072	191 707
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	47.19	3 857	13 987
Insurance against fire and other damage to property (groups 8, 9)	17.54	238 180	94 238
TPL insurance (groups 11, 12, 13)	27.85	34 170	142 063
Credit insurance and suretyship (groups 14, 15)	25.26	1 051	51 578
Assistance (group 18)	30.78	41 576	19 113
Insurance of legal protection (group 17)	18.61	60	330
Other insurance (group 16)	26.41	1 267	9 319
<b>Total</b>	<b>15.65</b>	<b>1 213 590</b>	<b>1 016 050</b>

## 21. Costs of insurance activity

Costs of insurance activity net of reinsurance	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) direct insurance	479 053	894 229	505 870	1 042 639
b) indirect insurance	1 666	3 081	1 595	2 356
<b>Total costs of insurance activity net of reinsurance</b>	<b>480 719</b>	<b>897 310</b>	<b>507 465</b>	<b>1 044 995</b>

Costs of insurance activities (by type)	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>I. Administrative costs</b>	<b>131 244</b>	<b>281 695</b>	<b>136 387</b>	<b>300 985</b>
1. internal:	78 687	183 856	91 349	195 870
a) consumption of materials and energy	4 921	9 603	4 845	9 738
b) payroll, insurance and other benefits	62 561	150 707	75 349	162 430
c) amortization	10 186	21 548	10 029	21 735
d) other administrative costs	1 019	1 998	1 126	1 967
2. external:	52 557	97 839	45 038	105 115
a) external services	30 547	60 834	25 829	65 362
b) commissions for premium collection	2 578	5 548	1 470	2 952
c) advertisement	13 353	20 681	12 713	27 458
d) other expenses	6 079	10 776	5 026	9 343
<b>II. Acquisition costs</b>	<b>351 470</b>	<b>694 220</b>	<b>360 428</b>	<b>730 776</b>
1. internal	73 698	151 621	84 043	172 514
a) consumption of materials and energy	4 236	9 005	4 121	8 382
b) payroll, insurance and other benefits classified as acquisition costs	64 677	132 818	75 255	153 013
c) commissions on direct business	-	-	-	-
d) amortization	4 785	9 798	4 667	11 119
e) other acquisition costs	-	-	-	-
2. external:	270 096	549 793	261 821	563 368
b) payroll, insurance and other benefits classified as acquisition costs	-	-	-	-
c) commissions on direct business, including:	244 658	504 379	234 618	502 466
- acquisition commissions	107 561	213 546	104 918	219 587
- policy renewal commissions	132 767	279 978	124 820	272 440
- insurance and reinsurance contract administration commissions	4 330	10 855	4 880	10 439
c) commissions on indirect business	1 360	2 226	1 336	1 758
d) external services	17 682	32 857	18 490	41 169
e) advertising	2 702	3 222	2 560	9 765
f) other expenses	3 694	7 109	4 817	8 210
3. change in deferred acquisition costs	7 676	(7 194)	14 564	(5 106)
<b>III. Claims handling and recourse collection costs</b>	<b>119 504</b>	<b>236 651</b>	<b>129 029</b>	<b>252 618</b>
1. internal	64 881	129 056	74 803	141 626
a) consumption of materials and energy	3 168	6 319	2 777	5 698
b) remuneration of appraisers relating to claims handling and recourse collection	57 214	113 932	65 052	124 605
c) amortization	4 499	8 805	6 974	11 323
2. external:	54 623	107 595	54 226	110 992
a) external services	30 975	60 781	34 468	74 056
b) other expenses	23 648	46 814	19 758	36 936
<b>IV. Costs of investing activities</b>	<b>130 333</b>	<b>205 211</b>	<b>77 302</b>	<b>138 742</b>
1. internal	3 935	9 177	4 548	8 388
a) consumption of materials and energy	701	1 921	626	1 432
b) payroll, insurance and other employee benefits	2 296	5 469	3 162	5 328
c) amortization	938	1 787	760	1 628
2. external:	126 398	196 034	72 754	130 354
a) external services	3 908	6 653	2 813	6 368
b) other expenses*	122 490	189 381	69 941	123 986

\* "Other expenses" includes, among other things, loss on realization and revaluation of investments.

## 21.1. Acquisition costs

Acquisition costs	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) incurred in the reporting period including:	343 794	701 414	345 864	735 882
- acquisition commissions on direct insurance	244 658	504 379	234 618	502 466
b) carried forward to future reporting periods	(7 676)	7 194	(14 564)	5 106

## 21.2. Administrative costs

Administrative costs	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) consumption of materials and energy	4 921	9 603	4 845	9 738
b) external services	30 547	60 834	25 829	65 362
c) taxes and charges	1 773	5 050	2 042	4 917
d) payroll	48 126	117 078	63 222	129 306
e) social security and other benefits	14 434	33 628	12 127	33 124
f) amortization	10 186	21 548	10 030	21 735
g) other, including:	21 257	33 954	18 292	36 803
advertising	13 353	20 681	12 713	27 458
commissions for premium collection	2 578	5 548	1 470	2 952
business trips	1 019	1 998	1 126	1 967
property insurance	171	572	111	546
<b>Total administrative costs</b>	<b>131 244</b>	<b>281 695</b>	<b>136 387</b>	<b>300 985</b>

## 22. Other operating revenue

Other operating revenue	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) financial revenue	348	856	209	439
b) commission on loss adjusting services	2 094	4 347	1 937	4 408
c) revenue from acquisition activities carried out for open pension funds	81	162	395	1 765
d) other operating income including:	1 917	17 485	7 332	18 428
exchange gains	(4 221)	7 571	1 802	6 541
recharged expenses	3 562	4 496	898	4 090
revenue from reversed impairment losses and provisions for future liabilities	441	526	3 187	3 320
penalties, damages and fines paid	604	1 570	580	1 508
gain on disposal of fixed assets and investments in progress	580	1 249	90	1 065
other	951	2 073	775	1 904
<b>Total</b>	<b>4 440</b>	<b>22 850</b>	<b>9 873</b>	<b>25 040</b>

Employment restructuring has been described in point 28.2 in Notes.

## 23. Other operating costs

Other operating costs	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
a) financial expenses	1 719	2 915	2 782	6 468
b) costs relating to loss adjusting services	25	45	158	206
c) costs relating to acquisition activities carried out for open pension funds	(20)	(40)	548	1 493
d) other operating costs, including:	16 619	25 180	7 211	17 096
employment restructuring	893	1 992	-	-
Donations	128	464	104	372
exchange losses	8 068	11 727	3 567	7 853
rechargeable expenses	3 834	4 823	929	4 123
costs of provisions created for probable losses	280	869	358	922
loss on disposal of fixed assets and investments in progress	200	233	315	460
receivables written off	1 146	1 147	1 323	1 323
penalties, damages and fines paid	64	137	95	449
default interest on tax liabilities	43	100	20	65
Other	1 963	3 688	500	1 529
<b>Total</b>	<b>18 343</b>	<b>28 100</b>	<b>10 699</b>	<b>25 263</b>

## 24. Interest income and expense

Both below tables present interest for the reporting period determined on accrual basis.

### 24.1. Interest income calculated with contractual interest rates

Interest income calculated with contractual interest rates between 1 January and 30 June 2013	Interest accrued and realized between 1 January and 30 June 2013	Interest accrued and unrealized between 1 January and 30 June 2013 (by maturity after the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Investments in controlled entities	-	-	-	-
b) other financial investments, including:	192 521	17 896	158 319	-
- debt securities and other fixed income securities	135 556	14 722	158 319	-
- shares in joint investments	-	-	-	-
- mortgage loans	513	663	-	-
- other loans and borrowings	41 096	419	-	-
- term deposits with credit institutions	15 356	2 092	-	-
- other investments	-	-	-	-
c) Deposits with ceding undertakings	-	-	-	-
d) Receivables	-	-	-	-
- receivables from direct insurance	-	-	-	-
- receivables from reinsurance	-	-	-	-
- other receivables	-	-	-	-
<b>Interest income, total</b>	<b>192 521</b>	<b>17 896</b>	<b>158 319</b>	<b>-</b>

Interest income calculated with contractual interest rates in 2012	Interest accrued and realized in 2012	Interest accrued and unrealized in 2012 (by maturity after the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Investments in controlled entities	-	-	-	-
b) other financial investments, including:	601 219	29 941	171 388	-
- debt securities and other fixed income securities	458 455	20 158	171 388	-
- shares in joint investments	-	-	-	-
- mortgage loans	2 760	10	-	-
- other loans and borrowings	86 020	1 836	-	-
- term deposits with credit institutions	53 984	7 937	-	-
- other investments	-	-	-	-
c) Deposits with ceding undertakings	-	-	-	-
d) Receivables	-	-	-	-
- receivables from direct insurance	-	-	-	-
- receivables from reinsurance	-	-	-	-
- other receivables	-	-	-	-
<b>Interest income, total</b>	<b>601 219</b>	<b>29 941</b>	<b>171 388</b>	<b>-</b>

## 24.2. Interest expense calculated with contractual interest rates

Interest expenses calculated with contractual interest rates 1 January and 30 June 2013	Interest accrued and realized 1 January and 30 June 2013	Interest accrued and unrealized between 1 January and 30 June 2013 (by maturity after the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Liabilities due to reinsurers' deposits	-	-	-	-
b) Other liabilities, including:	2 243	1 544	-	-
- Liabilities due to direct insurance	-	-	-	-
- Liabilities due to reinsurance	-	-	-	-
- Liabilities arising from issue of debt securities and obtained loans	-	-	-	-
- Liabilities to credit institutions	2 243	1 544	-	-
- Other liabilities	-	-	-	-
<b>Total interest expenses in 2013 including:</b>	<b>2 243</b>	<b>1 544</b>	<b>-</b>	<b>-</b>
- liabilities held for trading	-	-	-	-
- short-term liabilities	2 243	1 544	-	-
- long-term liabilities	-	-	-	-

Interest expenses calculated with contractual interest rates in 2012	Interest accrued and realized in 2012	Interest accrued and unrealized in 2012 (by maturity after the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Liabilities due to reinsurers' deposits	-	-	-	-
b) Other liabilities, including:	50 632	-	-	-
- Liabilities due to direct insurance	-	-	-	-
- Liabilities due to reinsurance	-	-	-	-
- Liabilities arising from issue of debt securities and obtained loans	-	-	-	-
- Liabilities to credit institutions	50 632	-	-	-
- Other liabilities	-	-	-	-
<b>Total interest expenses in 2012 including:</b>	<b>50 632</b>	<b>-</b>	<b>-</b>	<b>-</b>
- liabilities held for trading	-	-	-	-
- short-term liabilities	50 632	-	-	-
- long-term liabilities	-	-	-	-

## 25. Income tax

### 25.1. Tax Capital Group

On 5 September 2008, the Management Board of PZU and PZU Życie adopted a resolution concerning establishment of a capital tax group (PGK) pursuant to Article 25.1 of the Corporate Income Tax Act of 15 February 1992 (Journal of Laws No. 74 of 2011 item 397 "the Corporate Income Tax Act"). The Group comprises PZU and PZU Życie. PZU is the holding company and represents the Group. PGK was established for the period of three years from 1 January 2009 to 31 December 2011.

On 27 September 2011, a new Tax Group agreement was signed between the PZU Group companies, comprising 9 companies: PZU, PZU Życie, TFI PZU, PZU AM, PZU CO, PZU Pomoc SA, Ipsilon BIS SA, Ogrodowa-Inwestycje Sp. z o.o., Ipsilon Sp. z o.o. The PGK was established for the period of three years from 1 January 2012 to 31 December 2014.

PZU is the parent company and the company representing the PGK in both the above-mentioned agreements. In accordance with art. 25 clause 1 of the CIT Act, the PGK conducts settlements with the Tax Office in monthly cycles. PZU makes tax advances to the Tax Office in respect of corporate income tax, which are due from all the companies belonging to the PGK and the said companies transfer the CIT advances related to their business activities to PZU.

### 25.2. Current income tax

Current income tax	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>1. Gross profit (loss)*</b>	<b>4 254 065</b>	<b>4 865 810</b>	<b>1 657 232</b>	<b>2 062 384</b>
<b>2. Difference between the gross profit (loss) and the tax base (by title)</b>	<b>(3 872 084)</b>	<b>(3 955 648)</b>	<b>(1 192 356)</b>	<b>(1 470 477)</b>
<b>2a) Expenses and losses not classified by tax regulations as tax-deductible costs</b>	<b>101 193</b>	<b>216 993</b>	<b>120 946</b>	<b>260 187</b>
Accrued outward reinsurance expenses	(670)	(92 001)	(10 801)	(80 952)
Accrued investment losses	81 876	147 750	45 622	85 414
Accrued bonuses, appropriations to the Company's Bonus Fund and employee benefits	(26 628)	25 588	25 473	60 601
Accrued and deferred acquisition costs	14 794	61 006	13 340	65 456
Impairment losses on insurance, reinsurance and recourse receivables	4 101	4 790	33 472	76 633
Enforcement costs and contractual penalties	586	1 205	764	2 070
Appropriations to PFRON	1 775	3 475	1 760	3 389
Donations	128	464	104	372
Accrued costs of external services	(5 634)	(4 505)	(16 320)	12 008
Provision for probable losses	20 325	68 534	7 111	13 455
Other	10 540	687	20 421	21 741
<b>2b) Revenue not included in the tax base</b>	<b>4 075 988</b>	<b>4 289 442</b>	<b>1 339 077</b>	<b>1 620 883</b>
Accrued investment income	178 198	348 581	92 000	364 581
Dividends	3 886 588	3 886 588	1 221 770	1 231 555
Other technical income – reversed impairment losses etc.	13 334	30 979	28 796	56 779
Release of provision for jubilee bonuses and post-employment benefits	502	510	60	164
Release of restructuring provision	(2 634)	22 784	(3 549)	(32 196)
Accrued revenue from reinsurance	-	-	-	-
Other	<b>102 711</b>	<b>116 801</b>	<b>25 775</b>	<b>(109 781)</b>
<b>2c) Other changes in the tax base</b>	<b>150 372</b>	<b>219 788</b>	<b>89 160</b>	<b>60 176</b>
Realized accrued previous year investment income	(48 917)	(98 621)	(56 704)	(150 774)
Amounts payable to natural persons under personal service contracts and bonuses, accrued in the previous year	-	-	-	(6 451)
Realized accrued previous years' acquisition costs	1 256	(4 140)	(6 681)	(12 532)
Other costs/income realized	-	(226)	-	(200)
Tax-exempt income	<b>381 981</b>	<b>910 162</b>	<b>464 876</b>	<b>591 907</b>
<b>3. Income tax base</b>	<b>72 577</b>	<b>172 931</b>	<b>88 326</b>	<b>112 462</b>
<b>4. Income tax at 19% rate</b>	<b>-</b>	<b>(2 895)</b>	<b>4 131</b>	<b>2 755</b>



Current income tax	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
<b>5. Tax increase, cancellation, exemption, deduction and reduction</b>	<b>72 577</b>	<b>170 036</b>	<b>92 457</b>	<b>115 217</b>
<b>6. Current income tax recognized in tax returns for the period, including:</b>	<b>72 577</b>	<b>170 036</b>	<b>92 457</b>	<b>115 217</b>
- cost disclosed in the profit and loss account	-	-	-	-
- regarding items increasing or reducing equity	-	-	-	-

\* Gross profit/(loss) includes "Share in net profit/(loss) of controlled entities measured with the equity method" included in the general profit and loss account.

Income tax by type of activity	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
Differences between the gross profit (loss) and the tax base	(3 872 084)	(3 955 648)	(1 192 356)	(1 470 477)
- due to technical activities	7 023	(80 478)	10 704	29 939
- due to extraordinary gains and losses	-	-	-	-
- other	(3 879 107)	(3 875 170)	(1 203 060)	(1 500 416)
Tax base	381 981	910 162	464 876	591 907

Regulations concerning corporate income tax, personal income tax, value added tax and contributions to social security undergo frequent changes. The current regulations contain unclear issues which result in a difference in opinions regarding their legal interpretation, both among competent authorities as well as between these authorities and enterprises. Tax and other settlements (e.g. regarding customs or foreign currency) may be controlled by authorities competent to levy high fines, and additional liabilities assessed during control bear interest. These phenomena increase tax risk in Poland above the level characteristic for some countries with more advanced tax systems. Tax returns are subject to control over a period of five years. As a result, amounts recognized in the financial statements may change in later periods, following final determination of their value by tax authorities.

### 25.3. Deferred income tax

Deferred income tax disclosed in the profit and loss account	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
- decrease (increase) due to recognizing and reversing of temporary differences	(3 319)	15 861	(6 856)	51 806
- decrease (increase) due to change in tax rates	-	-	-	-
- decrease (increase) due to previously unrecognized tax loss, allowance or temporary difference from the previous period	-	-	-	-
- decrease (increase) due to deduction of deferred tax assets or inability to use deferred tax provision	-	-	-	-
- other deferred tax items (by basis)	-	-	-	-
<b>Total deferred income tax</b>	<b>(3 319)</b>	<b>15 861</b>	<b>(6 856)</b>	<b>51 806</b>

In the period of 6 months ended 30 June 2013 and in 2012, no income tax on discontinued operations or extraordinary transactions occurred.

Deferred income tax disclosed beyond the profit and loss account	1 January – 30 June 2013	1 January – 31 December 2012
The total deferred tax amount:	76 905	72 671
- recognized in equity	76 905	72 671
- recognized in goodwill or negative goodwill	-	-

### 26. Share in net profit (losses) of controlled entities measured using the equity method

Share in net profits (losses) of controlled entities measured using the equity method	1 April - 30 June 2013	1 January - 30 June 2013	1 April - 30 June 2012	1 January - 30 June 2012
Share in net profits (losses) of controlled entities measured using the equity method including:	4 867	7 690	4 987	(4 030)

- impairment of negative goodwill of controlled entities	-	-	-	-
- impairment of negative goodwill of controlled entities	-	-	-	-
- impairment loss on net asset measurement	4 867	7 690	4 987	(4 030)

## 27. Additional information to the cash flow statement

"Other inflows from operating activities" include:

Other inflows from operating activities – selected data	1 January – 30 June 2013	1 January – 30 June 2012
Proceeds from PZU Życie - refund of CIT advances - participation in PGK	178 794	104 672
Inflows to social benefits fund account and employee account	32 495	3 582
Proceeds from forex differences	6 341	3 440
Other inflows	7 559	34 536
<b>Other inflows from operating activities total</b>	<b>225 189</b>	<b>146 230</b>

"Other outflows for operating activities" include:

Other outflows for operating activities – selected data	1 January – 30 June 2013	1 January – 30 June 2012
Expenditure for advance CIT payments received from PZU Życie – participation in PGK	178 793	104 672
Corporate income tax	173 962	110 340
Expenditure from social benefits fund account and employee account	20 635	9 874
Expenditure due to exchange differences	2 871	5 209
Other expenses	37 488	9 089
<b>Other operating costs total</b>	<b>413 749</b>	<b>239 184</b>

### 27.1. Restricted cash

The cash flow statement includes restricted cash item concerning:

- the cash of the Prevention Fund and the Company's Social Benefits Fund. Based on the provisions of the Polish law and related internal regulations of PZU, the funds may be spent only for specific purposes - for prevention or social activities, and close control should be exercised over the funds,
- frozen cash due to the "Autowypłata" service provided by Bank Pekao SA. The service consists in freezing cash on a PZU bank account up to the amount of claim to be paid out, previously registered in the e-banking system.

## 28. Other information and explanations

### 28.1. Transactions involving significant packages of PZU shares

Following acquisition of shares in transactions accounted for on 1 February 2013, ING Otworthy Fundusz Emerytalny ("ING OFE") increased its shareholding in PZU above the level of 5% (up to 5.0446%) of votes at the General Meeting of PZU, which shareholding decreased below 5% after ING OFE's disposal of shares in transactions accounted for on 31 May 2013.

### 28.2. Continued employment restructuring process at PZU

On 27 December 2012, the Management Boards of PZU and PZU Życie announced the objectives of the restructuring plan for 2013, which was to cover mainly loss adjustment and finance areas, as well as support functions (administration, logistics, IT), but to a much lesser extent. On 13 February 2013, the Management Boards of PZU and PZU Życie announced the planned layoff in accordance with the Act of 13 March 2003 laying down special principles applicable to termination of employment contracts for reasons other than through the fault of employees (Journal of Laws No. 90 of 2003, item 844, as amended) (the "Act laying down special principles applicable to termination of employment contracts").

The employment restructuring process was planned to be carried out from 18 March to 15 June 2013. It was to affect 2,901 employees of PZU, including the estimated number of 583 employees of PZU to be laid off.

On 28 February 2013, PZU, PZU Życie and their trade unions entered into an agreement setting out the terms and conditions of the employment restructuring process. The final version of the document was based on experience gained and solutions developed during similar negotiations in previous years.

The employment restructuring process was carried out as scheduled and it finally affected 1,989 employees of PZU, while 477 individuals were laid off.

Similarly to all previous stages of the employment restructuring process (i.e. from 2010 to 2012), those employees who were laid off or refused to accept the proposed change of employment terms were offered more favorable terms of leaving the company than the ones provided for by the applicable regulations (Act laying down special principles applicable to termination of employment contracts). The amount of additional redundancy pay depended on the length of service with the PZU Group and the salary of each employee.

The total restructuring costs charged to the restructuring provision in the period of 6 months ended 30 June 2013 amounted to PLN 17,349 thousand (throughout 2012: PLN 51,272 thousand).

As at 30 June 2013, the provisions for restructuring costs amounted to PLN 30,565 thousand (compared to PLN 47,914 thousand, as at 31 December 2012).

### 28.3. Investments outlays incurred and planned for the 12 months following the balance sheet date

Investment outlays incurred for the current period	1 January – 30 June 2013	1 January – 31 December 2012
Investment outlays incurred including:	55 157	91 446
- outlays for non-financial non-current assets	17 101	30 252

Investment outlays planned for the 12 months following the balance sheet date including:	30 June 2013	31 December 2012
Investment outlays planned for the 12 months following the balance sheet date including:	274 000	225 839
- outlays for non-financial non-current assets	274 000	225 839

## 29. Disputes

PZU is a party to a number of court and arbitration disputes and administrative proceedings. The typical court disputes are those related to insurance contracts, employment contracts and contractual obligations. The typical administrative proceedings are related to own real property. The proceedings and disputes are typical and repetitive and, usually, individually they are not significant for PZU.

Additionally, PZU is a party of proceedings before the President of the Office of Competition and Consumer Protection.

PZU includes disputed claims in the process of recording technical reserves for known claims taking into account the probability of unfavorable resolution of the dispute and estimating the value of the probable adjudication.

In the period of 6 months ended 30 June 2013 and by the date of submission of the financial statements, PZU did not take part in any proceedings before court, body competent to hear arbitration proceedings or public authority body concerning liabilities or receivables of PZU or its direct or indirect subsidiary of the value or the total value of at least 10% of the equity of PZU.

As of 30 June 2013 the total value of all 48,798 cases heard by courts, bodies competent to hear arbitration proceedings or public authority bodies involving PZU was PLN 2,120,607 thousand. The amount includes PLN 1,735,604 thousand of liabilities and PLN 385,03 thousand of receivables of PZU, which constituted 13.92% and 3.09% of PZU equity calculated in line with PAS, respectively.

## **29.1. Resolution of General Shareholders meeting of PZU regarding 2006 profit distribution**

A petition of 30 July 2007 initiated an action of Manchester Securities Corporation against PZU regarding cancellation of GSM Resolution no. 8/2007 of 30 June 2007 regarding distribution of PZU profit for 2006 as non-compliant with good practices and acting to the detriment of the claimant, a shareholder of PZU.

The debated resolution of the General Shareholders Meeting of PZU distributed the 2006 profit of PLN 3,280,883 thousand in the following manner:

- PLN 3,260,883 thousand to the supplementary capital;
- PLN 20,000 thousand to the Social Benefit Fund.

In its decision of 22 January 2010, the District Court in Warsaw cancelled the above resolution. On 17 February 2010, PZU appealed against the decision of the District Court in Warsaw.

In a decision of 6 December 2011, the Appellate Court in Warsaw dismissed the complaint of PZU against the decision of the District Court in Warsaw of 22 January 2010. As of the date of decision by the Appellate Court, the decision issued by the District Court on 22 January 2010 that cancelled the above resolution of the General Shareholders Meeting became legally binding.

On 7 December 2011, PZU motioned for a written rationale for the decision of the Appellate Court in Warsaw of 6 December 2011. On 2 April 2012, the decision with rationale was delivered to PZU. On 29 May 2012, PZU lodged a cassation appeal regarding the entire decision of the Appellate Court of 6 December 2011. During its session on 27 March 2013, the Supreme Court pronounced a judgment whereby the cassation complaint was dismissed and the court fees, including the legal representation costs, were imposed on PZU. According to the Code of Civil Procedure, the judgment of the Supreme Court is final and it may not be appealed against.

PZU believes that cancellation of the above GSM resolution does not give rise to shareholders' claim for dividend.

Regardless of the above, following the decision cancelling the above resolution becoming effective, the agenda of GSM of 30 May 2012 included a point regarding distribution of profit for 2006.

The Management Board recommended distributing the 2006 profit in a manner corresponding to the resolution cancelled with the above decisions, since after its passing, PZU paid dividend for 2009 using funds retained based on that resolution.

On 30 May 2012 GMS decided to distribute the profit for 2006 in a manner corresponding to the cancelled resolution. Manchester Securities Corporation objected against the resolution of 30 May 2012, which was recorded in the minutes.

On 20 August 2012, PZU received a copy of complaint lodged by Manchester Securities Corporation in the District Court in Warsaw, in which the plaintiff requested cancellation of the resolution of 30 May 2012 regarding distribution of 2006 profit with the value of the disputable object determined at PLN 5,054 thousand. The first hearing was planned for 12 March 2013, which finally was postponed to 5 April 2013. The trial has been adjourned until 10 September 2013.

As at the balance sheet date of 30 June 2013, no changes in presentation of PZU capitals were made that may result from cancellation of the resolution, including "Supplementary capital" and "Previous year profit (loss)". The funds appropriated to the Company's Social Benefit Fund were not adjusted or provisions recognized against any potential additional claims resulting from cancellation of the above resolution.

## **29.2. Anti-trust proceedings of the Office of Competition and Consumer Protection**

### ***29.2.1 Fine imposed in 2009 for standard agreements***

On 30 December 2009, the President of the Office of Competition and Consumer Protection issued decision No. RWR 41/2009 and fined PZU for PLN 14,792 thousand for practices which breach the collective consumer interest, consisting in:

- including contractual provisions listed in the Register of prohibited contractual provisions in the standard agreements;

- including contractual provisions which infringe Article 813.1 of the Civil Code by citing the unused sum insured as the condition for the amount of premium reimbursed to the consumer by the insurance company due to unused insurance period whereas the Article does not refer to such condition.

PZU does not agree with the decision and its statement of reasons. On 18 January 2010 PZU appealed to the Court of Competition and Consumer Protection against the decision (this way the decision did not become valid). In a ruling of 14 November 2011 the Court of Competition and Consumer Protection dismissed the appeal of PZU. On 14 December 2011 PZU appealed to the Court of Appeals in Warsaw. In a decision of 5 July 2012 the Appellate Court dismissed the decision of Court of Competition and Consumer Protection of 14 November 2011 and returned it for rehearing. On 18 January 2013, Court of Competition and Consumer Protection cancelled the decision of President of Office of Competition and Consumer Protection of 30 December 2009. On 6 March 2013 President of Office of Competition and Consumer Protection appealed to Court of Competition and Consumer Protection. On 27 March 2013, PZU responded to the appeal.

Regardless of the appeal measures, PZU recognized a provision for the fine amounted to – as at 30 June 2013 and 31 December 2012 – PLN 14,792 thousand.

### **29.2.2 Fine imposed in 2011**

#### *Reimbursement of the costs of rental a replacement car*

In a decision of 18 November 2011 the President of the Office of Competition and Consumer Protection imposed a fine on PZU of PLN 11,287 thousand for the use of practices that infringe the collective interest of consumers as set out in Article 24.1 and 24.2 of the Act on competition and consumer protection (Journal of Laws No. 50 of 2007, item 331, as amended) consisting in limitation of the scope of liability of PZU towards consumers that submit claims under the insurers' guarantee liability due to compulsory civil liability insurance of an owner of a motor vehicle by:

- refusing to acknowledge that the loss of the possibility to use the damaged car is a property damage and agreeing to pay damages for the rental of a replacement car only if the injured party presented specific circumstances necessitating the rental of a replacement car;
- leaving out the period necessary for the garage to obtain spare parts from the calculation of the reimbursement for the costs of rental of the replacement car;

and demanded that the practices be discontinued.

The Management Board of PZU does not agree with the decision and its legal and factual statement of reasons.

On 5 December 2011 PZU appealed against the decision (thus the decision did not become valid) citing a number of objections.

Regardless of the appeal measures, PZU recognized a provision for the fine totaling – as at 30 June 2013 and 31 December 2012 – PLN 11,287 thousand.

#### *Sale of a group accident insurance*

In a decision of 30 December 2011 the President of the Office of Competition and Consumer Protection imposed a fine on PZU of PLN 56,605 thousand for the use of practices that limit competition and infringe the prohibition specified in Article 6.1.3 of the Act on competition and consumer protection following an agreement concluded by PZU and Maximus Broker Sp. z o.o. with its registered office in Toruń ("Maximus Broker") that limited the competition in the domestic group accident insurance for children, youth and staff of educational institutions by dividing the market between the entities – the clients of PZU in the kujawsko-pomorskie region were serviced by Maximus Broker in exchange for recommendation of PZU insurance to those clients. The Office demanded that the practices be discontinued.

The Management Board of PZU does not agree with the facts and legal reasons presented in the decision. In the opinion of the Management Board of PZU the decision does not consider all the evidence and the legal classification was not correct.

On 18 January 2012 PZU appealed against the decision (thus the decision did not become valid) In the appeal PZU pointed that:

- PZU and Maximus Broker did not conclude any agreement apart from the agreement concerning brokerage fees;

- the President of the Office of Competition and Consumer Protection is wrong in the understanding of insurance contracts concluded via a broker;
- the majority of insurance contracts concluded via Maximus Broker was concluded with insurance companies other than PZU;
- PZU and Maximus Broker cannot and could not carry out competitive activities in their markets.

On 22 October 2012, PZU received a response of President of Office of Competition and Consumer Protection to its appeal. PZU replied to this response on 5 November 2012.

Regardless of the initiated appellation procedures, PZU recognized a provision for the above fine, whose amount both as at 30 June 2013 and 31 December 2012 was PLN 56,605 thousand.

### **29.3. Submission of PZU claims to the bankruptcy estate of PBG Capital Group companies**

PZU, PBG SA with the registered office in Wysogotowo near Poznań (at present: PBG SA in arrangement bankruptcy, henceforth: PBG) and Hydrobudowa Polska SA (at present: Hydrobudowa Polska SA in arrangement bankruptcy, henceforth: Hydrobudowa) with the registered office in Wysogotowo near Poznań concluded contracts of mandate regarding periodic insurance guarantees (contractual guarantees). Based on these contracts PZU issued insurance guarantees. Should PZU perform on these guarantees, its clients: PBG and Hydrobudowa, were obliged to refund amounts paid.

In 2012 bankruptcy proceedings were initiated before District Court in Poznań against PBG and Hydrobudowa.

On 21 September 2012 PZU joined the above proceedings submitting its claims to the bankruptcy estate of both companies (including amounts payable in future). The amounts payable in future mean potential liabilities of PZU related to performance of the insurance guarantees not performed yet (arising from the existing payment reminders issued by beneficiaries of the insurance guarantees or from the guarantees themselves, if the deadline for their beneficiaries to submit a reminder has not passed yet).

PZU submitted the following claims:

- In relation to the bankruptcy estate of PBG: the total of PLN 105,428 thousand , out of which PLN 90,745 thousand of future liabilities;
- In relation to the bankruptcy estate of Hydrobudowa: the total of PLN 100,996 thousand , out of which PLN 86,443 thousand of future liabilities.

Later, following payments made in relation to subsequent guarantee contracts granted to Hydrobudowa, PZU submitted additional claims. The total amount of claims to the bankruptcy estate of both companies did not change, though, since subsequent claims only modified the amount of debt classified by PZU as future liabilities in initial claims.

PBG and Hydrobudowa belong to the same capital group with PBG as the parent. They granted sureties to each other. All claims submitted to the bankruptcy estate of Hydrobudowa in the amount of PLN 100,996 thousand have been therefore submitted in relation to the bankruptcy estate of PBG as well. Out of the above claims:

- PBG granted sureties regarding PLN 33,747 thousand arising from guarantees issued for Hydrobudowa;
- Hydrobudowa granted sureties regarding PLN 67,249 thousand arising from guarantees issued for PBG.

Following their verification by the judge-commissioner and the court appointed supervisor, PZU's receivables due from the bankruptcy estate of PBG of PLN 103,014 thousand have been entered into the list of receivables, including future receivables of PLN 71,156 thousand.

### **29.4. Dispute with Comarch SA**

On 12 November 2012, PZU received a copy of payment order issued on 26 October 2012 by the District Court in Warsaw under the writ of payment proceedings, along with a copy of complaint and appendices regarding the action of Comarch SA against PZU. Based on the above order, PZU was levied with the amount of PLN 19,758 thousand with interest and PLN 32 thousand as refund of costs of proceedings. The claim made by Comarch SA includes costs calculated by the company in relation to work and tasks performed following a commission of PZU in the project regarding an IT system to maintain financial insurance policies.

On 26 November 2012 PZU submitted an objection against the payment order, challenged it and requested dismissal of the entire case. The case was referred to the mediation.

On 10 April 2013, PZU and Comarch SA entered into an amicable agreement providing for waiving the claims by both parties and retaining the benefits obtained. On 9 May 2013, the District Court of Warsaw issued a decision approving the aforementioned amicable agreement, which became final as of 25 May 2013. The aforementioned mentioned agreement did not have influence on financial profit.

### 30. Employment

Average employment, broken down by employee group	1 January – 30 June 2013		1 January - 31 December 2012	
	Average annual employment (FTE)	Average annual headcount (persons)	Average annual FTE	Average annual headcount (persons)
a) Supervisory Board	9	9	8	8
b) Management Board	6	6	6	6
c) Total employment, including:	8 150	10 065	8 369	10 286
- management	365	620	375	629
- advisors	1	2	1	2
- actuaries	5	5	2	2
- other employees	7 779	9 438	7 991	9 653
- including agents on employment contracts	116	122	126	133
d) Number of agents without employment contracts (persons)		8 494		8 157

### 31. Agreements on audit and review of financial statements

#### 31.1. Remuneration of the entity authorized to audit financial statements

Remuneration of the entity authorized to audit financial statements	1 January – 30 June 2013	1 January - 31 December 2012
a) statutory audit of annual separate/consolidated financial statements	316	633
b) other attestation services including review of separate/consolidated financial statements	962	519
c) tax advisory services	-	377
d) other services	17	34
<b>Total</b>	<b>1 295</b>	<b>1 563</b>

The above table presents the amounts paid or payable to entities authorized to audit financial statements for a given period, increased by VAT and determined on the accrual basis.

#### 31.2. Conclusion dates and term of agreements concluded with an entity authorized to audit financial statements

An agreement to review of condensed interim consolidated financial statements of the PZU Group and condensed separate financial statements of PZU for the period of 6 months ended 30 June 2012 and 30 June 2013 and to audit separate financial statements of PZU and consolidated financial statements of the PZU Group for the years ended 31 December 2012 and 31 December 2013 was concluded on 16 July 2012.

Annex of 2 August 2013 modified the scope of work specified in the aforementioned agreement for the separate financial statements of PZU for the period of 6 months ended 30 June 2013 so that the review of the condensed interim separate financial statements of PZU was replaced by an audit of the separate financial statements of PZU.

### 32. Related party transactions

In the period of 6 months ended 30 June 2013, PZU did not conclude related party transactions, which individually or jointly would constitute a significant amount, on non-arm's length terms.

### 32.1. Transactions with Members of the Management Board and Supervisory Board of PZU

In the period of 6 months ended 30 June 2013 and in 2012, there were no transactions between PZU and Members of the Management Board of PZU, Members of the Supervisory Board of PZU or persons who are their joint householders, spouses, persons related by blood or affinity up to the second degree, adoptees and adopters and persons under their care or guardianship or other persons personally related to Members of the Management Board of PZU or Supervisory Board of PZU, other than those resulting from concluded property and casualty insurance contracts, concluded on an arm's length basis.

In the period of 6 months ended 30 June 2013 and in 2012, there were no material transactions between PZU and entities in which Members of the Management Board of PZU or the Supervisory Board of PZU, persons who are their joint householders, spouses, persons related by blood or affinity up to the second degree, adoptees and adopters and persons under their care or guardianship would hold directly or indirectly at least 20% of votes at the general (shareholders') meeting, other than those resulting from concluded property and casualty insurance contracts, concluded on an arm's length basis.

#### 32.1.1 Unpaid advances, credit facilities, loans, guarantees, sureties or other contracts with performance obligation

In the period of 6 months ended 30 June 2013 and in 2012, no unpaid advances, credit facilities, loans, guarantees, sureties or other contracts with performance obligation regarding members of PZU Management Board or Supervisory Board occurred.

#### 32.1.2 Remuneration of Members of the Management Board of PZU, Capital Group Directors and Members of the Supervisory Board of PZU paid, due or potentially due

Remuneration and other short-term employee benefits paid by PZU	1 January – 30 June 2013		1 January – 31 December 2012	
		bonuses:		bonuses:
<b>Management Board, out of which:</b>	<b>5 398</b>	<b>2 624</b>	<b>7 012</b>	<b>1 600</b>
Andrzej Klesyk	1 580	980	1 691	480
Przemysław Dąbrowski	756	336	1 092	252
Witold Jaworski	-	-	1 176	336
Dariusz Krzewina	247	-	-	-
Bogusław Skuza	1 056	636	1 008	168
Barbara Smalska	247	-	-	-
Tomasz Tarkowski	756	336	1 100	259
Ryszard Trepczyński	756	336	945	105
<b>High level managers (PZU Group Directors), out of which:</b>	<b>2 102</b>	<b>1 122</b>	<b>2 283</b>	<b>337</b>
Dariusz Krzewina	291*	180*	616	86
Rafał Grodzicki	520	250	709	179
Przemysław Henschke	420	180	435	-
Sławomir Niemierka	440	200	523	72
Barbara Smalska	431**	312**	-	-



Remuneration and other short-term employee benefits paid by PZU	1 January – 30 June 2013		1 January – 31 December 2012	
<b>Supervisory Board, out of which:</b>	<b>612</b>	<b>-</b>	<b>1 126</b>	<b>-</b>
Waldemar Maj	96	-	162	-
Zbigniew Cwiąkański	84	-	168	-
Tomasz Zganiacz	72	-	85	-
Dariusz Daniluk	60	-	120	-
Zbigniew Derdziuk	60	-	120	-
Dariusz Filar	60	-	120	-
Włodzimierz Kiciński	60	-	71	-
Alojzy Nowak	60	-	71	-
Maciej Piotrowski	60	-	71	-
Marzena Piszczek	-	-	79	-
Krzysztof Dresler	-	-	59	-

Remuneration and other short-term employee benefits paid by other PZU Group entities	1 January – 30 June 2013		1 January – 31 December 2012	
		bonuses:		bonuses:
<b>Management Board, out of which:</b>	<b>2 330</b>	<b>1 224</b>	<b>2 106</b>	<b>255</b>
Andrzej Klesyk	192	-	386	-
Przemysław Dąbrowski	405	255	425	101
Witold Jaworski	-	-	392	-
Dariusz Krzewina	891	561	-	-
Bogusław Skuza	144	-	237	-
Barbara Smalska	50	-	-	-
Tomasz Tarkowski	243	153	257	77
Ryszard Trepczyński	405	255	409	77
<b>High level managers (PZU Group Directors), out of which:</b>	<b>1 701</b>	<b>1 071</b>	<b>2 486</b>	<b>569</b>
Dariusz Krzewina	-	-	992	278
Rafał Grodzicki	567	357	704	252
Przemysław Henschke	567	357	381	-
Sławomir Niemierka	567	357	409	39

Total estimated amount of non-cash benefits granted by the Company and its subsidiaries	1 January – 30 June 2013	1 January – 31 December 2012
<b>Management Board, out of which:</b>	<b>717</b>	<b>1 351</b>
Andrzej Klesyk	138	214
Przemysław Dąbrowski	86	148
Witold Jaworski	-	181
Dariusz Krzewina	132***	201****
Bogusław Skuza	148	90
Barbara Smalska	51***	-
Tomasz Tarkowski	75	273
Ryszard Trepczyński	87	244
<b>High level managers (PZU Group Directors), out of which:</b>	<b>192</b>	<b>416</b>
Rafał Grodzicki	113	192
Przemysław Henschke	1	72
Sławomir Niemierka	78	152
<b>Supervisory Board, out of which:</b>	<b>-</b>	<b>1</b>
Alojzy Nowak	-	1

\* Amounts for the term of office as Director of the PZU Group in 2013.

\*\* Amounts for the term of office as Director of the PZU Group in 2013 along with a bonus for serving the role of Managing Director for Marketing and Individual Products in 2012.

\*\*\* Amounts being the total of benefits granted during the term of office as Director of the PZU Group and Member of the Management Board of PZU and PZU Życie.

\*\*\*\* Amount representing the value of benefits granted during the term of office as Director of the PZU Group.

Remuneration of Members of the Management Board of PZU, Capital Group Directors and Members of the Supervisory Board of PZU paid, due or potentially due	1 January – 30 June 2013	1 January – 31 December 2012
a) Charged to costs	13 052	16 781
b) Resulting from incentive or bonus plans based on issuer's equity	-	-

### 32.2. Transactions with subsidiaries

Transactions with subsidiaries	1 January – 30 June 2013	1 January – 31 December 2012
1. Gross written premium, including:	541	1 414
- from UAB DK PZU Lietuva	441	418
- from PrJSC IC PZU Ukraine	36	409
2. Dividend income, including:	3 886 588	1 206 357
- from PZU Życie	3 842 875	1 177 476
- from TFI PZU	12 019	13 581
- from PZU CO	31 124	6 204
- from ICH Center	-	3 545
- from PZU AM	-	3 188
- from Ogrodowa Inwestycje	570	2 355
- from Armatura Kraków SA	-	8
3. Other revenue, including:	7 566	17 979
- from a return of a portion of a fee for managing financial assets from TFI PZU	1 646	5 737
- from real property due to rents from controlled entities	4 072	5 378
- from acquisition activities carried out for OFE PZU received from PTE PZU	-	1 646
4. Gross claims paid, including:	2 913	2 729
- for UAB DK PZU Lietuva	2 913	2 319
- handling costs arising from services provided by PZU CO	24 877	55 766
5. Other expenses, including:	14 360	38 260
- costs acquisition activities carried out for PZU OPF for PTE PZU	2 173	7 982
- IT services rendered by PZU CO	6 141	2 725

Transactions with subsidiaries	30 June 2013	31 December 2012
1. Receivables - gross value, including:	3 913 780	16 788
- receivables due to dividend from PZU Życie	3 842 875	-
- Receivables due to reimbursement of CIT – Tax Group	56 234	2 325
- from Syta Development due to performance of agreements related to the CLSiOR investment	3 562	3 562
- from Syta Development due to advance payments for the CLSiOR investment	4 746	4 746
- deposits receivable due to inward reinsurance – premiums from UAB DK PZU Lietuva	2 824	3 813
2. Impairment losses on receivables and advances from Syta Development	8 306	8 306
3. Liabilities including:	70 427	73 144
- income tax liabilities – Tax Capital Group	65 407	66 660
4. Off-balance sheet receivables - from Syta Development as collateral of interest on the originated loan	2 275	2 275

### 32.3. Transactions with associated entities

Transactions with associated entities	1 January – 30 June 2013	1 January – 31 December 2012
1. Gross written premium	8	160
2. Dividend income	-	-
3. Other revenue	-	-
4. Gross claims paid	-	-
5. Other costs	-	-

Transactions with associated entities	30 June 2013	31 December 2012
1. Receivables - gross value, including advance payments for construction investments	66	132
2. Liabilities	-	-

**Signatures of members of the Management Board of PZU**

<b>Name</b>	<b>Position</b>	
Andrzej Klesyk	Chairman of the Board	..... ( signature )
Przemysław Dąbrowski	Member of the Board	..... ( signature )
Dariusz Krzewina	Member of the Board	..... ( signature )
Bogusław Skuza	Member of the Board	..... ( signature )
Barbara Smalska	Member of the Board	..... ( signature )
Tomasz Tarkowski	Member of the Board	..... ( signature )
Ryszard Trepczyński	Member of the Board	..... ( signature )

**Person responsible for preparation of separate financial statements:**

Piotr Marczyk	Director of Accounting Office	..... ( signature )
---------------	----------------------------------	------------------------

**Chief Actuary at PZU:**

Paweł Chadysz	Vice-Director of the Actuarial Office	..... ( signature )
---------------	--	------------------------

Warsaw, 26 August 2013