

**INTERIM CONSOLIDATED  
REPORT  
OF THE CAPITAL GROUP  
OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
SPÓŁKA AKCYJNA  
FOR THE 6-MONTH PERIOD  
ENDED 30 JUNE 2014**



Warsaw, August 2014

## Interim consolidated financial report of the Capital Group Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the 6-month period ended 30 June 2014 contains:

1. Selected financial data comprising:
  - selected consolidated financial data of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with IFRS);
  - selected separate financial data of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with PAS);
  - selected separate financial data of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (in accordance with PAS).
2. Management's Report of PZU Capital Group for the first half of 2014.
3. Condensed interim consolidated financial statements of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the 6-month period ended 30 June 2014 (in accordance with IFRS).
4. Review report of KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. on the condensed interim consolidated financial statements of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the period from 1 January 2014 to 30 June 2014.
5. Condensed interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the 6-month period ended 30 June 2014 (in accordance with PAS).
6. Review report of KPMG Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. report on the condensed interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the period from 1 January 2014 to 30 June 2014.

**SELECTED FINANCIAL DATA****1. Selected consolidated financial data of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with IFRS)**

<b>Data from consolidated statement of financial position</b>	<b>PLN thousand 30 June 2014</b>	<b>PLN thousand 31 December 2013</b>	<b>EUR thousand 30 June 2014</b>	<b>EUR thousand 31 December 2013</b>
Assets	63 821 781	62 787 304	15 338 456	15 139 686
Share capital	86 352	86 352	20 753	20 822
Equity and reserves attributable to the equity holders of the parent entity	11 916 799	13 111 290	2 863 996	3 161 480
Non-controlling interest	498	16 341	120	3 940
Total equity	11 917 297	13 127 631	2 864 115	3 165 420
Basic and diluted weighted average number of ordinary shares in issue (units)	86 352 300	86 352 300	86 352 300	86 352 300
Book value per one ordinary share (in PLN/EUR)	138 00	151 83	33 17	36 61

  

<b>Data from consolidated statement of profit or loss</b>	<b>PLN thousand 1 January - 30 June 2014</b>	<b>PLN thousand 1 January - 30 June 2013</b>	<b>EUR thousand 1 January - 30 June 2014</b>	<b>EUR thousand 1 January - 30 June 2013</b>
Gross written premiums	8 437 893	8 495 251	2 019 408	2 015 959
Net premiums earned	8 032 599	8 177 240	1 922 410	1 940 494
Revenue from commission and fees	130 661	143 178	31 271	33 977
Net investment result	1 357 796	969 097	324 956	229 971
Net claims and benefits	(5 418 087)	(5 459 405)	(1 296 689)	(1 295 540)
Profit/(loss) before tax	2 176 153	2 109 410	520 810	500 572
Profit/(loss) attributable to equity holders of the parent entity	1 720 351	1 675 094	411 725	397 507
Non-controlling interest profit/(loss)	10	368	2	87
Basic and diluted weighted average number of ordinary shares in issue (units)	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per one ordinary share (in PLN/EUR)	19,92	19,40	4,77	4,60

<b>Items from consolidated statement of cash flows</b>	<b>PLN thousand 1 January - 30 June 2014</b>	<b>PLN thousand 1 January - 30 June 2013</b>	<b>EUR thousand 1 January - 30 June 2014</b>	<b>EUR thousand 1 January - 30 June 2013</b>
Net cash flows from operating activities	745 922	1 686 796	178 519	400 284
Net cash flow from investment activities	215 989	(2 272 919)	51 692	(539 373)
Net cash flow from financing activities	(1 088 225)	622 743	(260 441)	147 780
Total net cash flows	(126 314)	36 620	(30 230)	8 690

## 2. Selected separate financial data of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with PAS)

<b>Data from balance sheet</b>	<b>PLN thousand 30 June 2014</b>	<b>PLN thousand 31 December 2013</b>	<b>EUR thousand 30 June 2014</b>	<b>EUR thousand 31 December 2013</b>
Assets	32 539 935	30 136 572	7 820 408	7 266 727
Share capital	86 352	86 352	20 753	20 822
Total equity	11 099 643	12 259 761	2 667 606	2 956 154
Basic and diluted weighted average number of ordinary shares in issue (units)	86 352 300	86 352 300	86 352 300	86 352 300
Book value per one ordinary share (in PLN/EUR)	128,54	141,97	30,89	34,23

<b>Data from revenue account and general profit and loss account</b>	<b>PLN thousand 1 January - 30 June 2014</b>	<b>PLN thousand 1 January - 30 June 2013</b>	<b>EUR thousand 1 January - 30 June 2014</b>	<b>EUR thousand 1 January - 30 June 2013</b>
Gross written premiums	4 294 408	4 337 002	1 027 764	1 029 189
Technical result on property and casualty insurance	614 199	761 194	146 994	180 635
Net investment result (*)	1 582 630	4 262 212	378 765	1 011 441
Net profit/(loss)	1 899 372	4 679 913	454 569	1 110 563
Basic and diluted weighted average number of ordinary shares in issue (units)	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per one ordinary share (in PLN/EUR)	22,00	54,20	5,26	12,86

\* Including "Share in net profit/(loss) of related parties measured using the equity method".

**3. Selected financial data of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (in accordance with PAS)**

<b>Items from balance sheet</b>	<b>PLN thousand 30 June 2014</b>	<b>PLN thousand 31 December 2013</b>	<b>EUR thousand 30 June 2014</b>	<b>EUR thousand 31 December 2013</b>
Assets	29 260 591	29 020 410	7 032 275	6 997 591
Total equity	4 021 654	4 446 746	966 535	1 072 228

  

<b>Items from revenue account and general profit and loss account</b>	<b>PLN thousand 1 January - 30 June 2014</b>	<b>PLN thousand 1 January - 30 June 2013</b>	<b>EUR thousand 1 January - 30 June 2014</b>	<b>EUR thousand 1 January - 30 June 2013</b>
Gross written premiums	4 187 020	4 801 369	1 102 063	1 139 385
Technical result on life insurance	1 036 306	847 215	248 015	201 048
Net investment result	771 022	472 521	184 526	112 131
Net profit/(loss)	967 110	763 691	231 455	181 227

The following currency exchange rates have been adopted herein to recalculate data of foreign controlled entities and to present selected financial data:

<b>Currency</b>	<b>1 January - 30 June 2014</b>	<b>30 June 2014</b>	<b>31 December 2013</b>	<b>1 January - 30 June 2013</b>	<b>1 January 2013</b>
LTL	1.2102	1.2051	1.2011	1.2204	1.1840
UAH	0.2840	0.2562	0.3706	0.3947	0.3825
EUR	4.1784	4.1609	4.1472	4.2140	4.0882

The rates are:

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