

Powszechny Zakład Ubezpieczeń Spółka Akcyjna

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2015 WITH AUDITOR'S OPINION



This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

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The attached supplementary information constitutes an integral part of the financial statements

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Introduction to the financial statement

1. Introduction

Basic information about the Company

Powszechny Zakład Ubezpieczeń Spółka Akcyjna (hereinafter referred to as "PZU", or "the Company") has its registered office in Warsaw at Al. Jana Pawła II 24.

PZU is entered into the Register of Entrepreneurs of the National Court Register at the District Court for the capital city of Warsaw, 12th Business Division of the National Court Register, under KRS number 0000009831.

According to Polish Statistical Classification of Activity (PKD), the core business of the Company includes non-life insurance (PKD 65.12) and according to Statistical Classification of Economic Activities in the European Community (NACE), non-life insurance (EKD 6603).

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

Period covered by the separate financial statements

The separate financial statements have been prepared for the period of 12 months from 1 January to 31 December 2015.

Format of the separate financial statements of PZU

The separate financial statements of PZU for year 2015 contain financial data presented in line with Attachment No. 3 to the Ordinance of the Ministry of Finance dated 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 of 2014, Item 300, "Ordinance on financial statements presented in prospectus".)

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 the period of at least 12 months following the balance sheet date.

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

Presentation unit

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

Discontinued operations

In 2015 and in 2014, PZU did not discontinue any operations.

Seasonal or cyclical nature of operations

The operations of PZU are neither seasonal nor cyclical in their nature.

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2. Selected financial data of PZU

Items from balance sheet	31 December 2015 in PLN thousand	31 December 2014 in PLN thousand	31 December 2015 in EUR thousand	31 December 2014 in EUR thousand
Assets	36,358,361	34,629,778	8,531,822	8,124,669
Share capital	86,352	86,352	20,263	20,259
Total equity	12,378,733	12,328,724	2,904,783	2,892,505
Basic and diluted weighted average number of ordinary shares in issue	863,523,000	863,523,000 ¹⁾	863,523,000	863,523,000 ¹⁾
Book value per share (in PLN/EUR)	14.34	14.28 ¹⁾	3.37	3.35 ¹⁾

¹⁾ Comparable data have been adjusted taking into account the new number of shares existing after the split described in Note 7.1.1 of Supplementary information and explanations.

Items from technical account - non-life insurance	31 December 2015 in PLN thousand	31 December 2014 in PLN thousand	31 December 2015 in EUR thousand	31 December 2014 in EUR thousand
Gross written premiums	8,858,036	8,261,752	2,116,717	1,972,155
Technical result on non-life insurance	636,334	564,429	152,058	134,734
Net investment result ¹⁾	2,023,981	2,568,038	483,651	613,014
Net profit (loss)	2,248,522	2,636,733	537,307	629,412
Basic and diluted weighted average number of ordinary shares in issue	863,523,000	863,523,000 ²⁾	86,352,300	863,523,000 ²⁾
Basic and diluted profit per one ordinary share (in PLN/EUR)	2.60	3.05 ²⁾	0.62	0.73 ²⁾

¹⁾ Including "Share in net profit (loss) of related parties measured using the equity method."

²⁾ Comparable data have been adjusted taking into account the new number of shares existing after the split described in Note 7.1.1 of Supplementary information and explanations.

Items from statements of cash flows	1 January – 31 December 2015 in PLN thousand	1 January – 31 December 2014 in PLN thousand	1 January – 31 December 2015 in EUR thousand	1 January – 31 December 2014 in EUR thousand
Net cash flows from operating activities	379,760	804,109	90,747	191,948
Net cash flows from investment activities	2,259,509	(1,210,503)	539,932	(288,958)
Net cash flows from financing activities	(2,627,138)	381,418	(627,781)	91,048
Total net cash flows	12,131	(24,976)	2,899	(5,962)

3. PLN/EUR exchange rates

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

EUR/PLN	1 January – 31 December 2015	1 January – 31 December 2014	31 December 2015	31 December 2014
Average rate	4.1848	4.1892	4.2615	4.2623
Highest rate of the period	4.3580	4.3138	n/a	n/a
Lowest rate of the period	3.9822	4.0998	n/a	n/a

The rates are:

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

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

In 2015, no changes were introduced in the accounting principles (policy).

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

In 2015, no changes were introduced to the method of preparation of the financial statements.

6. Adjustment of errors

In the separate financial statements, no errors were adjusted.

7. Information on significant subsequent events not recognized in the financial statements

7.1 Purchase of the third installment of Alior Bank SA Shares

On 11 March 2016, acquisition of the third installment of Alior Bank SA ("Alior Bank") shares was settled. The acquisition and presentation in the balance sheet as at 31 December 2015 have been further described in Note 2.4.2 of Supplementary information and explanations.

The payment for 3,828,673 third tranche shares was PLN 341,709 thousand. As a result of the acquisition of the third tranche, PZU directly holds a total of 18,318,473 shares of Alior Bank, which constitute 25.1949% of Alior Bank's share capital and the total number of votes at the General Shareholders' Meeting of Alior Bank. Additionally, indirectly, through the investment funds it controls, PZU held 4.0284% of Alior Bank's share capital and the total number of votes at the General Shareholders' Meeting of Alior Bank.

7.2 Act on Insurance Activity

A new Act on Insurance and Reinsurance Activities was published on 10 November 2015 (Journal of Laws, item 1844, of 2015). The act is to implement Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance ("Solvency II"). It comes into force on 1 January 2016. Under the new law, the calculation of the capital requirement is to be based on market, actuarial (insurance), counterparty default, catastrophe and operational risk. Assets, liabilities, and, consequently, own funds, constituting coverage for the capital requirement will be measured at fair value. PZU made a calculation of the estimated capital requirement and own funds according to the principles of Solvency II on the basis of the data as of 30 September 2015 and discovered that its own funds significantly exceed the solvency capital requirement (information not audited).

7.3 Act on Tax on Certain Financial Institutions

An Act on Tax on Certain Financial Institutions was published on 15 January 2016 (Journal of Laws, item 68, of 2016) and is in effect from 1 February 2016. The act imposes taxation on the assets of tax payers such as, for example, insurance companies. In the case of insurance companies, the taxation applies to the surplus of assets whose value exceeds the threshold of PLN 2,000,000 thousand (this limit applies jointly to all taxpayers that are controlled or jointly controlled, directly or indirectly, by one entity or a group of affiliated entities).

The monthly tax rate is 0.0366% of the tax base.

PZU prepared an estimation of the impact of the new tax on its financial results. The result of the estimation shows that the annual impact on financial result will amount to PLN 150-160 million (about PLN 140-150 million for the period between February and December 2016).

8. Significant prior years' events recognized in the financial statements for the current financial year

By the date of the separate financial statements, there were no significant prior years' events that should be included in the separate financial statements.

9. Significant current year's events significantly changing the structure of balance sheet items and the financial result

Dividend from Powszechny Zakład Ubezpieczeń na Życie

On 29 June 2015, the General Shareholders' Meeting of PZU Życie passed a resolution regarding the appropriation of profit for the financial year 2014 in the amount of PLN 1,931,333 thousand as follows:

- dividend payment: PLN 1,795,174 thousand;
- allocation of PLN 131,159 thousand to the supplementary capital;
- allocation to the Social Benefits Fund: PLN 5,000 thousand.

Given the payment made on 29 January 2015 on the account of advance payments towards the dividend expected at the end of 2014 in the amount of PLN 730,000 thousand, the remaining part of the dividend payable in the year ended 31 December 2014 amounted to PLN 1,065,174 thousand. The dividend date for the remaining part of the dividend payable was set for 14 August 2015, and the payment was made on 19 October 2015.

On 1 December 2015, the Management Board of PZU Życie decided to pay advance payments towards the dividend expected at the end of the year 2015 in the amount of PLN 625,000 thousand. On the same date, the Supervisory Board of PZU Życie granted their consent for the payment. The dividend date was set for 30 December 2015 and the payment was made on 31 December 2015.

Dividends paid

The issue has been described in Note of Supplementary information and explanations.

Changes in significant estimations in financial statements

As of 1 January 2015, PZU extended the scope of costs subject to be deferred in time to include a portion of indirect acquisition costs related to conclusion and renewal of insurance policies, especially costs of operations directly related to sales processes which cannot be classified as direct acquisition costs, mainly costs of operations related to: contract conclusion and underwriting processes in sales units (selected on the basis of work time polls), automatic and manual introduction of policies to production systems (sales register), and contact center operations in the scope of sale of policies.

The above change ensure a better proportionality of incomes and costs (written premium generated by such operations is deferred in time by unearned premium reserve) and has resulted in an increase in gross result in 2015 by PLN 112,031 thousand.

10. Managing and supervisory bodies of PZU

10.1 Management Board of PZU

Since 1 January 2015, the composition of the Management Board of PZU was as follows:

- Andrzej Klesyk – CEO of PZU;
- Przemysław Dąbrowski – Member of the Management Board;
- Dariusz Krzewina - Member of the Management Board;
- Tomasz Tarkowski – Member of the Management Board;
- Ryszard Trepczyński – Member of the Management Board.

With the resolution of 16 March 2015, the Supervisory Board of PZU appointed Andrzej Klesyk as a Member of the Management Board of PZU for the new term and entrusted him the function of the CEO of PZU.

On 24 June 2015, on the request of the CEO of PZU, the Supervisory Board of PZU appointed the following persons as Members of the Management Board of PZU for the new term:

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- Przemysław Dąbrowski;
- Rafał Grodzicki;
- Dariusz Krzewina;
- Tomasz Tarkowski.

The appointment was for a common term of office, which started on 1 July 2015. The term lasts for three full subsequent reporting periods. 2016 is the first full reporting period of this term.

Changes in the composition of the Management Board mentioned below have not resulted in modifications of the common term of office.

On 1 September 2015, on the request of the CEO of PZU, the Supervisory Board of PZU appointed Witold Jaworski Member of the Management Board of PZU SA.

On 8 December 2015, Andrzej Klesyk submitted a statement of resignation from the post of CEO of PZU coming into effect as of 9 December 2015. Also on 8 December 2015, Witold Jaworski submitted a statement of resignation from the post of Member of the Management Board of PZU coming into effect as of 9 December 2015.

On 8 December 2015, the Supervisory Board of PZU entrusted temporary performance of duties of CEO of PZU to Dariusz Krzewina coming into effect as of 10 December 2015 and lasting until the appointment of the next CEO of PZU.

On 19 January 2016, Tomasz Tarkowski and Rafał Grodzicki submitted a statement of resignation from the post of Member of the Management Board of PZU coming into effect as of 19 January 2016.

On 19 January 2016, the Supervisory Board of the Company appointed the following persons Members of the Management Board of PZU: Michał Krupiński, Roger Hodgkiss, Beata Kozłowska-Chyła, Robert Pietryszyna, and Paweł Surówka.

Composition of the Management Board of PZU from 19 January 2016 to the date of signing the separate financial statements:

- Michał Krupiński – CEO of PZU;
- Przemysław Dąbrowski - Member of the Management Board;
- Roger Hodgkiss - Member of the Management Board;
- Beata Kozłowska-Chyła - Member of the Management Board;
- Dariusz Krzewina - Member of the Management Board;
- Robert Pietryszyn - Member of the Management Board;
- Paweł Surówka - Member of the Management Board (from 20 January 2016).

10.2 Supervisory Board of PZU

From 1 January 2015 to 30 June 2015, the composition of the Supervisory Board of PZU was as follows:

- Aleksandra Magaczewska – Chairperson;
- Zbigniew Cwiąkalski - Vice-Chairperson;
- Tomasz Zganiacz – Secretary of the Board;
- Zbigniew Derdziuk – Member;
- Dariusz Filar – Member;
- Dariusz Kacprzyk – Member;
- Jakub Karnowski – Member;
- Alojzy Nowak – Member;
- Maciej Piotrowski – Member.

On 30 June 2015, the General Shareholders' Meeting of PZU appointed the following persons as Members of the Supervisory Board of PZU for the new term:

- Zbigniew Cwiąkalski (from 8 July 2015 – Chairman);
- Paweł Kaczmarek (from 8 July 2015 – Vice-Chairman);

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- Dariusz Filar (from 8 July 2015 – Secretary of the Board);
- Zbigniew Derdziuk – Member;
- Dariusz Kacprzyk – Member;
- Jakub Karnowski – Member;
- Aleksandra Magaczewska – Member;
- Alojzy Nowak – Member;
- Maciej Piotrowski – Member.

The appointment came into effect on 1 July 2015 for the common term of office lasting for three full subsequent reporting periods. 2016 is the first full reporting period of this term.

Changes in the composition of the Supervisory Board mentioned below have not resulted in modifications of the common term of office.

On 7 January 2016, the Extraordinary General Shareholders' Meeting of PZU dismissed the following persons from the Supervisory Board of PZU: Zbigniew Cwiąkański, Zbigniew Derdziuk, Maciej Piotrowski, Dariusz Kacprzyk, Jakub Karnowski, Aleksandra Magaczewska, and Dariusz Filar.

On the same day, the Extraordinary General Shareholders' Meeting of PZU appointed the following people as Members of the Supervisory Board: Marcin Chludziński, Marcin Gargas, Eligiusz Krześniak, Jerzy Paluchniak, Piotr Paszko, Radosław Potrzyszcz, and Maciej Zaborowski. The resolutions on dismissing and appointing the Members of the Supervisory Board came into effect on the day of their passing.

Composition of the Supervisory Board of PZU between 7 January 2016 and the date of signing of the separate financial statements:

- Paweł Kaczmarek (from 19 January 2016 – Chairman of the Board);
- Marcin Gargas (from 19 January 2016 – Vice-Chairman of the Board);
- Maciej Zaborowski (from 19 January 2016 – Secretary of the Board);
- Marcin Chludziński – Member;
- Eligiusz Krześniak – Member;
- Jerzy Paluchniak – Member;
- Piotra Paszko – Member;;
- Radosław Potrzyszcz – Member;
- Alojzy Nowak – Member.

10.3 PZU Group Directors

Along with Management Board members, key management personnel in PZU Group includes Group Directors, who are members of the Management Board of PZU Życie.

Group Directors as of 1 January 2015:

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

In relation to the appointment of Rafał Grodzicki as Member of the Management Board of PZU, Rafał Grodzicki was dismissed from the function of Director of PZU Group on 30 June 2015 by the resolution of the Management Board of PZU dated 21 July 2015.

On 29 January 2016, Tobiasz Bury and Przemysław Henschke were dismissed from the post of Director of the Group, and Tomasz Karusewicz was appointed. On 15 February 2016, also Roman Pałac was appointed as Director of the Group.

Composition of the Group Directors from 15 February 2016 to the date of signing the separate financial statements:

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- Tomasz Karusewicz;
- Sławomir Niemierka;
- Roman Pałac.

11. Fee of the company authorized to audit financial statements

In line with provisions of point 12a.(b) of "B. Supplementary information and explanations" of Appendix 3 to the Ordinance on financial statements presented in prospectus, information regarding remuneration of the company authorized to audit financial statements is presented in Note 31.1 of Supplementary information and explanations.

12. 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 on the 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 Shareholders' Meeting 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 ("PAS") as defined in the Accounting Act and related bylaws, among others, including:

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

Other major legal acts applicable to the separate financial statements include:

- Ordinance of the Minister of Finance of 28 November 2003 on calculation methods and amount of required solvency margin and the minimum guarantee fund for insurance departments and groups (Journal of Laws of 2003, No. 211, Item 2060, as amended);
- The Act of Insurance Activity of 22 May 2003 (Journal of Laws of 2015, Item 1206, as amended, "The Act of Insurance Activity").

For all matters not specified in the Accounting Act and related bylaws on the basis thereof National Accounting Standards and / or IFRS are applied.

12.1 Intangible assets

Intangible assets are recognized if it is likely that 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, copyrights, licenses and concessions.

Intangible assets are measured at cost, less depreciation and impairment losses.

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

If appropriate, following a case-by-case analysis, the company may apply another depreciation rate suitable for the estimated useful life of a given intangible asset. As PZU plans to use the Platforma Everest product system for 10 years, the adopted annual depreciation rate is 10%.

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

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12.2 Investments

12.2.1. Investments in property

Property investments 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.

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

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 for key components of this category as presented below. If appropriate, PZU may calculate depreciation rates individually, pursuant to the current depreciation plan. Own land, construction investments and advance payments for construction investments are not depreciated.

Asset type	Rate
Cooperative ownership of residential or commercial space	2.5%
Buildings and structures	1.5 – 10%

12.2.2. Shares in related parties

Shares in related parties are measured using the equity method.

Equity method measurement means that the cost of shares in a related party is increased or decreased by the related party's equity increases or decreases on PZU's share that have occurred from the date of acquiring of control, joint control of significant influence until the balance sheet date. The PZU's share in equity increases and decreases of the related party is adjusted by:

- amortization of goodwill (in accordance with the straight-line method over the period up to 15 years),
- amortization of the difference between the fair value of net assets and their carrying amount pertaining to the given reporting period;

The differences between the fair value of net assets and their carrying amount include mainly intangible assets identified during the purchase price allocation process and other revaluations, such as:

- trademarks – amortized in accordance with the straight-line method, most frequently for a period equal to the period of goodwill amortization;
- insurance - present value of future profits (value in force) – amortized over the term of insurance contracts;
- other remeasurements of fair value of the assets and liabilities of the related parties, which were not measured at fair value;
- deferred tax impact on the related party's equity resulting from the above differences.

The effects of remeasurement of shares in related parties using the equity method are recognized in the following manner:

- remeasurement of shares in related parties to the amount exceeding the cost is charged to the revaluation reserve;
- remeasurement of shares in related parties to the amount below their cost is charged to the profit and loss account;

12.2.2.1. Impairment losses

At the end of each reporting period and every time when impairment triggers are identified, shares in related parties are tested for impairment. Impairment losses are recognized in the profit and loss account.

12.2.3. Financial instruments

Financial instruments are classified at the time of the acquisition to the following categories:

- financial assets and liabilities held for trading;
- financial assets held to maturity;
- loans and receivables;
- financial 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, the purchase or sale of financial assets and liabilities are recognized as at the trade date.

Financial instruments are initially recognized at fair value adjusted by transaction costs directly attributable to the purchase or sale of a 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, interest is calculated beginning from the day after the transaction settlement date.

The fair value of debt securities includes interest accrued as at the balance sheet date, in compliance with the terms of the issue, taking into account the total interest purchased but not settled as well as interest accrued but unpaid.

Release of financial instruments follows the FIFO (First In, First Out) method.

Fair values of financial instruments are determined based on publically available quotations from an active market; when no such quotations are available, the valuation models are applied that use public quotations of financial instruments, interest rates and stock market indexes.

Shares whose fair value cannot be reliably estimated are exempted from this rule. They are measured at cost less any impairment losses.

12.2.3.1. 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 company 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.

Derivatives

Derivative instruments are recognized at fair value on the date of the transaction and subsequently measured at fair value.

For derivatives traded on an active market, fair value shall be the closing price on the trading date.

The fair value of derivatives not quoted on an active market, including forwards and interest rate swaps (IRS), is determined using the discounted cash flows model. Interest rate yield curves associated with a particular type of financial instrument and currency, constructed on the basis of available market data are used to discount cash flows.

Derivative instruments are recognized in the balance sheet in assets as "Other investments" or in liabilities as "Other liabilities."

Changes in the fair value of derivatives not classified as hedging instruments are charged to the profit and loss account of the reporting period.

12.2.3.2. Financial assets held to maturity

Financial assets held to maturity include those not classified as loans and 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 amortized cost less any impairment losses.

12.2.3.3. Loans and receivables

Loans and receivables include financial assets arising from cash issued directly to the other party of a contract, regardless of their maturity.

Loans include also buy sell-back transactions described in Note 12.2.3.6 and term deposits at credit institutions regardless of their maturity.

Loans, including term deposits and receivables, are recognized at amortized cost less impairment losses.

Accrued and received interest on term deposits at credit institutions, pertaining to the reporting period, are presented under "Investment income arising from term deposits at credit institutions" in the general profit and loss account.

12.2.3.4. Financial 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;
- loans and receivables.

Financial assets held for trading are measured at fair value, and if it cannot be reliably determined, at cost less any impairment losses.

The difference between the fair value of financial assets available for sale and their cost, and in the case of debt instruments their amortized cost, is charged to the revaluation reserve.

The effects of remeasurement of debt instruments to their amortized cost are recognized in the profit and loss account.

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

If the reason for impairment losses no longer exists, the equivalent of total or part of the previous impairment losses are reversed through the general profit and loss account.

12.2.3.5. Deposits with ceding undertakings

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

Deposits with cedants 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 losses.

12.2.3.6. Acquisition and sale of financial instruments with substance different than the legal aspects

According to PZU opinion, buy-sell-back and sell 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. These transactions are measured at amortized cost.

12.2.3.7. Impairment of financial assets

As at the end of each financial year, potential existence of objective evidence for impairment of a financial asset or a group of financial assets is tested.

In the case of existence of any objective evidence for impairment resulting from events following the initial recognition of financial assets and resulting in a decrease in expected future cash flows, appropriate impairment losses are recognized. Expected impairment losses resulting from future events, irrespective of their probability, are not recognized.

Objective evidence for impairment includes information concerning the following events:

- material financial difficulties of the issuer or debtor;
- breach of the terms and conditions of the contract (such as outstanding interest or principal repayment);
- special facilities given to the debtor resulting from financial difficulties of the debtor which otherwise would not have been given;
- high probability of bankruptcy or other financial reorganization of the debtor;
- disappearance of an active market for a given financial instrument due to financial difficulties of the issuer;
- availability of data indicating measurable decrease in estimated future cash flows related to the group of financial assets since their initial recognition, despite lack of evidence indicating impairment of a single financial asset, including:
 - adverse changes concerning the status of the debtors' payments in the group (e.g. an increase in the amount of outstanding payments) or
 - unfavorable changes of the economic situation in the industry, region, etc., which lead to deterioration in the debtor's solvency;
- significant or prolonged decrease in the fair value of an investment in an equity instrument below the acquisition cost;
- unfavorable changes in the technological, market, economic, legal or other situation affecting the issuer of the equity instruments which indicate that the costs of investment in the equity instrument may not be recovered.

In the case of impairment evidence for financial instruments available for sale, losses initially recognized under revaluation reserve are charged to the profit and loss account.

Impairment losses on assets held to maturity and loans are determined as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted using the initial effective interest rate (original effective interest rate).

Impairment losses on equity instruments quoted on regulated markets, participation units in open investment funds and investment certificates issued by closed investment funds classified as available for sale are recognized if at least one of these two conditions is met:

- adverse difference between the current value and the cost or the remeasured amount (decreased by previous impairment losses) represents at least 30% of the cost, or the remeasured amount;
- fair value of the asset as of the end of each of 12 consecutive months is lower than the cost or the remeasured amount (decreased by previous impairment losses).

Impairment losses are not recognized if it is concluded that the aforesaid events may be reversed within 6 months of the end of the financial year or there are any other indications that the decreases may be temporary in nature.

12.2.3.8. Foreign investments

Foreign investments are investments outside the territory of Poland.

Their location is determined by the country of the issuer – for assets quoted on regulated markets or their 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 equity instruments with the right to interest in the equity;
- the country of the registered office of the fund manager – for participation units and investment certificates of investment funds or other investment vehicles.

12.3 Receivables

Receivables are recorded at the value determined when they occur. As at the balance sheet date, receivables are recognized at the amount due less any impairment losses. Impairment losses on doubtful receivables are based on an analysis of the economic and financial position of the debtors, ageing analysis of receivables and their historical recoverability including the probability of payment.

12.3.1. Insurance receivables

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

12.3.1.1. Receivables from policyholders

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

In case the individual approach was not applied, impairment is estimated on a collective basis and the resulting impairment losses are of general nature.

The general impairment losses are estimated on the basis of the model built for individually insignificant receivables. In the model, the impairment is determined on the basis of a collective assessment in relation to the policyholders grouped according to similar characteristics of the credit risk.

Receivables due are subject to age analysis, depending on their overdue period. Receivables due are reduced by the value of the receivables subject to individual impairment losses. The general impairment losses are calculated for each overdue period based on unrecoverability ratios that are determined on the basis of a historical analysis.

For receivables not yet due, the share of receivables that will not be eventually paid is determined on the basis of a historical analysis. The amount determined in this way is reduced by the value of the receivables subject to individual impairment losses. For the resulting amount of receivables not yet due impairment losses are determined based on the unrecoverability ratios of receivables due in the shortest overdue period.

Impairment losses for insurance receivables are recognized in other technical expenses.

12.3.2. Reinsurance receivables

Reinsurance receivables include receivables due to cedants, reinsurers and reinsurance brokers resulting from inward reinsurance, outward reinsurance and retrocession. The receivables are related mainly to the reinsurers' share in claims paid, reinsurers' commission and share in reinsurers' profits.

Impairment losses on reinsurance receivables are recognized in other technical expenses.

12.3.3. Other receivables

Other receivables include, among others, receivables from due dividend, receivables from the State Budget and receivables from claims representative services.

Impairment losses on other receivables are recognized in other operating expenses.

12.4 Tangible assets

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

They include in particular:

- machines, devices, vehicles, IT equipment and other;
- leasehold improvements.

Tangible assets are measured at cost less accumulated depreciation and impairment losses. Tangible assets are depreciated 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 a depreciation plan adopted by PZU and corresponding to their estimated economic useful life, with application of annual depreciation rates for key components of this category as presented below. If appropriate, PZU may calculate depreciation rates individually, pursuant to the applied depreciation plan.

Asset type	Depreciation rate for key components of this category
Machines and technical devices	10% - 40%
Vehicles	14% - 33%
IT equipment	20% - 40%
Other non-current assets	7% - 20%

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

12.5 Cash

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

Cash is recognized at face value.

12.6 Prepayments and accruals

Prepayments and accruals include paid and accrued costs, in its entirety 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 property insurance, acquisition commissions and a portion of indirect acquisition costs related to conclusion and renewal of insurance policies are subject to be deferred in time, especially costs of operations directly related to sales processes which cannot be classified as direct acquisition costs, mainly costs of operations related to: contract conclusion and underwriting processes in sales units (selected on the basis of work time polls), automatic and manual introduction of policies to productions systems (sales register), and call center operations in the scope of sale of policies.

12.6.1. Deferred tax assets

Deferred tax assets are presented after offsetting with the provision for deferred tax liabilities.

12.6.2. Prepayments

Costs (including i.a. IT costs, cost of obligatory payments imposed by legal regulations) are recognized over time, proportionally to the passing time or to the amount of benefits, if their impact on the financial statements is material.

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Prepayments include, among other things, accrued reinsurance income resulting from past events that will be settled in accordance with the contractual terms in the future.

12.6.3. Accruals

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

Reinsurance accruals include accrued costs from past events that will be settled in accordance with the contractual terms in the future.

12.6.4. Deferred income

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

12.7 Equity

12.7.1. Share capital

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

12.7.2. Supplementary capital

The supplementary capital is created and distributed in line with the provisions of the Code of Commercial Companies (Journal of Laws of 2013, Item 1030, as amended, "KSH") and the By-laws of PZU.

Supplementary capital is created from prior year net profit distribution and a portion of revaluation reserve transferred upon disposal or liquidation of previously revalued tangible assets.

12.7.3. Revaluation reserve

The item includes the effects of:

- remeasurements of shares in related parties (above cost only) along with the corresponding deferred tax effect;
- remeasurements available-for-sale investments (above and below cost and, for debt instruments, amortized cost), along with the corresponding deferred tax effect;
- revaluation of tangible assets in line with relevant regulations. The last revaluation took place on 1 January 1995.

12.7.4. Retained earnings (accumulated loss)

The item includes retained net profit/ (loss) from previous years, including the effect of the changes in the accounting principles, which was not appropriated by the General Shareholders' Meeting.

12.8 Technical provisions

Technical provisions are created in order to cover current and future claims that may result from concluded insurance contracts and inward reinsurance contracts. Provisions are created in line with the prudence concept. In the event that available information does not allow for the calculation of technical provisions for inward reinsurance by the methods mentioned below, the technical provisions are created in the amount documented by the cedants.

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12.8.1. Unearned premiums reserve

Unearned premiums reserve covers costs which may be incurred after the end of the reporting period and which result from the insurance contracts concluded until the end of the reporting period.

Unearned premiums reserve is created as written premium for future financial years, in proportion to the period which the written premium covered. Unearned premiums reserve is determined individually as at the end of each reporting period, accurate to one day.

In the case of insurance groups with non-linear spread of risk over time, unearned premiums reserve is created in the amount corresponding to the spread of the risk over time based on statistical layouts.

The share of reinsurers in unearned premiums reserve is determined in line with the conditions specified in relevant reinsurance contracts, in the amount proportional to the reinsurance coverage attributable to periods after the end of a given reporting period.

12.8.2. Unexpired risks reserve

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

Unexpired risks reserve is determined for individual insurance classes as at the end of each reporting period.

The overall unexpired risks reserve is determined for insurance classes with the claims ratio for the current period exceeding 100%, as the difference between the product of the unearned premiums reserve and the claims ratio for the current reporting period and the unearned premiums reserve – for the same insurance period. The share of reinsurers in the unexpired risks reserve is determined in line with the conditions specified in relevant reinsurance contracts.

12.8.3. Outstanding claims provision

Outstanding claims provision includes:

- provision for reported but not paid claims (including the part for the capitalized value of annuities);
- provision for incurred but not reported claims (including the part for the capitalized value of annuities);
- provision for claims handling costs.

All the above provisions with the exception of the part for the capitalized value of annuities are recognized at the nominal value, i.e. without discounting.

Provisions for the capitalized value of annuities are discounted.

12.8.3.1. Provision for claims reported but not paid

The provision for claims reported but not paid ("RBNP" or "Provision I") is determined based on an individual approach by claim handling units or, if obtained information disallows determining the provision amount, as the amount of average claim determined with an actuarial method. 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.

12.8.3.2. Provision for claims incurred but not reported

The provision for claims incurred but not reported (hereinafter referred to as "IBNR" or "Provision II") is created for claims and benefits which have not been reported by the end of the reporting period as at which the provision is recognized. IBNR is calculated using the loss triangles: the generalized Chain Ladder method, and if the number of claims or their value is insignificant – using the Bornhuetter-Ferguson method, broken down by the accident years. Both claims paid and reported are the basis for building the annual loss triangles.

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12.8.3.3. Provision for claims handling expenses

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

The provision for direct claim handling costs for claims reported is calculated on an individual basis by operating units, whereas for claims incurred but not reported is calculated using generalized Chain Ladder (based on loss triangles broken down into accident years).

The provision for indirect claims handling expenses is recognized using the actuarial method as the product of (1) the share of indirect claims handling expenses in claims paid and direct claims handling expenses, and (2) the sum of RBNP, IBNR and the provision for direct claims handling expenses.

12.8.3.4. Provisions for the capitalized value of annuities

The provisions for the capitalized value of annuities is calculated individually as the present value of annuity (life-long or periodic), paid in advance.

As regards life-long annuities, the period during which annuity claims are paid is determined based on the Polish life expectancy tables, published by the Central Statistical Office. Additionally, calculation of the provision for capitalized value of annuities includes the cost of their future management in the amount of 3% of the value of paid claims.

When calculating a provision for capitalized value of annuities, estimated future increase of an average annuity is based on historical data taking into account other information that may result in an increase in the value of annuities in the future (for instance, increased insurance awareness, legislation changes etc.).

As at 31 December 2015 and 31 December 2014, the technical interest rate applied to all annuities was 3.6% and, based on the forecasted inflation rate and the remuneration growth rate, a growth rate used for annuities was 3.9%.

As at the end of each reporting period provisions for the capitalized value of annuities are created, by means of the actuarial method, for claims incurred after 31 December 1990 and not reported as annuities until the balance sheet date (annuity IBNR).

As at the end of each reporting period the value of additional provision for costs resulting from increased annuity benefits from the so-called old portfolio is determined. Reassessment is carried out only for those annuitants for whom the provision was calculated as at the end of 1997 and whose benefits at the end of the reporting period are lower than a predefined percentage of the present value of average remuneration for the years 1960-1990. For the difference between the satisfactory and actual amounts, a provision for capitalized value of annuities is calculated in line with current principles.

12.8.3.5. Reinsurers' share in technical provisions

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

12.8.4. Risk equalization reserve

Risk equalization reserve is recognized at the amount ensuring equalization of future fluctuations in the claims ratio, net of reinsurance, in accordance with the Ordinance.

12.8.5. Provision for bonuses and discounts (provision for profit sharing)

The provision is created for the insurance contracts that assume an increase in future benefits, including the insurer profit sharing for the insured.

The amount of the provision at the end of the reporting 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 the reporting period.

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12.8.6. Expected subrogations and salvages

When estimating future claims and benefits, PZU estimates, using the actuarial method, the value of expected, future refunds of expenses as a result of assumption of claims against third parties (subrogations), rights to the insured property (salvages) 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 (Journal of Laws of 2005, No. 150, Item 1249, as amended). When estimating the amount of subrogation, salvages and subsidies, collection costs are included.

The basis for establishing future subrogations and salvages are the annual triangles of received subrogations and salvages. The value of future subrogations and salvages is calculated with the use of a generalized Chain Ladder method, broken down by the accident years.

When estimating the value of future reimbursements resulting from the acquisition of claims against third parties and ownership rights in insured properties, the share in the sum of the received and estimated subrogations and salvages in the cost of claims and benefits of the year in which the damage occurs cannot exceed the arithmetic mean of the share of the received subrogations and salvages in the cost of claims from three consecutive years in which the damage occurs, immediately preceding the year for which the calculations are made.

12.9 Other provisions

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

"Other provisions" include also the provision for deferred tax liability compensated against deferred tax assets.

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

12.9.1. Provision for retirement and disability benefits

Pursuant to the Labor Code of 26 June 1974 (Journal of Laws of 2014, Item 1502, as amended), the employees of PZU are entitled to a retirement or disability benefit in the amount of a monthly salary at the time when they retire or are granted the right to disability allowance due to inability to work, respectively.

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

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

12.9.2. Provision for unused paid vacation

The provision for unused paid vacation is calculated using liability method based on the difference between the actual use of vacation days and the status that would occur had vacation been used proportionally to the passage of time in the entitlement period, in line with the valid legal regulations.

12.9.3. Provision for death 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 death benefit, the amount of which depends on the employee's years in service with the employer and is an equivalent of the employee's salary for the period ranging from one to six months.

Provision for death benefits is measured at the present value of discounted cash flows.

12.10 Liabilities and special funds

12.10.1. Liabilities due to reinsurers' deposits

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

12.10.2. Liabilities arising from issue of own debt securities and obtained loans

Liabilities arising from issue of debt securities and obtained loans are recognized at amortized cost.

12.10.3. Other liabilities

Liabilities are recognized at the amount due.

12.10.4. Special funds

Special funds include:

- the balance of the Social Benefits Fund, created in line with the relevant regulation as an expense. The Social Benefits Fund is also increased by allocation of net profit pursuant to the resolutions of the General Shareholders' Meeting;
- balance of the Prevention Fund, created from expensed charges, in line with the Insurance Act and the By-laws of PZU.

The balance of special funds is increased by investment income generated by the funds' assets.

12.11 Revenue from insurance activities

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

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

12.12 Investment income and losses

12.12.1. Income from property and property maintenance costs

Income from 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 the general profit and loss account.

Investment property maintenance costs are recognized under "Property maintenance costs" in the general profit and loss account.

Own property maintenance costs are recognized in the technical account of non-life insurance "Administrative expenses" in the proportion resulting from space used by PZU.

12.12.2. Income and losses from debt securities

The remeasurement result on debt securities to amortized cost is recognized as income from debt securities.

The difference between fair value as at the balance sheet date and amortized cost is recognized as follows:

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- in the case of debt securities (not relevant for the calculation of the provisions for the capitalized value of annuities and bonuses and discounts) recognized as available-for-sale investments - under "Revaluation reserve";
- in the case of debt securities classified as held-for-trading investments - under "Unrealized gains on investments" or "Unrealized losses on investments."

Profits/losses on sale/redemption of debt securities are disclosed under "Gain on realization of investments"/"Loss on realization of investments."

12.12.3. Income and losses on shares, participation units and investment certificates of investment funds

Unrealized gains and losses on valuation of shares, participation units and investment certificates of investment funds classified as investments held for trading are recognized as the difference between the fair value and the cost or the carrying amount at the end of the previous reporting period (in the case the securities were acquired in prior years) under "Unrealized gains/losses on investments."

Unrealized gains and losses on valuation of shares, participation units and investment certificates of investment funds classified as investments available for sale (not relevant to the calculation of the technical provisions) are recognized in the revaluation reserve.

Gains/losses on sale of shares, participation units and investment certificates of investment funds are disclosed under "Gains/losses on realization of investments."

Impairment losses on investments recognized in the reporting period are recognized under "Loss on revaluation of investments" and revenue from reversal of the impairment losses recognized in prior periods are recognized under "Gain on revaluation of investments."

Dividend revenue is recognized at gross amounts as at the date the right to dividend was established.

12.12.4. Interest income from term deposits at credit institutions

Interest income from deposits at credit institutions is recognized on an accrual basis, i.e. all interest for the reporting period is recognized irrespective of the date when it was received. If the deposit matures after the balance sheet date, interest is determined using the effective interest rate from the date following the investment date to the balance sheet date (inclusive).

12.12.5. Net investment (including costs), transferred from the general profit and loss account

Investment income included in calculation of the provision for capitalized value of annuities and provisions for bonuses and rebates are transferred from the general profit and loss account to the technical account of non-life insurance.

Due to the fact that the insurer's own funds and 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 non-life insurance are calculated as the product of the provision for capitalized value of annuities at the beginning of the month and the return ratio of the treasury bonds held to maturity in a given month, including relevant investment costs.

12.12.6. Investment costs

Investment costs include internal and external costs arising from the investment activity, i.e. investment management costs, bank fees, broker commissions, depreciation and maintenance of property, except for the costs of depreciation and maintenance of own properties, which are classified as administrative expenses.

12.13 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 claims handling expenses and a change in the provisions for outstanding claims and benefits, less all received subrogations, salvages and subsidies as well as a change in the balance of estimated subrogations, salvages and subsidies.

The reinsurers' share in claims and benefits is determined for the insurance groups with reinsurance coverage, in the amount which - pursuant to the conditions of the relevant reinsurance contracts valid in the reporting period - corresponds to the expected participation of the reinsurers in claims and benefits paid.

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

12.14 Costs of insurance activities

Costs of insurance activity are recognized on the accrual basis proportionally to the revenues.

12.14.1. Acquisition costs

Acquisition costs include expenses related to conclusion and extension of insurance contracts. Direct acquisition costs include insurance agent commission costs, payroll costs related to conclusion of insurance contracts, costs of attestation, studies, and research regarding the accepted risk. Indirect acquisition costs include advertisement and promotion of insurance products and costs related to analysis of applications and issuing policies.

The costs of commission are recognized in the same period when the premiums (serving as the basis for commission calculation) are recognized, regardless of the actual time of the commission payment.

Acquisition costs are deferred in line with the principles applicable at the determination of the unearned premiums reserve by transferring a relevant cost portion to the "Deferred acquisition costs" item. Deferred acquisition costs are then amortized through the technical account during the period of the insurance coverage. A change in deferred acquisition costs adjusts the acquisition costs item.

The deferred acquisition costs are tested for impairment by their inclusion in calculation of the unexpired risks reserve.

12.14.2. Administrative expenses

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

The costs of insurance activity are adjusted by the value of reinsurance commission and share in reinsurers' and retrocessionaries' profits, received or receivable from brokers and reinsurers (under reinsurance outwards 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.

12.15 Foreign currency transactions

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

Business transactions denominated in foreign currencies are recognized in the accounting records as at their conclusion date at the average exchange rate determined for the given currency as at the date directly preceding the transaction, unless another rate has been stated in a customs application or another binding document.

12.16 Income tax

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

Current corporate income tax liabilities are calculated in accordance with the tax regulations applicable in Poland.

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

Deferred tax liability and assets are determined using the balance sheet method, using the tax rates which - according to predictions - will apply at the time when the asset is recovered or liability 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 liability are presented in the financial statements after compensation.

13. Significant differences between PAS and IFRS – indication, explanation and qualifications

Since PZU prepared its first consolidated financial statements of PZU Group according to IFRS 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 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 hypothetically transitioned to IFRS for separate financial statements purposes as at 1 January 2004 (to calculate differences between IFRS and PAS presented below) despite the fact that PZU does not prepare separate financial statements in line with IFRS.

Description of significant differences between PAS and IFRS that would materially impact financial result or equity in the separate financial statements of PZU prepared in line with IFRS are presented below.

13.1 Valuation of related parties

Under PAS, shares in related parties are measured using the equity method, described in detail in Note 12.2.2 of the Introduction to the financial statements.

In line with IAS 27, in separate IFRS financial statements shares in related parties would be measured at cost less any impairment losses.

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

13.2 Valuation of property

Under the Ordinance on accounting of insurance companies, all property (both own and investment) is measured at cost less accumulated depreciation and any impairment losses.

As at the date of transition to IFRS (i.e. 1 January 2004), the manufacturing cost of own properties was determined and the difference was charged to the not appropriated result from previous years. In subsequent periods, this leads to a difference in the net book value and accumulated depreciation of the 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 the profit and loss account of the reporting period.

If own property is reclassified to investment property measured at fair value, depreciation is continued until the reclassification date, and the difference between the carrying amount and the fair value, determined as at that date, is charged to other comprehensive income.

13.3 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.

13.4 Risk equalization reserve – non-life insurance

The Ordinance on accounting of insurance companies regulates the principles of creating and using risk equalization reserve. The provision does not refer to specific liabilities resulting from concluded insurance contracts. In accordance with PAS, the change in the provision is the current period expense; in accordance with IFRS it is allocation of net profit.

13.5 Prevention Fund

Pursuant to the Act on Insurance Activity, PZU may contribute to the Prevention Fund and recognize those contributions in the current period expenses. Under the Ordinance on accounting of insurance companies, the fund is disclosed as liabilities and special funds.

Pursuant to the provisions of IAS 37, such funds must not be created through charges to the current period expenses and they may be recognized as allocation of net profit. Prevention costs are recognized when incurred.

13.6 Impairment losses on equity instruments classified as available for sale

For certain equity instruments classified as available for sale, impairment losses were recognized.

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

Pursuant to the provisions of the Accounting Act, if the reason for impairment losses no longer exists, the total or part of the previous impairment losses increases the value of the given asset and is recognized under gain on revaluation of investments.

13.7 Social Benefits Fund

If the General PZU Shareholders' Meeting decides to assign a portion of net profit for the previous year to the Social Benefits Fund maintained by PZU the fact is recognized, in accordance to PAS, as part of profit appropriation in the year in which the appropriation took place.

The above transaction meets the definition of a cost in IFRS and pursuant to the provisions of IAS 1 it is expensed in the consolidated profit and loss account for the financial year when a portion of net profit for the previous year was allocated to the Social Benefits Fund.

13.8 Actuarial gains and losses from remeasurements of defined benefit liabilities

In accordance with PAS, determination of provisions for retirement and death benefits includes recognition of actuarial gains and losses resulting from changes in demographic and financial assumptions. Under PAS, the aforesaid gains and losses impact the financial result for the period.

In accordance with IAS 19, actuarial gains and losses resulting from changes in demographic and financial assumptions are charged to other comprehensive income.

13.9 Differences due to deferred tax

For all the differences between PAS and IFRS, as described above, the deferred tax effect was calculated and included in calculation of all presented adjustments, if relevant.

13.10 Reconciliation of equity and net financial result prepared in line with PAS and IFRS

Description	Note	Net profit 1 January – 31 December 2015	Equity 31 December 2015	Net profit 1 January – 31 December 2014	Equity 31 December 2014
Financial statements in accordance with PAS		2,248,522	12,378,733	2,636,733	12,328,724
Valuation of related parties ¹⁾	13.1	(60,508)	(3,838,547)	62,055	(3,840,475)
Valuation of property	13.2 13.3	(14,677)	114,477	(15,849)	123,969
Risk equalization reserve – non-life insurance	13.4	29,279	512,707	5,461	483,427
Prevention Fund	13.5	14,616	38,303	(18,583)	23,687
Impairment losses on equity instruments classified as available for sale	13.6	-	-	(3)	-
Social Benefits Fund	13.7	(10,000)	-	(10,000)	-
Actuarial gains and losses from remeasurements of defined benefit liabilities	13.8	(1,301)	-	4,571	-
Other		(1,200)	979	(1,559)	2,180
Total adjustments		(43,791)	(3,172,081)	26,093	(3,207,212)
Financial statements in accordance with IFRS		2,204,731	9,206,652	2,662,826	9,121,512

¹⁾ PZU has never prepared and does not prepare separate financial statements in line with IFRS. For the purpose of this note it has been assumed that investments in related parties are measured, in line with IFRS 27 Separate financial statements, at acquisition price, less impairment losses.

Balance sheet and off-balance sheet items

Assets	Note	31 December 2015	31 December 2014
I. Intangible assets, including:	I.1	362,167	283,999
- goodwill		-	-
II. Investments	I.2	32,356,048	31,030,939
1. Property	2.3	475,812	492,420
2. Investments in related parties, including:	2.4	8,040,778	6,473,390
- investments in related parties measured using the equity method		7,463,908	6,393,416
3. Other financial investments	2.5	23,839,458	24,065,129
4. Deposits with cedants		-	-
III. Net unit-linked assets		-	-
IV. Receivables	3	1,801,903	2,437,819
1. Insurance receivables	3.1	1,433,828	1,398,967
1.1. From related parties		2,419	110
1.2. From other entities		1,431,409	1,398,857
2. Reinsurance receivables	3.2	40,929	19,651
2.1. From related parties		2,452	194
2.2. From other entities		38,477	19,457
3. Other receivables	3.3	327,146	1,019,201
3.1. Receivables from the State Treasury		63,641	1,953
3.2. Other receivables		263,505	1,017,248
a) from related parties		37,127	803,507
b) from other entities		226,378	213,741
V. Other assets	4	195,984	171,650
1. Property, plant and equipment	4.1	130,908	124,649
2. Cash	4.2	65,076	47,001
3. Other assets		-	-
VI. Accruals	5	1,642,259	705,371
1. Deferred tax assets	5.1	-	-
2. Deferred acquisition costs		957,179	568,502
3. Accrued interest and rent		-	-
4. Other prepayments	5.2	685,080	136,869
Total assets		36,358,361	34,629,778

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Equity and liabilities	Note	31 December 2015	31 December 2014
I. Equity	7	12,378,733	12,328,724
1. Share capital	7.1	86,352	86,352
2. Called up share capital (negative value)		-	-
3. Treasury shares (negative value)		-	-
4. Supplementary capital (fund)	7.3	4,446,348	4,408,306
5. Revaluation reserve (fund)	7.4	5,597,511	5,197,333
6. Other reserve capital		-	-
7. Retained earnings (losses)		-	-
8. Net profit/ (loss)		2,248,522	2,636,733
9. Appropriations of net profit during the financial year (negative value)		-	-
Subordinated liabilities		-	-
Technical provisions	1	18,673,869	17,657,194
IV. Reinsurers' share in technical provisions (negative value)	1	(1,037,301)	(683,893)
V. Expected subrogations and salvages (negative value)	9	(96,075)	(112,120)
1. Expected subrogations and salvages (gross)		(96,539)	(113,763)
2. Reinsurers' share in expected subrogations and salvages		464	1,643
VI. Other provisions	10	472,916	265,170
1. Provisions for pension and other statutory employee benefits	10.1	50,287	72,667
2. Deferred tax liability	10.2	349,003	92,577
3. Other provisions	10.3	73,626	99,926
VII. Liabilities due to reinsurers' deposits		-	-
VIII. Other liabilities and special funds	11	5,109,816	4,598,574
1. Insurance liabilities	11.1	344,541	325,424
1.1. To related parties		912	783
1.2. To other entities		343,629	324,641
2. Reinsurance liabilities	11.2	81,038	67,650
2.1. To related parties		1,883	-
2.2. To other entities		79,155	67,650
3. Liabilities arising from issue of debt securities and obtained loans	11.3	3,611,636	2,127,155
4. Liabilities to credit institutions	11.4	-	-
5. Other liabilities	11.5	928,469	1,956,784
5.1. Liabilities to the State Treasury		50,783	40,502
5.2. Other liabilities		877,686	1,916,282
a) to related parties		46,427	8,192
b) to other entities		831,259	1,908,090
6. Special funds	11.7	144,132	121,561
IX. Accruals	12	856,403	576,129
1. Cost accruals		821,516	550,075
2. Negative goodwill		-	-
3. Deferred income		34,887	26,054
Total equity and liabilities		36,358,361	34,629,778

Book value	12,378,733	12,328,724
Number of shares	863,523,000	863,523,000 ¹⁾
Book value per share (in PLN)	14.34	14.28 ¹⁾
Diluted number of shares	863,523,000	863,523,000 ¹⁾
Diluted book value per share (in PLN)	14.34	14.28 ¹⁾

¹⁾ Comparable data have been adjusted taking into account the new number of shares existing after the split described in Note 7.1.1 of Supplementary information and explanations.

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The attached supplementary information constitutes an integral part of the financial statements

Off-balance sheet items	Note	31 December 2015	31 December 2014
1. Contingent assets, including:	14.1	30,527,497	9,846,030
1.1. Guarantees and sureties received		12,408	12,552
1.2. Other ¹⁾		30,515,089	9,833,478
2. Contingent liabilities, including:	14.2	4,642,447	2,350,745
2.1. Guarantees and sureties given		3,651,485	2,152,111
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		575,148	198,357
2.6. Other		415,814	277
3. Reinsurance collateral for the insurance company		-	-
4. Reinsurance collateral pledged by the insurance company for cedants		-	-
5. Third-party assets not recognized in the company's assets		136,477	123,161
6. Other off-balance sheet items		-	-
Total off-balance sheet items		35,306,421	12,319,936

Own funds	13	7,838,829	7,981,468
Solvency margin	13	1,424,278	1,362,353
Surplus (shortage) of own funds to cover the solvency margin	13	6,414,551	6,619,115
Technical provisions ²⁾		18,577,330	17,543,431
Assets to cover technical provisions		20,535,296	20,755,548
Surplus (shortage) of assets to cover technical provisions		1,957,966	3,212,117

¹⁾ The item includes: collaterals received in the form of assignment of debtor's assets, mortgage on debtor's assets, promissory notes related to granted insurance guarantees, other promissory notes, other contingent receivables, etc.

²⁾ Including expected subrogations and salvages (gross).

Technical account – non-life insurance

Technical account – non-life insurance	Note	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)		7,897,960	7,902,639
1. Gross written premiums	15	8,858,036	8,261,752
2. Reinsurers' share in written premium		293,494	281,468
3. Change in unearned premiums reserve and unexpired risks reserve, gross		709,055	159,223
4. Reinsurers' share in change in unearned premiums reserve		42,473	81,578
Net investment (including costs), transferred from the general profit and loss account		256,955	266,032
Other technical revenue net of reinsurance		213,649	143,758
IV. Claims and benefits (1+2)	18	5,036,629	5,230,864
1. Claims paid net of reinsurance		5,060,585	4,366,167
1.1. Gross claims paid		5,135,220	4,427,251
1.2. Reinsurers' share in claims paid		74,635	61,084
2. Change in outstanding claims provision, net of reinsurance		(23,956)	864,697
2.1. Change in outstanding claims provision, gross		288,158	985,966
2.2. Reinsurers' share in change in outstanding claims provision		312,114	121,269
V. Changes in other technical provisions, net of reinsurance		-	-
1. Change in other technical provisions (gross)		-	-
2. Reinsurers' share in change in other technical provisions		-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions		7,191	2,325
VII. Costs of insurance activities	21	2,325,217	2,252,028
1. Acquisition costs, including:	21.1	1,572,330	1,511,908
- change in deferred acquisition costs		(388,677)	(48,197)
2. Administrative expenses	21.2	753,737	729,142
3. Reinsurers' commissions and share in reinsurers' profit		850	(10,978)
VIII. Other technical charges – net of reinsurance		327,046	256,040
IX Changes in risk equalization reserve		36,147	6,743
X. Technical result on non-life insurance		636,334	564,429

General profit and loss account

General profit and loss account	Note	1 January - 31 December 2015	1 January - 31 December 2014
I. Technical result on non-life insurance or life insurance		636,334	564,429
II. Investment income		2,505,084	2,963,887
1. Investment income from property		5,854	6,215
2. Income from investments in related parties		1,708,564	2,093,953
2.1. Arising from shares		1,704,309	2,090,212
2.2. Arising from loans and debt securities		4,255	3,741
2.3. Arising from other investments		-	-
3. Income from other financial investments		377,268	469,524
3.1. Arising from shares, other variable income securities as well as participation units and investment certificates of investment funds		13,884	11,670
3.2. Arising from debt securities and other fixed income securities		310,169	328,612
3.3. Arising from term deposits at credit institutions		1,344	58,677
3.4. Arising from other investments		51,871	70,565
4. Gain on revaluation of investments		534	5,230
5. Gain on realization of investments		412,864	388,965
Unrealized gains on investments		181,605	266,653
IV. Net investment income (including costs) transferred from the technical account of life insurance		-	-
V. Investing activities costs		391,054	301,637
1. Property maintenance costs		9,706	9,146
2. Other investing activities costs		13,051	14,738
3. Loss on revaluation of investments		21,349	7,386
4. Loss on realization of investments		346,948	270,367
VI. Unrealized losses on investments		218,407	298,810
VII. Net investment income (including costs) transferred to the technical account of non-life insurance		256,955	266,032
VIII. Other operating income	22	303,853	146,489
IX. Other operating expenses	23	284,539	220,455
X. Operating profit (loss)		2,475,921	2,854,524
XI. Extraordinary gains		-	-
XII. Extraordinary losses		-	-
XIII. Gross profit (loss)		2,475,921	2,854,524
XIV. Income tax	25	174,152	155,736
a) current portion		26,603	167,041
b) deferred portion		147,549	(11,305)
XV. Other statutory reductions in profit (increases of loss)		-	-
XVI. Share in net profit (loss) of related parties measured using the equity method	1	(53,247)	(62,055)
XVII. Net profit (loss)		2,248,522	2,636,733

Net profit (loss)	2,248,522	2,636,733
Weighted average number of ordinary shares	863,523,000	863,523,000 ¹⁾
Profit (loss) per ordinary share (in PLN)	2.60	3.05 ¹⁾
Weighted average diluted number of ordinary shares ¹⁾	863,523,000	863,523,000 ¹⁾
Diluted profit (loss) per ordinary share (in PLN) ¹⁾	2.60	3.05 ¹⁾

¹⁾ Comparable data have been adjusted taking into account the new number of shares existing after the split described in Note 7.1.1 of Supplementary information and explanations

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The attached supplementary information constitutes an integral part of the financial statements

Statement of changes in equity

Statement of changes in equity	1 January - 31 December 2015	1 January - 31 December 2014
I. Equity at the beginning of the period	12,328,724	12,259,761
a) changes in the accounting principles (policy)	-	-
b) errors adjustments	-	-
I.a. Equity at the beginning of the period, after restatements	12,328,724	12,259,761
1. Share capital at the beginning of the period	86,352	86,352
1.1. Changes in share capital	-	-
a) increases	-	-
b) decreases	-	-
1.2. Share capital at the end of the period	86,352	86,352
2. Called up share capital at the beginning of the period	-	-
2.1. Changes in called up share capital	-	-
a) increases	-	-
b) decreases	-	-
2.2. Called up share capital at the end of the period	-	-
3. Treasury shares at the beginning of the period	-	-
3.1. Changes in treasury shares	-	-
a) increases	-	-
b) decreases	-	-
3.2. Treasury shares at the end of the period	-	-
4. Supplementary capital at the beginning of the period	4,408,306	3,974,327
4.1. Changes in supplementary capital	38,042	433,979
a) increases (due to):	38,042	433,979
- profit distribution (above the statutory value)	36,164	433,321
- revaluation reserve – sale of fixed assets	1,878	658
b) decreases	-	-
4.2. Supplementary capital at the end of the period	4,446,348	4,408,306
5. Revaluation reserve at the beginning of the period	5,197,333	4,819,783
- changes in the accounting principles (policy)	-	-
5.1. Changes in revaluation reserve	400,178	377,550
a) increases (due to):	673,567	677,291
- remeasurement of financial investments	664,996	677,291
- reclassification of impairment losses on investments available for sale	8,571	-
- other increases, including release of impairment losses	-	-
b) decreases (due to)	273,389	299,741
- remeasurement of financial investments	271,511	299,037
- sale of fixed assets	1,878	658
- other	-	46
5.2. Revaluation reserve at the end of the period	5,597,511	5,197,333
6. Other reserve capital at the beginning of the period	-	-
6.1. Changes in other reserve capitals	-	-
a) increases	-	-
b) decreases	-	-
6.2. Other reserve capital at the end of the period	-	-
7. Retained earnings (losses) at the beginning of the period	2,636,733	3,379,299
7.1. Retained earnings at the beginning of the period	2,636,733	3,379,299
a) changes in the accounting principles (policy)	-	-
b) errors adjustments	-	-
7.2. Retained earnings at the beginning of the period, after restatements	2,636,733	3,379,299
a) increases	-	-
b) decreases	2,636,733	3,379,299

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The attached supplementary information constitutes an integral part of the financial statements

- reclassification to supplementary capital	36,164	433,321
- dividend payment	2,590,569	2,935,978
- allocation to the Social Benefits Fund	10,000	10,000
7.3. Retained earnings at the end of the period	-	-
7.4. Retained losses at the beginning of the period	-	-
a) changes in the accounting principles (policy)	-	-
b) errors adjustments	-	-
7.5. Retained losses at the beginning of the period, after restatements	-	-
a) increases	-	-
b) decreases	-	-
7.6. Retained losses at the end of the period	-	-
7.7. Retained earnings (losses) at the end of the period	-	-
8. Net result	2,248,522	2,636,733
a) net profit	2,248,522	2,636,733
b) net loss	-	-
c) appropriations of profit	-	-
Equity at the end of the period	12,378,733	12,328,724
III. Equity, including the proposed profit appropriation (loss coverage)	12,378,733	12,328,724

"Equity, including the proposed profit appropriation (loss coverage)" has been presented regarding the issue described in Note 7.2.2 of Supplementary information and explanations.

Cash Flow Statement

Cash Flow Statement	Note	1 January - 31 December 2015	1 January - 31 December 2014
A. Cash flows from operating activities			
I. Inflows		9,571,857	9,155,722
1. Inflows from insurance operations and inward reinsurance		8,613,380	8,389,086
1.1. Inflows from insurance premiums, gross		8,459,119	8,250,782
1.2. Inflows from subrogations and salvages and claim refunds		119,939	108,120
1.3. Other inflows from direct business		34,322	30,184
2. Inflows from reinsurance outwards		87,338	61,026
2.1. Reinsurers' payments due to their share in claims		65,993	54,763
2.2. Inflows from reinsurance commissions and share in reinsurers' profits		21,327	6,232
2.3. Other inflows from reinsurance outwards		18	31
3. Inflows from other operating activities		871,139	705,610
3.1. Inflows from claims representative services		194,355	183,762
3.2. Disposal of intangible assets and fixed assets other than investments		3,453	2,562
3.3. Other inflows	27	673,331	519,286
II. Outflows		9,192,097	8,351,613
1. Outflows for insurance operations and reinsurance outwards		7,530,796	6,687,994
1.1. Refunds of gross premiums		156,921	160,062
1.2. Gross claims paid		4,405,539	3,771,911
1.3. Outflows due to acquisition costs		1,185,199	1,115,888
1.4. Administrative outflows		1,424,266	1,362,861
1.5. Payments due to handling claims and costs of subrogations collection		206,305	155,280
1.6. Paid commissions and profit sharing due to inward reinsurance		34,776	6,647
1.7. Other outflows for insurance operations and inward reinsurance		117,790	115,345
2. Payments due to reinsurance outwards		264,798	219,739
2.1. Premiums paid to reinsurers		264,325	219,421
2.2. Other outflows due to reinsurance outwards		473	318
3. Outflows for the other operating activities		1,396,503	1,443,880
3.1. Outflows from claims representative services		484,799	453,015
3.2. Acquisition of intangible assets and fixed assets other than investments		170,395	161,128
3.3. Other operating outflows	27	741,309	829,737
III. Net cash flows from operating activities (I-II)		379,760	804,109
B. Cash flows from investment activities			
I. Inflows		168,572,509	212,221,437
1. Disposal of property		34,766	20,725
2. Disposal of shares in related parties		281,073	-
3. Disposal of shares in other entities and participation units and investment certificates of investment funds		12,976	140,654
4. Redemption of debt securities issued by related parties and repayment of loans taken out by those entities		37,448	105,000
5. Redemption of debt securities issued by other entities		8,001,193	8,541,245
6. Withdrawal of term deposits at credit institutions		95,747,370	96,709,115
7. Inflows from other investments		61,969,168	105,273,064
8. Inflows from property		7,955	8,200
9. Interest received		22,003	52,428

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The attached supplementary information constitutes an integral part of the financial statements

10. Dividends received		2,434,351	1,360,261
11. Other inflows from investments		24,206	10,745
II. Outflows		166,313,000	213,431,940
1. Acquisition of property		-	-
2. Acquisition of shares in related parties		1,414,544	1,412,626
3. Acquisition of shares in other entities and participation units and investment certificates of investment funds		75,540	298,550
4. Acquisition of debt securities issued by related parties and granting loans to those entities		130,000	327,193
5. Acquisition of debt securities issued by other entities		7,418,486	7,885,670
6. Term deposits at credit institutions		95,783,100	97,839,671
7. Acquisition of other investments		61,430,307	105,610,348
8. Outflows for maintenance of property		56,377	55,142
9. Other investments outflows		4,646	2,740
III. Net cash flows from investing activities (I-II)		2,259,509	(1,210,503)
C. Cash flows from financing activities			
I. Inflows		13,604,842	3,670,304
1. Net inflows from issue of shares and capital contributions		-	-
2. Loans and borrowings and issues of debt securities		13,604,842	3,670,304
3. Other financial inflows		-	-
II. Outflows		16,231,980	3,288,886
1. Dividends		4,058,605	1,468,139
2. Profit distribution payments other than dividend		-	-
3. Acquisition of treasury shares		-	-
4. Repayment of credit facilities and loans and redemption of debt securities		12,144,251	1,820,733
5. Interest on credit facilities, loans and issued debt securities		29,124	14
6. Other financial outflows		-	-
III. Net cash flows from financing activities (I-II)		(2,627,138)	381,418
D. Total net cash flows (A.III+/-B.III+/-C.III)		12,131	(24,976)
E. Balance sheet change in cash and cash equivalents, including:		18,075	(28,008)
- change in cash due to exchange differences		5,944	(3,032)
F. Cash at the beginning of the period		47,001	75,009
G. Cash at the end of the period (F+/-E), including:		65,076	47,001
- cash not available for use	27.1	60,646	45,167

Technical accounts – direct insurance

Technical account – total direct insurance

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	7,757,001	7,857,787
1. Gross written premiums	8,262,970	8,139,124
2. Reinsurers' share in written premium	219,060	220,626
3. Change in unearned premiums reserve and unexpired risks reserve, gross	314,918	98,990
4. Reinsurers' share in change in unearned premiums reserve	28,009	38,279
II. Net investment (including costs), transferred from the general profit and loss account	256,955	266,032
III. Other technical revenue net of reinsurance	210,680	141,126
IV. Claims and benefits (1+2)	4,926,554	5,190,264
1. Claims paid net of reinsurance	5,023,863	4,342,031
1.1. Gross claims paid	5,085,970	4,391,907
1.2. Reinsurers' share in claims paid	62,107	49,876
2. Change in outstanding claims provision, net of reinsurance	(97,309)	848,233
2.1. Change in outstanding claims provision, gross	(84,141)	970,095
2.2. Reinsurers' share in change in outstanding claims provision	13,168	121,862
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	2,501	908
VII. Costs of insurance activities	2,266,013	2,235,788
1. Acquisition costs, including:	1,543,172	1,503,496
- change in deferred acquisition costs	(161,945)	(48,197)
2. Administrative expenses	723,691	721,314
3. Reinsurers' commissions and share in reinsurers' profit	850	(10,978)
VIII. Other technical charges – net of reinsurance	318,847	251,904
IX Changes in risk equalization reserve	33,619	7,867
X. Technical result on non-life insurance	677,102	578,214

Technical account - direct insurance

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

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	436,487	438,399
1. Gross written premiums	428,767	436,423
2. Reinsurers' share in written premium	67	101
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(7,807)	(2,049)
4. Reinsurers' share in change in unearned premiums reserve	(20)	28
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	1,415	7,434
IV. Claims and benefits (1+2)	134,675	128,216
1. Claims paid net of reinsurance	140,255	141,989
1.1. Gross claims paid	140,255	141,989
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	(5,580)	(13,773)
2.1. Change in outstanding claims provision, gross	(5,578)	(13,772)
2.2. Reinsurers' share in change in outstanding claims provision	2	1
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	1	-
VII. Costs of insurance activities	153,930	169,974
1. Acquisition costs, including:	101,106	109,649
- change in deferred acquisition costs	5,450	(1,110)
2. Administrative expenses	52,846	60,332
3. Reinsurers' commissions and share in reinsurers' profit	22	7
VIII. Other technical charges – net of reinsurance	6,636	2,535
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	142,660	145,108

Technical account - direct insurance

GROUP 2 – Sickness insurance

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	8,323	9,462
1. Gross written premiums	8,337	9,461
2. Reinsurers' share in written premium	2	4
3. Change in unearned premiums reserve and unexpired risks reserve, gross	10	(5)
4. Reinsurers' share in change in unearned premiums reserve	(2)	-
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	11	31
IV. Claims and benefits (1+2)	3,705	3,899
1. Claims paid net of reinsurance	3,946	3,928
1.1. Gross claims paid	3,946	3,908
1.2. Reinsurers' share in claims paid	-	(20)
2. Change in outstanding claims provision, net of reinsurance	(241)	(29)
2.1. Change in outstanding claims provision, gross	(241)	(29)
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	2,925	3,438
1. Acquisition costs, including:	1,862	2,228
- change in deferred acquisition costs	(6)	-
2. Administrative expenses	1,063	1,210
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	105	19
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	1,599	2,137

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical account - direct insurance

GROUP 3 – Own damage insurance of land vehicles other than rail vehicles

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	2,024,744	1,986,810
1. Gross written premiums	2,142,681	2,010,892
2. Reinsurers' share in written premium	24,076	26,898
3. Change in unearned premiums reserve and unexpired risks reserve, gross	92,941	(1,942)
4. Reinsurers' share in change in unearned premiums reserve	(920)	874
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	44,890	12,982
IV. Claims and benefits (1+2)	1,474,670	1,296,224
1. Claims paid net of reinsurance	1,421,815	1,310,792
1.1. Gross claims paid	1,423,920	1,311,958
1.2. Reinsurers' share in claims paid	2,105	1,166
2. Change in outstanding claims provision, net of reinsurance	52,855	(14,568)
2.1. Change in outstanding claims provision, gross	53,104	(14,304)
2.2. Reinsurers' share in change in outstanding claims provision	249	264
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	290	538
VII. Costs of insurance activities	545,201	513,373
1. Acquisition costs, including:	406,745	373,949
- change in deferred acquisition costs	(33,983)	(14,129)
2. Administrative expenses	132,845	130,944
3. Reinsurers' commissions and share in reinsurers' profit	(5,611)	(8,480)
VIII. Other technical charges – net of reinsurance	33,224	27,310
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	16,249	162,347

Technical account - direct insurance

GROUP 4 – Own damage insurance of rail vehicles

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	4,231	4,437
1. Gross written premiums	970	13,862
2. Reinsurers' share in written premium	604	4,194
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(5,038)	7,294
4. Reinsurers' share in change in unearned premiums reserve	(1,173)	2,063
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	492	88
IV. Claims and benefits (1+2)	1,530	7,075
1. Claims paid net of reinsurance	8,571	979
1.1. Gross claims paid	8,890	594
1.2. Reinsurers' share in claims paid	319	(385)
2. Change in outstanding claims provision, net of reinsurance	(7,041)	6,096
2.1. Change in outstanding claims provision, gross	(10,004)	9,207
2.2. Reinsurers' share in change in outstanding claims provision	(2,963)	3,111
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	(18)	134
VII. Costs of insurance activities	1,205	1,438
1. Acquisition costs, including:	1,231	1,225
- change in deferred acquisition costs	860	(1,442)
2. Administrative expenses	202	458
3. Reinsurers' commissions and share in reinsurers' profit	228	245
VIII. Other technical charges – net of reinsurance	21	433
IX Changes in risk equalization reserve	212	(618)
X. Technical result on non-life insurance	1,773	(3,937)

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical account - direct insurance

GROUP 5 – Own damage insurance of aircrafts

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	6,396	6,071
1. Gross written premiums	8,323	6,130
2. Reinsurers' share in written premium	1,375	1,077
3. Change in unearned premiums reserve and unexpired risks reserve, gross	1,059	(763)
4. Reinsurers' share in change in unearned premiums reserve	507	255
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	378	270
IV. Claims and benefits (1+2)	(5,042)	7,397
1. Claims paid net of reinsurance	2,090	1,131
1.1. Gross claims paid	2,090	1,578
1.2. Reinsurers' share in claims paid	-	447
2. Change in outstanding claims provision, net of reinsurance	(7,132)	6,266
2.1. Change in outstanding claims provision, gross	(8,410)	7,285
2.2. Reinsurers' share in change in outstanding claims provision	(1,278)	1,019
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	37	106
VII. Costs of insurance activities	1,540	1,369
1. Acquisition costs, including:	1,346	1,216
- change in deferred acquisition costs	(237)	117
2. Administrative expenses	194	153
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	190	60
IX Changes in risk equalization reserve	320	(1,069)
X. Technical result on non-life insurance	9,729	(1,522)

Technical account - direct insurance

GROUP 6 – Insurance of vessels in sea and inland navigation

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	16,222	13,150
1. Gross written premiums	21,237	22,107
2. Reinsurers' share in written premium	5,453	7,625
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(1,604)	3,484
4. Reinsurers' share in change in unearned premiums reserve	(1,166)	2,152
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	1,140	427
IV. Claims and benefits (1+2)	17,460	9,568
1. Claims paid net of reinsurance	10,482	9,128
1.1. Gross claims paid	11,423	9,344
1.2. Reinsurers' share in claims paid	941	216
2. Change in outstanding claims provision, net of reinsurance	6,978	440
2.1. Change in outstanding claims provision, gross	24,562	814
2.2. Reinsurers' share in change in outstanding claims provision	17,584	374
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	4,059	3,380
1. Acquisition costs, including:	3,709	2,969
- change in deferred acquisition costs	202	(926)
2. Administrative expenses	808	758
3. Reinsurers' commissions and share in reinsurers' profit	458	347
VIII. Other technical charges – net of reinsurance	428	660
IX Changes in risk equalization reserve	811	(267)
X. Technical result on non-life insurance	(5,396)	236

Technical account - direct insurance

GROUP 7 – Goods-in-transit insurance

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	8,443	8,730
1. Gross written premiums	8,428	14,547
2. Reinsurers' share in written premium	1,526	4,351
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(2,067)	3,548
4. Reinsurers' share in change in unearned premiums reserve	(526)	2,082
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	493	860
IV. Claims and benefits (1+2)	(4,197)	2,535
1. Claims paid net of reinsurance	3,720	1,609
1.1. Gross claims paid	3,720	1,609
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	(7,917)	926
2.1. Change in outstanding claims provision, gross	(7,859)	912
2.2. Reinsurers' share in change in outstanding claims provision	58	(14)
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	5	287
VII. Costs of insurance activities	3,818	4,259
1. Acquisition costs, including:	2,791	3,097
- change in deferred acquisition costs	(651)	(353)
2. Administrative expenses	1,104	1,249
3. Reinsurers' commissions and share in reinsurers' profit	77	87
VIII. Other technical charges – net of reinsurance	488	412
IX Changes in risk equalization reserve	-	92
X. Technical result on non-life insurance	8,822	2,005

Technical account - direct insurance

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

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	1,046,456	1,014,907
1. Gross written premiums	1,121,316	1,084,178
2. Reinsurers' share in written premium	46,459	53,292
3. Change in unearned premiums reserve and unexpired risks reserve, gross	31,548	22,833
4. Reinsurers' share in change in unearned premiums reserve	3,147	6,854
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	14,641	17,825
IV. Claims and benefits (1+2)	380,001	343,287
1. Claims paid net of reinsurance	374,830	304,045
1.1. Gross claims paid	382,377	312,567
1.2. Reinsurers' share in claims paid	7,547	8,522
2. Change in outstanding claims provision, net of reinsurance	5,171	39,242
2.1. Change in outstanding claims provision, gross	(4,201)	37,608
2.2. Reinsurers' share in change in outstanding claims provision	(9,372)	(1,634)
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	283	(402)
VII. Costs of insurance activities	331,293	312,085
1. Acquisition costs, including:	247,168	236,376
- change in deferred acquisition costs	(22,929)	(8,124)
2. Administrative expenses	86,858	78,284
3. Reinsurers' commissions and share in reinsurers' profit	2,733	2,575
VIII. Other technical charges – net of reinsurance	49,740	40,440
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	299,780	337,322

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical 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 (e.g. theft), other than those included in group 8

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	668,553	694,078
1. Gross written premiums	744,001	745,404
2. Reinsurers' share in written premium	67,794	41,851
3. Change in unearned premiums reserve and unexpired risks reserve, gross	22,571	13,669
4. Reinsurers' share in change in unearned premiums reserve	14,917	4,194
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	9,375	20,480
IV. Claims and benefits (1+2)	284,969	338,454
1. Claims paid net of reinsurance	296,464	340,839
1.1. Gross claims paid	307,710	345,381
1.2. Reinsurers' share in claims paid	11,246	4,542
2. Change in outstanding claims provision, net of reinsurance	(11,495)	(2,385)
2.1. Change in outstanding claims provision, gross	(14,568)	(372)
2.2. Reinsurers' share in change in outstanding claims provision	(3,073)	2,013
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	200	(585)
VII. Costs of insurance activities	256,426	266,588
1. Acquisition costs, including:	166,875	182,467
- change in deferred acquisition costs	(25,425)	(1,583)
2. Administrative expenses	93,216	86,740
3. Reinsurers' commissions and share in reinsurers' profit	3,665	2,619
VIII. Other technical charges – net of reinsurance	19,668	10,774
IX Changes in risk equalization reserve	28,922	-
X. Technical result on non-life insurance	87,743	99,327

Technical 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 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	2,518,975	2,709,143
1. Gross written premiums	2,642,743	2,634,079
2. Reinsurers' share in written premium	7,912	10,725
3. Change in unearned premiums reserve and unexpired risks reserve, gross	115,304	(84,342)
4. Reinsurers' share in change in unearned premiums reserve	(552)	1,447
II. Net investment (including costs), transferred from the general profit and loss account	233,806	242,036
III. Other technical revenue net of reinsurance	127,006	63,391
IV. Claims and benefits (1+2)	2,258,620	2,532,056
1. Claims paid net of reinsurance	2,337,747	1,876,335
1.1. Gross claims paid	2,369,329	1,903,716
1.2. Reinsurers' share in claims paid	31,582	27,381
2. Change in outstanding claims provision, net of reinsurance	(79,127)	655,721
2.1. Change in outstanding claims provision, gross	(67,992)	680,183
2.2. Reinsurers' share in change in outstanding claims provision	11,135	24,462
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	81	192
VII. Costs of insurance activities	603,426	607,987
1. Acquisition costs, including:	353,716	341,715
- change in deferred acquisition costs	(48,700)	(2,713)
2. Administrative expenses	242,245	248,314
3. Reinsurers' commissions and share in reinsurers' profit	(7,465)	(17,958)
VIII. Other technical charges – net of reinsurance	183,234	155,950
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	(165,574)	(281,615)

Technical account - direct insurance

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

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	3,359	3,672
1. Gross written premiums	5,450	4,528
2. Reinsurers' share in written premium	1,597	1,012
3. Change in unearned premiums reserve and unexpired risks reserve, gross	780	(489)
4. Reinsurers' share in change in unearned premiums reserve	286	(333)
II. Net investment (including costs), transferred from the general profit and loss account	62	48
III. Other technical revenue net of reinsurance	219	311
IV. Claims and benefits (1+2)	4,243	(2,062)
1. Claims paid net of reinsurance	2,128	445
1.1. Gross claims paid	2,128	445
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	2,115	(2,507)
2.1. Change in outstanding claims provision, gross	2,174	(2,491)
2.2. Reinsurers' share in change in outstanding claims provision	59	16
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	(60)
VII. Costs of insurance activities	1,667	1,551
1. Acquisition costs, including:	1,112	1,121
- change in deferred acquisition costs	(521)	65
2. Administrative expenses	589	455
3. Reinsurers' commissions and share in reinsurers' profit	34	25
VIII. Other technical charges – net of reinsurance	200	80
IX Changes in risk equalization reserve	(120)	(77)
X. Technical result on non-life insurance	(2,350)	4,599

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical 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 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	513	520
1. Gross written premiums	575	583
2. Reinsurers' share in written premium	10	19
3. Change in unearned premiums reserve and unexpired risks reserve, gross	51	46
4. Reinsurers' share in change in unearned premiums reserve	(1)	2
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	6	8
IV. Claims and benefits (1+2)	398	296
1. Claims paid net of reinsurance	317	190
1.1. Gross claims paid	317	190
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	81	106
2.1. Change in outstanding claims provision, gross	81	106
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	306	284
1. Acquisition costs, including:	181	164
- change in deferred acquisition costs	(32)	(6)
2. Administrative expenses	125	120
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	10	3
IX Changes in risk equalization reserve	(7)	5
X. Technical result on non-life insurance	(188)	(60)

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical account - direct insurance

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

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	650,625	648,927
1. Gross written premiums	676,024	756,291
2. Reinsurers' share in written premium	13,194	22,031
3. Change in unearned premiums reserve and unexpired risks reserve, gross	10,038	88,780
4. Reinsurers' share in change in unearned premiums reserve	(2,167)	3,447
II. Net investment (including costs), transferred from the general profit and loss account	23,087	23,948
III. Other technical revenue net of reinsurance	6,689	14,551
IV. Claims and benefits (1+2)	201,858	383,659
1. Claims paid net of reinsurance	254,633	208,744
1.1. Gross claims paid	256,239	210,481
1.2. Reinsurers' share in claims paid	1,606	1,737
2. Change in outstanding claims provision, net of reinsurance	(52,775)	174,915
2.1. Change in outstanding claims provision, gross	(46,666)	197,748
2.2. Reinsurers' share in change in outstanding claims provision	6,109	22,833
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	2	168
VII. Costs of insurance activities	200,270	187,705
1. Acquisition costs, including:	147,436	140,145
- change in deferred acquisition costs	(16,998)	(15,808)
2. Administrative expenses	54,221	49,226
3. Reinsurers' commissions and share in reinsurers' profit	1,387	1,666
VIII. Other technical charges – net of reinsurance	17,137	8,748
IX Changes in risk equalization reserve	-	7,434
X. Technical result on non-life insurance	261,134	99,712

Technical account - direct insurance

GROUP 14 – Credit insurance

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	16,015	17,730
1. Gross written premiums	14,175	14,715
2. Reinsurers' share in written premium	1,630	1,824
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(3,597)	(4,900)
4. Reinsurers' share in change in unearned premiums reserve	(127)	(61)
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	533	518
IV. Claims and benefits (1+2)	2,808	130
1. Claims paid net of reinsurance	1,290	401
1.1. Gross claims paid	2,650	474
1.2. Reinsurers' share in claims paid	1,360	73
2. Change in outstanding claims provision, net of reinsurance	1,518	(271)
2.1. Change in outstanding claims provision, gross	1,600	(354)
2.2. Reinsurers' share in change in outstanding claims provision	82	(83)
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	312	348
VII. Costs of insurance activities	4,675	6,512
1. Acquisition costs, including:	1,976	3,434
- change in deferred acquisition costs	(470)	230
2. Administrative expenses	3,264	3,707
3. Reinsurers' commissions and share in reinsurers' profit	565	629
VIII. Other technical charges – net of reinsurance	80	96
IX Changes in risk equalization reserve	1,505	1,547
X. Technical result on non-life insurance	7,168	9,615

Technical account - direct insurance

GROUP 15 – Suretyship

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	19,639	15,494
1. Gross written premiums	61,075	65,351
2. Reinsurers' share in written premium	26,442	28,651
3. Change in unearned premiums reserve and unexpired risks reserve, gross	23,980	31,892
4. Reinsurers' share in change in unearned premiums reserve	8,986	10,686
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	(830)	(846)
IV. Claims and benefits (1+2)	9,525	9,721
1. Claims paid net of reinsurance	6,363	6,523
1.1. Gross claims paid	10,667	10,762
1.2. Reinsurers' share in claims paid	4,304	4,239
2. Change in outstanding claims provision, net of reinsurance	3,162	3,198
2.1. Change in outstanding claims provision, gross	5,048	5,452
2.2. Reinsurers' share in change in outstanding claims provision	1,886	2,254
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	9,410	10,883
1. Acquisition costs, including:	5,320	9,237
- change in deferred acquisition costs	(7,393)	(837)
2. Administrative expenses	7,883	8,336
3. Reinsurers' commissions and share in reinsurers' profit	3,793	6,690
VIII. Other technical charges – net of reinsurance	(557)	(262)
IX Changes in risk equalization reserve	355	774
X. Technical result on non-life insurance	76	(6,468)

Technical account - direct insurance

GROUP 16 – Insurance of various financial risks

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	66,245	62,852
1. Gross written premiums	85,073	82,282
2. Reinsurers' share in written premium	21,103	16,679
3. Change in unearned premiums reserve and unexpired risks reserve, gross	5,008	7,353
4. Reinsurers' share in change in unearned premiums reserve	7,283	4,602
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	3,758	1,764
IV. Claims and benefits (1+2)	1,129	324
1. Claims paid net of reinsurance	5,111	8,728
1.1. Gross claims paid	6,208	10,686
1.2. Reinsurers' share in claims paid	1,097	1,958
2. Change in outstanding claims provision, net of reinsurance	(3,982)	(8,404)
2.1. Change in outstanding claims provision, gross	(11,292)	58,910
2.2. Reinsurers' share in change in outstanding claims provision	(7,310)	67,314
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	1,308	182
VII. Costs of insurance activities	47,021	45,544
1. Acquisition costs, including:	44,338	42,586
- change in deferred acquisition costs	(435)	925
2. Administrative expenses	3,647	3,528
3. Reinsurers' commissions and share in reinsurers' profit	964	570
VIII. Other technical charges – net of reinsurance	3,757	3,398
IX Changes in risk equalization reserve	1,621	-
X. Technical result on non-life insurance	15,167	15,168

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical account - direct insurance

GROUP 17 – Insurance of legal protection

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	878	915
1. Gross written premiums	3,535	875
2. Reinsurers' share in written premium	-	-
3. Change in unearned premiums reserve and unexpired risks reserve, gross	2,657	(40)
4. Reinsurers' share in change in unearned premiums reserve	-	-
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	1	51
IV. Claims and benefits (1+2)	549	922
1. Claims paid net of reinsurance	596	732
1.1. Gross claims paid	596	732
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	(47)	190
2.1. Change in outstanding claims provision, gross	(47)	190
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	1,287	710
1. Acquisition costs, including:	723	416
- change in deferred acquisition costs	(504)	-
2. Administrative expenses	564	294
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	55	3
IX Changes in risk equalization reserve	-	46
X. Technical result on non-life insurance	(1,012)	(715)

Technical 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 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	260,897	222,490
1. Gross written premiums	290,260	237,416
2. Reinsurers' share in written premium	(184)	292
3. Change in unearned premiums reserve and unexpired risks reserve, gross	29,084	14,621
4. Reinsurers' share in change in unearned premiums reserve	(463)	(13)
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	463	981
IV. Claims and benefits (1+2)	159,653	128,563
1. Claims paid net of reinsurance	153,505	125,493
1.1. Gross claims paid	153,505	125,493
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	6,148	3,070
2.1. Change in outstanding claims provision, gross	6,148	3,002
2.2. Reinsurers' share in change in outstanding claims provision	-	(68)
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	97,554	98,708
1. Acquisition costs, including:	55,537	51,502
- change in deferred acquisition costs	(10,173)	(2,503)
2. Administrative expenses	42,017	47,206
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	4,431	1,245
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	(278)	(5,045)

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Technical accounts – inward reinsurance

Technical account – total inward reinsurance

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	140,959	44,852
1. Gross written premiums	595,066	122,628
2. Reinsurers' share in written premium	74,434	60,842
3. Change in unearned premiums reserve and unexpired risks reserve, gross	394,137	60,233
4. Reinsurers' share in change in unearned premiums reserve	14,464	43,299
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	2,969	2,632
IV. Claims and benefits (1+2)	110,075	40,600
1. Claims paid net of reinsurance	36,722	24,136
1.1. Gross claims paid	49,250	35,344
1.2. Reinsurers' share in claims paid	12,528	11,208
2. Change in outstanding claims provision, net of reinsurance	73,353	16,464
2.1. Change in outstanding claims provision, gross	372,299	15,871
2.2. Reinsurers' share in change in outstanding claims provision	298,946	(593)
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	4,690	1,417
VII. Costs of insurance activities	59,204	16,240
1. Acquisition costs, including:	29,158	8,412
- change in deferred acquisition costs	(226,732)	-
2. Administrative expenses	30,046	7,828
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	8,199	4,136
IX Changes in risk equalization reserve	2,528	(1,124)
X. Technical result on non-life insurance	(40,768)	(13,785)

In 2015, PZU carried out inward reinsurance activities in all accounting classes, except for class 9. In 2014, PZU carried out inward reinsurance activities in all accounting classes, except for classes 8 and 9.

Technical account – inward reinsurance

CLASS 1 – Accidents and sickness (groups 1 and 2)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	7,844	89
1. Gross written premiums	11,895	1,038
2. Reinsurers' share in written premium	449	859
3. Change in unearned premiums reserve and unexpired risks reserve, gross	3,314	741
4. Reinsurers' share in change in unearned premiums reserve	(288)	651
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	226	21
IV. Claims and benefits (1+2)	4,424	(1)
1. Claims paid net of reinsurance	-	-
1.1. Gross claims paid	-	-
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	4,424	(1)
2.1. Change in outstanding claims provision, gross	4,424	(1)
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	2,531	116
1. Acquisition costs, including:	2,475	1
- change in deferred acquisition costs	(401)	-
2. Administrative expenses	56	115
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	889	-
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	226	(5)

Technical account – inward reinsurance

CLASS 2 – Motor third party liability insurance (group 10)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	55,222	1,804
1. Gross written premiums	181,687	14,384
2. Reinsurers' share in written premium	7,873	7,830
3. Change in unearned premiums reserve and unexpired risks reserve, gross	119,162	12,292
4. Reinsurers' share in change in unearned premiums reserve	570	7,542
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	418	463
IV. Claims and benefits (1+2)	48,508	(730)
1. Claims paid net of reinsurance	376	2,806
1.1. Gross claims paid	376	2,806
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	48,132	(3,536)
2.1. Change in outstanding claims provision, gross	48,132	(3,536)
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	33,773	1,794
1. Acquisition costs, including:	12,056	231
- change in deferred acquisition costs	(28,532)	-
2. Administrative expenses	21,717	1,563
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	924	7
IX Changes in risk equalization reserve	(251)	90
X. Technical result on non-life insurance	(27,314)	1,106

Technical account – total inward reinsurance

CLASS 3 – Motor, other groups (group 3)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	7,385	2,429
1. Gross written premiums	24,986	5,397
2. Reinsurers' share in written premium	132	129
3. Change in unearned premiums reserve and unexpired risks reserve, gross	17,485	2,959
4. Reinsurers' share in change in unearned premiums reserve	16	120
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	1,161	39
IV. Claims and benefits (1+2)	2,828	681
1. Claims paid net of reinsurance	1,834	364
1.1. Gross claims paid	1,834	364
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	994	317
2.1. Change in outstanding claims provision, gross	994	317
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	4,523	451
1. Acquisition costs, including:	3,861	66
- change in deferred acquisition costs	(11,110)	-
2. Administrative expenses	662	385
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	1,225	685
IX Changes in risk equalization reserve	(18)	12
X. Technical result on non-life insurance	(12)	639

Technical account – total inward reinsurance

CLASS 4 – Marine, aviation and transport (groups 4, 5, 6 and 7)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	3,063	4,547
1. Gross written premiums	5,706	11,779
2. Reinsurers' share in written premium	2,837	6,825
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(2,372)	2,367
4. Reinsurers' share in change in unearned premiums reserve	(2,178)	1,960
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	138	290
IV. Claims and benefits (1+2)	1,742	1,707
1. Claims paid net of reinsurance	705	540
1.1. Gross claims paid	705	541
1.2. Reinsurers' share in claims paid	-	1
2. Change in outstanding claims provision, net of reinsurance	1,037	1,167
2.1. Change in outstanding claims provision, gross	1,037	1,335
2.2. Reinsurers' share in change in outstanding claims provision	-	168
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	30	7
VII. Costs of insurance activities	1,039	1,459
1. Acquisition costs, including:	869	1,094
- change in deferred acquisition costs	-	-
2. Administrative expenses	170	365
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	(7)	82
IX Changes in risk equalization reserve	-	(28)
X. Technical result on non-life insurance	397	1,610

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The attached supplementary information constitutes an integral part of the financial statements

Technical account – total inward reinsurance

CLASS 5 – Fire and other damage to property (groups 8 and 9)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	49,582	29,618
1. Gross written premiums	133,975	71,676
2. Reinsurers' share in written premium	56,285	35,684
3. Change in unearned premiums reserve and unexpired risks reserve, gross	41,568	32,064
4. Reinsurers' share in change in unearned premiums reserve	13,460	25,690
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	830	1,594
IV. Claims and benefits (1+2)	27,956	33,150
1. Claims paid net of reinsurance	30,443	9,471
1.1. Gross claims paid	42,971	20,631
1.2. Reinsurers' share in claims paid	12,528	11,160
2. Change in outstanding claims provision, net of reinsurance	(2,487)	23,679
2.1. Change in outstanding claims provision, gross	88,478	22,253
2.2. Reinsurers' share in change in outstanding claims provision	90,965	(1,426)
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	3,957	1,268
VII. Costs of insurance activities	14,317	7,652
1. Acquisition costs, including:	8,026	3,698
- change in deferred acquisition costs	(4,964)	-
2. Administrative expenses	6,291	3,954
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	4,481	2,613
IX Changes in risk equalization reserve	2,479	(1,287)
X. Technical result on non-life insurance	(2,778)	(12,184)

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The attached supplementary information constitutes an integral part of the financial statements

Technical account – total inward reinsurance

CLASS 6 – Third party liability (groups 11, 12 and 13)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	6,641	3,367
1. Gross written premiums	33,108	7,022
2. Reinsurers' share in written premium	1,810	2,133
3. Change in unearned premiums reserve and unexpired risks reserve, gross	24,483	3,043
4. Reinsurers' share in change in unearned premiums reserve	(174)	1,521
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	66	33
IV. Claims and benefits (1+2)	3,913	3,479
1. Claims paid net of reinsurance	2,447	9,573
1.1. Gross claims paid	2,447	9,573
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	1,466	(6,094)
2.1. Change in outstanding claims provision, gross	1,466	(6,092)
2.2. Reinsurers' share in change in outstanding claims provision	-	2
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	2	-
VII. Costs of insurance activities	2,405	1,434
1. Acquisition costs, including:	1,715	1,025
- change in deferred acquisition costs	(4,987)	-
2. Administrative expenses	690	409
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	48	481
IX Changes in risk equalization reserve	332	168
X. Technical result on non-life insurance	7	(2,162)

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The attached supplementary information constitutes an integral part of the financial statements

Technical account – total inward reinsurance

CLASS 7 – Credit and suretyship (groups 14 and 15)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	4,561	556
1. Gross written premiums	1,826	7,443
2. Reinsurers' share in written premium	463	5,672
3. Change in unearned premiums reserve and unexpired risks reserve, gross	(1,823)	6,887
4. Reinsurers' share in change in unearned premiums reserve	1,375	5,672
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	4	79
IV. Claims and benefits (1+2)	435	(90)
1. Claims paid net of reinsurance	(2)	45
1.1. Gross claims paid	(2)	45
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	437	(135)
2.1. Change in outstanding claims provision, gross	542	(135)
2.2. Reinsurers' share in change in outstanding claims provision	105	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	(603)	2,943
1. Acquisition costs, including:	(718)	2,033
- change in deferred acquisition costs	(1,650)	-
2. Administrative expenses	115	910
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	3	12
IX Changes in risk equalization reserve	(14)	10
X. Technical result on non-life insurance	4,744	(2,240)

Technical account – total inward reinsurance

CLASS 8 – Assistance (group 18)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	-	-
1. Gross written premiums	863	-
2. Reinsurers' share in written premium	-	-
3. Change in unearned premiums reserve and unexpired risks reserve, gross	863	-
4. Reinsurers' share in change in unearned premiums reserve	-	-
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	-	-
IV. Claims and benefits (1+2)	-	-
1. Claims paid net of reinsurance	-	-
1.1. Gross claims paid	-	-
1.2. Reinsurers' share in claims paid	-	-
2. Change in outstanding claims provision, net of reinsurance	-	-
2.1. Change in outstanding claims provision, gross	-	-
2.2. Reinsurers' share in change in outstanding claims provision	-	-
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	-	-
VII. Costs of insurance activities	1	-
1. Acquisition costs, including:	-	-
- change in deferred acquisition costs	(242)	-
2. Administrative expenses	1	-
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	-	-
IX Changes in risk equalization reserve	-	-
X. Technical result on non-life insurance	(1)	-

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The attached supplementary information constitutes an integral part of the financial statements

Technical account – total inward reinsurance

CLASS 10 – Miscellaneous (group 16)

Item	1 January - 31 December 2015	1 January - 31 December 2014
I. Premiums (1-2-3+4)	6,661	2,442
1. Gross written premiums	201,020	3,889
2. Reinsurers' share in written premium	4,585	1,710
3. Change in unearned premiums reserve and unexpired risks reserve, gross	191,457	(120)
4. Reinsurers' share in change in unearned premiums reserve	1,683	143
II. Net investment (including costs), transferred from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	126	113
IV. Claims and benefits (1+2)	20,269	2,404
1. Claims paid net of reinsurance	919	1,337
1.1. Gross claims paid	919	1,384
1.2. Reinsurers' share in claims paid	-	47
2. Change in outstanding claims provision, net of reinsurance	19,350	1,067
2.1. Change in outstanding claims provision, gross	227,226	1,730
2.2. Reinsurers' share in change in outstanding claims provision	207,876	663
V. Changes in other technical provisions, net of reinsurance	-	-
1. Change in other technical provisions (gross)	-	-
2. Reinsurers' share in change in other technical provisions	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions	701	142
VII. Costs of insurance activities	1,218	391
1. Acquisition costs, including:	874	264
- change in deferred acquisition costs	(174,846)	-
2. Administrative expenses	344	127
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	636	256
IX Changes in risk equalization reserve	-	(89)
X. Technical result on non-life insurance	(16,037)	(549)

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Actuary's opinion

I hereby state that as at 31 December 2015, technical provisions recognized in Powszechny Zakład Ubezpieczeń Spółka Akcyjna based on insurance mathematics method are correct.

Paweł Chadysz
Chief Actuary at PZU

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Supplementary information and explanations

1. Intangible assets

Intangible assets	31 December 2015	31 December 2014
a) development expenses	-	-
b) goodwill	-	-
c) acquired concessions, patents, licenses and similar items, including:	274,269	232,324
- computer software	270,642	229,340
d) other intangible assets	-	-
e) advance payments for intangible assets	87,898	51,675
Total intangible assets	362,167	283,999

Total changes in intangible assets	31 December 2015	31 December 2014
a) gross value of intangible assets – opening balance	560,499	475,736
b) increases (due to)	243,506	171,807
- purchase	141,291	92,059
- transfers	102,215	78,593
- other (including estimations)	-	1,155
c) decreases (due to)	107,233	87,044
- sale	-	-
- liquidation	2,385	8,451
- transfers	102,215	78,593
- other (including estimations)	2,633	-
d) gross value of intangible assets – closing balance	696,772	560,499
e) accumulated depreciation – at the beginning of the period	274,777	221,319
f) depreciation for the period (due to)	58,105	53,458
- current year charges	60,489	53,781
- sale	-	-
- liquidation	(2,384)	(323)
- other	-	-
g) accumulated depreciation – at the end of the period	332,882	274,777
h) impairment losses – at the beginning of the period	1,723	9,835
- increases	-	16
- decreases	-	8,128
i) impairment losses – at the end of the period	1,723	1,723
j) carrying amount of intangible assets – closing balance	362,167	283,999

Intangible assets – ownership structure	31 December 2015	31 December 2014
a) own	362,167	283,999
b) used based on lease, rental or other agreement	-	-
Total intangible assets	362,167	283,999

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Changes in intangible assets in the year ended 31 December 2015	a) development expenses	b) goodwill	c) acquired concessions, patents, licenses and similar items	- including computer software	d) other intangible assets	e) advance payments and intangible assets under construction	Total intangible assets
a) gross value of intangible assets – opening balance	-	-	507,088	496,944	13	53,398	560,499
b) increases (due to)	-	-	102,435	99,156	-	141,071	243,506
- purchase	-	-	220	220	-	141,071	141,291
- transfers	-	-	102,215	98,936	-	-	102,215
-other (including estimations)	-	-	-	-	-	-	-
c) decreases (due to)	-	-	2,385	1,619	-	104,848	107,233
- sale	-	-	-	-	-	-	-
- liquidation	-	-	2,385	1,619	-	-	2,385
- transfers	-	-	-	-	-	102,215	102,215
-other (including estimations)	-	-	-	-	-	2,633	2,633
d) gross value of intangible assets – closing balance	-	-	607,138	594,481	13	89,621	696,772
e) accumulated depreciation – opening balance	-	-	274,764	267,604	13	-	274,777
f) depreciation for the period	-	-	58,105	56,235	-	-	58,105
- current year charges	-	-	60,489	57,854	-	-	60,489
- sale	-	-	-	-	-	-	-
- liquidation	-	-	(2,384)	(1,619)	-	-	(2,384)
- other	-	-	-	-	-	-	-
g) accumulated depreciation – at the end of the period	-	-	332,869	323,839	13	-	332,882
h) impairment losses – at the beginning of the period	-	-	-	-	-	1,723	1,723
- increases	-	-	-	-	-	-	-
- decreases	-	-	-	-	-	-	-
i) impairment losses – at the end of the period	-	-	-	-	-	1,723	1,723
j) carrying amount of intangible assets – closing balance	-	-	274,269	270,642	-	87,898	362,167

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The attached supplementary information constitutes an integral part of the financial statements

Changes in intangible assets in the year ended 31 December 2014	a) development expenses	b) goodwill	c) acquired concessions, patents, licenses and similar items	- including computer software	d) other intangible assets	e) advance payments and intangible assets under construction	Total intangible assets
a) gross value of intangible assets – opening balance	-	-	428,164	421,375	13	47,559	475,736
b) increases (due to)	-	-	79,247	75,717	-	92,560	171,807
- purchase	-	-	654	534	-	91,405	92,059
- transfers	-	-	78,593	75,183	-	-	78,593
-other (including estimations)	-	-	-	-	-	1,155	1,155
c) decreases (due to)	-	-	323	148	-	86,721	87,044
- sale	-	-	-	-	-	-	-
- liquidation	-	-	323	148	-	8,128	8,451
- transfers	-	-	-	-	-	78,593	78,593
- other	-	-	-	-	-	-	-
d) gross value of intangible assets – closing balance	-	-	507,088	496,944	13	53,398	560,499
e) accumulated depreciation – opening balance	-	-	221,306	215,924	13	-	221,319
f) depreciation for the period	-	-	53,458	51,680	-	-	53,458
- current year charges	-	-	53,781	51,820	-	-	53,781
- sale	-	-	-	-	-	-	-
- liquidation	-	-	(323)	(140)	-	-	(323)
- other	-	-	-	-	-	-	-
g) accumulated depreciation – at the end of the period	-	-	274,764	267,604	13	-	274,777
h) impairment losses – at the beginning of the period	-	-	-	-	-	9,835	9,835
- increases	-	-	-	-	-	16	16
- decreases	-	-	-	-	-	8,128	8,128
i) impairment losses – at the end of the period	-	-	-	-	-	1,723	1,723
j) carrying amount of intangible assets – closing balance	-	-	232,324	229,340	-	51,675	283,999

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The attached supplementary information constitutes an integral part of the financial statements

2. Investments

2.1 Geographical structure of investments

Geographical structure of investments as at 31 December 2015	Domestic				Foreign – EU countries				Foreign – other countries				Total			
	Cost	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. Property ¹⁾	789,339	707,342	475,812	78,670	-	-	-	-	-	-	-	-	789,339	707,342	475,812	78,670
II. Investments in related parties ²⁾	2,987,207	6,450,534	6,909,718	7,821	1,106,616	1,117,830	1,117,757	-	176,250	13,303	13,303	-	4,270,073	7,581,667	8,040,778	7,821
III. Other financial investments	20,357,947	23,037,013	22,348,035	33,338	1,162,724	1,414,427	1,411,700	-	81,539	79,723	79,723	-	21,602,210	24,531,163	23,839,458	33,338
1. Shares and other variable income securities	12,572	48	48	12,524	-	-	-	-	-	-	-	-	12,572	48	48	12,524
- measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- measured at cost	12,572	48	48	12,524	-	-	-	-	-	-	-	-	12,572	48	48	12,524
2. Participation units and investment certificates of investment funds	11,718,042	13,606,029	13,606,029	20,814	-	-	-	-	-	-	-	-	11,718,042	13,606,029	13,606,029	20,814
3. Debt securities and other fixed income securities	5,813,303	6,560,352	5,866,954	-	1,093,030	1,098,202	1,095,751	-	81,539	79,723	79,723	-	6,987,872	7,738,277	7,042,428	-
- measured at fair value	245,994	250,778	250,779	-	1,023,408	1,023,326	1,023,326	-	81,539	79,723	79,723	-	1,350,941	1,353,827	1,353,828	-
- measured at cost or at amortized cost	5,567,309	6,309,574	5,616,175	-	69,622	74,876	72,425	-	-	-	-	-	5,636,931	6,384,450	5,688,600	-
4. Shares in joint investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgages	884,676	913,253	917,623	-	-	-	-	-	-	-	-	-	884,676	913,253	917,623	-
6. Other loans	544,259	546,349	546,399	-	69,694	70,865	70,589	-	-	-	-	-	613,953	617,214	616,988	-
7. Term deposits at credit institutions	1,385,095	1,391,806	1,391,806	-	-	-	-	-	-	-	-	-	1,385,095	1,391,806	1,391,806	-
8. Other investments	-	19,176	19,176	-	-	245,360	245,360	-	-	-	-	-	-	264,536	264,536	-
IV. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	24,134,493	30,194,889	29,733,565	119,829	2,269,340	2,532,257	2,529,457	-	257,789	93,026	93,026	-	26,661,622	32,820,172	32,356,048	119,829

¹⁾ The fair value of property results from valuations carried out mainly in 2013-2015, based primarily on the income method.

²⁾ In the case of related parties measured using the equity method, the presented fair value of investments in related parties was adopted at the level of net assets of those companies assigned to PZU as at the balance sheet date, including unamortized goodwill on the balance sheet date and impairment losses. Potential regular estimations of the fair value of investments in related parties, which would be carried out solely for the purposes of PZU financial reporting, are not carried out mainly due to potential significant and repetitive costs of such activities and a wide margin of discretion and error in relation to the results.

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The attached supplementary information constitutes an integral part of the financial statements

Investment structure as at 31 December 2015	Domestic - net carrying amount	Foreign – EU countries - net carrying amount	Foreign – other countries - net carrying amount	Total
I. Property	475,812	-	-	475,812
II. Investments in related parties	6,909,718	1,117,757	13,303	8,040,778
- unrestricted, quoted on stock exchange	1,294,327	-	-	1,294,327
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	5,615,391	1,117,757	13,303	6,746,451
- restricted	-	-	-	-
III. Other financial investments	22,348,035	1,411,700	79,723	23,839,458
1. Shares and other variable income securities	48	-	-	48
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	48	-	-	48
- restricted	-	-	-	-
2. Participation units and investment certificates of investment funds	13,606,029	-	-	13,606,029
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	13,606,029	-	-	13,606,029
- restricted	-	-	-	-
3. Debt securities and other fixed income securities	5,866,954	1,095,751	79,723	7,042,428
- unrestricted, quoted on stock exchange	5,530,013	1,023,326	79,723	6,633,062
- unrestricted, OTC traded	311,760	-	-	311,760
- unrestricted, unquoted on regulated market	25,181	72,425	-	97,606
- restricted	-	-	-	-
4. Shares in joint investments	-	-	-	-
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	-	-	-	-
- restricted	-	-	-	-
5. Mortgages	917,623	-	-	917,623
6. Other loans	546,399	70,589	-	616,988
7. Term deposits at credit institutions	1,391,806	-	-	1,391,806
8. Other investments	19,176	245,360	-	264,536
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	19,176	245,360	-	264,536
- restricted	-	-	-	-
IV. Deposits with ceding undertakings	-	-	-	-
Total	29,733,565	2,529,457	93,026	32,356,048

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The attached supplementary information constitutes an integral part of the financial statements

Geographical structure of investments as at 31 December 2014	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. Property ¹⁾	797,186	732,627	492,420	79,219	-	-	-	-	-	-	-	-	797,186	732,627	492,420	79,219
II. Investments in related parties ²⁾	1,110,010	5,201,088	5,201,384	7,821	1,435,211	1,257,173	1,257,481	-	176,250	14,525	14,525	-	2,721,471	6,472,786	6,473,390	7,821
III. Other financial investments	22,129,568	24,499,310	23,509,840	12,827	318,536	555,167	549,910	-	4,684	5,379	5,379	-	22,452,788	25,059,856	24,065,129	12,827
1. Shares and other variable income securities	12,788	72	72	12,716	-	-	-	-	-	-	-	-	12,788	72	72	12,716
- measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- measured at cost	12,788	72	72	12,716	-	-	-	-	-	-	-	-	12,788	72	72	12,716
2. Participation units and investment certificates of investment funds	11,654,036	12,965,651	12,965,651	111	-	-	-	-	-	-	-	-	11,654,036	12,965,651	12,965,651	111
3. Debt securities and other fixed income securities	7,033,378	8,057,073	7,073,833	-	248,842	267,762	262,803	-	4,684	5,379	5,379	-	7,286,904	8,330,214	7,342,015	-
- measured at fair value	670,681	694,337	694,337	-	179,220	190,381	190,381	-	4,684	5,379	5,379	-	854,585	890,097	890,097	-
- measured at cost or at amortized cost	6,362,697	7,362,736	6,379,496	-	69,622	77,381	72,422	-	-	-	-	-	6,432,319	7,440,117	6,451,918	-
4. Shares in joint investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgages	658,300	661,929	660,869	-	-	-	-	-	-	-	-	-	658,300	661,929	660,869	-
6. Other loans	1,406,755	1,413,589	1,408,419	-	69,694	71,706	71,408	-	-	-	-	-	1,476,449	1,485,295	1,479,827	-
7. Term deposits at credit institutions	1,364,311	1,368,226	1,368,226	-	-	-	-	-	-	-	-	-	1,364,311	1,368,226	1,368,226	-
8. Other investments	-	32,770	32,770	-	-	215,699	215,699	-	-	-	-	-	-	248,469	248,469	-
IV. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	24,036,764	30,433,025	29,203,644	99,867	1,753,747	1,812,340	1,807,391	-	180,934	19,904	19,904	-	25,971,445	32,265,269	31,030,939	99,867

¹⁾ The fair value of property results from valuations carried out mainly in 2013-2014, based primarily on the income method.

²⁾ In the case of related parties measured using the equity method, the presented fair value of investments in related parties was adopted at the level of net assets of those companies assigned to PZU as at the balance sheet date, including unamortized goodwill on the balance sheet date and impairment losses. Potential regular estimations of the fair value of investments in related parties, which would be carried out solely for the purposes of PZU financial reporting, are not carried out mainly due to potential significant and repetitive costs of such activities and a wide margin of discretion and error in relation to the results.

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The attached supplementary information constitutes an integral part of the financial statements

Investment structure as at 31 December 2014	Domestic - net carrying amount	Foreign – EU countries - net carrying amount	Foreign – other countries - net carrying amount	Total
I. Property	492,420	-	-	492,420
II. Investments in related parties	5,201,384	1,257,481	14,525	6,473,390
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	5,201,384	1,257,481	14,525	6,473,390
- restricted	-	-	-	-
III. Other financial investments	23,509,840	549,910	5,379	24,065,129
1. Shares and other variable income securities	72	-	-	72
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	72	-	-	72
- restricted	-	-	-	-
2. Participation units and investment certificates of investment funds	12,965,651	-	-	12,965,651
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	12,965,651	-	-	12,965,651
- restricted	-	-	-	-
3. Debt securities and other fixed income securities	7,073,833	262,803	5,379	7,342,015
- unrestricted, quoted on stock exchange	6,736,630	190,381	5,379	6,932,390
- unrestricted, OTC traded	312,017	-	-	312,017
- unrestricted, unquoted on regulated market	25,186	72,422	-	97,608
- restricted	-	-	-	-
4. Shares in joint investments	-	-	-	-
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	-	-	-	-
- restricted	-	-	-	-
5. Mortgages	660,869	-	-	660,869
6. Other loans	1,408,419	71,408	-	1,479,827
7. Term deposits at credit institutions	1,368,226	-	-	1,368,226
8. Other investments	32,770	215,699	-	248,469
- unrestricted, quoted on stock exchange	-	-	-	-
- unrestricted, OTC traded	-	-	-	-
- unrestricted, unquoted on regulated market	32,770	215,699	-	248,469
- restricted	-	-	-	-
IV. Deposits with ceding undertakings	-	-	-	-
Total	29,203,644	1,807,391	19,904	31,030,939

2.2 Change in financial instruments divided by portfolio

Change in financial instruments divided by portfolio for year ended 31 December 2015	Opening balance	Increases, including:		Decreases, including:		Closing balance
		Acquisition	Value increase	Sale or redemption	Value decrease	
a) financial assets held for trading, including:	266,269	2,050,701	186,920	1,800,182	31,602	672,106
Investments in related parties	-	-	-	-	-	-
Shares, stock and other variable income securities, participation units and investment certificates of investment funds	-	-	-	-	-	-
Debt securities and other fixed income securities	17,800	2,013,132	5,588	1,625,441	3,509	407,570
Other investments	248,469	37,569	181,332	174,741	28,093	264,536
b) financial liabilities held for trading	-	-	-	-	-	-
c) loans and receivables, including:	3,900,913	146,273,088	38,800	146,738,407	1,056	3,473,338
Debt securities and other fixed income securities	312,017	-	1,552	1,776	33	311,760
Mortgages	660,869	310,176	23,044	76,466	-	917,623
Loans granted to related parties	79,974	187,810	6,617	39,240	-	235,161
Other loans	1,479,827	49,992,002	869	50,854,693	1,017	616,988
Term deposits at credit institutions	1,368,226	95,783,100	6,718	95,766,232	6	1,391,806
d) financial assets held to maturity, including:	6,139,901	4,108,387	98,696	4,955,504	14,639	5,376,841
Debt securities and other fixed income securities	6,139,901	4,108,387	98,696	4,955,504	14,639	5,376,841
e) financial assets available for sale, including:	20,231,436	11,987,718	695,381	10,299,614	256,970	22,357,951
Investments in related parties	6,393,416	1,746,566	78,542	219,599	193,308	7,805,617
Shares, stock and other variable income securities, participation units and investment certificates of investment funds	12,965,723	75,540	600,582	1,659	34,109	13,606,077
Debt securities and other fixed income securities	872,297	10,165,612	16,257	10,078,356	29,553	946,257
Total	30,538,519	164,419,894	1,019,797	163,793,707	304,267	31,880,236

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The attached supplementary information constitutes an integral part of the financial statements

Change in financial instruments divided by portfolio for year ended 31 December 2014	Opening balance	Increases, including:		Decreases, including:		Closing balance
		Acquisition	Value increase	Sale or redemption	Value decrease	
a) financial assets held for trading, including:	1,131,604	384,420	266,784	1,217,686	298,853	266,269
Investments in related parties	-	-	-	-	-	-
Shares, stock and other variable income securities, participation units and investment certificates of investment funds	-	-	-	-	-	-
Debt securities and other fixed income securities	1,010,990	223,412	1,128	1,217,686	44	17,800
Other investments	120,614	161,008	265,656	-	298,809	248,469
b) financial liabilities held for trading	-	-	-	-	-	-
c) loans and receivables, including:	2,220,034	199,597,600	15,555	197,925,867	6,409	3,900,913
Debt securities and other fixed income securities	312,263	-	1,780	1,987	39	312,017
Mortgages	-	658,300	2,569	-	-	660,869
Loans granted to related parties	-	78,627	1,347	-	-	79,974
Other loans	1,720,077	101,021,002	7,513	101,268,765	-	1,479,827
Term deposits at credit institutions	187,694	97,839,671	2,346	96,655,115	6,370	1,368,226
d) financial assets held to maturity, including:	5,621,548	996,324	110,751	572,982	15,740	6,139,901
Debt securities and other fixed income securities	5,621,548	996,324	110,751	572,982	15,740	6,139,901
e) financial assets available for sale, including:	18,118,137	8,777,378	682,261	7,090,616	255,724	20,231,436
Investments in related parties	4,957,219	1,579,468	11,049	-	154,320	6,393,416
Shares, stock and other variable income securities, participation units and investment certificates of investment funds	12,264,218	298,550	645,143	144,439	97,749	12,965,723
Debt securities and other fixed income securities	896,700	6,899,360	26,069	6,946,177	3,655	872,297
Total	27,091,323	209,755,722	1,075,351	206,807,151	576,726	30,538,519

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The attached supplementary information constitutes an integral part of the financial statements

2.3 Investments in property

Investments in property	31 December 2015	31 December 2014
a) own land	29,743	30,073
- by cost	34,516	34,773
- by current value	108,151	91,542
b) land perpetual usufruct right	4,958	7,629
c) buildings and structures	431,340	447,229
- by cost	702,603	711,806
- by current value	451,745	470,827
d) cooperative ownership of premises	6,420	6,583
d) non-current assets under construction	3,351	906
f) advances for construction investments	-	-
Total investments in property	475,812	492,420

Change in investments in property	31 December 2015	31 December 2014
a) gross value – opening balance	797,186	824,665
b) increases (due to)	17,797	14,409
- investments	10,121	5,793
- direct purchase	7,676	8,259
- other	-	357
c) decreases (due to)	25,644	41,888
- liquidation	-	-
- sale	17,968	28,883
- donations	-	-
- other	7,676	13,005
d) gross value – closing balance	789,339	797,186
e) accumulated depreciation – at the beginning of the period	225,547	219,003
f) depreciation for the period (due to)	9,310	6,544
- current year charges	18,428	19,333
- depreciation of liquidated tangible assets	-	-
- depreciation of tangible assets sold	(9,363)	(12,937)
- depreciation of tangible assets donated	-	-
- other	245	148
g) accumulated depreciation – at the end of the period	234,857	225,547
h) impairment losses – at the beginning of the period	79,219	90,501
- increases	73	614
- decreases	622	11,896
i) impairment losses – at the end of the period	78,670	79,219
j) carrying amount – closing balance	475,812	492,420

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Change in property value for year ended 31 December 2015	Land and perpetual usufruct right	Buildings and structures, commercial space	Right to residential and commercial space	Construction investments	Advances for construction investments	Total property
a) gross value of property – at the beginning of the period	73,280	711,806	11,194	906	-	797,186
b) increases (due to)	107	7,137	432	10,121	-	17,797
- investments	-	-	-	10,121	-	10,121
- direct purchase	107	7,137	432	-	-	7,676
- other	-	-	-	-	-	-
c) decreases (due to)	1,369	16,340	259	7,676	-	25,644
- liquidation	-	-	-	-	-	-
- sale	1,369	16,340	259	-	-	17,968
- donations	-	-	-	-	-	-
- other	-	-	-	7,676	-	7,676
d) gross value of property – closing balance	72,018	702,603	11,367	3,351	-	789,339
e) accumulated depreciation – at the beginning of the period	29,802	191,172	4,573	-	-	225,547
f) depreciation for the period (due to)	1,666	7,270	374	-	-	9,310
- current year charges	2,649	15,499	280	-	-	18,428
- accumulated depreciation of property liquidated	-	-	-	-	-	-
- accumulated depreciation of property sold	(983)	(8,229)	(151)	-	-	(9,363)
- accumulated depreciation of property donated	-	-	-	-	-	-
- other	-	-	245	-	-	245
g) accumulated depreciation – at the end of the period	31,468	198,442	4,947	-	-	234,857
h) impairment losses – at the beginning of the period	5,776	73,405	38	-	-	79,219
- increases	73	-	-	-	-	73
- decreases	-	584	38	-	-	622
i) impairment losses – at the end of the period	5,849	72,821	-	-	-	78,670
j) carrying amount of property – closing balance	34,701	431,340	6,420	3,351	-	475,812

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The attached supplementary information constitutes an integral part of the financial statements

Change in property value for year ended 31 December 2014	Land and perpetual usufruct right	Buildings and structures, commercial space	Right to residential and commercial space	Construction investments	Advances for construction investments	Total property
a) gross value of property – at the beginning of the period	78,892	726,818	10,837	3,372	4,746	824,665
b) increases (due to)	169	8,090	357	5,793	-	14,409
- investments	-	-	-	5,793	-	5,793
- direct purchase	169	8,090	-	-	-	8,259
- other	-	-	357	-	-	357
c) decreases (due to)	5,781	23,102	-	8,259	4,746	41,888
- liquidation	-	-	-	-	-	-
- sale	5,781	23,102	-	-	-	28,883
- donations	-	-	-	-	-	-
- other	-	-	-	8,259	4,746	13,005
d) gross value of property – closing balance	73,280	711,806	11,194	906	-	797,186
e) accumulated depreciation – at the beginning of the period	30,312	184,550	4,141	-	-	219,003
f) depreciation for the period (due to)	(510)	6,622	432	-	-	6,544
- current year charges	3,071	15,978	284	-	-	19,333
- accumulated depreciation of property liquidated	-	-	-	-	-	-
- accumulated depreciation of property sold	(3,581)	(9,356)	-	-	-	(12,937)
- accumulated depreciation of property donated	-	-	-	-	-	-
- other	-	-	148	-	-	148
g) accumulated depreciation – at the end of the period	29,802	191,172	4,573	-	-	225,547
h) impairment losses – at the beginning of the period	5,790	79,965	-	-	4,746	90,501
- increases	49	527	38	-	-	614
- decreases	63	7,087	-	-	4,746	11,896
i) impairment losses – at the end of the period	5,776	73,405	38	-	-	79,219
j) carrying amount of property – closing balance	37,702	447,229	6,583	906	-	492,420

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Property (by purpose)	31 December 2015	31 December 2014
a) used for own purposes	434,756	415,999
b) other	41,056	76,421
Total property (by use)	475,812	492,420

Investments in property	31 December 2015	31 December 2014
a) short-term	44,976	37,596
b) long-term	430,836	454,824
Total investments in property	475,812	492,420

Investments in property (by currency)	31 December 2015	31 December 2014
a) in PLN	475,812	492,420
b) foreign currencies (by currency and converted to PLN)	-	-
Total investments in property	475,812	492,420

Investments in property	31 December 2015	31 December 2014
Value of land in perpetual usufruct not used for own purposes	177	1,077
Total value of land in perpetual usufruct not used for own purposes	177	1,077

2.4 Investments in related parties

Investments in related parties	31 December 2015	31 December 2014
a) shares in subsidiaries, including:	7,463,908	6,393,416
- long-term investments	7,463,908	6,393,416
b) shares in joint-ventures, including:	-	-
- long-term investments	-	-
c) shares in associates, including:	-	-
- long-term investments	-	-
d) loans granted to subsidiaries, including:	235,161	79,974
- long-term investments	235,161	79,974
e) loans granted to joint-ventures, including:	-	-
- long-term investments	-	-
f) loans granted to associates, including:	-	-
- long-term investments	-	-
g) debt securities of subsidiaries, including:	-	-
- long-term investments	-	-
h) debt securities of joint-ventures, including:	-	-
- long-term investments	-	-
i) debt securities of associates, including:	-	-
- long-term investments	-	-
j) other investments (by type), including:	341,709	-
- long-term investments	341,709	-
Total investments in related parties	8,040,778	6,473,390

As at 31 December 2015 and 31 December 2014, PZU did not hold any securities in related parties, guaranteed by the State Treasury or international organizations which Poland has joined, or local government.

Investments in related parties measured using the equity method	31 December 2015	31 December 2014
a) shares or stock, including:	7,463,908	6,393,416
- in subsidiaries	7,463,908	6,393,416
- in joint-ventures	-	-
- in associates	-	-
b) loans granted, including:	235,161	79,974
- to subsidiaries	235,161	79,974
- to joint-ventures	-	-
- to associates	-	-
c) debt instruments, including:	-	-
- subsidiaries	-	-
- joint-ventures	-	-
- associates	-	-
d) other (by type), including:	341,709	-
- in subsidiaries	341,709	-
- in joint-ventures	-	-
- in associates	-	-
Total investments in related parties measured with equity method	8,040,778	6,473,390

Investments in related parties measured using the equity method	31 December 2015	31 December 2014
a) goodwill of related parties	1,290,647	754,806
- subsidiaries	1,290,647	754,806
- joint-ventures	-	-
- associates	-	-
b) negative goodwill of related parties	-	-
- subsidiaries	-	-
- joint-ventures	-	-
- associates	-	-

Changes in goodwill - subsidiaries	31 December 2015	31 December 2014 ²⁾
a) gross value of goodwill – at the beginning of the period including:	754,536	6,791
- from UAB DK PZU Lithuania	754	754
- UAB PZU Lietuva Gyvybes Draudimas	81	81
- PrJSC IC PZU Ukraine	4,361	4,361
- PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
- Lietuvos Draudimas AB	436,809	-
- Link4 SA	221,377	-
- AAS Balta	89,559	-
b) increases	676,182	747,745
- Lietuvos Draudimas AB	-	436,809
- Link4 SA	-	221,377
- AAS Balta	-	89,559
- Alior Bank	676,182	-
c) decreases	754	-
- from UAB DK PZU Lithuania	754	-
d) gross value of goodwill – closing balance	1,429,964	754,536
- from UAB DK PZU Lithuania	-	754
- UAB PZU Lietuva Gyvybes Draudimas	81	81
- PrJSC IC PZU Ukraine	4,361	4,361

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- PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
- Lietuvos Draudimas AB	436,809	436,809
- Link4 SA	221,377	221,377
- AAS Balta	89,559	89,559
- Alior Bank	676,182	-
e) accumulated amortization of goodwill – opening balance	13,523	6,791
- from UAB DK PZU Lithuania	754	754
- UAB PZU Lietuva Gyvybes Draudimas	81	81
- PrJSC IC PZU Ukraine	4,361	4,361
- PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
- Lietuvos Draudimas AB	1,103	-
- Link4 SA	5,263	-
- AAS Balta	366	-
- Alior Bank	-	-
f) amortization of goodwill for the period	52,791	6,732
- from UAB DK PZU Lithuania ¹⁾	(754)	-
- Lietuvos Draudimas AB	29,431	1,103
- Link4 SA	14,415	5,263
- AAS Balta	6,324	366
- Alior Bank	3,375	-
g) accumulated amortization of goodwill – closing balance	66,314	13,523
- from UAB DK PZU Lithuania	-	754
- UAB PZU Lietuva Gyvybes Draudimas	81	81
- PrJSC IC PZU Ukraine	4,361	4,361
- PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
- Lietuvos Draudimas AB	30,534	1,103
- Link4 SA	19,678	5,263
- AAS Balta	6,690	366
- Alior Bank	3,375	-
h) carrying amount of goodwill – closing balance	1,363,650	741,013
- from UAB DK PZU Lithuania ¹⁾	-	-
- UAB PZU Lietuva Gyvybes Draudimas	-	-
- PrJSC IC PZU Ukraine	-	-
- PrJSC IC PZU Ukraine Life Insurance	-	-
- Lietuvos Draudimas AB	406,275	435,706
- Link4 SA	201,699	216,114
- AAS Balta	82,869	89,193
- Alior Bank	672,807	-

¹⁾ UAB DK PZU Lithuania was sold in 2015, description in detail in Note 2.4.1 of Supplementary information and explanations.

²⁾ Data transformer due to completed purchase price allocation of Link4 and Lietuvos Draudimas.

Goodwill in the above table relating to related parties is expressed in EUR and converted into PLN for every balance sheet date according to the current exchange rate, except the goodwill of Alior Bank expressed in PLN. Foreign exchange differences from translation and depreciation are disclosed as changes in impairment of goodwill.

Calculation of goodwill – Alior Bank¹⁾	As at the day of purchase of the first installment	As at the day of purchase of the third installment
Assets	36,935,727	39,425,606
New intangible assets identified during the acquisition – trademark (including amortization)	100,000	98,889
Deferred tax from new intangible assets identified during the acquisition – trademark	(19,000)	(18,789)
Liabilities	(33,835,399)	(36,492,766)
Fair value of acquired net assets	3,181,328	3,012,940
Share in share capital	9.9645%	9.9645%
Fair value of purchased net assets including share in share capital	317,003	300,224
Fair value of payment made – cash	646,704	646,705
Goodwill	329,701	346,481

¹⁾ The amounts resulting from the initial settlement of the purchase price are subject to change as a result of the completion of the process within a maximum period of 12 months from the date of commencing control.

Change in investments in related parties (by type)	31 December 2015	31 December 2014
a) opening balance	6,473,390	4,957,219
- shares and stock in related parties	6,393,416	4,957,219
- loans granted	79,974	-
- contribution to share capital	-	-
b) increases (due to)	2,019,535	1,670,491
- acquisition	1,934,376	1,658,095
- revaluation adjustments	85,159	12,396
- other	-	-
c) decreases (due to)	452,147	154,320
- sale or redemption	258,839	-
- revaluation adjustments	193,308	154,320
- other	-	-
d) closing balance	8,040,778	6,473,390
- shares and stock in related parties	7,805,617	6,393,416
- loans granted	235,161	79,974
- contribution to share capital	-	-

Shares and securities in related parties	31 December 2015	31 December 2014
a) listed on the regulated market	1,294,327	-
b) not listed on the regulated market	6,169,581	6,393,416
Total shares and securities in related parties	7,463,908	6,393,416

Shares, stock and other financial instruments in related parties (long-term investments) by disposability	31 December 2015	31 December 2014
A. Unrestricted, listed on regulated market (carrying amount)	1,294,327	-
a) stock (carrying amount)	1,294,327	-
- revaluation adjustments (for the period)	1,294,327	-
- opening balance	-	-
- at cost	1,293,409	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
B. Unrestricted, listed on OTC market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-

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C. Unrestricted, not listed on the regulated market (carrying amount)	6,746,451	6,253,791
a) stock (carrying amount)	5,906,925	5,913,444
- revaluation adjustments (for the period)	(6,519)	1,211,855
- opening balance	5,913,444	4,701,589
- at cost	2,139,476	2,028,028
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	839,526	340,347
shares in related parties (balance sheet value)	262,656	260,373
- revaluation adjustments (for the period)	2,283	4,743
- opening balance	260,373	255,630
- at cost	261,219	261,219
loans granted (balance sheet value)	235,161	79,974
- revaluation adjustments (for the period)	155,187	79,974
- opening balance	79,974	-
- at cost	230,401	78,627
other investments (balance sheet value)	341,709	-
- revaluation adjustments (for the period)	341,709	-
- opening balance	-	-
- at cost	341,709	-
D. Restricted (carrying amount)	-	-
a) shares or stock (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
Total at cost	4,266,214	2,367,874
Total opening balance	6,253,791	4,957,219
Total revaluation adjustments (for the period)	1,786,987	1,296,572
Total carrying amount	8,040,778	6,253,791

Shares, stock and other financial instruments in related parties (short-term investments) by disposability	31 December 2015	31 December 2014
A. Unrestricted, listed on regulated market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-

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c) other – by group (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
B. Unrestricted, listed on OTC market (carrying amount)	-	219,599
a) stock (carrying amount)	-	219,599
- fair value	-	219,599
- market value	-	219,599
- at cost	-	349,739
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
C. Unrestricted, not listed on the regulated market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
D. Restricted (carrying amount)	-	-
a) shares or stock (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- fair value	-	-
- market value	-	-
- at cost	-	-
Total at cost	-	349,739
Total opening balance	219,599	-
Total revaluation adjustments (for the period)	(219,599) ¹⁾	(130,140)
Total carrying amount	-	219,599

¹⁾ The item refers to PZU Lithuania shares subject to the share purchase agreement, described in Note 2.4.1 of Supplementary information and explanations.

2.4.1. Sale of PZU Lithuania shares

On 2 February 2015, a share purchase agreement of shares of PZU Lithuania was signed, under which Gjensidige Forsikring ASA with its registered office in Oslo (Norway) acquired 1,761,941 ordinary registered shares in PZU Lithuania with the nominal value of EUR 28.96 each, representing a total of 99.879% of the share capital of PZU Lithuania.

The sale of the shares was subject to the fulfillment of the following conditions precedent:

- lack of objection of the Bank of Lithuania regarding the purchase of shares in PZU Lithuania by the purchaser (condition fulfilled on 13 August 2015);
- consent of the Latvian and Estonian antitrust authorities or a written confirmation that such consent is not required (PZU received confirmation concerning the lack of need to obtain such consents on 25 May 2015 and 14 May 2015, respectively);
- consent of the Lithuanian Competition Council (on 7 April 2015, PZU acquired information on fulfillment of this condition);
- completion of the process of separating assets and liabilities of PZU Lithuania related to the operations carried out by the branches of PZU Lithuania in Latvia and Estonia to PZU Group (condition fulfilled on 23 June 2015);
- obtaining the consent of the Bank of Lithuania on the early repayment by PZU Lithuania of a subordinated loan granted to PZU Lithuania by PZU (the approval was granted on 15 July 2015, and the loan was repaid on 16 July 2015);
- consent of the Norwegian Financial Supervision Authority for the purchase of the shares in PZU Lithuania by the purchaser (on 14 May 2015, PZU acquired information on fulfillment of this condition);
- waiver of the preemptive right by the minority shareholder of PZU Lithuania (holding 0.121% of the share capital) in relation to the shares of PZU Lithuania in favor of PZU (condition fulfilled on 30 September 2015);
- consent of the Lithuanian government commission for the purchase of the shares in PZU Lithuania by the purchaser or a written confirmation that such consent is not required (on 14 May 2015, PZU acquired information on fulfillment of this condition).

Closing of the sale transaction of shares of PZU Lithuania and loss of control occurred on 30 September 2015.

Payment for PZU Lithuania shares made on the day the transaction was closed amounted to EUR 65,966 thousand (at the NBP exchange rate established on the day preceding the trade date: PLN 279,921 thousand). Impact of this transaction on the gross financial result of PZU amounted to PLN 58,834 thousand.

On 17 February 2016, the purchase price was adjusted by the difference between the estimated amount of compensation of net assets and the actual amount of compensation of net assets (determined on the basis of the closing balance prepared by the buyer and accepted by PZU). Due to the adjustment, the purchase price was lowered by EUR 349 thousand (at the NBP exchange rate of 31 December 2015: PLN 1,488 thousand).

In addition, the price shall be adjusted by four payments made in 6-month periods, each time in the amount of 1.5% of the amount of excess capital calculated as the difference between the actual equity of PZU Lithuania determined in accordance with the requirements of the Bank of Lithuania and the required PZU Lithuania capital calculated in accordance with the provisions of law and regulations binding PZU Lithuania.

2.4.2. Purchase of Alior Bank shares

Based on the Alior Bank preliminary share purchase agreement of 30 May 2015, PZU acquired 17,818,473 shares in Alior Bank from Alior Lux S.à.r.l. & Co. S.C.A ("Seller 1") and 500,000 shares in Alior Bank from Alior Polska sp. z o.o. ("Seller 2"), i.e. the total of 18,318,473 shares, constituting approximately 25.25% of share capital of Alior Bank and total number of votes at the General Shareholders' Meeting of Alior Bank.

The Alior Bank shares, after fulfilling the conditions included in the purchase agreement, are purchased by PZU in three tranches:

- first – 6,744,900 shares from Seller 1 and 500,000 from Seller 2;
- second – 7,244,900 shares from Seller 1;

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- third – 3,828,673 shares from Seller 1.

Price per share is PLN 89.25 and the total price of purchased shares is PLN 1,634,924 thousand.

Transaction realization was subject to the fulfillment of the following conditions precedent, which were also conditions precedent for realization of each tranche (the first three points apply to the first tranche only):

- lack of objection of the Polish Financial Supervision Authority ("PFSA") regarding the purchase of shares in Alior Bank by PZU (on 6 October 2015, PFSA found there are no grounds for objection);
- obtaining the consent of the President of the Office of Competition and Consumer Protection by PZU or considering it obtained (on 6 August 2015, PZU acquired information on fulfillment of this condition);
- obtaining the consent of the Ukrainian anti-monopoly authority by PZU (on 2 September, 2015 PZU acquired the decision about the approval);
- lack of breach of representations and warranties made by the parties to this agreement (condition fulfilled on 9 October 2015);
- lack of unauthorized benefits included in the agreement which were not properly compensated (condition fulfilled on 9 October 2015);
- lack of significant adverse change included in the agreement (condition fulfilled on 9 October 2015);
- lack of breach of representations during the transitional period between the date of signing the agreement and the date of next tranche (condition fulfilled on 9 October 2015);
- acquisition of the organized part of the company of Seller 2 by Alior Bank, including property listed in points a) – d) of the resolution No. 27/2015 of the General Shareholders' Meeting of Alior Bank of 25 May 2015 (condition fulfilled on 31 July 2015).

On 12 October 2015, acquisition of the first tranche of Alior Bank shares was settled. The acquisition of the second tranche was settled on 18 December. The payment for each tranche was PLN 646,705 thousand (PLN 1,293,409 thousand in total). Between 12 October and 18 December 2015, Alior Bank was considered an associate. As at 18 December 2015, the Management Board of PZU made additional analyses of the level of association with Alior Bank and concluded that:

- it holds, both directly and indirectly, 23.9574% (including 4.0284%, indirectly held through its controlled investment funds) of Alior Bank Shares (including potential vote rights resulting from the absolute obligation to purchase the third tranche – 29.2232%) conferring the right to the same number of votes at the General Shareholders' Meeting of Alior Bank;
- only three shareholders hold share packages of over 5% and the remaining shareholding structure is fragmented, what means that only a joint effort of many entities would create a possibility to pass a vote against PZU;
- it would hold a majority of votes on most General Shareholder's Meetings (as a result of attendance and vote result analysis at General Shareholders' Meeting of Alior Bank in 2013-2015);
- PZU requested the appointment of a new member of the Management Board of Alior Bank (previously a Member of the Management Board of PZU) and two Members of the Supervisory Board who are part of key management personnel of PZU;
- undertook investment obligations towards Alior Bank; due to that fact, its exposure to variability of Alior Bank's financial result is greater than it would result from the interest it holds in Alior Bank's capital.

Due to the above, the Management Board of PZU concluded that as of 18 December 2015, it has control over Alior Bank, despite the fact that it does not hold the right to a minimum of 50% of votes at the General Shareholder's Meeting.

At the same time, bearing in mind the obligations arising from the sale agreement for the shares of Alior Bank, in the balance sheet of PZU as of 31 December 2015, 3,828,673 shares from the third tranche of Alior Bank were recognized, which represented 5.2658% of the share capital of Alior Bank and the total number of votes at the General Shareholders' Meeting of Alior Bank, measured at the price arising from the sale agreement, i.e., the total amount of PLN 341,709 thousand, and recognizing corresponding liability in the same amount presented in section 11.5 of the Supplementary information and explanations.

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Finalization of the purchase of the third tranche of shares is described in section 7.1 of the Introduction to the financial statements.

Since 12 October 2015, Alior Bank is measured using the equity method in the separate financial statements of PZU.

2.4.3. Loans for subsidiaries

2.4.3.1. Loan granted to PZU Zdrowie SA

On 23 March 2015, a subordinated loan agreement was concluded between PZU and PZU Zdrowie SA covering the amount no greater than PLN 200,000 thousand. The first installment in the amount of PLN 90,000 thousand was released on 26 March 2015, and the second installment in the amount of PLN 40,000 thousand was released on 29 September 2015. The loan bears no interest. The loan should be paid in 120 equal installments, no later than on 31 December 2030. As at 31 December 2015, the amount of loan was PLN 130,000 thousand.

2.4.3.2. Loan granted to Link4

On 12 September 2014, a subordinated loan agreement was concluded between PZU and Link4 covering the amount of PLN 30,000 thousand. The loan should be paid on 15 September 2019 or the following working day, whereas an early repayment is possible only in the event of liquidation of Link4 or with the consent of the PFSA.

The interest rate on the loan was determined on an arm's length basis (6-month WIBOR rate increased by 350 bps.).

As at 31 December 2015, the amount of loan was PLN 31,878 thousand.

List of subsidiaries as at 31 December 2015, financial data included

a) Entity name (including the status of business)	b) Registered office	c) Company's scope of operation	d) Capital relationship	e) Applied consolidation method/ measurement using the equity method, or indication that the entity is not subject to consolidation/ measurement using the equity method	f) Date of commencing control/ significant impact	g) Value of stock/ shares per cost	h) Total revaluation adjustment ¹⁾	i) Carrying amount of stock/ shares	j) Percentage of share capital directly or indirectly held by PZU	k) Share in total number of votes at the General Shareholders' Meeting	l) Basis of control/ significant impact other than that referred to in sections j) and k)
1. Powszechny Zakład Ubezpieczeń na Życie SA ("PZU Życie")	Warsaw	Conducting life insurance activities	subsidiary	full consolidation	18.12.1991	295,088	3,958,465	4,253,553	100.00%	100.00%	n/a
2. Alior Bank Group	Warsaw	Conducting banking activities	subsidiary ²⁾	full consolidation	18.12.2015	1,293,409	918	1,294,327	19.93%	19.93%	n/a
3. Lietuvos Draudimas AB	Vilnius – Lithuania	Conducting non-life insurance activities	subsidiary	full consolidation	31.10.2014	806,968	40,273	847,241	99.98%	99.98%	n/a
4. Link4 Towarzystwo Ubezpieczeń SA ("Link4")	Warsaw	Conducting non-life insurance activities	subsidiary	full consolidation	15.09.2014	473,482	(58,375)	415,107	100.00%	100.00%	n/a
5. Apdrošināšanas Akciju Sabiedrība Balta ("AAS Balta")	Riga – Latvia	Conducting non-life insurance activities	subsidiary	full consolidation	30.06.2014	200,776	(19,208)	181,568	99.99%	99.99%	n/a
6. Ogrodowa - Inwestycje Sp. z o.o. ("Ogrodowa Inwestycje")	Warsaw	Business and management counselling, activities of holding companies	subsidiary	full consolidation	15.09.2004	142,255	1,284	143,539	100.00%	100.00%	n/a
7. Tower-Inwestycje Sp. z o.o. (former PZU Tower Sp. z o.o.) ("PZU Tower")	Warsaw	Other financial service activities, except insurance and pension funding	indirect subsidiary	full consolidation	17.08.1999	112,900	4,504	117,404	27.47%	27.47%	n/a
8. Towarzystwo Funduszy Inwestycyjnych PZU SA ("TFI PZU")	Warsaw	Creation, representing and management of investment funds	subsidiary	full consolidation	27.09.2011	38,403	35,283	73,686	100.00%	100.00%	n/a
9. PZU Centrum Operacji SA ("PZU CO")	Warsaw	Activities auxiliary to insurance and pension funding	subsidiary	full consolidation	27.09.2011	40,645	(4,296)	36,349	100.00%	100.00%	n/a
10. UAB PZU Lietuva Gyvybes Draudimas	Vilnius – Lithuania	Conducting life insurance activities	subsidiary	full consolidation	08.04.2004	40,235	(13,285)	26,950	99.34%	99.34%	n/a
11. Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych ("TUW PZUW")	Warsaw	Conducting non-life insurance activities	subsidiary	full consolidation	20.11.2015	25,850	7	25,857	100.00%	100.00%	n/a
12. PZU Pomoc SA	Warsaw	Assistance services	subsidiary	full consolidation	18.03.2009	18,566	1,213	19,779	100.00%	100.00%	n/a
13. PZU Asset Management S.A. ("PZU AM")	Warsaw	Management of third-party securities portfolio on a fee or commission basis	subsidiary	full consolidation	12.07.2001	11,463	(3,591)	7,872	100.00%	100.00%	n/a
14. PrJSC IC PZU Ukraine	Kiev – Ukraine	Conducting non-life insurance activities	subsidiary	full consolidation	01.07.2005	143,666	(135,539)	8,127	89.97%	89.97%	n/a

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The attached supplementary information constitutes an integral part of the financial statements

15.	PrJSC IC PZU Ukraine Life Insurance	Kiev – Ukraine	Conducting life insurance activities	subsidiary	full consolidation	01.07.2005	32,584	(27,408)	5,176	53.47%	53.47%	n/a
16.	PZU Zdrowie SA ("PZU Zdrowie")	Warsaw	Provision of medical services	subsidiary	full consolidation	02.09.2011	10,664	(6,263)	4,401	100.00%	100.00%	n/a
17.	PZU Finanse Sp. z o.o.	Warsaw	Other financial service activities, except insurance and pension funding	subsidiary	full consolidation	30.10.2013	2,050	(363)	1,687	100.00%	100.00%	n/a
18.	Międzyzakładowe Pracownicze Towarzystwo Emerytalne PZU SA in liquidation ("MPTE PZU SA")	Warsaw	Development and management of employee pension fund.	subsidiary	full consolidation	13.08.2004	500	(304)	196	100.00%	100.00%	n/a
19.	PZU Finance AB	Stockholm – Sweden	Financing services	subsidiary	full consolidation	02.06.2014	236	514	750	100.00%	100.00%	n/a
20.	Omicron BIS SA	Warsaw	The company does not conduct any lease activity	subsidiary	full consolidation	21.08.2014	150	(14)	136	100.00%	100.00%	n/a
21.	Sigma BIS SA	Warsaw	The company does not conduct any lease activity	subsidiary	full consolidation	19.08.2015	100	(4)	96	100.00%	100.00%	n/a
22.	Ipsilon Sp. z o.o.	Warsaw	Assistance services and provision of medical services	subsidiary	full consolidation	02.04.2009	52	(26)	26	100.00%	100.00%	n/a
23.	Omicron SA	Warsaw	The company does not conduct any lease activity	subsidiary	full consolidation	13.09.2011	100	(19)	81	100.00%	100.00%	n/a
24.	Syta Development Sp. z o.o. in liquidation ("Syta Development")	Warsaw	Acquisition and dispose of real estate, real estate agency services, property administration	subsidiary	unconsolidated	29.04.1996	3,962	(3,962)	-	100.00%	100.00%	n/a
Total							3,694,104	3,769,804	7,463,908			

¹⁾ "Total revaluation adjustment" shows change in value resulting from measurement using the equity method, including goodwill amortization and impairment losses.

²⁾ Alior Bank was considered a subsidiary based on the ratios described in Note 2.4.2 of Supplementary information and explanations.

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The attached supplementary information constitutes an integral part of the financial statements

a) Entity name (including the status of business)	m) Entity's equity, including:						n) Liabilities and provisions for liabilities, including:		o) Entity's receivables		p) Total entity's assets	r) Revenue from sale	s) Value of stock/ shares not paid by the issuer	t) Dividends received from or due by the entity for the previous 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	- retained earnings (accumulated loss)	- net profit (loss)								
1. PZU Życie ²⁾	295,000	-	2,854,505	51,924	-	1,052,124	3,290	1,094,747	9,810	256,730	27,956,769	8,065,078	-	2,420,174
2. Alior Bank Group ^{1) 2)}	727,075	-	2,279,843	199,950	(3,657)	309,648	3,622,521	32,831,390	-	484,862	40,003,010	2,944,950	-	-
3. Lietuvos Draudimas AB ¹⁾	48,541	-	9,707	35,626	338,085	74,736	42,615	96,958	6,068	156,793	1,255,911	638,450	-	-
4. Link4 ²⁾	111,355	-	273,506	10,557	(208,868)	(19,035)	31,878	193,601	14,112	122,050	881,620	494,939	-	-
5. AAS Balta ¹⁾	34,182	-	5,488	16,211	94,106	(4,942)	17,809	28,117	-	54,500	442,923	281,101	-	-
6. Ogrodowa Inwestycje	142,255	-	482	1,550	-	(725)	1,414	3,071	-	1,167	149,508	19,997	-	-
7. PZU Tower	411,000	-	-	14,649	(10,819)	12,567	-	1,803	-	95	432,671	193	-	-
8. TFI PZU	13,000	-	27,355	7,981	-	24,894	-	14,415	2	18,689	103,559	172,622	-	9,227
9. PZU CO	500	-	35,509	170	-	171	-	10,903	-	13,263	59,080	104,209	-	1,102
10. UAB PZU Lietuva Gyvybes Draudimas ¹⁾	29,309	-	-	2,288	(3,111)	(1,357)	-	1,709	-	119	127,061	43,062	-	-
11. TUW PZUW	24,900	-	-	-	-	7	-	1,034	-	-	25,942	-	-	-
12. PZU Pomoc SA	4,886	-	8,439	-	-	4,576	12,036	1,739	-	10,595	34,852	75,619	-	-
13. PZU AM	5,000	-	2,913	32	-	(72)	-	12	88	37	7,923	-	-	3,806
14. PrJSC IC PZU Ukraine ¹⁾	7,216	-	658	144,571	(145,726)	2,314	-	53,682	-	36,256	133,188	137,564	-	-
15. PrJSC IC PZU Ukraine Life Insurance ¹⁾	7,153	-	126	22,072	(21,251)	1,581	-	3,167	-	974	82,997	30,620	-	-
16. PZU Zdrowie	650	-	10,014	-	(34)	(6,236)	130,000	2,493	-	7,254	147,259	11,860	-	-
17. PZU Finanse Sp. z o.o.	50	-	-	2,000	(36)	(353)	-	339	-	335	2,144	515	-	-
18. MPTE PZU SA	693	-	-	-	-	(495)	-	26	-	-	259	-	-	-
19. PZU Finance AB ¹⁾	219	-	-	15	23	494	3,569,863	48,637	-	72	3,619,250	-	-	-
20. Omicron BIS SA	150	-	-	-	-	(14)	-	0	-	-	140	-	-	-
21. Sigma BIS SA	96	-	-	-	-	(4)	-	-	-	-	97	-	-	-
22. Ipsilon Sp. z o.o.	50	-	-	-	(20)	(4)	-	1	-	-	27	-	-	-
23. Omicron SA	100	-	-	-	(15)	(7)	-	-	-	-	82	-	-	-
24. Syta Development	831	-	9,908	(285)	(10,005)	(166)	-	14	-	-	298	-	-	-

Data above are based on unaudited financial statements of the companies, except PZU Życie, PZU Zdrowie, TFI PZU and Alior Bank Group.

¹⁾ Data according to IFRS.

²⁾ In case of insurance companies, "revenue from sale" shows gross written premiums and other technical revenue. In the case of Alior Bank, interest income and income from commissions and charges.

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The attached supplementary information constitutes an integral part of the financial statements

List of related parties as at 31 December 2014, financial data included

	a) Entity name (including the status of business)	b) Registered office	c) Company's scope of operation	d) Capital relationship	e) Applied consolidation method/ measurement using the equity method, or indication that the entity is not subject to consolidation/ measurement using the equity method	f) Date of commencing control/ significant impact	g) Value of stock/ shares per cost	h) Total revaluation adjustment ¹⁾	a) Carrying amount of stock/ shares	j) Percentage of share capital directly or indirectly held by PZU	k) Share in total number of votes at the General Shareholders' Meeting	l) Basis of control/ significant impact other than that referred to in sections j) and k)
1.	Powszechny Zakład Ubezpieczeń na Życie SA ("PZU Życie")	Warsaw	Conducting life insurance activities	subsidiary	full consolidation	18.12.1991	295,088	4,079,506	4,374,594	100.00%	100.00%	n/a
2.	Lietuvos Draudimas AB	Vilnius – Lithuania	Conducting non-life insurance activities	subsidiary	full consolidation	31.10.2014	807,598	(22,696)	784,902	99.98%	99.98%	n/a
3.	Link4 Towarzystwo Ubezpieczeń SA ("Link4")	Warsaw	Conducting non-life insurance activities	subsidiary	full consolidation	15.09.2014	393,917	(2,521)	391,396	100.00%	100.00%	n/a
4.	UAB DK PZU Lithuania ("PZU Lithuania")	Vilnius – Lithuania	Conducting non-life insurance activities	subsidiary	full consolidation	26.04.2002	349,739	(130,140)	219,599	99.88%	99.88%	n/a
5.	Apdrošināšanas Akciju Sabiedrība Balta ("AAS Balta")	Riga – Latvia	Conducting non-life insurance activities	subsidiary	full consolidation	30.06.2014	200,776	(13,894)	186,882	99.99%	99.99%	n/a
6.	Ogrodowa - Inwestycje Sp. z o.o. ("Ogrodowa Inwestycje")	Warsaw	Business and management counselling, activities of holding companies	subsidiary	full consolidation	15.09.2004	142,255	1,415	143,670	100.00%	100.00%	n/a
7.	Tower-Inwestycje Sp. z o.o. (former PZU Tower Sp. z o.o.) ("PZU Tower")	Warsaw	Other financial service activities, except insurance and pension funding	indirect subsidiary	full consolidation	17.08.1999	112,900	1,757	114,657	27.47%	27.47%	n/a
8.	Towarzystwo Funduszy Inwestycyjnych PZU SA ("TFI PZU")	Warsaw	Creation, representing and management of investment funds	subsidiary	full consolidation	27.09.2011	38,403	18,985	57,388	100.00%	100.00%	n/a
9.	PZU Centrum Operacji SA ("PZU CO")	Warsaw	Activities auxiliary to insurance and pension funding	subsidiary	full consolidation	27.09.2011	40,645	(2,596)	38,049	100.00%	100.00%	n/a
10.	UAB PZU Lietuva Gyvybes Draudimas	Vilnius – Lithuania	Conducting life insurance activities	subsidiary	full consolidation	08.04.2004	40,236	(11,910)	28,326	99.34%	99.34%	n/a
11.	PZU Pomoc SA	Warsaw	Assistance services	subsidiary	full consolidation	18.03.2009	18,566	1,869	20,435	100.00%	100.00%	n/a
12.	PZU Asset Management S.A. ("PZU AM")	Warsaw	Management of third-party securities portfolio on a fee or commission basis	subsidiary	full consolidation	12.07.2001	11,463	257	11,720	100.00%	100.00%	n/a
13.	PrJSC IC PZU Ukraine	Kiev – Ukraine	Conducting non-life insurance activities	subsidiary	full consolidation	01.07.2005	143,666	(135,206)	8,460	89.97%	89.97%	n/a
14.	PrJSC IC PZU Ukraine Life Insurance	Kiev – Ukraine	Conducting life insurance activities	subsidiary	full consolidation	01.07.2005	32,584	(26,519)	6,065	53.47%	53.47%	n/a
15.	Ipsilon Bis SA	Warsaw	Provision of medical services	subsidiary	full consolidation	02.09.2011	4,100	(33)	4,067	100.00%	100.00%	n/a
16.	PZU Finanse Sp. z o.o.	Warsaw	Other financial service activities, except insurance and pension funding	subsidiary	full consolidation	30.10.2013	2,050	(34)	2,016	100.00%	100.00%	n/a
17.	Międzyzakładowe	Warsaw	Development and	subsidiary	full consolidation	13.08.2004	500	178	678	100.00%	100.00%	n/a

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The attached supplementary information constitutes an integral part of the financial statements

	Pracownicze Towarzystwo Emerytalne PZU SA in liquidation ("MPTE PZU SA")		management of employee pension fund.									
18.	PZU Finance AB	Stockholm – Sweden	Financing services	subsidiary	full consolidation	02.06.2014	236	13	249	100.00%	100.00%	n/a
19.	Omicron BIS SA	Warsaw	The company does not conduct any lease activity	subsidiary	full consolidation	21.08.2014	150	(3)	147	100.00%	100.00%	n/a
20.	Ipsilon Sp. z o.o.	Warsaw	Assistance services and provision of medical services	subsidiary	full consolidation	02.04.2009	52	(22)	30	100.00%	100.00%	n/a
21.	Omicron SA	Warsaw	The company does not conduct any lease activity	subsidiary	full consolidation	13.09.2011	100	(14)	86	100.00%	100.00%	n/a
22.	Syta Development Sp. z o.o. in liquidation ("Syta Development")	Warsaw	Acquisition and dispose of real estate, real estate agency services, property administration	subsidiary	unconsolidated	29.04.1996	3,962	(3,962)	-	100.00%	100.00%	n/a
Total							2,638,986	3,754,430	6,393,416			

¹⁾ "Total revaluation adjustment" shows change in value resulting from measurement using the equity method, including goodwill amortization and impairment losses.

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

a) Entity name (including the status of business)	m) Entity's equity, including:						n) Liabilities and provisions for liabilities, including:		o) Entity's receivables		p) Total entity's assets	r) Revenue from sale	s) Value of stock/ shares not paid by the issuer	t) Dividends received from or due by the entity for the previous 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	- retained earnings (accumulated loss)	- net profit (loss)								
1. PZU Życie ²⁾	295,000	-	2,723,207	155,054	-	1,201,333	2,602	2,055,289	4,784	353,470	29,503,727	8,183,342	-	2,060,000
2. Lietuvos Draudimas AB ¹⁾	48,541	-	9,707	35,302	362,131	(24,046)	-	82,194	2,937	96,797	984,753	82,724	-	-
3. Link4 ²⁾	111,354	-	201,142	24,922	(208,868)	(22,636)	30,434	30,821	5,327	58,616	668,749	417,235	-	-
4. PZU Lithuania 1)	216,481	-	-	54,250	(33,883)	(18,125)	-	23,713	-	52,158	670,352	295,680	-	-
5. AAS Balta 1)	34,182	-	5,488	16,330	111,570	(17,465)	-	23,276	-	48,829	404,991	120,925	-	-
6. Ogródowa Inwestycje	142,255	-	2,345	921	-	(1,863)	1,858	3,261	-	1,633	150,719	21,376	-	-
7. PZU Tower	411,000	-	-	176,216	(11,176)	357	-	68	-	102	580,548	326	-	-
8. TFI PZU	13,000	-	18,128	7,695	-	18,454	-	17,114	2	29,182	93,458	146,145	-	11,989
9. PZU CO	500	-	35,509	11	-	2,102	150	11,691	-	12,150	57,445	97,634	-	18,222
10. UAB PZU Lietuva Gyvybes Draudimas 1)	29,309	-	-	2,318	(3,353)	241	-	1,821	-	196	109,886	37,168	-	-
11. PZU Pomoc SA	4,886	-	12,695	-	-	2,309	12,017	20,051	-	15,539	54,353	46,495	-	-
12. PZU AM	5,000	-	5,008	1,475	-	234	-	18	88	62	11,787	37	-	-
13. PrJSC IC PZU Ukraine 1)	7,216	-	652	147,255	(144,494)	(1,226)	-	27,607	-	16,033	116,839	132,873	-	-
14. PrJSC IC PZU Ukraine Life Insurance 1)	7,153	-	-	25,315	(25,448)	4,323	-	3,360	-	2,043	107,182	40,690	-	-
15. Ipsilon Bis SA	100	-	-	4,000	(22)	(12)	-	1	-	-	4,071	-	-	-
16. PZU Finanse Sp. z o.o.	50	-	-	2,000	-	(36)	-	2	-	1	2,019	-	-	-
17. MPTE PZU SA	790	-	-	-	-	(120)	-	24	-	79	741	-	-	-
18. PZU Finance AB 1)	219	-	-	6	-	23	-	701	-	128	2,128,486	-	-	-
19. Omicron BIS SA	150	-	-	-	-	(3)	-	1	-	-	148	-	-	-
20. Ipsilon Sp. z o.o.	50	-	-	-	(17)	(4)	-	1	-	-	31	-	-	-
21. Omicron SA	100	-	-	-	(8)	(6)	-	-	-	-	89	-	-	-
22. Syta Development	826	-	9,374	(285)	(9,601)	(404)	-	90	-	-	-	591	-	-

¹⁾ Data according to IFRS.

²⁾ In case of insurance companies, "revenue from sale" shows gross written premiums and other technical revenue.

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The attached supplementary information constitutes an integral part of the financial statements

Deposits in subsidiaries (currency structure)	31 December 2015	31 December 2014
a) in PLN	6,909,718	5,201,384
b) foreign currencies (by currency and converted to PLN)	1,131,060	1,272,006
b1. LTL thousand	-	836,704
PLN thousand	-	1,032,827
b2. UAH thousand	82,016	64,671
PLN thousand	13,303	14,525
b3. EUR thousand	262,116	52,649
PLN thousand	1,117,007	224,405
b4. SEK thousand	1,614	549
PLN thousand	750	249
Total investments in related parties	8,040,778	6,473,390

2.5 Other financial investments

Other financial investments	31 December 2015	31 December 2014
a) shares and other variable income securities	48	72
b) participation units and investment certificates of investment funds	13,606,029	12,965,651
c) debt securities and other fixed income securities	7,042,428	7,342,015
d) interests in joint ventures (investments)	-	-
e) mortgages, including:	917,623	660,869
- additionally collateralized with policies	-	-
f) other loans, including:	616,988	1,479,827
- for the insured, with policies as the basic collateral	-	-
- for the insured, not collateralized with policies	-	-
g) term deposits at credit institutions	1,391,806	1,368,226
h) other deposits	264,536	248,469
Total other financial investments	23,839,458	24,065,129

Change in other investments (by type)	31 December 2015	31 December 2014
a) opening balance	24,065,129	22,134,104
Shares, stock and other variable income securities, participation units and investment certificates of investment funds	12,965,723	12,264,218
Debt securities and other fixed income securities	7,342,015	7,841,501
Other investments	3,757,391	2,028,385
b) increases (due to)	163,420,156	209,160,582
- acquisition	162,485,518	208,097,627
- revaluation adjustments	934,638	1,062,955
- other	-	-
c) decreases (due to)	163,645,827	207,229,557
- sale or redemption	163,534,868	206,807,151
- revaluation adjustments	110,959	422,406
- other	-	-
d) closing balance	23,839,458	24,065,129
Shares, stock and other variable income securities, participation units and investment certificates of investment funds	13,606,077	12,965,723
Debt securities and other fixed income securities	7,042,428	7,342,015
Other investments	3,190,953	3,757,391

Other financial investments	31 December 2015	31 December 2014
a) short-term	2,533,315	4,084,369
b) long-term	21,306,143	19,980,760
Total other financial investments	23,839,458	24,065,129

Other financial investments (currency structure)	31 December 2015	31 December 2014
a) in PLN	20,942,131	22,324,996
b) foreign currencies (by currency and converted to PLN)	2,897,327	1,740,133
b1. EUR thousand	603,677	336,555
PLN thousand	2,572,568	1,434,500
b2. USD thousand	33,401	8,948
PLN thousand	130,300	31,384
b3. HUF thousand	4,925,961	16,353,080
PLN thousand	66,998	221,388
b4. other currencies PLN thousand	127,461	52,861
Total other financial investments	23,839,458	24,065,129

Other financial investments by portfolio qualification	31 December 2015	31 December 2014
a) financial assets held for trading	672,106	266,269
b) loans and receivables	3,238,178	3,820,939
c) financial assets held to maturity	5,376,840	6,139,901
d) financial assets available for sale	14,552,334	13,838,020
Total other financial investments	23,839,458	24,065,129

Other financial investments – in financial instruments	31 December 2015	31 December 2014
a) issued by the State Treasury or international organizations to which the Republic of Poland belongs	5,828,325	6,104,591
- long-term investments	5,507,730	5,352,044
- short-term investments	320,595	752,547
b) guaranteed by the State Treasury or international organizations to which the Republic of Poland belongs	603,212	602,968
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	26,251	26,252
f) guaranteed by local government units or their associations, or by the capital city of Warsaw	-	-
g) other	17,381,670	17,331,318
Total other financial investments – in financial instruments	23,839,458	24,065,129

Securities (other financial investments)	31 December 2015	31 December 2014
a) listed on the regulated market	6,633,062	6,932,390
b) not listed on the regulated market	6,922,315	6,496,220
Total securities (other financial investments)	13,555,377	13,428,610

Shares and other variable income securities (carrying amount)	31 December 2015	31 December 2014
a) shares and stock including:	48	72
- long-term investments	48	72
b) debt securities, including:	-	-

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- long-term investments	-	-
c) other (by type)	-	-
Shares and other variable income securities total	48	72

Change in the balance of investments in shares and other variable income securities (by type)	31 December 2015	31 December 2014
a) opening balance	72	69
Shares and other variable income securities	72	69
b) increases (due to)	-	3
- acquisition	-	-
- value adjustment	-	3
- other	-	-
c) decreases (due to)	24	-
- disposal	24	-
- value adjustment	-	-
- other	-	-
d) closing balance	48	72
Shares and other variable income securities	48	72

The above table does not include participation units and investment certificates of investment funds presented in the balance sheet under II.3.

Shares, stock and other variable income financial instruments (long-term investments) by disposability	31 December 2015	31 December 2014
A. Unrestricted, listed on regulated market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
mortgage bonds (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
open investment fund participation units (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
B. Unrestricted, listed on OTC market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-

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- opening balance	-	-
- at cost	-	-
C. Unrestricted, not listed on the regulated market (carrying amount)	13,606,077	12,965,723
a) stock (carrying amount)	48	72
- revaluation adjustments (for the period)	(24)	3
- opening balance	72	69
- at cost	12,572	12,788
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	13,606,029	12,965,651
closed investment fund's investment certificates (carrying amount)	13,606,029	12,965,651
- revaluation adjustments (for the period)	640,378	701,502
- opening balance	12,965,651	12,264,149
- at cost	11,718,042	11,654,036
loans (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
D. Restricted (carrying amount)	-	-
a) shares or stock (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
c) other – by group (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at cost	-	-
Total at cost	11,730,614	11,666,824
Total opening balance	12,965,723	12,264,218
Total revaluation adjustments (for the period)	640,354	701,505
Total carrying amount	13,606,077	12,965,723

In 2014–2015, there were neither shares, securities or other variable income financial instruments classified as short-term investments nor shares or short-term securities or providing 5% or more interest in share capital and total number of votes at the General Shareholders' Meeting of the entities other than the presented subsidiaries.

2.5.1. Other loans

Other loans	31 December 2015		31 December 2014	
	Total carrying amount	Reinsurance type	Total carrying amount	Reinsurance type
Buy-sell-back transactions	409,570	Debt securities	1,121,138	Debt securities
Loans secured by assets other than mortgage	207,418	Main mortgages on shares, receivables portfolios, bank accounts, other loans and other	358,689	Main mortgages on shares, receivables portfolios, bank accounts, other loans and other
Total other loans	616,988		1,479,827	

2.5.2. Debt securities issued by corporations and local government authorities

Debt securities by issuer as at 31 December 2015	Remeasurement method	Purchase price	Total carrying measurement	Measurement at fair value	Impairment loss
WIG companies – Banks	at amortized cost	335,556	336,941	337,427	-
WIG companies – Banks	at fair value	98,472	101,266	101,266	-
Foreign banks	at amortized cost	69,622	72,425	74,876	-
Mortgage banks	at fair value	41,983	43,179	43,179	-
National authorities	at amortized cost	25,000	26,251	29,733	-
Other	at fair value	18,419	17,154	17,154	-
WIG companies – Fuels	at fair value	13,489	13,673	13,673	-
Total		602,541	610,889	617,308	

Debt securities by issuer as at 31 December 2014	Remeasurement method	Purchase price	Total carrying measurement	Measurement at fair value	Impairment loss
WIG companies – Banks	at amortized cost	335,557	337,203	344,677	-
WIG companies – Banks	at fair value	136,224	141,992	141,992	-
Foreign banks	at amortized cost	69,622	72,422	77,381	-
Mortgage banks	at fair value	41,983	42,623	42,623	-
National authorities	at amortized cost	25,000	26,252	30,442	-
WIG companies – Fuels	at fair value	13,489	13,965	13,965	-
Total		621,875	634,457	651,080	

2.5.3. Debt securities issued by state treasuries other than Polish

As at 31 December 2015:

Issuer	Currency	Remeasurement method	Purchase price	Total carrying measurement	Measurement at fair value	Impairment loss
Germany	EUR	at fair value	684,709	680,057	680,057	-
United States	USD	at fair value	80,031	77,843	77,843	-
Romania	EUR	at fair value	52,805	56,754	56,754	-
Hungary	EUR	at fair value	46,872	47,554	47,554	-
Hungary	HUF	at fair value	41,964	40,852	40,852	-
Portugal	EUR	at fair value	36,735	35,565	35,565	-
Spain	EUR	at fair value	31,627	30,451	30,451	-
Iceland	USD	at fair value	1,508	1,880	1,880	-
Total			976,251	970,956	970,956	

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As at 31 December 2014:

Issuer	Currency	Remeasurement method	Purchase price	Total carrying measurement	Measurement at fair value	Impairment loss
Romania	EUR	at fair value	31,203	34,424	34,424	-
Iceland	USD	at fair value	4,684	5,379	5,379	-
Total			35,887	39,803	39,803	

2.5.4. Term deposits at credit institutions

Total term deposits in credit institutions (by maturity)	31 December 2015	31 December 2014
a) up to 3 months	752,466	1,368,226
b) over 3 months and up to 1 year	639,340	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
Total term deposits in credit institutions	1,391,806	1,368,226

Term deposits at credit institutions (currency structure)	31 December 2015	31 December 2014
a) in PLN	491,756	261,037
b) in foreign currencies with domestic banks (by currency and translated into PLN)	900,050	1,107,189
b1. EUR thousand	206,063	213,127
PLN thousand	878,138	908,412
b2. USD thousand	5,617	2,402
PLN thousand	21,912	8,426
b3. HUF thousand	-	14,060,496
PLN thousand	-	190,351
c) in foreign currencies in foreign banks (by currency and converted to PLN)	-	-
Total term deposits in credit institutions	1,391,806	1,368,226

2.5.5. Derivatives

Both in 2015 and in 2014, 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 2015 and in 2014, PZU used swap transactions, interest rate forwards and exchange rates, as well as, stock index futures, price of commodities 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.

As at 31 December 2015, PZU held the following derivatives and achieved the following results on transactions involving such instruments in 2015:

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 at 31 December 2015 in currency thousand in currency thousand	Nominal value as at 31 December 2015 translated into PLN in PLN thousand	Number as at 31 December 2015	Position as at 31 December 2015 (short/ long)	Assets – carrying amount in PLN thousand	Liabilities – carrying amount in PLN thousand	Realized gains/ losses in 2015 in PLN thousand	Unrealized gains/ losses in 2015 in PLN thousand
Interest rate risk	commercial	IRS	HUF	2024-02-24	Yes	None	None	3,500,037	47,604	1	n/a	-	12,798	9,859	(12,798)
Interest rate risk	commercial	IRS	HUF	2024-04-08	Yes	None	None	3,500,037	47,604	1	n/a	9,322	-	(6,551)	9,322
Interest rate risk	commercial	IRS	HUF	2024-04-08	Yes	None	None	3,500,037	47,604	1	n/a	9,557	-	(6,773)	9,557
Interest rate risk	commercial	IRS	PLN	2016-03-09	Yes	None	None	250,000	250,000	1	n/a	-	6,075	6,041	(6,075)
Interest rate risk	commercial	IRS	PLN	2016-03-09	Yes	None	None	250,000	250,000	1	n/a	-	6,050	6,017	(6,050)
Interest rate risk	commercial	IRS	PLN	2018-06-16	Yes	None	None	50,000	50,000	1	n/a	-	2,217	2,047	(2,217)
Interest rate risk	commercial	IRS	PLN	2018-06-16	Yes	None	None	25,000	25,000	1	n/a	-	1,108	1,023	(1,108)
Interest rate risk	commercial	IRS	PLN	2018-06-18	Yes	None	None	70,000	70,000	1	n/a	-	3,150	2,912	(3,150)
Interest rate risk	commercial	IRS	PLN	2024-06-05	Yes	None	None	65,000	65,000	1	n/a	3,075	-	-	(712)
Interest rate risk	commercial	IRS	PLN	2018-07-08	Yes	None	None	25,000	25,000	1	n/a	782	-	(701)	782
Interest rate risk	commercial	IRS	MXN	2017-10-13	Yes	None	None	3,635,000	814,967	1	n/a	5,068	-	-	6,240
Interest rate risk	commercial	IRS	PLN	2016-11-10	Yes	None	None	125,000	125,000	1	n/a	-	184	161	(184)
Interest rate risk	commercial	IRS	PLN	2016-11-12	Yes	None	None	128,000	128,000	1	n/a	-	201	188	(201)
Interest rate risk	commercial	IRS	PLN	2019-12-09	Yes	None	None	25,000	25,000	1	n/a	-	211	128	(211)
Interest rate risk	commercial	IRS	MXN	2017-10-13	Yes	None	None	3,635,000	814,967	1	n/a	-	6,199	-	(6,224)
Interest rate risk	commercial	IRS	PLN	2019-12-19	Yes	None	None	15,000	15,000	1	n/a	-	125	77	(125)
Interest rate risk	commercial	IRS	PLN	2019-12-23	Yes	None	None	10,000	10,000	1	n/a	-	58	27	(58)
Interest rate risk	commercial	IRS	PLN	2019-12-23	Yes	None	None	30,000	30,000	1	n/a	-	175	81	(175)
Interest rate risk	commercial	IRS	HUF	2024-02-24	Yes	None	None	3,326,005	45,237	1	n/a	1,122	-	(473)	1,122
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	266,953	262,975	1	n/a	-	20,505	-	(20,505)
Interest rate risk	commercial	IRS	USD	2023-05-20	Yes	None	None	114,000	444,725	1	n/a	6,474	-	-	6,474
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	256,665	252,841	1	n/a	13,375	-	-	13,375
Interest rate risk	commercial	IRS	MXN	2017-07-21	Yes	None	None	4,200,000	941,640	1	n/a	2,591	-	-	2,591
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	370,260	364,743	1	n/a	-	23,018	-	(23,018)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	124,740	122,881	1	n/a	-	7,544	-	(7,544)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	155,019	152,709	1	n/a	-	8,405	-	(8,405)

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Interest rate risk	commercial	IRS	AUD	2019-08-12	Yes	None	None	36,600	104,478	1	n/a	151	-	-	151
Interest rate risk	commercial	IRS	AUD	2019-08-14	Yes	None	None	150,000	428,190	1	n/a	457	-	-	457
Interest rate risk	commercial	IRS	ILS	2018-08-14	Yes	None	None	383,000	382,847	1	n/a	458	-	-	458
Interest rate risk	commercial	IRS	ILS	2018-08-14	Yes	None	None	950,000	949,620	1	n/a	1,159	-	-	1,159
Interest rate risk	commercial	IRS	PLN	2017-11-06	Yes	None	None	425,000	425,000	1	n/a	500	-	-	500
Interest rate risk	commercial	IRS	PLN	2025-08-26	Yes	None	None	50,000	50,000	1	n/a	-	806	-	(806)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	199,063	196,097	1	n/a	9,253	-	-	9,253
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	648,798	639,131	1	n/a	30,157	-	-	30,157
Interest rate risk	commercial	IRS	ZAR	2025-08-25	Yes	None	None	1,150,000	287,155	1	n/a	-	9,049	-	(9,049)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	196,145	193,222	1	n/a	-	5,393	-	(5,393)
Interest rate risk	commercial	IRS	ZAR	2025-09-11	Yes	None	None	575,002	143,578	1	n/a	3,893	-	-	3,893
Interest rate risk	commercial	IRS	ZAR	2025-09-11	Yes	None	None	575,002	143,578	1	n/a	3,930	-	-	3,930
Interest rate risk	commercial	IRS	AUD	2019-10-23	Yes	None	None	40,000	114,184	1	n/a	-	351	-	(351)
Interest rate risk	commercial	IRS	AUD	2019-10-23	Yes	None	None	107,000	305,442	1	n/a	-	967	-	(967)
Interest rate risk	commercial	IRS	CAD	2025-10-28	Yes	None	None	33,000	92,737	1	n/a	-	27	-	(27)
Interest rate risk	commercial	IRS	HUF	2023-12-19	Yes	None	None	7,049,996	95,887	1	n/a	-	64	(130)	(64)
Interest rate risk	commercial	IRS	CAD	2025-11-09	Yes	None	None	56,000	157,371	1	n/a	-	1,661	-	(1,661)
Interest rate risk	commercial	IRS	PLN	2025-12-08	Yes	None	None	25,000	25,000	1	n/a	11	-	-	11
Interest rate risk	commercial	IRS	HUF	2020-04-30	Yes	None	None	2,000,000	27,202	1	n/a	6,057	-	(4,845)	6,057
Interest rate risk	commercial	IRS	HUF	2020-05-11	Yes	None	None	1,000,000	13,601	1	n/a	-	3,264	2,641	(3,264)
Interest rate risk	commercial	IRS	HUF	2020-05-11	Yes	None	None	1,000,000	13,601	1	n/a	-	3,257	2,635	(3,257)
Interest rate risk	commercial	IRS	RUB	2016-04-13	Yes	None	None	325,000	17,160	1	n/a	-	97	(323)	(97)
Interest rate risk	commercial	IRS	RUB	2016-04-13	Yes	None	None	325,000	17,160	1	n/a	-	106	(314)	(106)
Interest rate risk	commercial	IRS	PLN	2018-07-12	Yes	None	None	112,500	112,500	1	n/a	9,163	-	(8,668)	9,163
Interest rate risk	commercial	IRS	PLN	2018-07-31	Yes	None	None	125,000	125,000	1	n/a	-	9,340	8,791	(9,340)
Interest rate risk	commercial	IRS	ZAR	2022-09-20	Yes	None	None	637,501	159,184	1	n/a	-	10,010	-	(8,168)
Interest rate risk	commercial	IRS	PLN	2017-09-28	Yes	None	None	50,000	50,000	1	n/a	-	2,549	2,356	(2,549)
Interest rate risk	commercial	IRS	PLN	2017-10-02	Yes	None	None	25,000	25,000	1	n/a	-	1,273	1,178	(1,273)
Interest rate risk	commercial	IRS	ZAR	2022-10-03	Yes	None	None	637,501	159,184	1	n/a	9,741	-	-	8,193
Interest rate risk	commercial	IRS	PLN	2017-10-04	Yes	None	None	112,500	112,500	1	n/a	-	5,615	5,193	(5,615)
Interest rate risk	commercial	IRS	PLN	2017-10-09	Yes	None	None	25,000	25,000	1	n/a	-	1,273	1,178	(1,273)
Interest rate risk	commercial	IRS	PLN	2017-10-19	Yes	None	None	50,000	50,000	1	n/a	-	2,434	2,248	(2,434)
Interest rate risk	commercial	IRS	PLN	2017-10-19	Yes	None	None	50,000	50,000	1	n/a	-	2,434	2,248	(2,434)

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Interest rate risk	commercial	IRS	PLN	2017-01-08	Yes	None	None	225,000	225,000	1	n/a	-	4,380	-	(364)
Interest rate risk	commercial	IRS	PLN	2017-01-08	Yes	None	None	225,000	225,000	1	n/a	-	4,380	-	(364)
Interest rate risk	commercial	IRS	USD	2023-01-08	Yes	None	None	44,500	173,599	1	n/a	-	6,809	-	(3,493)
Interest rate risk	commercial	IRS	PLN	2017-01-09	Yes	None	None	250,000	250,000	1	n/a	-	4,671	-	(402)
Interest rate risk	commercial	IRS	USD	2023-01-30	Yes	None	None	25,000	97,528	1	n/a	-	3,928	-	(1,957)
Interest rate risk	commercial	IRS	USD	2023-03-12	Yes	None	None	69,500	271,126	1	n/a	12,464	-	-	5,538
Interest rate risk	commercial	IRS	RUB	2016-04-15	Yes	None	None	325,000	17,160	1	n/a	174	-	311	174
Interest rate risk	commercial	IRS	RUB	2016-04-15	Yes	None	None	325,000	17,160	1	n/a	173	-	312	173
Interest rate risk	commercial	IRS	USD	2023-05-14	Yes	None	None	111,000	433,022	1	n/a	-	17,426	-	(7,868)
Interest rate risk	commercial	IRS	PLN	2017-11-20	Yes	None	None	187,500	187,500	1	n/a	3,733	-	(3,245)	3,733
Interest rate risk	commercial	IRS	PLN	2017-11-20	Yes	None	None	125,000	125,000	1	n/a	2,489	-	(2,164)	2,489
Interest rate risk	commercial	IRS	EUR	2017-06-19	Yes	None	None	95,000	404,843	1	n/a	9,615	-	(7,745)	9,615
Interest rate risk	commercial	IRS	PLN	2023-06-20	Yes	None	None	130,000	130,000	1	n/a	-	9,119	-	857
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	77,664	76,507	1	n/a	-	8,862	-	(6,317)
Interest rate risk	commercial	IRS	USD	2017-07-09	Yes	None	None	128,000	499,341	1	n/a	-	11,763	6,239	(11,763)
Interest rate risk	commercial	IRS	EUR	2017-07-09	Yes	None	None	100,000	426,150	1	n/a	10,939	-	-	1,980
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	78,851	77,676	1	n/a	12,330	-	-	5,462
Interest rate risk	commercial	IRS	CZK	2017-07-29	Yes	None	None	2,500,000	394,250	1	n/a	10,480	-	-	724
Interest rate risk	commercial	IRS	PLN	2017-07-29	Yes	None	None	425,000	425,000	1	n/a	-	17,704	-	(910)
Interest rate risk	commercial	IRS	PLN	2017-01-16	Yes	None	None	225,000	225,000	1	n/a	4,841	-	-	388
Interest rate risk	commercial	IRS	PLN	2017-01-16	Yes	None	None	250,000	250,000	1	n/a	5,456	-	-	424
Interest rate risk	commercial	IRS	CZK	2017-08-03	Yes	None	None	1,225,003	193,183	1	n/a	5,293	-	-	394
Interest rate risk	commercial	IRS	PLN	2017-01-08	Yes	None	None	225,000	225,000	1	n/a	5,398	-	-	377
Interest rate risk	commercial	IRS	PLN	2017-08-19	Yes	None	None	225,000	225,000	1	n/a	-	11,610	-	(752)
Interest rate risk	commercial	IRS	CZK	2017-08-16	Yes	None	None	1,250,000	197,125	1	n/a	5,485	-	-	306
Interest rate risk	commercial	IRS	PLN	2023-09-09	Yes	None	None	130,000	130,000	1	n/a	13,941	-	-	(904)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	84,996	83,730	1	n/a	-	8,158	-	(7,170)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	81,213	80,003	1	n/a	-	8,695	-	(6,599)
Interest rate risk	commercial	IRS	PLN	2017-09-17	Yes	None	None	215,000	215,000	1	n/a	11,225	-	-	570
Interest rate risk	commercial	IRS	CZK	2017-10-19	Yes	None	None	1,250,000	197,125	1	n/a	-	4,848	-	(262)
Interest rate risk	commercial	IRS	CZK	2017-10-21	Yes	None	None	1,200,000	189,240	1	n/a	-	4,492	-	(237)
Interest rate risk	commercial	IRS	CZK	2017-10-21	Yes	None	None	1,200,000	189,240	1	n/a	-	4,492	-	(237)
Interest rate risk	commercial	IRS	CZK	2017-10-19	Yes	None	None	1,250,000	197,125	1	n/a	-	4,689	-	(257)

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Interest rate risk	commercial	IRS	USD	2017-10-26	Yes	None	None	128,000	499,341	1	n/a	7,701	-	-	5,785
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	179,632	176,955	1	n/a	12,916	-	-	15,911
Exchange rate risk	commercial	FX SWAP	USD	2016-01-11	Yes	None	None	5,500	21,456	1	long	139	-	-	139
Exchange rate risk	commercial	FX SWAP	EUR	2016-01-04	Yes	None	None	80,300	342,198	1	long	2,233	-	-	2,233
Exchange rate risk	commercial	FX SWAP	EUR	2016-01-04	Yes	None	None	2,350	10,015	1	long	38	-	-	38
Exchange rate risk	commercial	FX SWAP	GBP	2016-01-07	Yes	None	None	12,500	72,328	1	long	377	-	-	377
Exchange rate risk	commercial	FX SWAP	EUR	2016-01-07	Yes	None	None	25,000	106,538	1	long	553	-	-	553
Exchange rate risk	commercial	FX SWAP	EUR	2016-01-11	Yes	None	None	3,698	15,760	1	long	142	-	-	142
Exchange rate risk	commercial	FX SWAP	EUR	2016-01-11	Yes	None	None	462	1,970	1	long	18	-	-	18
Exchange rate risk	commercial	FX SWAP	USD	2016-01-11	Yes	None	None	15,200	59,297	1	short	-	267	-	(267)
Exchange rate risk	commercial	FX SWAP	HUF	2016-01-29	Yes	None	None	2,894,420	39,367	1	long	87	-	-	87
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-12-20	Yes	None	None	48,294	205,806	195	short	-	2,306	-	(634)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-06-20	Yes	None	None	48,421	206,346	195	short	-	1,776	-	(540)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-03-20	Yes	None	None	48,474	206,574	195	short	-	1,517	-	(478)
Exchange rate risk	commercial	Futures on interest rate	EUR	2017-03-20	Yes	None	None	48,233	205,545	195	short	-	2,525	-	(634)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-09-20	Yes	None	None	48,358	206,076	195	short	-	2,057	-	(602)
Exchange rate risk	commercial	FX SWAP	DKK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	2,328	-
Exchange rate risk	commercial	FX SWAP	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(32,308)	-
Exchange rate risk	commercial	FX SWAP	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(579)	-
Exchange rate risk	commercial	FX SWAP	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	3	-
Exchange rate risk	commercial	FX SWAP	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4,584)	-
Interest rate risk	commercial	IRS	BRL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(8,088)	-
Interest rate risk	commercial	IRS	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	26,092	-
Interest rate risk	commercial	IRS	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(3,779)	-
Interest rate risk	commercial	IRS	ILS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	4,071	-
Interest rate risk	commercial	IRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(625)	-
Interest rate risk	commercial	IRS	SEK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	3,890	-
Interest rate risk	commercial	IRS	THB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1,471	-

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Interest rate risk	commercial	IRS	USD	n/a	-	-	817	-							
Exchange rate risk	commercial	Futures on interest rate	EUR	n/a	-	-	3,671	-							
Exchange rate risk	commercial	Futures on interest rate	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(839)	-
Exchange rate risk	commercial	Futures on interest rate	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(7,230)	-
Index value risk	commercial	Option	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(10,188)	-
Index value risk	commercial	Option	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1,820)	-
Index value risk	commercial	Option	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4,981)	-
Underlying instruments value risk	commercial	Option	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(7,889)	-
Exchange rate risk	commercial	Future rates agreements	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(707)	-
Exchange rate risk	commercial	Future rates agreements	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(175)	-
Exchange rate risk	commercial	Future rates agreements	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(87)	-
Exchange rate risk	commercial	Future rates agreements	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	180	-
Interest rate risk	commercial	Future interest rates agreements FRA	PLN	n/a	-	-	(210)	-							
TOTAL												264,536	304,467	(19,607)	(28,567)

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As at 31 December 2014, PZU held the following derivatives and achieved the following results on transactions involving such instruments in 2014:

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 at 31 December 2014 in currency thousand in currency thousand	Nominal value as at 31 December 2014 translated into PLN in PLN thousand	Number as at 31 December 2014	Position as at 31 December 2014 (short/ long)	Assets – carrying amount in PLN thousand	Liabilities – carrying amount in PLN thousand	Realized gains/ losses in 2014 in PLN thousand	Unrealized gains/ losses in 2014 in PLN thousand
Exchange rate risk	commercial	Futures on commodities	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	10,767	-
Exchange rate risk	commercial	Futures on interest rate	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(18,839)	-
Exchange rate risk	commercial	Futures on interest rate	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(17)	-
Exchange rate risk	commercial	Futures on interest rate	EUR	2015-12-20	Yes	None	None	48,518	206,800	195	short	-	873	-	(873)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-12-20	Yes	None	None	48,294	205,844	195	short	-	1,673	(201)	(1,673)
Exchange rate risk	commercial	Futures on interest rate	EUR	2015-06-20	Yes	None	None	48,579	207,060	195	short	-	613	-	(613)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-06-20	Yes	None	None	48,421	206,385	195	short	-	1,236	-	(1,236)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-03-20	Yes	None	None	48,475	206,613	195	short	-	1,039	-	(1,039)
Exchange rate risk	commercial	Futures on interest rate	EUR	2017-03-20	Yes	None	None	48,233	205,584	195	short	-	1,892	-	(1,892)
Exchange rate risk	commercial	Futures on interest rate	EUR	2015-09-20	Yes	None	None	48,553	206,947	195	short	-	736	-	(736)
Exchange rate risk	commercial	Futures on interest rate	EUR	2016-09-20	Yes	None	None	48,358	206,114	195	short	-	1,455	-	(1,455)
Exchange rate risk	commercial	Futures on interest rate	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1,319	-
Interest rate risk	commercial	Future interest rates	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1,260	-

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Interest rate risk	commercial	agreements FRA Future interest rates agreements - FRA	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(93)	-
Interest rate risk	commercial	Future interest rates agreements - FRA	ZAR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(2,960)	-
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-06-29	Yes	None	None	125,000	125,000	1	long	211	-	-	211
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-01-09	Yes	None	None	250,000	250,000	1	long	108	-	-	108
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-07-09	Yes	None	None	250,000	250,000	1	long	102	-	-	102
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-01-12	Yes	None	None	250,000	250,000	1	long	110	-	-	110
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-07-10	Yes	None	None	250,000	250,000	1	long	88	-	-	88
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-02-16	Yes	None	None	500,000	500,000	1	long	115	-	-	115

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Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-11-16	Yes	None	None	500,000	500,000	1	long	294	-	-	294
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-05-08	Yes	None	None	500,000	500,000	1	long	-	1,581	-	(1,205)
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-05-19	Yes	None	None	500,000	500,000	1	short	1,862	-	-	1,291
Interest rate risk	commercial	Future interest rates agreements - FRA	PLN	2015-09-28	Yes	None	None	125,000	125,000	1	long	-	590	-	(487)
Exchange rate risk	commercial	Future rates agreements	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	915	-
Exchange rate risk	commercial	Future rates agreements	EUR	2015-02-27	Yes	None	None	18,000	76,721	1	short	-	1,261	-	(1,261)
Exchange rate risk	commercial	Future rates agreements	EUR	2015-02-27	Yes	None	None	18,000	76,721	1	short	-	859	-	(859)
Exchange rate risk	commercial	Future rates agreements	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	2,027	-
Exchange rate risk	commercial	FX SWAP	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(7,726)	-
Exchange rate risk	commercial	FX SWAP	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	31	-
Exchange rate risk	commercial	FX SWAP	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	9	-
Exchange rate risk	commercial	FX SWAP	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1,056)	-
Exchange rate risk	commercial	FX SWAP	HUF	2015-01-09	Yes	None	None	14,000,000	189,532	1	n/a	1,000	-	-	1,000
Exchange rate risk	commercial	FX SWAP	EUR	2015-01-09	Yes	None	None	2,800	11,934	1	n/a	-	211	-	(211)
Exchange rate risk	commercial	FX SWAP	USD	2015-01-09	Yes	None	None	1,550	5,436	1	n/a	-	236	-	(236)
Exchange rate risk	commercial	FX SWAP	EUR	2015-01-20	Yes	None	None	25,000	106,558	1	n/a	151	-	-	151
Interest rate risk	commercial	IRS	BRL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(3,459)	-

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Interest rate risk	commercial	IRS	CZK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	7,241	-
Interest rate risk	commercial	IRS	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	2,569	-
Interest rate risk	commercial	IRS	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1,334	-
Interest rate risk	commercial	IRS	MXN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1,675)	-
Interest rate risk	commercial	IRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	52,530	-
Interest rate risk	commercial	IRS	SEK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	14,515	-
Interest rate risk	commercial	IRS	ZAR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4)	-
Interest rate risk	commercial	IRS	HUF	2024-02-24	Yes	None	None	3,500,000	47,383	1	n/a	-	11,548	673	(11,548)
Interest rate risk	commercial	IRS	PLN	2016-03-07	Yes	None	None	500,000	500,000	1	n/a	7,156	-	-	7,156
Interest rate risk	commercial	IRS	ILS	2017-03-19	Yes	None	None	927,500	837,625	1	n/a	8,640	-	-	8,640
Interest rate risk	commercial	IRS	HUF	2024-04-03	Yes	None	None	3,326,000	45,027	1	n/a	8,027	-	(627)	8,027
Interest rate risk	commercial	IRS	THB	2016-04-07	Yes	None	None	4,180,000	444,334	1	n/a	-	2,870	(691)	(2,870)
Interest rate risk	commercial	IRS	THB	2024-04-07	Yes	None	None	980,000	104,174	1	n/a	9,573	-	907	9,573
Interest rate risk	commercial	IRS	HUF	2024-04-08	Yes	None	None	3,500,000	47,383	1	n/a	7,889	-	(666)	7,889
Interest rate risk	commercial	IRS	HUF	2024-04-08	Yes	None	None	3,500,000	47,383	1	n/a	8,139	-	(666)	8,139
Interest rate risk	commercial	IRS	PLN	2016-03-09	Yes	None	None	250,000	250,000	1	n/a	-	2,871	-	(2,871)
Interest rate risk	commercial	IRS	PLN	2016-03-09	Yes	None	None	250,000	250,000	1	n/a	-	2,846	-	(2,846)
Interest rate risk	commercial	IRS	PLN	2024-06-10	Yes	None	None	25,000	25,000	1	n/a	-	3,313	340	(3,313)
Interest rate risk	commercial	IRS	PLN	2018-06-12	Yes	None	None	50,000	50,000	1	n/a	-	2,510	679	(2,510)
Interest rate risk	commercial	IRS	PLN	2018-06-16	Yes	None	None	50,000	50,000	1	n/a	-	2,607	677	(2,607)
Interest rate risk	commercial	IRS	PLN	2018-06-16	Yes	None	None	50,000	50,000	1	n/a	-	2,549	677	(2,549)
Interest rate risk	commercial	IRS	PLN	2018-06-16	Yes	None	None	25,000	25,000	1	n/a	-	1,275	338	(1,275)
Interest rate risk	commercial	IRS	PLN	2018-06-18	Yes	None	None	70,000	70,000	1	n/a	-	3,633	948	(3,633)
Interest rate risk	commercial	IRS	PLN	2024-06-05	Yes	None	None	65,000	65,000	1	n/a	3,786	-	-	3,786
Interest rate risk	commercial	IRS	PLN	2018-07-08	Yes	None	None	25,000	25,000	1	n/a	801	-	-	801
Interest rate risk	commercial	IRS	PLN	2024-09-04	Yes	None	None	29,000	29,000	1	n/a	-	1,756	-	(1,756)
Interest rate risk	commercial	IRS	PLN	2017-11-07	Yes	None	None	425,000	425,000	1	n/a	2,744	-	-	2,744
Interest rate risk	commercial	IRS	MXN	2017-10-13	Yes	None	None	3,635,000	865,857	1	n/a	-	1,170	-	(1,170)
Interest rate risk	commercial	IRS	SEK	2018-10-31	Yes	None	None	923,750	418,644	1	n/a	2,272	-	-	2,272
Interest rate risk	commercial	IRS	PLN	2016-11-10	Yes	None	None	125,000	125,000	1	n/a	-	170	-	(170)
Interest rate risk	commercial	IRS	PLN	2016-11-10	Yes	None	None	65,000	65,000	1	n/a	-	108	-	(108)
Interest rate risk	commercial	IRS	PLN	2016-11-12	Yes	None	None	128,000	128,000	1	n/a	-	190	-	(190)
Interest rate risk	commercial	IRS	PLN	2019-12-09	Yes	None	None	25,000	25,000	1	n/a	-	172	-	(172)

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Interest rate risk	commercial	IRS	MXN	2017-10-13	Yes	None	None	3,635,000	865,857	1	n/a	26	-	-	26
Interest rate risk	commercial	IRS	HUF	2023-12-19	Yes	None	None	7,050,000	95,443	1	n/a	-	20,498	-	(20,498)
Interest rate risk	commercial	IRS	PLN	2019-12-19	Yes	None	None	15,000	15,000	1	n/a	-	102	-	(102)
Interest rate risk	commercial	IRS	PLN	2019-12-23	Yes	None	None	10,000	10,000	1	n/a	-	37	-	(37)
Interest rate risk	commercial	IRS	PLN	2019-12-23	Yes	None	None	30,000	30,000	1	n/a	-	110	-	(110)
Interest rate risk	commercial	IRS	PLN	2019-12-29	Yes	None	None	15,000	15,000	1	n/a	-	1	-	(1)
Interest rate risk	commercial	IRS	PLN	2019-12-29	Yes	None	None	30,000	30,000	1	n/a	27	-	-	27
Interest rate risk	commercial	IRS	HUF	2020-04-30	Yes	None	None	2,000,000	27,076	1	n/a	5,982	-	(2,946)	5,982
Interest rate risk	commercial	IRS	HUF	2020-05-11	Yes	None	None	1,000,000	13,538	1	n/a	-	3,263	1,709	(3,263)
Interest rate risk	commercial	IRS	HUF	2020-05-11	Yes	None	None	1,000,000	13,538	1	n/a	-	3,256	1,702	(3,256)
Interest rate risk	commercial	IRS	RUB	2016-04-13	Yes	None	None	325,000	19,565	1	n/a	2,058	-	1,156	2,058
Interest rate risk	commercial	IRS	RUB	2016-04-13	Yes	None	None	325,000	19,565	1	n/a	2,040	-	1,190	2,040
Interest rate risk	commercial	IRS	PLN	2018-07-12	Yes	None	None	112,500	112,500	1	n/a	11,053	-	(3,078)	11,053
Interest rate risk	commercial	IRS	PLN	2015-07-13	Yes	None	None	275,000	275,000	1	n/a	-	5,454	3,722	(5,454)
Interest rate risk	commercial	IRS	PLN	2015-07-31	Yes	None	None	275,000	275,000	1	n/a	4,782	-	(2,978)	4,782
Interest rate risk	commercial	IRS	PLN	2018-07-31	Yes	None	None	125,000	125,000	1	n/a	-	11,202	2,292	(11,202)
Interest rate risk	commercial	IRS	ZAR	2022-09-20	Yes	None	None	637,500	193,163	1	n/a	-	1,841	-	5,673
Interest rate risk	commercial	IRS	PLN	2017-09-28	Yes	None	None	50,000	50,000	1	n/a	-	3,495	880	(3,495)
Interest rate risk	commercial	IRS	PLN	2017-10-02	Yes	None	None	25,000	25,000	1	n/a	-	1,753	435	(1,753)
Interest rate risk	commercial	IRS	ZAR	2022-10-03	Yes	None	None	637,500	193,163	1	n/a	1,549	-	-	(5,701)
Interest rate risk	commercial	IRS	PLN	2017-10-04	Yes	None	None	112,500	112,500	1	n/a	-	7,738	1,797	(7,738)
Interest rate risk	commercial	IRS	PLN	2017-10-09	Yes	None	None	25,000	25,000	1	n/a	-	1,759	427	(1,759)
Interest rate risk	commercial	IRS	PLN	2017-10-19	Yes	None	None	50,000	50,000	1	n/a	-	3,402	677	(3,402)
Interest rate risk	commercial	IRS	PLN	2017-10-19	Yes	None	None	50,000	50,000	1	n/a	-	3,402	677	(3,402)
Interest rate risk	commercial	IRS	PLN	2015-01-08	Yes	None	None	225,000	225,000	1	n/a	6,107	-	(5,737)	6,107
Interest rate risk	commercial	IRS	PLN	2015-01-08	Yes	None	None	225,000	225,000	1	n/a	6,107	-	(5,737)	6,107
Interest rate risk	commercial	IRS	PLN	2017-01-08	Yes	None	None	225,000	225,000	1	n/a	-	4,017	-	(4,629)
Interest rate risk	commercial	IRS	PLN	2017-01-08	Yes	None	None	225,000	225,000	1	n/a	-	4,017	-	(4,629)
Interest rate risk	commercial	IRS	USD	2023-01-08	Yes	None	None	44,500	156,070	1	n/a	-	3,316	-	(9,887)
Interest rate risk	commercial	IRS	PLN	2015-01-09	Yes	None	None	250,000	250,000	1	n/a	6,591	-	(6,175)	6,591
Interest rate risk	commercial	IRS	PLN	2017-01-09	Yes	None	None	250,000	250,000	1	n/a	-	4,269	-	(5,109)
Interest rate risk	commercial	IRS	USD	2023-01-30	Yes	None	None	25,000	87,680	1	n/a	-	1,971	-	(5,597)
Interest rate risk	commercial	IRS	USD	2023-03-12	Yes	None	None	69,500	243,750	1	n/a	6,925	-	-	15,949

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Interest rate risk	commercial	IRS	RUB	2016-04-15	Yes	None	None	325,000	19,565	1	n/a	-	1,892	(1,405)	(1,892)
Interest rate risk	commercial	IRS	RUB	2016-04-15	Yes	None	None	325,000	19,565	1	n/a	-	1,895	(1,399)	(1,895)
Interest rate risk	commercial	IRS	PLN	2015-05-11	Yes	None	None	250,000	250,000	1	n/a	3,622	-	(2,499)	3,622
Interest rate risk	commercial	IRS	PLN	2015-05-11	Yes	None	None	250,000	250,000	1	n/a	3,622	-	(2,499)	3,622
Interest rate risk	commercial	IRS	USD	2023-05-14	Yes	None	None	111,000	389,299	1	n/a	-	9,558	-	(25,243)
Interest rate risk	commercial	IRS	PLN	2015-05-19	Yes	None	None	250,000	250,000	1	n/a	3,356	-	(2,206)	3,356
Interest rate risk	commercial	IRS	PLN	2015-05-19	Yes	None	None	250,000	250,000	1	n/a	3,356	-	(2,206)	3,356
Interest rate risk	commercial	IRS	PLN	2015-05-19	Yes	None	None	250,000	250,000	1	n/a	3,579	-	(2,423)	3,579
Interest rate risk	commercial	IRS	PLN	2015-05-19	Yes	None	None	250,000	250,000	1	n/a	3,579	-	(2,423)	3,579
Interest rate risk	commercial	IRS	PLN	2017-11-20	Yes	None	None	187,500	187,500	1	n/a	4,729	-	5,206	4,729
Interest rate risk	commercial	IRS	USD	2023-05-21	Yes	None	None	114,000	399,821	1	n/a	8,739	-	-	25,718
Interest rate risk	commercial	IRS	PLN	2017-11-20	Yes	None	None	187,500	187,500	1	n/a	3,153	-	3,471	3,153
Interest rate risk	commercial	IRS	PLN	2015-06-10	Yes	None	None	125,000	125,000	1	n/a	-	2,315	1,689	(2,315)
Interest rate risk	commercial	IRS	PLN	2015-06-10	Yes	None	None	125,000	125,000	1	n/a	-	2,315	1,689	(2,315)
Interest rate risk	commercial	IRS	PLN	2015-06-10	Yes	None	None	125,000	125,000	1	n/a	-	2,321	1,695	(2,321)
Interest rate risk	commercial	IRS	PLN	2015-06-10	Yes	None	None	125,000	125,000	1	n/a	-	2,321	1,695	(2,321)
Interest rate risk	commercial	IRS	PLN	2015-06-18	Yes	None	None	100,000	100,000	1	n/a	-	1,863	1,274	(1,863)
Interest rate risk	commercial	IRS	PLN	2015-06-18	Yes	None	None	100,000	100,000	1	n/a	-	1,863	1,274	(1,863)
Interest rate risk	commercial	IRS	EUR	2017-06-19	Yes	None	None	95,000	404,919	1	n/a	7,642	-	-	7,358
Interest rate risk	commercial	IRS	PLN	2023-06-20	Yes	None	None	130,000	130,000	1	n/a	-	9,976	-	(13,425)
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	77,664	102,493	1	n/a	-	2,544	-	1,661
Interest rate risk	commercial	IRS	PLN	2023-06-28	Yes	None	None	25,000	25,000	1	n/a	4,350	-	(43)	4,350
Interest rate risk	commercial	IRS	USD	2017-07-09	Yes	None	None	128,000	448,922	1	n/a	-	5,891	-	(3,660)
Interest rate risk	commercial	IRS	EUR	2017-07-09	Yes	None	None	100,000	426,230	1	n/a	8,959	-	-	8,108
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	78,851	104,060	1	n/a	6,868	-	-	(1,500)
Interest rate risk	commercial	IRS	CZK	2017-07-29	Yes	None	None	2,500,000	384,250	1	n/a	9,757	-	-	5,509
Interest rate risk	commercial	IRS	PLN	2017-07-29	Yes	None	None	425,000	425,000	1	n/a	-	16,795	-	(17,210)
Interest rate risk	commercial	IRS	PLN	2017-01-16	Yes	None	None	225,000	225,000	1	n/a	4,454	-	-	4,675
Interest rate risk	commercial	IRS	PLN	2015-01-15	Yes	None	None	225,000	225,000	1	n/a	-	5,358	4,888	(5,358)
Interest rate risk	commercial	IRS	PLN	2015-01-15	Yes	None	None	225,000	225,000	1	n/a	-	5,978	5,456	(5,978)
Interest rate risk	commercial	IRS	PLN	2017-01-16	Yes	None	None	225,000	225,000	1	n/a	5,032	-	-	5,134
Interest rate risk	commercial	IRS	CZK	2017-08-03	Yes	None	None	1,225,000	188,283	1	n/a	4,900	-	-	2,722
Interest rate risk	commercial	IRS	PLN	2015-05-19	Yes	None	None	250,000	250,000	1	n/a	-	13,802	10,658	(13,802)

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Interest rate risk	commercial	IRS	PLN	2015-06-10	Yes	None	None	250,000	250,000	1	n/a	4,843	-	(3,595)	4,843
Interest rate risk	commercial	IRS	PLN	2015-01-08	Yes	None	None	225,000	225,000	1	n/a	-	5,365	5,014	(5,365)
Interest rate risk	commercial	IRS	PLN	2017-01-08	Yes	None	None	225,000	225,000	1	n/a	5,021	-	-	4,637
Interest rate risk	commercial	IRS	PLN	2017-08-19	Yes	None	None	225,000	225,000	1	n/a	-	10,858	-	(9,333)
Interest rate risk	commercial	IRS	CZK	2017-08-16	Yes	None	None	1,250,000	192,125	1	n/a	5,179	-	-	2,914
Interest rate risk	commercial	IRS	PLN	2023-09-09	Yes	None	None	130,000	130,000	1	n/a	14,844	-	-	14,034
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	84,996	112,169	1	n/a	-	988	-	1,819
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	81,213	107,176	1	n/a	-	2,094	-	1,702
Interest rate risk	commercial	IRS	PLN	2017-09-17	Yes	None	None	215,000	215,000	1	n/a	10,654	-	-	9,023
Interest rate risk	commercial	IRS	CZK	2017-10-19	Yes	None	None	1,250,000	192,125	1	n/a	-	4,586	-	(3,337)
Interest rate risk	commercial	IRS	CZK	2017-10-21	Yes	None	None	1,200,000	184,440	1	n/a	-	4,256	-	(3,236)
Interest rate risk	commercial	IRS	CZK	2017-10-21	Yes	None	None	1,200,000	184,440	1	n/a	-	4,256	-	(3,236)
Interest rate risk	commercial	IRS	CZK	2017-10-19	Yes	None	None	1,250,000	192,125	1	n/a	-	4,432	-	(3,332)
Interest rate risk	commercial	IRS	USD	2017-10-26	Yes	None	None	128,000	448,922	1	n/a	1,916	-	-	3,561
Interest rate risk	commercial	IRS	BRL	2018-01-02	Yes	None	None	179,632	237,060	1	n/a	-	2,995	-	(3,830)
Interest rate risk	commercial	IRS	PLN	2016-01-14	Yes	None	None	200,000	200,000	1	n/a	-	5,612	2,698	(5,612)
Interest rate risk	commercial	IRS	PLN	2016-01-15	Yes	None	None	150,000	150,000	1	n/a	-	4,180	2,023	(4,180)
TOTAL												248,469	275,055	79,121	(33,154)

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The attached supplementary information constitutes an integral part of the financial statements

2.6 Exposure of investment to 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:

- risk management organizational structure, in which Supervisory Board, Management Board, ALCO, Credit Risk Committee (the "Committees"), Investment Function and Risk Office play key roles;
- identification, measurement, evaluation, monitoring and reporting processes and management measures regarding each type of risk; 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 was determined based on a system of limits, including all material factors related to the investment risk. The key risk management tools used by the Company are:

- 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;
- Basis Point Value limits, i.e. changes in the value of financial instruments and portfolio if interest rate curves move 1 bp up;
- share price risk sensitivity limits including the derivative exposure to the share price risk;
- limit of the maximum position for each foreign currency;
- limit of the global position for each foreign currency;
- position limits for individual foreign currencies;
- exposure limits;
- 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 market 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 the risk-free rates. The table below presents financial instruments exposed to interest rate risk.

Interest rate risk	31 December 2015 (PLN million)	31 December 2015 (% of financial investments)	31 December 2014 (PLN million)	31 December 2014 (% of financial investments)
Financial instruments in the held for trading and available for sale portfolio	1,353.8	4.2%	890.1	2.9%
Financial instruments in the portfolio of instruments held to maturity portfolio	5,376.8	16.8%	6,139.9	19.8%
Debt securities held in the loans portfolio	311.8	1.0%	312.0	1.0%
Debt and cash investment funds	6,996.2	21.9%	6,806.0	21.9%

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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.

Share price risk	31 December 2015 (PLN million)	31 December 2015 (% of financial investments)	31 December 2014 (PLN million)	31 December 2014 (% of financial investments)
Financial instruments exposed to the share price risk, including:	7,861.6	24.3%	6,393.4	20.6%
- unquoted shares	6,169.6	19.1%	6,372.9	20.5%
- quoted shares	1,294.3	4.0%	-	0.0%
- other investments	341.7	1.1%	-	0.0%
- equity funds	56.0	0.2%	20.5	0.1%

2.6.3. Property risk

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

Property risk	31 December 2015 (PLN million)	31 December 2015 (% of financial investments)	31 December 2014 (PLN million)	31 December 2014 (% of financial investments)
Value of investments exposed to property price risk, including:	1,643.3	5.1%	1,526.2	4.9%
- investment certificates in property sector funds	1,167.5	3.6%	1,033.8	3.3%
- property	475.8	1.5%	492.4	1.6%

2.6.4. 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.

The tables below present the value of items exposed to the credit risk, broken down by rating categories as at 31 December 2015 and 31 December 2014. The following assumption has been adopted:

- the exposure to credit risk relating to repo transactions has been presented as an exposure towards the issuer of collateral instruments;
- investment ratings adopted are based on Fitch ratings (if these are absent, Standard&Poor's or Moody's are used);

Assets exposed to credit risk as at 31 December 2015 (PLN million)	AAA	AA	A	BBB	BB	lower than BB or no rating	Total
Debt securities	758	-	5,530	428	309	17	7,042
- held to maturity	-	-	5,279	72	25	-	5,376
- available for sale	519	-	251	150	9	17	946
- measured at fair value	239	-	-	45	124	-	408

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- loans	-	-	-	161	151	-	312
Bank deposits and repo transactions involving treasury securities	-	-	1,032	769	-	-	1,801
Mortgages	-	-	-	-	-	918	918
Other loans	-	-	-	-	71	372	443
Derivatives	-	15	239	11	-	-	265
Reinsurers' share in net claim provisions	-	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-	-	-
Total assets exposed to credit risk	758	15	6,801	1,208	380	1,307	10,469

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Assets exposed to credit risk as at 31 December 2014 (PLN million)	AAA	AA	A	BBB	BB	lower than BB or no rating	Total
Debt securities	-	-	6,962	380	-	-	7,342
- held to maturity	-	-	6,115	25	-	-	6,140
- available for sale	-	-	827	45	-	-	872
- measured at fair value	-	-	-	18	-	-	18
- loans	-	-	20	292	-	-	312
Bank deposits and repo transactions involving treasury securities	-	-	2,218	168	-	103	2,489
Mortgages	-	-	-	-	-	661	661
Other loans	-	-	-	-	71	368	439
Derivatives	-	7	240	1	-	-	248
Reinsurers' share in net claim provisions	-	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-	-	-
Total assets exposed to credit risk	-	7	9,420	549	71	1,132	11,179

As at 31 December 2015, the maximum potential credit loss for PZU was PLN 548.3 million (as at 31 December 2014: PLN 489.1 million). The amount calculation was based on average accumulated probability ratios regarding insolvency within ten-year horizon for a given rating group published by Standard&Poor's and presented in the table below:

Assets exposed to credit risk as at 31 December 2015	AAA	AA	A	BBB	BB	lower than BB or no rating¹⁾
The ratio for the conversion as at 31 December 2015 (%)	0.74	0.82	1.51	4.06	13.74	25.91
The ratio for the conversion as at 31 December 2014 (%)	0.74	0.84	1.59	4.33	14.39	26.97

¹⁾ In the case of exposure to mortgages with no rating, the ratio of 2% was adopted corresponding to the lowest BBB+ investment rating.

2.6.5. Concentration risk

Concentration risk	31 December 2015 (PLN million)	31 December 2015 (% of financial investments)	31 December 2014 (PLN million)	31 December 2014 (% of financial investments)
Treasury securities issued by the State Treasury of the Republic of Poland together with repo transactions involving such securities	5,870.2	18.3%	7,788.9	25.1%

2.6.6. Currency risk

Currency 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

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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.

Currency risk	31 December 2015 (PLN million)	31 December 2014 (PLN million)
Amount of assets denominated in foreign currencies	4,028.4	3,012.1
Value of technical provisions denominated in foreign currencies net of reinsurance	437.6	762.5
Liabilities due to loans from PZU Finance AB (publ.) funded from debt securities issued by PZU Finance AB (publ.)	3,611.6	2,127.2
Currency mismatch	(20.8)	122.4

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3. Receivables

Geographical structure of receivables	31 December 2015				31 December 2014			
	Domestic	Foreign – EU countries	Foreign – other countries	Total	Domestic	Foreign – EU countries	Foreign – other countries	Total
I. Insurance receivables	1,428,341	3,652	1,835	1,433,828	1,394,646	3,875	446	1,398,967
1. Receivables from policyholders	1,293,812	2,084	1,835	1,297,731	1,265,883	2,457	446	1,268,786
2. Receivables from intermediaries	113,529	86	-	113,615	107,774	110	-	107,884
3. Other receivables	21,000	1,482	-	22,482	20,989	1,308	-	22,297
II. Reinsurance receivables	22,644	12,995	5,290	40,929	12,514	7,137	-	19,651
III. Other receivables	240,711	67,004	19,431	327,146	933,483	53,238	32,480	1,019,201
1. Receivables from the State Treasury	63,641	-	-	63,641	1,953	-	-	1,953
2. Other receivables ¹⁾	177,070	67,004	19,431	263,505	931,530	53,238	32,480	1,017,248
Total receivables	1,691,696	83,651	26,556	1,801,903	2,340,643	64,250	32,926	2,437,819

¹⁾ As at 31 December 2014, other receivables included receivables from PZU Życie from the advance dividend paid as a part of expected dividend at the end of the year 2014 in amount of PLN 730,000 thousand, described in Note 7.2.1 Introduction to the financial statements.

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3.1 Insurance receivables

Insurance receivables	31 December 2015	31 December 2014
a) receivables from policyholders	1,297,731	1,268,786
- from related parties	2,408	40
- domestic	2,408	40
- foreign	-	-
- from other entities	1,295,323	1,268,746
- domestic	1,291,404	1,265,843
- foreign	3,919	2,903
b) receivables from intermediaries, including:	113,615	107,884
- from related parties	11	-
- domestic	11	-
- foreign	-	-
- from other entities	113,604	107,884
- domestic	113,518	107,774
- foreign	86	110
c) other receivables	22,482	22,297
- from related parties	-	70
- domestic	-	70
- foreign	-	-
- from other entities	22,482	22,227
- domestic	21,000	20,919
- foreign	1,482	1,308
Total insurance receivables (net)	1,433,828	1,398,967
d) impairment losses	533,079	536,891
Total insurance receivables (gross)	1,966,907	1,935,858

Insurance receivables - with maturity periods after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	994,230	890,890
b) over 3 months and up to 1 year	333,453	399,686
c) over 1 year and up to 5 years	106,145	107,633
d) over 5 years	-	758
Total insurance receivables	1,433,828	1,398,967

Insurance receivables (net)	31 December 2015	31 December 2014
a) from subsidiaries	2,419	110
b) from joint-ventures	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from shareholders in joint-ventures	-	-
f) from parent entity	-	-
g) other	1,431,409	1,398,857
Total insurance receivables	1,433,828	1,398,967

Insurance receivables (currency structure)	31 December 2015	31 December 2014
a) in PLN	1,433,828	1,398,967
b) foreign currencies (by currency and converted to PLN)	-	-
b1. EUR thousand	-	-
PLN thousand	-	-
b2. USD thousand	-	-
PLN thousand	-	-
Total insurance receivables	1,433,828	1,398,967

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Balance of co-insurance settlements	31 December 2015	31 December 2014
Balance of co-insurance settlements	105,502	173,360

3.2 Reinsurance receivables

Reinsurance receivables	31 December 2015	31 December 2014
a) current receivables from inward reinsurance, including:	9,989	5,334
- from domestic cedants	5,712	4,892
- from foreign cedants	4,277	442
b) current receivables from reinsurance outwards, including:	26,321	14,306
- from domestic reinsurers	16,493	7,622
- from foreign reinsurers	9,828	6,684
c) current receivables from retrocession, including:	4,619	11
- from domestic entities	439	-
- from foreign entities	4,180	11
d) receivables from deferred reinsurance commission	-	-
e) receivables from reinsurers' share in claims paid	-	-
Total reinsurance receivables (net)	40,929	19,651
f) impairment losses	6,226	5,001
Total reinsurance receivables (gross)	47,155	24,652

Reinsurance receivables	31 December 2015	31 December 2014
a) from subsidiaries	2,452	194
b) from joint-ventures	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from shareholders in joint-ventures	-	-
f) from parent entity	-	-
g) other	38,477	19,457
Total reinsurance receivables	40,929	19,651

Reinsurance receivables	31 December 2015	31 December 2014
a) current receivables from inward reinsurance, including:	9,989	5,334
- from cedants being subsidiaries	2,452	194
- from joint-ventures	-	-
- from cedants being associates	-	-
- from a cedants being a major investor	-	-
- from a cedants being shareholders in joint-ventures	-	-
- from a cedants being the parent entity	-	-
b) current receivables from reinsurance outwards, including:	26,321	14,306
- from cedants subsidiaries	-	-
- from joint-ventures	-	-
- from cedants being associates	-	-
- from cedants being a major investor	-	-
- from cedants being shareholders in joint-ventures	-	-
- from cedants being the parent entity	-	-
c) current receivables from retrocession, including:	4,619	11
- from subsidiaries	-	-
- from joint-ventures	-	-
- from associates	-	-
- from a major investor	-	-
- from a shareholder in a joint-ventures	-	-
- from the parent entity	-	-
d) other	-	-
Total reinsurance receivables	40,929	19,651

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Reinsurance receivables (net) - with maturity periods after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	33,080	12,830
b) over 3 months and up to 1 year	5,238	4,424
c) over 1 year and up to 5 years	2,611	2,303
d) over 5 years	-	94
Total reinsurance receivables (net)	40,929	19,651

Reinsurance receivables (currency structure)	31 December 2015	31 December 2014
a) in PLN	22,869	15,935
b) foreign currencies (by currency and converted to PLN)	18,060	3,716
b1. EUR thousand	203	247
PLN thousand	867	1,052
b2. USD thousand	3,523	711
PLN thousand	13,745	2,494
b3. EUR thousand	1,576	-
PLN thousand	732	-
b4. USD thousand	15,117	-
PLN thousand	2,452	-
b5. other currencies	264	170
Total reinsurance receivables	40,929	19,651

3.3 Other receivables

Other receivables	31 December 2015	31 December 2014
a) receivables from the State Budget	63,641	1,953
b) receivables from guarantees and letters of credit	-	-
c) other receivables, including:	263,505	1,017,248
Receivables from unsettled collateral deposits and investment transactions	76,822	76,739
Settlements of the Social Benefits Fund	57,008	59,705
Receivables from direct claims handling on behalf of other insurance companies	40,401	34,086
Receivables from settlements with the Tax Capital Group (PGK)	29,560	71,809
Settlements of prevention activities	27,035	16,689
Receivables from claims representative services	9,746	9,491
Seizures by a bailiff	6,843	4,543
Retained guarantee deposits	3,537	3,789
Prepayments for suppliers	1,506	2,097
Receivables from shortages and damages	483	1,301
Receivables from PZU Życie from the advance dividend	-	730,000
Total other receivables (net)	327,146	1,019,201
d) impairment losses	10,159	10,429
Total other receivables (gross)	337,305	1,029,630

Other receivables	31 December 2015	31 December 2014
a) from subsidiaries	37,127	803,507
b) from joint-ventures	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from shareholders in joint-ventures	-	-
f) from parent entity	-	-
g) other	290,019	215,694
Total other receivables	327,146	1,019,201

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Other receivables by maturity period after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	295,834	997,625
b) over 3 months and up to 1 year	14,072	8,606
c) over 1 year and up to 5 years	9,922	12,744
d) over 5 years	7,318	226
Total other receivables	327,146	1,019,201

Other receivables (currency structure)	31 December 2015	31 December 2014
a) in PLN	258,846	941,407
b) foreign currencies (by currency and converted to PLN)	68,300	77,794
b1. EUR thousand	11,361	10,646
PLN thousand	48,413	45,376
b2. USD thousand	4,740	8,849
PLN thousand	18,493	31,036
b3. CHF thousand	3	
PLN thousand	11	
b4. GBP thousand	239	253
PLN thousand	1,383	1,382
b5. other currencies	-	-
Total other receivables	327,146	1,019,201

3.4 Other information on receivables

3.4.1. Changes in impairment losses on receivables by type

Changes in impairment losses on receivables by type	31 December 2015	31 December 2014
a) at the beginning of the period (by type of receivable)	552,321	579,824
impairment losses on insurance receivables	536,891	560,021
impairment losses on reinsurance receivables	5,001	4,620
impairment losses on other receivables	10,429	15,183
b) increases (due to)	99,095	65,068
impairment losses on insurance receivables	96,094	59,477
impairment losses on reinsurance receivables	3,001	5,591
impairment losses on other receivables	-	-
c) decreases (due to)	101,952	92,571
- utilized impairment losses	1,426	2,312
impairment losses on insurance receivables	1,178	1,138
impairment losses on reinsurance receivables	-	-
impairment losses on other receivables	248	1,174
- released impairment losses on repayments and other	100,526	90,259
impairment losses on insurance receivables	98,728	81,469
impairment losses on reinsurance receivables	1,776	5,210
impairment losses on other receivables	22	3,580
d) at the end of the period (by type of receivable)	549,464	552,321
impairment losses on insurance receivables	533,079	536,891
impairment losses on reinsurance receivables	6,226	5,001
impairment losses on other receivables	10,159	10,429

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The attached supplementary information constitutes an integral part of the financial statements

3.4.2. Overdue receivables net

Overdue receivables	31 December 2015	31 December 2014
a) up to 3 months	159,095	122,856
- insurance receivables	136,462	114,035
- reinsurance receivables	20,874	6,265
- other receivables	1,759	2,556
b) over 3 months	181,908	135,342
- insurance receivables	166,746	125,209
- reinsurance receivables	6,537	2,276
- other receivables	8,625	7,857
Total overdue receivables, including:	341,003	258,198
a) up to 3 months	159,095	122,856
b) over 3 months	181,908	135,342

As at 31 December 2015, overdue receivables net which are overdue for more than 1 year amounted to PLN 88,646 thousand (31 December 2014: PLN 64,464 thousand).

4. Other assets

4.1 Property, plant and equipment

Tangible assets	31 December 2015	31 December 2014
a) technical equipment and machines	41,288	39,605
b) vehicles	56,541	50,823
c) other tangible assets	20,569	21,092
d) tangible assets under construction	12,182	12,529
e) advance payments for tangible assets under construction	-	-
f) inventory	114	156
g) claim salvages	214	444
Total tangible assets	130,908	124,649

Tangible assets – ownership structure	31 December 2015	31 December 2014
a) own	130,908	124,649
b) leased	-	-
Total tangible assets	130,908	124,649

Tangible assets (balance sheet) – ownership structure	31 December 2015	31 December 2014
a) own	130,908	124,649
b) used based on lease, rental or other agreement	-	-
Total tangible assets (balance sheet)	130,908	124,649

Tangible assets (off-balance sheet)	31 December 2015	31 December 2014
a) used based on lease, rental or other agreement, including:	136,477	123,161
lease	136,477	123,161
Total tangible assets (off-balance sheet)	136,477	123,161

In 2015 and 2014, PZU did not incur costs of manufacturing tangible assets under construction and for internal purposes.

Changes in tangible assets in the year ended 31 December 2015	Technical equipment and machines	Vehicles	Other tangible assets	Tangible assets under construction	Advance payments for tangible assets under construction	Inventories	Claim salvages	Total tangible assets
a) gross value of tangible assets – at the beginning of the period	288,650	84,872	61,986	12,529	-	156	444	448,637
b) increases (due to)	24,234	18,345	6,047	32,063	-	1,304	866	82,859
- investments	-	-	-	-	-	-	-	-
- direct purchase	6,988	-	3,489	32,063	-	-	-	42,540
- transfers	10,659	18,034	2,496	-	-	-	-	31,189
-other (including estimations)	6,587	311	62	-	-	1,304	866	9,130
c) decreases (due to)	65,709	15,649	5,789	32,410	-	1,346	1,096	121,999
- liquidation	64,163	45	5,195	-	-	-	-	69,403
- sale	944	15,604	85	-	-	-	-	16,633
- transfers	-	-	-	31,189	-	-	-	31,189
- other	602	-	509	1,221	-	1,346	1,096	4,774
d) gross value of tangible assets – at the end of the period	247,175	87,568	62,244	12,182	-	114	214	409,497
e) accumulated depreciation – at the beginning of the period	249,045	34,049	40,894	-	-	-	-	323,988
f) depreciation for the period (due to)	(43,158)	(3,022)	781	-	-	-	-	(45,399)
- current year charges	21,854	10,006	6,029	-	-	-	-	37,889
- depreciation of liquidated tangible assets	(64,087)	(19)	(5,169)	-	-	-	-	(69,275)
- depreciation of tangible assets sold	(925)	(13,009)	(79)	-	-	-	-	(14,013)
- other	-	-	-	-	-	-	-	-
g) accumulated depreciation – at the end of the period	205,887	31,027	41,675	-	-	-	-	278,589
h) impairment losses – at the beginning of the period	-	-	-	-	-	-	-	-
- increases	-	-	-	-	-	-	-	-
- decreases	-	-	-	-	-	-	-	-
i) impairment losses – at the end of the period	-	-	-	-	-	-	-	-
j) carrying amount of tangible assets – at the end of the period	41,288	56,541	20,569	12,182	-	114	214	130,908

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The attached supplementary information constitutes an integral part of the financial statements

Changes in tangible assets in the year ended 31 December 2014	Technical equipment and machines	Vehicles	Other tangible assets	Tangible assets under construction	Advance payments for tangible assets under construction	Inventories	Claim salvages	Total tangible assets
a) gross value of tangible assets – at the beginning of the period	316,317	78,515	61,218	5,161	-	214	246	461 671
b) increases (due to)	20,940	18,866	6,607	32,181	-	366	2 991	81 951
- investments	-	-	-	-	-	-	-	-
- direct purchase	16,605	-	3,238	25,737	-	-	-	45 580
- transfers	4,148	17,296	3,369	-	-	-	-	24 813
-other (including estimations)	187	1,570	-	6,444	-	366	2 991	11 558
c) decreases (due to)	48,607	12,509	5,839	24,813	-	424	2 793	94 985
- liquidation	47,164	54	5,585	-	-	-	-	52 803
- sale	657	12,455	109	-	-	-	-	13 221
- transfers	-	-	-	24,813	-	-	-	24 813
- other	786	-	145	-	-	424	2 793	4 148
d) gross value of tangible assets – at the end of the period	288,650	84,872	61,986	12,529	-	156	444	448 637
e) accumulated depreciation – at the beginning of the period	282,169	34,322	40,986	-	-	-	-	357 477
f) depreciation for the period (due to)	(33,124)	(273)	(92)	-	-	-	-	(33 489)
- current year charges	15,096	9,008	5,805	-	-	-	-	29 909
- depreciation of liquidated tangible assets	(47,156)	(54)	(5,571)	-	-	-	-	(52 781)
- depreciation of tangible assets sold	(602)	(10,450)	(109)	-	-	-	-	(11 161)
- other	(462)	1,223	(217)	-	-	-	-	544
g) accumulated depreciation – at the end of the period	249,045	34,049	40,894	-	-	-	-	323 988
h) impairment losses – at the beginning of the period	-	-	-	-	-	-	-	-
- increases	-	-	-	-	-	-	-	-
- decreases	-	-	-	-	-	-	-	-
i) impairment losses – at the end of the period	-	-	-	-	-	-	-	-
j) carrying amount of tangible assets – at the end of the period	39,605	50,823	21,092	12,529	-	156	444	124 649

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The attached supplementary information constitutes an integral part of the financial statements

4.2 Cash

Cash	31 December 2015	31 December 2014
a) cash in hand and at bank	65,076	47,001
b) other cash	-	-
Total cash	65,076	47,001

Cash not available for use has been described in Note 27.1 of Supplementary information and explanations.

Cash – currency structure	31 December 2015	31 December 2014
a) in PLN	61,864	46,291
b) foreign currencies (by currency and converted to PLN)	3,212	710
b1. EUR thousand	409	123
PLN thousand	1,744	525
b2. USD thousand	376	53
PLN thousand	1,468	185
b3. other	-	81
Total cash	65,076	47,001

5. Accruals

5.1 Deferred tax assets

Changes in deferred tax assets	31 December 2015	31 December 2014
1. Deferred tax assets at the beginning of the period, including:	408,388	347,521
a) charged to financial result	401,078	346,015
b) charged to equity ²⁾	7,310	1,506
c) charged to goodwill or negative goodwill	-	-
2. Increases	115,725	83,686
a) charged to the financial result for the period in relation to temporary deductible differences (due to)	115,725	77,882
- occurrence of temporary differences, including:	115,725	77,882
accrued expenses	57,885	13,841
financial instruments	57,734	60,485
other provisions	106	3,556
- changes in tax rates	-	-
- unrecognized temporary difference from previous period	-	-
b) charged to the financial result for the period in relation to tax loss (due to)	-	-
c) charged to equity in relation to temporary deductible differences (due to)	-	5,804
- occurrence of temporary differences, including:	-	5,804
financial instruments	-	5,804
- changes in tax rates	-	-
- unrecognized 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 temporary deductible differences (due to)	-	-
3. Decreases	65,008	22,819
a) charged to the financial result for the period in relation to temporary deductible differences (due to)	59,891	22,819
- reversed temporary differences, including:	59,891	22,819
insurance receivables	31,231	4,323
financial instruments	19,641	-

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The attached supplementary information constitutes an integral part of the financial statements

other provisions	5,508	3,829
accrued expenses	2,453	11,460
other temporary differences	1,058	3,207
- changes in tax rates	-	-
- impairment losses of deferred tax assets	-	-
b) charged to the financial result for the period in relation to tax loss (due to)	-	-
c) charged to equity in relation to temporary deductible differences (due to)	5,117	-
- reversed temporary differences, including:	5,117	-
financial instruments	5,117	,
- changes in tax rates	-	-
- impairment losses 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 temporary deductible differences (due to)	-	-
4. Total deferred tax assets at the end of the period	459,105	408,388
a) charged to financial result	456,912	401,078
b) charged to equity ²⁾	2,193	7,310
c) charged to goodwill or negative goodwill	-	-

¹⁾ Refers to accumulated changes in deferred tax assets for the previous years charged to financial result of the prior year and previous years.

²⁾ Refers to revaluation reserve.

³⁾ Refers to accumulated changes in deferred tax assets for the previous years charged to financial result of 2015 and previous years.

Deferred tax assets and liabilities are presented after offsetting of the relevant temporary deductible and taxable differences.

Notes on temporary deductible differences	31 December 2015	31 December 2014
a) temporary deductible differences at the beginning of the period, including:	2,149,410	1,829,057
financial instruments	776,807	427,914
accrued expenses	646,088	632,344
insurance receivables	541,902	564,651
other temporary differences	104,016	120,897
other provisions	80,597	83,251
b) temporary deductible differences at the end of the period, including:	2,416,340	2,149,410
financial instruments	950,373	776,807
accrued expenses	937,834	646,088
insurance receivables	377,523	541,902
other temporary differences	98,448	104,016
other provisions	52,162	80,597
temporary deductible differences expiring within one year	2,607,907	2,197,911
temporary deductible differences expiring within more than one year	(191,567)	(48,501)

5.2 Other prepayments

Other prepayments	31 December 2015	31 December 2014
a) reinsurance accruals ¹⁾	612,964	106,545
b) deferred IT costs	15,167	14,893
c) deferred property-related costs	7,100	9,788
d) other	49,849	5,643
Total other prepayments	685,080	136,869

¹⁾ Item "reinsurance accruals" includes mainly gross accrued inward reinsurance premium in the amount of PLN 591,405 thousand (31 December; PLN 102,834 thousand).

6. Changes in impairment losses

Changes in impairment losses in the year ended 31 December 2015.

Item	Impairment losses as at 1 January 2015, including:		Created, including:		Reversed, including:		Utilized, including:		Impairment losses as at 31 December 2015, including:	
	charged to financial result	charged to equity	charged to financial result	charged to equity	charged to financial result	charged to equity	charged to financial result	charged to equity	charged to financial result	charged to equity
I. Intangible assets	1,723	-	-	-	-	-	-	-	1,723	-
II. Investments	96,804	3,063	20,776	-	(814)	-	-	-	116,766	3,063
1. Property	76,156	3,063	73	-	(622)	-	-	-	75,607	3,063
2. Investments in related parties	7,821	-	-	-	-	-	-	-	7,821	-
3. Other financial investments	12,827	-	20,703	-	(192)	-	-	-	33,338	-
a) shares and other variable income securities	12,716	-	-	-	(192)	-	-	-	12,524	-
b) participation units and investment certificates of investment funds	111	-	20,703	-	-	-	-	-	20,814	-
c) debt securities and other fixed income securities	-	-	-	-	-	-	-	-	-	-
d) interests in joint ventures (investments)	-	-	-	-	-	-	-	-	-	-
e) mortgages	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-
g) term deposits at credit institutions	-	-	-	-	-	-	-	-	-	-
h) other investments (by type)	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-
III. Net unit-linked assets	-	-	-	-	-	-	-	-	-	-
IV. Receivables	552,321	-	99,095	-	(100,526)	-	(1,426)	-	549,464	-
1. Insurance receivables	536,891	-	96,094	-	(98,728)	-	(1,178)	-	533,079	-
2. Reinsurance receivables	5,001	-	3,001	-	(1,776)	-	-	-	6,226	-
3. Other receivables	10,429	-	-	-	(22)	-	(248)	-	10,159	-
3.1. Receivables from the State Budget	-	-	-	-	-	-	-	-	-	-
3.2. Other receivables	10,429	-	-	-	(22)	-	(248)	-	10,159	-
V. Other assets, including:	-	-	-	-	-	-	-	-	-	-
1. Tangible assets	-	-	-	-	-	-	-	-	-	-
2. Other assets	-	-	-	-	-	-	-	-	-	-
VI. Accruals	1,909	-	-	-	(1,839)	-	-	-	70	-
1. Deferred tax assets	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-
3. Accrued interest and rent	-	-	-	-	-	-	-	-	-	-
4. Other prepayments	1,909	-	-	-	(1,839)	-	-	-	70	-

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The attached supplementary information constitutes an integral part of the financial statements

Changes in impairment losses in the year ended 31 December 2014.

Item	Impairment losses as at 1 January 2014, including:		Created, including:		Reversed, including:		Utilized, including:		Impairment losses as at 31 December 2014, including:	
	charged to financial result	charged to equity	charged to financial result	charged to equity	charged to financial result	charged to equity	charged to financial result	charged to equity	charged to financial result	charged to equity
I. Intangible assets	9,835	-	16	-	(8,128)	-	-	-	1,723	-
II. Investments	105,008	3,017	4,237	320	(12,441)	(274)	-	-	96,804	3,063
1. Property	87,484	3,017	294	320	(11,622)	(274)	-	-	76,156	3,063
2. Investments in related parties	3,878	-	3,943	-	-	-	-	-	7,821	-
3. Other financial investments	13,646	-	-	-	(819)	-	-	-	12,827	-
a) shares and other variable income securities	12,719	-	-	-	(3)	-	-	-	12,716	-
b) participation units and investment certificates of investment funds	927	-	-	-	(816)	-	-	-	111	-
c) debt securities and other fixed income securities	-	-	-	-	-	-	-	-	-	-
d) interests in joint ventures (investments)	-	-	-	-	-	-	-	-	-	-
e) mortgages	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-
g) term deposits at credit institutions	-	-	-	-	-	-	-	-	-	-
h) other investments (by type)	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-
III. Net unit-linked assets	-	-	-	-	-	-	-	-	-	-
IV. Receivables	579,824	-	65,068	-	(90,259)	-	(2,312)	-	552,321	-
1. Insurance receivables	560,021	-	59,477	-	(81,469)	-	(1,138)	-	536,891	-
2. Reinsurance receivables	4,620	-	5,591	-	(5,210)	-	-	-	5,001	-
3. Other receivables	15,183	-	-	-	(3,580)	-	(1,174)	-	10,429	-
3.1. Receivables from the State Budget	-	-	-	-	-	-	-	-	-	-
3.2. Other receivables	15,183	-	-	-	(3,580)	-	(1,174)	-	10,429	-
V. Other assets, including:	-	-	-	-	-	-	-	-	-	-
1. Tangible assets	-	-	-	-	-	-	-	-	-	-
2. Other assets	-	-	-	-	-	-	-	-	-	-
VI. Accruals	70	-	1,839	-	-	-	-	-	1,909	-
1. Deferred tax assets	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-
3. Accrued interest and rent	-	-	-	-	-	-	-	-	-	-
4. Other prepayments	70	-	1,839	-	-	-	-	-	1,909	-

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The attached supplementary information constitutes an integral part of the financial statements

6.1 Carrying amount of interests accrued on impaired assets

As at 31 December 2015 and 31 December 2014, no interest accrued on impaired assets occurred.

7. Equity

7.1 Share capital

Share capital structure as at 31 December 2015

Series/ issue	Nominal value per share	Share type	Type of preference	Type of limitation on rights to shares	Number of shares	Face value of series/ issue in PLN	Capital coverage	Registration date	Cum dividend (as at)
A	PLN 0.1	registered	none	none	40,110	4,011	cash	23.01.1997	27.12.1991
A	PLN 0.1	bearer	none	none	604,423,090	60,442,309	cash	23.01.1997	27.12.1991
B	PLN 0.1	bearer	none	none	259,059,800	25,905,980	contribution in kind	31.03.1999	01.01.1999
Total					863,523,000	86,352,300			

¹⁾ Split of Shares is described in Note 7.1.1 of Supplementary information and explanations.

Share capital structure as at 31 December 2014

Series/ issue	Nominal value per share	Share type	Type of preference	Type of limitation on rights to shares	Number of shares	Face value of series/ issue in PLN	Capital coverage	Registration date	Cum dividend (as at)
A	PLN 1	registered	none	none	4,011	4,011	cash	23.01.1997	27.12.1991
A	PLN 1	bearer	none	none	60,442,309	60,442,309	cash	23.01.1997	27.12.1991
B	PLN 1	bearer	none	none	25,905,980	25,905,980	contribution in kind	31.03.1999	01.01.1999
Total					86,352,300	86,352,300			

Shareholding structure as at 31 December 2015

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	297,420,578	34.4427%
2.	Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK ¹⁾	49,156,660	5.6926%
3.	Other shareholders	516,945,762	59.8647%
	Total	863,523,000	100.0000%

¹⁾ According to the current report no 3/2016 regarding shareholders holding at least 5% of votes at the Extraordinary Shareholders' Meeting on 7 January 2016.

Shareholding structure as at 31 December 2014

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.	Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK ¹⁾	4,317,691	5.0001%
3.	Other shareholders	81,649,356	59.8124%
	Total	86,352,300	100.0000%

¹⁾ As at the state after settlement of the exchange transactions on 27 May 2014.

7.1.1. Split of shares

On 30 June 2015, the General Shareholders' Meeting of PZU passed a resolution regarding splitting all shares of PZU by decreasing the nominal value of each PZU share from PLN 1 to PLN 0.1 and increasing the number of PZU shares which constitute the share capital from 86,352,300 to 863,523,000. The split of shares was performed through the exchange of all shares in 1:10 ratio. The split had no influence on the share capital of PZU.

On 3 November 2015, the District Court for the capital city of Warsaw, XII Economic Division of the National Court Register recorded the appropriate change to the By-laws of PZU. In accordance with the resolution of the Management Board of the National Depository for Securities of 24 November 2015, the day of the split was set for 30 November 2015.

7.2 Dividends

7.2.1. Dividend paid from the profit for 2014

On 12 May 2015, the Management Board of PZU applied to the General Shareholders' Meeting for the distribution of the net profit for the year ended 31 December 2015 in the amount of PLN 2,636,733 thousand in the following way:

- PLN 2,590,569 thousand, i.e. PLN 30 per share allocated to dividend payment;
- PLN 36,164 thousand allocated to the supplementary capital;
- PLN 10,000 thousand allocated to the Company's Social Benefits Fund.

On 30 June 2015, the General Shareholders' Meeting of PZU passed a resolution regarding the distribution of the net profit of PZU for the year ended 31 December 2014, in accordance with the application of the Management Board of PZU.

The dividend date was set for 30 September 2015, and the dividend was paid on 21 October 2015.

7.2.2. Proposition of profit for 2015

At the date of signing the separate financial statements, the Management Board of PZU had not adopted a resolution concerning the proposed appropriation of 2015 profit.

7.3 Supplementary capital

Supplementary capital	31 December 2015	31 December 2014
a) share premium	538,139	538,139
b) statutory	28,784	28,784
c) arising from the By-laws, above the statutory amount	3,873,726	3,837,562
d) shareholder contributions	-	-
e) other	5,699	3,821
Total supplementary capital	4,446,348	4,408,306

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The attached supplementary information constitutes an integral part of the financial statements

7.4 Revaluation reserve

Revaluation reserve	31 December 2015	31 December 2014
a) revaluation of tangible assets	10,616	12,494
b) deferred tax	(361,785)	(252,907)
c) exchange differences from translation of foreign branches	-	-
d) other (by type):	5,948,680	5,437,746
- due to remeasurement of financial investments measured using the equity method	4,042,463	4,103,981
- due to remeasurement of available-for-sale financial investments	1,906,217	1,333,765
Total revaluation reserve	5,597,511	5,197,333

Revaluation reserve on financial instruments (gross)	1 January - 31 December 2015	1 January - 31 December 2014
1. At the beginning of the period	5,437,746	4,952,733
2. Increases due to:	653,422	854,194
a) effects of remeasurement of available-for-sale financial assets, including:	653,422	854,194
- remeasurement gains	634,628	843,012
- amounts deducted as at the derecognition date (e.g. sales)	8,213	11,182
- impairment losses transferred to the profit and loss account in case of recognition of impairment	10,581	-
- profits on valuation as at the date of reclassifying assets to available for sale from held to maturity	-	-
- amounts settled upon reclassification of assets to held to maturity (re-classified to held to maturity after the tainting period referred to in clause 8.4 of the Ordinance on financial instruments)	-	-
b) arising from hedge accounting:	-	-
- amounts settled for fair value hedges of an interest-bearing financial instrument	-	-
- periodic measurement of hedged items and hedging instruments related to cash flow hedges	-	-
- periodic measurement of hedged items and hedging instruments related to hedges of net assets of foreign entities	-	-
c) other	-	-
d) deferred tax asset and liability determined, revalued and charged to financial result	-	-
3. Decreases due to:	142,488	369,181
a) effects of remeasurement of available-for-sale financial assets, including:	142,488	369,181
- remeasurement losses	112,202	346,489
- amounts deducted as at the derecognition date (e.g. sales)	30,286	22,692
- losses on valuation as at the date of reclassifying assets to available for sale from held to maturity	-	-
- amounts settled upon reclassification of assets to held to maturity (re-classified to held to maturity after the tainting period referred to in clause 8.4 of the Ordinance on financial instruments)	-	-
b) arising from hedge accounting:	-	-
- amounts settled for fair value hedges of an interest-bearing financial instrument	-	-
- periodic measurement of hedged items and hedging instruments related to cash flow hedges	-	-
- periodic measurement of hedged items and hedging instruments related to hedges of net assets of foreign entities	-	-
c) other	-	-
d) deferred tax asset and liability determined, revalued and charged to financial result	-	-
4. At the end of the period	5,948,680	5,437,746

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8. Technical provisions

Technical provisions	31 December 2015	31 December 2014
a) unearned premiums reserve:	4,734,129	4,151,052
- gross provisions	5,049,466	4,423,916
- reinsurers' share	315,337	272,864
b) unexpired risks reserve:	84,741	1,236
- gross provisions	84,741	1,236
- reinsurers' share	-	-
c) life insurance provision:	-	-
- gross provisions	-	-
- reinsurers' share	-	-
d) provisions for outstanding claims and benefits:	12,182,768	12,222,769
- gross provisions	12,904,732	12,633,798
- reinsurers' share	721,964	411,029
e) provisions for bonuses and rebates for the insured:	1,958	1,419
- gross provisions	1,958	1,419
- reinsurers' share	-	-
f) risk equalization reserve	632,972	596,825
g) provisions for premium refund to the members	-	-
h) other technical provisions specified in the By-laws	-	-
- gross provisions	-	-
- reinsurers' share	-	-
i) life insurance unit-linked provision:	-	-
- gross provisions	-	-
- reinsurers' share	-	-
Total technical provisions	17,636,568	16,973,301

Gross technical provisions (currency structure)	31 December 2015	31 December 2014
a) unearned premiums reserve:	5,049,466	4,423,916
- in PLN	5,049,466	4,423,916
- foreign currencies (by currency and converted to PLN)	-	-
b) unexpired risks reserve:	84,741	1,236
- in PLN	84,741	1,236
- foreign currencies (by currency and converted to PLN)	-	-
c) life insurance provision:	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
d) provisions for outstanding claims and benefits:	12,904,732	12,633,798
- in PLN	12,153,294	11,861,563
- foreign currencies (by currency and converted to PLN)	751,438	772,235
d1. EUR thousand	176,331	181,174
PLN thousand	751,433	772,218
d2. USD thousand	1	5
PLN thousand	5	17
e) provisions for bonuses and rebates for the insured:	1,958	1,419
- in PLN	1,958	1,419
- foreign currencies (by currency and converted to PLN)	-	-
f) risk equalization reserve:	632,972	596,825
- in PLN	632,972	596,825
- foreign currencies (by currency and converted to PLN)	-	-
g) provisions for premium refund to the members:	-	-
- in PLN	-	-

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- foreign currencies (by currency and converted to PLN)	-	-
h) other technical provisions specified in the By-laws:	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
i) life insurance unit-linked provision:	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
Total technical provisions	18,673,869	17,657,194

Reinsurers' share in technical provisions (currency structure)	31 December 2015	31 December 2014
a) reinsurers' share in unearned premiums reserve:	315,337	272,864
- in PLN	315,337	272,864
- foreign currencies (by currency and converted to PLN)	-	-
b) reinsurers' share in unexpired risks reserve:	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
c) reinsurers' share in life insurance provision:	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
d) reinsurers' share in provision for outstanding claims and benefits:	721,964	411,029
- in PLN	408,118	401,377
- foreign currencies (by currency and converted to PLN)	313,846	9,652
d1. EUR thousand	2,044	2,101
PLN thousand	8,712	8,955
d2. USD thousand	77,238	189
PLN thousand	301,312	663
d3. other	3,822	34
e) reinsurers' share in provision for bonuses and rebates for the insured:	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
f) reinsurers' share in other technical provisions specified in the Articles of association	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
g) reinsurers' share in life insurance unit-linked provision	-	-
- in PLN	-	-
- foreign currencies (by currency and converted to PLN)	-	-
Total reinsurers share in technical provisions	1,037,301	683,893

8.1 Unearned premiums reserve and unexpired risks reserve

Unearned premiums reserve and unexpired risks reserve	31 December 2015	31 December 2014
a) unearned premiums reserve:	4,734,129	4,151,052
- gross provisions	5,049,466	4,423,916
- reinsurers' share	315,337	272,864
b) unexpired risks reserve:	84,741	1,236
- gross provisions	84,741	1,236
- reinsurers' share	-	-
Total unearned premiums reserve and unexpired risks reserve	4,818,870	4,152,288

8.2 Outstanding claims provisions

8.2.1. Gross outstanding claims provision

Gross outstanding claims provision	Gross provisions as at 31 December 2015	Provision for claims relating to the reporting period
Accident and sickness insurance (groups 1 and 2)	117,623	76,858
MTPL (group 10)	9,488,175	1,289,622
Other motor insurance (group 3) 3)	493,726	325,374
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	65,079	38,479
Fire and other damage to property (groups 8, 9)	553,316	263,079
TPL insurance (groups 11, 12, 13)	1,771,319	278,309
Credit insurance and suretyship (groups 14, 15)	33,020	10,905
Assistance (group 18)	42,359	31,206
Insurance of legal protection (group 17)	2,254	748
Other insurance (group 16)	337,861	234,019
Total provisions for claims and benefits outstanding	12,904,732	2,548,599

Gross outstanding claims provision	Gross provisions as at 31 December 2014	Provision for claims relating to the reporting period
Accident and sickness insurance (groups 1 and 2)	119,018	69,763
MTPL (group 10)	9,503,799	1,170,079
Other motor insurance (group 3)	451,901	314,920
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	65,754	22,846
Fire and other damage to property (groups 8, 9)	491,057	211,537
TPL insurance (groups 11, 12, 13)	1,812,901	297,226
Credit insurance and suretyship (groups 14, 15)	28,930	4,059
Assistance (group 18)	36,211	26,303
Insurance of legal protection (group 17)	2,301	691
Other insurance (group 16)	121,926	15,901
Total provisions for claims and benefits outstanding	12,633,798	2,133,325

8.2.2. Reinsurers' share in outstanding claims provision

Reinsurers' share in outstanding claims provision	Gross provisions as at 31 December 2015	Provision for claims relating to the reporting period
Accident and sickness insurance (groups 1 and 2)	5	3
MTPL (group 10)	222,587	1,696
Other motor insurance (group 3) 3)	611	529
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	19,251	18,519
Fire and other damage to property (groups 8, 9)	117,468	94,157
TPL insurance (groups 11, 12, 13)	59,785	3,420
Credit insurance and suretyship (groups 14, 15)	12,293	3,692
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	289,964	211,188
Total estimated subrogations, salvages and subsidies	721,964	333,204

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Reinsurers' share in outstanding claims provision	Gross provisions as at 31 December 2014	Provision for claims relating to the reporting period
Accident and sickness insurance (groups 1 and 2)	3	3
MTPL (group 10)	211,434	1,465
Other motor insurance (group 3) 3)	362	297
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	5,849	3,999
Fire and other damage to property (groups 8, 9)	38,949	6,658
TPL insurance (groups 11, 12, 13)	53,587	8,201
Credit insurance and suretyship (groups 14, 15)	11,447	1,638
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	89,398	11,575
Total estimated subrogations, salvages and subsidies	411,029	33,836

8.3 Provisions for capitalized value of annuities

8.3.1. Provisions for capitalized value of annuity claims before discounts and gross impairment losses

Provisions for capitalized value of annuity claims before discounts and gross impairment losses	Gross provisions as at 31 December 2015	Reinsurers' share
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL (group 10)	9,117,957	291,894
Other motor insurance (group 3) 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Fire and other damage to property (groups 8, 9)	-	-
TPL insurance (groups 11, 12, 13)	755,692	3,057
Credit insurance and suretyship (groups 14, 15)	-	-
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Total provisions	9,873,649	294,951

Provisions for capitalized value of annuity claims before discounts and gross impairment losses	Gross provisions as at 31 December 2014	Reinsurers' share
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL (group 10)	9,243,470	254,839
Other motor insurance (group 3) 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Fire and other damage to property (groups 8, 9)	-	-
TPL insurance (groups 11, 12, 13)	917,256	2,526
Credit insurance and suretyship (groups 14, 15)	-	-
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Total provisions	10,160,726	257,365

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9. Expected subrogations, salvages and subsidies

9.1 Estimated subrogations, salvages and subsidies (gross)

Estimated subrogations, salvages and subsidies (gross)	31 December 2015	31 December 2014
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL(group 10)	38,999	34,764
Other motor insurance (group 3)	48,735	61,008
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Fire and other damage to property (groups 8, 9)	6,468	13,917
TPL insurance (groups 11, 12, 13)	1,370	7
Credit insurance and suretyship (groups 14, 15)	967	4,067
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Estimated subrogations, salvages and subsidies, total	96,539	113,763

9.2 Reinsurers' share in estimated subrogations, salvages and subsidies

Reinsurers' share in estimated subrogations, salvages and subsidies	31 December 2015	31 December 2014
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL(group 10)	37	17
Other motor insurance (group 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Fire and other damage to property (groups 8, 9)	1	1
TPL insurance (groups 11, 12, 13)	30	-
Credit insurance and suretyship (groups 14, 15)	396	1,625
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Total estimated subrogations, salvages and subsidies	464	1,643

10. Other provisions

10.1 Provisions for pension and other statutory employee benefits

Provisions for pension and other statutory employee benefits	31 December 2015	31 December 2014
a) provisions for pension benefits	12,109	12,245
b) other obligatory employee benefits (by basis):	38,178	60,422
provisions for unused paid vacation	20,787	43,274
provisions for death benefits	17,391	17,148
Total provisions for pension and other statutory employee benefits	50,287	72,667

Changes in provisions for pension and other obligatory employee benefits	31 December 2015	31 December 2014
a) at the beginning of the period (by basis)	72,667	83,251
provisions for pension benefits	12,245	9,042
provisions for unused paid vacation	43,274	36,906
provisions for death benefits	17,148	14,675
provisions for post-employment benefits	-	22,628
b) increases (due to)	2,705	14,634
provisions for pension benefits	373	3,571
provisions for unused paid vacation	1,933	8,514
provisions for death benefits	399	2,549
provisions for post-employment benefits	-	-
c) utilized (due to)	24,949	2,590

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provisions for pension benefits	373	368
provisions for unused paid vacation	24,420	2,146
provisions for death benefits	156	76
provisions for post-employment benefits	-	-
d) released (due to)	136	22,628
provisions for pension benefits	136	-
provisions for unused paid vacation	-	-
provisions for death benefits	-	-
provisions for post-employment benefits	-	22,628
e) at the end of the period (by title)	50,287	72,667
provisions for pension benefits	12,109	12,245
provisions for unused paid vacation	20,787	43,274
provisions for death benefits	17,391	17,148
provisions for post-employment benefits	-	-

Provisions for pension and other statutory employee benefits (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	50,287	72,667
b) foreign currencies (by currency and converted to PLN)	-	-
Total provisions for pension and other statutory employee benefits	50,287	72,667

10.2 Deferred tax liability

Deferred tax assets and liabilities are presented after offsetting of the relevant temporary deductible and taxable differences.

Change in deferred tax liability	31 December 2015	31 December 2014
1. Deferred tax liability at the beginning of the period, including:	500,965	344,644
a) charged to financial result ¹⁾	240,748	196,990
b) charged to equity ²⁾	260,217	147,654
c) charged to goodwill or negative goodwill	-	-
2. Increases	307,144	162,778
a) charged to the financial result for the period in relation to temporary taxable differences (due to)	203,383	50,215
- occurrence of temporary differences, including:	203,383	50,215
accruals	183,477	21,002
other temporary differences	14,508	12,478
financial instruments	5,398	16,735
- changes in tax rates	-	-
- unrecognized temporary difference from previous period	-	-
b) charged to equity in relation to temporary taxable differences (due to)	103,761	112,563
- occurrence of temporary differences, including:	103,761	112,563
financial instruments	103,761	112,563
- changes in tax rates	-	-
- unrecognized temporary difference from previous period	-	-
c) charged to goodwill or negative goodwill period in relation to temporary taxable differences (due to)	-	-
3. Decreases	-	6,457
a) charged to the financial result for the period in relation to temporary taxable differences (due to)	-	6,457
- reversed temporary differences (use of provisions for deferred tax liability), including:	-	6,457
accruals	-	6,457
- changes in tax rates	-	-
- provision release due to inability to use it	-	-
b) charged to equity in relation to temporary taxable differences (due to)	-	-
- reversed temporary differences (use of provisions for deferred tax liability)	-	-
- changes in tax rates	-	-

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Change in deferred tax liability	31 December 2015	31 December 2014
- provision release due to inability to use it	-	-
c) charged to goodwill or negative goodwill period in relation to temporary taxable differences (due to)	-	-
4. Total provision for deferred tax liability at the end of the period	808,109	500,965
a) charged to financial result ³⁾	444,131	240,748
b) charged to equity ²⁾	363,978	260,217
c) charged to goodwill or negative goodwill	-	-

¹⁾ Refers to accumulated changes in deferred tax provisions for the previous years charged to financial result of the prior year and previous years.

²⁾ Refers to revaluation reserve.

³⁾ Refers to accumulated changes in deferred tax liability charged to the financial result of 2015 and previous years.

Notes on temporary taxable positive differences	31 December 2015	31 December 2014
a) temporary taxable differences at the beginning of the period	2,636,660	1,813,914
financial instruments	1,827,891	1,147,375
accruals	721,059	644,503
other temporary differences	87,710	22,036
b) temporary taxable differences at the end of the period, including:	4,253,199	2,636,660
financial instruments	2,402,409	1,827,891
accruals	1,686,723	721,059
other temporary differences	164,067	87,710
temporary taxable differences expiring within one year	4,089,133	2,489,350
temporary taxable differences expiring within more than one year	164,066	147,310
c) total amount of temporary differences related to investments in related parties, branches and joint investments, for which deferred tax liability was not recognized	-	-

Deferred tax liability (currency structure) ¹⁾	31 December 2015	31 December 2014
a) PLN thousand	349,003	92,577
b) foreign currencies (by currency and converted to PLN)	-	-
Total deferred tax liability	349,003	92,577

¹⁾ Deferred tax liability is recognized in the net amount reduced by deferred tax assets, presented in Note 5.1 of Supplementary information and explanations.

10.3 Other provisions

Other provisions	31 December 2015	31 December 2014
a) provision for penalties imposed by the Office of Competition and Consumer Protection	56,605	67,892
b) provisions for reinsurance settlements	10,793	17,531
c) provision for restructuring expenses	1,564	7,930
d) provision for disputed claims and potential liabilities under insurance contracts	837	782
e) other provisions	3,827	5,791
Total other provisions	73,626	99,926

Litigations related to fines imposed by the Office of Competition and Consumer Protection have been presented in detail in Note of 29.2 Supplementary information and explanations.

The restructuring process has been presented in detail in Note of 28.1 Supplementary information and explanations.

The position "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.

Changes in other provisions	31 December 2015	31 December 2014
a) at the beginning of the period (by title)	99,926	81,977
provision for restructuring expenses	7,930	-
provisions for reinsurance settlements	17,531	4,829
provision for penalties imposed by the Office of Competition and	67,892	67,892

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Consumer Protection		
other provisions	6,573	9,256
b) increases (due to)	13,025	40,935
provision for restructuring expenses	2,508	14,536
provisions for reinsurance settlements	8,531	21,880
provision for penalties imposed by the Office of Competition and Consumer Protection	3	-
other provisions	1,983	4,519
c) utilized (due to)	6,414	8,476
provision for restructuring expenses	5,193	6,606
provisions for reinsurance settlements	-	-
provision for penalties imposed by the Office of Competition and Consumer Protection	-	-
other provisions	1,221	1,870
d) released (due to)	32,911	14,510
provision for restructuring expenses	3,681	-
provisions for reinsurance settlements	15,269	9,178
provision for penalties imposed by the Office of Competition and Consumer Protection	11,290	-
other provisions	2,671	5,332
e) closing balance (by basis)	73,626	99,926
provision for restructuring expenses	1,564	7,930
provisions for reinsurance settlements	10,793	17,531
provision for penalties imposed by the Office of Competition and Consumer Protection	56,605	67,892
other provisions	4,664	6,573

Other provisions (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	73,626	99,926
b) foreign currencies (by currency and converted to PLN)	-	-
Total other provisions	73,626	99,926

11. Other liabilities and special funds

Geographical structure of liabilities	31 December 2015				31 December 2014			
	Domestic	Foreign – EU countries	Foreign – other countries	Total	Domestic	Foreign – EU countries	Foreign – other countries	Total
I. Liabilities due to reinsurers' deposits	-	-	-	-	-	-	-	-
II. Insurance liabilities	323,920	20,136	485	344,541	299,391	25,119	914	325,424
1. Liabilities to policyholders	122,798	879	37	123,714	133,498	928	10	134,436
2. Liabilities to insurance intermediaries	137,039	53	-	137,092	126,767	32	-	126,799
3. Other insurance liabilities	64,083	19,204	448	83,735	39,126	24,159	904	64,189
III. Reinsurance liabilities	44,685	29,604	6,749	81,038	40,174	25,735	1,741	67,650
IV. Liabilities arising from issue of own debt securities and obtained loans	-	3,611,636	-	3,611,636	-	2,127,155	-	2,127,155
V. Liabilities to credit institutions	-	-	-	-	-	-	-	-
VI. Other liabilities	295,149	621,695	11,625	928,469	1,719,096	227,535	10,153	1,956,784
1. Liabilities to the State Treasury	50,783	-	-	50,783	40,502	-	-	40,502
2. Other liabilities	244,366	621,695 ¹⁾	11,625	877,686	1,678,594	227,535	10,153	1,916,282
Total liabilities	663,754	4,283,071	18,859	4,965,684	2,058,661	2,405,544	12,808	4,477,013

¹⁾ The item represents the liability resulting from purchase of Alior Bank shares in the amount of PLN 341,709 thousand, described in Note 2.4.2 of Supplementary information and explanations.

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11.1 Insurance liabilities

Insurance liabilities	31 December 2015	31 December 2014
a) liabilities to policyholders	123,714	134,436
- to related parties	8	7
- domestic	8	7
- foreign	-	-
- to other entities	123,706	134,429
- domestic	122,790	133,491
- foreign	916	938
b) liabilities to insurance intermediaries, including:	137,092	126,799
- to related parties	91	40
- domestic	91	40
- foreign	-	-
- to other entities	137,001	126,759
- domestic	136,948	126,727
- foreign	53	32
c) other insurance liabilities, including:	83,735	64,189
- to related parties	813	736
- domestic	782	601
- foreign	31	135
- to other entities	82,922	63,453
- domestic	63,301	38,525
- foreign	19,621	24,928
Total insurance liabilities	344,541	325,424

Insurance liabilities	31 December 2015	31 December 2014
a) subsidiaries	912	783
b) joint-ventures	-	-
c) associates	-	-
d) major investor	-	-
e) shareholder in a joint-venture	-	-
f) parent entity	-	-
g) other	343,629	324,641
Total insurance liabilities	344,541	325,424

Insurance liabilities with maturity periods after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	344,541	325,424
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
Total insurance liabilities	344,541	325,424

Insurance liabilities (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	324,283	300,090
b) foreign currencies (by currency and converted to PLN)	20,258	25,334
b1. EUR thousand	3,666	4,425
PLN thousand	15,621	18,861
b2. USD thousand	215	72
PLN thousand	838	254
b3. GBP thousand	434	782
PLN thousand	2,514	4,272
b4. CHF thousand	53	110
PLN thousand	209	391
b5. other currencies in PLN thousand	1,076	1,556
Total insurance liabilities	344,541	325,424

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11.2 Reinsurance liabilities

Total reinsurance liabilities	31 December 2015	31 December 2014
a) current liabilities due to inward reinsurance, including:	3,330	3,571
- domestic cedants	1,351	3,525
- foreign cedants	1,979	46
b) current liabilities due to reinsurance outwards, including:	66,176	62,581
- domestic reinsurers	34,934	35,534
- foreign reinsurers	31,242	27,047
c) liabilities due to retrocession, including:	11,532	1,498
- domestic retrocessionaries	8,400	1,115
- foreign retrocessionaries	3,132	383
d) reinsurance liabilities premiums settled over time	-	-
Total reinsurance liabilities	81,038	67,650

Reinsurance liabilities	31 December 2015	31 December 2014
a) current receivables from inward reinsurance, including to:	3,330	3,571
- cedants being subsidiaries	1,883	-
- cedants being joint-ventures	-	-
- cedants being associates	-	-
- a cedant being a major investor	-	-
- a cedant being a shareholder in a joint-venture	-	-
- a cedant being the parent entity	-	-
a) current receivables from reinsurance outwards, including to:	66,176	62,581
- reinsurers being subsidiaries	-	-
- reinsurers being subsidiaries	-	-
- reinsurers being associates	-	-
- a reinsurer being a major investor	-	-
- a reinsurer being a shareholder in a joint-venture	-	-
- a reinsurer being the parent entity	-	-
c) current liabilities to retrocessionaries, including to:	11,532	1,498
- retrocessionaries being subsidiaries	-	-
- retrocessionaries being joint-ventures	-	-
- retrocessionaries being associates	-	-
- a retrocessionary being a major investor	-	-
- a retrocessionary being a shareholder in a joint-venture	-	-
- a retrocessionary being the parent entity	-	-
d) other	-	-
Total reinsurance liabilities	81,038	67,650

Reinsurance liabilities with maturity periods after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	12,904	19,933
b) over 3 months and up to 1 year	27,651	21,846
c) over 1 year and up to 5 years	29,533	23,662
d) over 5 years	10,950	2,209
Total reinsurance liabilities	81,038	67,650

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The attached supplementary information constitutes an integral part of the financial statements

Reinsurance liabilities (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	66,993	56,567
b) foreign currencies (by currency and converted to PLN)	14,045	11,083
b1. EUR thousand	1,568	1,005
PLN thousand	6,680	4,282
b2. USD thousand	1,374	1,927
PLN thousand	5,362	6,757
b3. UAH thousand	11,609	-
PLN thousand	1,883	-
b4. other currencies	120	44
Total reinsurance liabilities	81,038	67,650

11.3 Liabilities arising from issue of own debt securities and obtained loans

Liabilities arising from issue of own debt securities and obtained loans	31 December 2015	31 December 2014
a) liabilities convertible to shares of the insurance company	-	-
b) other (by title):	3,611,636	2,127,155
- loans from PZU Finance AB (publ.) funded from debt securities issued by PZU Finance AB (publ.)	3,611,636	2,127,155
Total liabilities due to issue of own debt securities and taking out loans	3,611,636	2,127,155

Liabilities from issue of own debt securities and obtained loans by maturity period after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	-	-
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	3,611,636	2,127,155
d) over 5 years	-	-
Total liabilities due to issue of own debt securities and taking out loans	3,611,636	2,127,155

Liabilities from issue of own debt securities and obtained loans (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	-	-
b) foreign currencies (by currency and converted to PLN)	3,611,636	2,127,155
b1. EUR thousand	847,503	499,063
PLN thousand	3,611,636	2,127,155
Total liabilities due to issue of own debt securities and taking out loans	3,611,636	2,127,155

11.3.1. Loans from PZU Finance AB (publ.)

On 7 July 2014, PZU took a loan from PZU Finance AB (publ.), with its registered office in Stockholm at the total value of EUR 500,000 thousand and the interest rate of 1.425% per year to be repaid on 28 June 2019.

Funds for the loan were acquired by PZU Finance AB (publ.) on 3 July 2014 from the issue of five-year Eurobonds in the amount of EUR 500,000 thousand with the redemption date of 3 July 2019. The issue price of one bond of a nominal value of EUR 100,000 amounted to EUR 99,407. The margin over mid-swap rate (the curve, which constitutes the average of the bid and ask curves for fixed-coupon bonds corresponding to the period of redemption of the bonds issued by PZU Finance AB (publ.) amounted to 85 bps, which resulted in the bond yield of 1.499%. The bonds were released on the regulated market of the Irish Stock Exchange on the basis of a prospectus approved by the Central Bank of Ireland. The bonds bear interest at a fixed interest rate of 1.375% per year, the coupon is paid once a year and the interest period starts on 3 July.

On 16 October 2015, PZU Finance AB (publ.) issued registered bonds of the total nominal value of EUR 350,000 thousand. The bonds were issued on tap with the installment from 2014 and therefore formed a single series of identical parameters regarding the value of the coupon, interest periods and maturity. The issue price of one bond was EUR 99,218, increased by the interest accrued since 3 July 2015. As at the date of the issue, profitability of the bonds was 1.593%.

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The liabilities of PZU Finance AB (publ.) arising from the bonds (including the obligation for payment of the nominal value of bonds and interest on the bonds) were secured with a guarantee provided by PZU to all bondholders. The maximum value of the guarantee was not determined. The guarantee expires at the same time as the bondholders' claims to PZU finance AB (publ.).

The issue of Eurobonds constitutes the implementation of PZU Group's investment strategy in the scope of the management of the matching of assets and liabilities in euro. After having purchased the companies in the Baltic states, a significant value of the Group's assets is dependent on the exchange rate of the euro, which is why it was decided that the issue would be made in this currency.

11.4 Liabilities to credit institutions

There were no liabilities to credit institutions as at 31 December 2015 and 31 December 2014.

11.5 Other liabilities

Other liabilities	31 December 2015	31 December 2014
a) liabilities to the State Treasury	50,783	40,502
- corporate income tax	40,157	30,100
- personal income tax	8,232	8,021
- VAT	2,192	2,376
- other	202	5
b) other liabilities	877,686	1,916,282
- liabilities in respect of unsettled investment transactions and collateral deposits ¹⁾	375,998	46,190
- derivatives measurement – liabilities held for trading	304,467	275,055
- estimated non insurance liabilities	76,173	70,798
- liabilities due to settlements with the Tax Capital Group (PGK)	42,115	536
- Social Security Institution (ZUS) premiums and benefits paid	12,308	12,039
- settlements from direct claims handling	11,113	-
- liability to the Insurance Guarantee Fund (UFG)	9,478	8,564
- retained guarantee deposits	3,683	1,762
- liabilities arising from the reporting fee for Central Register of Vehicles and Drivers (CEPiK)	3,620	3,268
- settlements with shareholders due to dividend	2,982	1,471,120
- liabilities arising from legal representation	2,345	3,407
- other	33,404	23,543
Total other liabilities	928,469	1,956,784

¹⁾ This item represents the liability resulting from purchase of Alior Bank shares in the amount of PLN 341,709 thousand, described in Note 2.4.2 of Supplementary information and explanations.

Other liabilities	31 December 2015	31 December 2014
a) subsidiaries	46,427	8,192
b) joint-ventures	-	-
c) associates	-	-
d) major investor	-	-
e) shareholder in a joint-venture	-	-
f) parent entity	-	-
g) other	882,042	1,948,592
Total other liabilities	928,469	1,956,784

Other liabilities by maturity period after the balance sheet date	31 December 2015	31 December 2014
a) up to 3 months	928,469	1,956,784
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
Total other liabilities	928,469	1,956,784

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All derivatives of PZU are qualified as liabilities held for trading and recognized under Other liabilities with maturity period up to 3 months after the balance sheet date.

Other liabilities (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	686,396	1,803,554
b) foreign currencies (by currency and converted to PLN)	242,073	153,230
b1. EUR thousand	9,679	11,702
PLN thousand	41,246	49,878
b2. USD thousand	11,247	8,260
PLN thousand	43,876	28,968
b3. RUB thousand	3,845	62,907
PLN thousand	203	3,787
b4. BRL thousand	91,950	6,534
PLN thousand	90,580	8,623
b5. ZAR thousand	76,328	6,076
PLN thousand	19,059	1,841
b6. CZK thousand	117,445	114,047
PLN thousand	18,521	17,529
b7. HUF thousand	1,425,189	2,848,648
PLN thousand	19,384	38,565
b8. other currencies in PLN thousand	9,204	4,039
Total other liabilities	928,469	1,956,784

11.6 Other information regarding liabilities

11.6.1. Liabilities secured on the Company's assets and its related parties

As at 31 December 2015 and 31 December 2014, PZU did not have any liabilities secured on its assets.

11.6.2. Overdue liabilities

As at 31 December 2015 and 31 December 2014 no overdue liabilities occurred.

11.6.3. Liabilities to the State Treasury or local authorities due to acquisition of an ownership title to buildings and structures

As at 31 December 2015 and 31 December 2014, the Company had no liabilities to the State Budget or local government due to acquisition of an ownership title to buildings and structures.

11.7 Special funds

Special funds	31 December 2015	31 December 2014
a) Prevention Fund	47,287	29,243
b) Social Benefits Fund	96,845	92,318
Total special funds	144,132	121,561

12. Accruals

Accruals	31 December 2015	31 December 2014
a) accruals, including:	821,516	550,075
- long-term	-	-
- short-term (by title):	821,516	550,075
- deferred income and accrued expenses relating to reinsurance	477,149	213,981
- accrued costs of commissions on direct insurance	216,477	202,961
- accrued costs of salaries and wages	70,841	70,501
- accrued costs of bonuses for employees	42,522	51,527
- other accruals	14,527	11,105
b) negative goodwill	-	-
c) deferred income, including:	34,887	26,054
- deferred reinsurance commissions	25,663	20,867
- investment income	6,739	-
- land perpetual usufruct right received free of charge	979	2,179
- other	1,506	3,008
Total accruals	856,403	576,129

Change in accruals and deferred income	31 December 2015	31 December 2014
At the beginning of the period (by title)	576,129	518,282
accrued expenses	550,075	501,342
deferred income	26,054	16,940
a) increases (due to)	1,804,323	867,006
accrued expenses	1,563,079	785,400
deferred income	241,244	81,606
b) decreases (due to)	1,524,049	809,159
accrued expenses	1,291,638	736,667
deferred income	232,411	72,492
Closing balance (by title)	856,403	576,129
accrued expenses	821,516	550,075
deferred income	34,887	26,054

13. Required solvency margin

13.1 Numeric data used to calculate own funds to cover the required solvency margin

Solvency statement	31 December 2015	31 December 2014
1. Assets of the insurance company	36,358,361	34,629,778
2. Assets allocated to cover all expected liabilities	23,979,628	22,301,054
a) subordinated liabilities	-	-
b) technical provisions	17,540,493	16,861,181
c) technical provisions for unit-linked life products	-	-
d) other provisions	472,916	265,170
e) liabilities due to reinsurers' deposits	-	-
f) other liabilities and special funds	5,109,816	4,598,574
g) accruals and deferred income	856,403	576,129
h) any other liabilities of the insurance company not included in items a-g	-	-
3. Intangible assets	362,167	283,999

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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	5,853,666	6,065,985
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	5,763,579	6,000,224
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	90,087	65,761
i) subordinated loans granted by the insurance company which meet the conditions specified in Article 148.4.2 of the Act	90,087	65,761
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	-	-
e) Total amounts in the case of which the supervisory authority agreed not to apply 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 own funds of the insurance company	2,135,034	2,411,116
6. Deferred tax assets	459,105	408,388
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	-	-
13. Own funds	7,838,829	7,981,468
14. Own funds to cover guarantee fund pursuant to Article 148a of the Act	7,838,829	7,981,468
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	7,838,829	7,981,468
15. Required solvency margin	1,424,278	1,362,353
16. Minimum amount of the guarantee capital	15,939	15,403
17. 1/3 of the amount of the required solvency margin	474,759	454,118
18. Surplus/ shortage of own funds to cover the solvency margin	6,414,551	6,619,115
19. Guarantee capital	474,759	454,118
20. Surplus/ shortage of own funds to cover guarantee capital	7,364,070	7,527,350
a) Difference between the amount indicated in 14a and the guarantee capital	7,364,070	7,527,350

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13.2 Numeric data used to calculate the required solvency margin for non-life insurance

Required solvency margin	31 December 2015	31 December 2014
1. Premium amount (G) (the higher of (1a-1b+50%*1c) and (1d-1e+50%*1f))	9,198,953	8,642,453
a) Premium written during the last 12 months from direct insurance and inward reinsurance, including reversals, not reduced by reinsurers and retrocessionaries' share	8,857,929	8,261,752
b) Tax included in the premium under 1a	-	-
c) Premium from groups 11, 12 and 13 included in 1a after tax deduction	682,048	761,402
d) Premium written during the last 12 months reduced by change in the unearned premium reserve from direct insurance and inward reinsurance, including reversals, not reduced by reinsurers and retrocessionaries' share	8,177,379	8,102,530
e) Tax included in the premium under 1d	-	-
f) Premium from groups 11, 12 and 13 included in 1d after tax deduction	671,180	673,066
2. PLN equivalent of T1 at the average exchange rate of NBP as per Rate Table 1 of each reporting year (P1)	264,068	255,198
3. Sickness insurance premium amount	-	-
a) up to P1 amount	-	-
b) over P1 amount	-	-
4. Other insurance premium amount	9,198,953	8,642,453
a) up to P1 amount	264,068	255,198
b) over P1 amount	8,934,885	8,387,255
5. Reinsurance rate in percent (H) (5b/5a, not less than 50%)	96.4230%	97.8759%
a) Gross claims and benefits paid during last 36 months net of returns, subrogations and salvages, including the change in the provision for gross unpaid claims and benefits for the period	15,847,862	16,092,774
b) Gross claims and benefits net of reinsurance paid during last 36 months net of returns, subrogations and salvages, including the change in the provision for gross unpaid claims and benefits net of reinsurance for the period	15,280,986	15,750,953
6. Required solvency margin calculated on the basis of premiums ((3a*6%+3b*16%/3+4a*18%+4b*16%)*5)	1,424,278	1,358,416
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	8,857,929	8,261,752
b) Premium written during the last 12 months from insurance from storm, hail, frost or credit, not reduced by reinsurers and retrocessionaries' share	1,879,491	1,844,297
c) Share ratio of insurance from storm, hail, frost or credit (7b/7a)	21.2182%	22.3233%
8. Average annual claims and benefits amount (J) ((8a - 8b + 8c - 8d + 1/2*(8e - 8f + 8g - 8h))/7)*12	5,443,779	5,575,089
a) Claims and benefits paid from direct insurance and inward reinsurance in the financial year, not reduced by reinsurers and retrocessionaries' share	14,212,764	13,649,825
b) Returns, subrogations and salvages of the financial year	348,410	392,598
c) Outstanding claims provisions as at the last day of the comparative period, not reduced by reinsurers and retrocessionaries' share	12,753,875	12,520,035
d) Outstanding claims provisions as at the first day of the comparative period, not reduced by reinsurers and retrocessionaries' share	10,770,367	9,684,487
e) Claims and benefits paid in groups 11, 12 and 13 included in 8a	692,038	656,089
f) Returns, subrogations and salvages in groups 11, 12 and 13 included in 8b	9,416	4,703
g) Outstanding claims provisions paid in groups 11, 12 and 13 included in 8c	1,736,946	1,807,824
h) Outstanding claims provisions paid in groups 11, 12 and 13 included in 8d	1,452,618	1,194,227
9. PLN equivalent of T2 at the average exchange rate of NBP as per Rate Table 1 of each reporting year (P2)	184,805	178,597
10. Average annual amount of sickness insurance claims	-	-
a) up to P2 amount	-	-
b) over P2 amount	-	-
11. Average annual amount of other insurance claims and benefits	5,443,779	5,671,363
a) up to P2 amount	184,805	178,597
b) over P2 amount	5,258,974	5,492,766
12. Required solvency margin calculated on the basis of average annual amount of claims and benefits ((10a*26%/3+10b*23%/3+11a*26%+11b*23%)*5)	1,212,628	1,281,951
13. Required solvency margin calculated on the basis of premiums and	1,424,278	1,358,416

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average annual amount of claims and benefits (the higher of the amounts in items 6 and 12)		
14. Required solvency margin as at the same day of the previous year	1,362,353	1,362,353
15. Adjustment ratio (15a/15b, not higher than 1)	99.8022%	100.0000%
a) Change in provision for claims and benefits outstanding, net of reinsurance as at the reporting date	12,086,693	12,110,649
b) Change in provision for claims and benefits outstanding, net of reinsurance as at the date following the same day of the previous year	12,110,648	11,245,952
16. Required solvency margin after adjustment (14 * 15)	1,359,658	1,362,353
17. Required solvency margin for section II (the higher of the amounts in items 13 and 16)	1,424,278	1,362,353

14. Off-balance sheet items

14.1 Contingent receivables

Contingent receivables	31 December 2015	31 December 2014
a) guarantees and sureties received	12,408	12,552
b) other (by type)	30,515,089	9,833,478
promissory notes related to granted insurance guarantees	7,682,993	7,792,716
other promissory notes, including:	183,514	183,456
- from subsidiaries	12,944	12,018
- other contingent receivables ¹⁾	22,648,582	1,857,306
Total contingent receivables	30,527,497	9,846,030

¹⁾ The item "other contingent receivables" includes mainly receivables from loan insurance, guarantees, etc. with a total value of PLN 18,868,819 thousand (31 December 2014: PLN 1,217,686 thousand).

Total contingent receivables (currency structure)	31 December 2015	31 December 2014
a) guarantees and sureties received:	12,408	12,552
- in PLN	12,408	12,552
- in foreign currencies (by currency and translated to PLN)	-	-
b) other (by type)	30,515,089	9,833,478
- in PLN	30,461,554	9,754,918
- in foreign currencies (by currency and translated to PLN)	53,535	78,560
b1. EUR thousand	12,461	18,429
PLN thousand	53,102	78,552
b2. USD thousand	-	2
PLN thousand	-	8
b3. NOK thousand	977	-
PLN thousand	433	-
Total contingent receivables	30,527,497	9,846,030

14.1.1. Guarantees received

Under the guarantee line agreement of 7 September 2013 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 the following year.

As at 31 December 2015, as a part of the line applicable during the period between 21 October 2014 and 20 October 2015, there were 26 active guarantees at the total value of PLN 4,579 thousand.

14.2 Contingent liabilities

Contingent liabilities due to:	31 December 2015	31 December 2014
a) guarantees and sureties granted	3,651,485	2,152,111
b) accepted and endorsed promissory notes	-	-
c) assets with resale obligation	-	-
d) other liabilities secured on assets or revenue	-	-
e) other (by type):	990,962	198,634
disputed claims not acknowledged by the insurer and brought to court by creditors	575,148	198,357
contingency liabilities arising from sub-issue contracts	-	-
- other contingent liabilities ¹⁾	415,814	277
Total contingent liabilities	4,642,447	2,350,745

¹⁾ As at 31 December 2015, the item "other contingent liabilities" includes mainly liabilities from outstanding loan installments with a total value of PLN 373,923 thousand (31 December 2014: none).

Contingent liabilities (currency structure)	31 December 2015	31 December 2014
a) guarantees and sureties granted:	3,651,485	2,152,111
- in PLN	4,579	6,430
- in foreign currencies (by currency and translated to PLN)	3,646,906	2,145,681
a1. EUR thousand	855,780	503,409
PLN thousand	3,646,906	2,145,681
b) accepted and endorsed promissory notes	-	-
c) assets with resale obligation	-	-
d) other liabilities secured on assets or revenue	-	-
e) other (by type):	990,962	198,634
disputed claims not acknowledged by the insurer and brought to court by creditors	575,148	198,357
- in PLN	575,148	198,357
- in foreign currencies (by currency and translated to PLN)	-	-
other contingent liabilities	415,814	277
- in PLN	415,814	277
- in foreign currencies (by currency and translated to PLN)	-	-
Total contingent liabilities	4,642,447	2,350,745

The guarantee granted to PZU Finance AB (publ.) was shown in item guarantees and sureties granted and described in Note of Supplementary information and explanations.

14.3 Other non-balance sheet items

Other non-balance sheet items due to	31 December 2015	31 December 2014
Other non-balance sheet items (by type):	136,477	123,161
third-party assets not recognized in the Company's assets, including:	136,477	123,161
- to subsidiaries	12,543	12,543
Total other non-balance sheet items	136,477	123,161

Other non-balance sheet items (currency structure)	31 December 2015	31 December 2014
a) PLN thousand	136,477	123,161
b) foreign currencies (by currency and converted to PLN)	-	-
Total other non-balance sheet items	136,477	123,161

15. Premiums in non-life insurance

Gross written premiums	1 January - 31 December 2015	1 January - 31 December 2014
a) in direct insurance, including:	8,262,970	8,139,124
- from contracts concluded outside Poland, including:	7,677	7,713
- from contracts concluded in EU member states	3,408	6,251
b) in indirect insurance	595,066	122,628
Total gross written premiums	8,858,036	8,261,752

15.1 Gross written premiums – direct insurance

Gross written premium in direct non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	437,104	445,884
b) MTPL (group 10)	2,642,743	2,634,079
c) other motor insurance (group 3)	2,142,681	2,010,892
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	38,958	56,646
e) fire and other damage to property (groups 8, 9)	1,865,317	1,829,582
f) TPL insurance (groups 11, 12, 13)	682,049	761,402
g) credit insurance and suretyship (groups 14, 15)	75,250	80,066
h) assistance (group 18)	290,260	237,416
i) legal protection (group 17)	3,535	875
j) other (group 16)	85,073	82,282
Total gross premiums - direct insurance (by accounting class)	8,262,970	8,139,124

Total gross earned premiums – direct non-life insurance arising from obligatory TPL insurance by groups	1 January - 31 December 2015	1 January - 31 December 2014
Group 10	2,587,784	2,590,408
Group 11	5,252	4,443
Group 13	305,171	386,397
Total gross earned premiums – direct non-life insurance arising from obligatory TPL insurance by groups	2,898,207	2,981,248

15.2 Gross written premiums – indirect insurance

Total gross written premiums – indirect non-life insurance	1 January – 31 December 2015	1 January – 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	11,895	1,038
b) MTPL (group 10)	181,687	14,384
c) other motor insurance (group 3)	24,986	5,397
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	5,706	11,779
e) fire and other damage to property (groups 8, 9)	133,975	71,676
f) TPL insurance (groups 11, 12, 13)	33,108	7,022
g) credit insurance and suretyship (groups 14, 15)	1,826	7,443
h) assistance (group 18)	863	-
i) legal protection (group 17)	-	-
j) other (group 16)	201,020	3,889
Total gross premiums - indirect insurance (by accounting class)	595,066	122,628

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Total gross earned premiums – indirect non-life insurance arising from obligatory TPL insurance by group	1 January - 31 December 2015	1 January - 31 December 2014
Group 10	179,307	11,710
Group 11	1	319
Group 13	17,529	126
Total gross earned premiums – indirect non-life insurance arising from obligatory TPL insurance by group	196,837	12,155

16. Gross earned premiums

16.1 Gross earned premiums – direct insurance

Gross earned premium in direct non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	444,901	447,938
b) MTPL (group 10)	2,527,439	2,718,421
c) other motor insurance (group 3)	2,049,740	2,012,834
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	46,608	43,083
e) fire and other damage to property (groups 8, 9)	1,811,198	1,793,080
f) TPL insurance (groups 11, 12, 13)	671,180	673,065
g) credit insurance and suretyship (groups 14, 15)	54,867	53,074
h) assistance (group 18)	261,176	222,795
i) legal protection (group 17)	878	915
j) other (group 16)	80,065	74,929
Total gross earned premiums – direct non-life insurance	7,948,052	8,040,134

Total gross earned premiums – direct non-life insurance arising from obligatory TPL insurance by groups	1 January - 31 December 2015	1 January - 31 December 2014
Group 10	2,479,308	2,677,412
Group 11	4,529	4,960
Group 13	306,756	327,860
Total gross earned premiums – direct non-life insurance	2,790,593	3,010,232

16.2 Gross earned premiums – indirect insurance

Gross earned premium in indirect non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	8,581	297
b) MTPL (group 10)	62,525	2,092
c) other motor insurance (group 3)	7,501	2,438
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	8,078	9,412
e) fire and other damage to property (groups 8, 9)	92,407	39,612
f) TPL insurance (groups 11, 12, 13)	8,625	3,979
g) credit insurance and suretyship (groups 14, 15)	3,649	556
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	9,563	4,009
Total gross earned premiums – indirect non-life insurance	200,929	62,395

Total gross earned premiums – indirect non-life insurance arising from obligatory TPL insurance by groups	1 January - 31 December 2015	1 January - 31 December 2014
Group 10	60,098	2,014
Group 11	159	332
Group 13	810	91
Total gross earned premiums – indirect non-life insurance	61,067	2,437

17. Reinsurance settlements

Reinsurance settlements	1 January - 31 December 2015	1 January - 31 December 2014
a) insurance premiums received from abroad	54,412	30,758
b) reinsurance premiums transferred abroad	175,048	159,225
c) reinsurance outwards balance	(218,011)	(181,728)
d) inward reinsurance balance	285,233	77,455
e) receivables and liabilities arising from reinsurance outwards, including: - receivables from reinsurers collateralized with guarantees of financial institutions	(46,768) -	(49,762) -
f) receivables and liabilities arising from inward reinsurance, including: - liabilities to cedants collateralized with insurer's guarantees - liabilities to retrocedants collateralized with insurer's guarantees	6,659 - -	1,763 - -

18. Gross claims and benefits paid

Gross claims and benefits paid	1 January - 31 December 2015	1 January - 31 December 2014
a) from direct insurance, including: -claims handling costs	5,085,970 546,593	4,391,907 499,444
b) from indirect insurance, including: -claims handling costs	49,250 2,803	35,344 878
Total gross claims and benefits paid	5,135,220	4,427,251

18.1 Gross claims and benefits paid

Total gross claims and benefits paid - direct non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	144,201	145,897
b) MTPL (group 10)	2,369,329	1,903,716
c) other motor insurance (group 3)	1,423,920	1,311,958
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	26,123	13,125
e) fire and other damage to property (groups 8, 9)	690,087	657,948
f) TPL insurance (groups 11, 12, 13)	258,684	211,116
g) credit insurance and suretyship (groups 14, 15)	13,317	11,236
h) assistance (group 18)	153,505	125,493
i) legal protection (group 17)	596	732
j) other (group 16)	6,208	10,686
Total gross claims and benefits paid - direct insurance (by accounting class)	5,085,970	4,391,907

Total gross claims and benefits paid - indirect non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	-	-
b) MTPL (group 10)	376	2,806
c) other motor insurance (group 3)	1,834	364
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	705	541
e) fire and other damage to property (groups 8, 9)	42,971	20,631
f) TPL insurance (groups 11, 12, 13)	2,447	9,573
g) credit insurance and suretyship (groups 14, 15)	(2)	45
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	919	1,384
Total gross claims and benefits paid - indirect insurance (by accounting class)	49,250	35,344

18.2 Claims handling costs

Total claims handling costs – direct non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	39,882	41,032
b) MTPL (group 10)	258,889	222,439
c) other motor insurance (group 3)	91,326	92,884
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	1,278	1,228
e) fire and other damage to property (groups 8, 9)	88,824	84,523
f) TPL insurance (groups 11, 12, 13)	48,014	40,795
g) credit insurance and suretyship (groups 14, 15)	474	631
h) assistance (group 18)	17,535	15,517
i) legal protection (group 17)	50	40
j) other (group 16)	321	355
Total claims handling costs – direct insurance (by accounting class)	546,593	499,444

Total claims handling costs – indirect non-life insurance (by accounting class)	1 January - 31 December 2015	1 January - 31 December 2014
a) accident and sickness insurance (groups 1 and 2)	-	-
b) MTPL (group 10)	1	1
c) other motor insurance (group 3)	-	-
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	4
e) fire and other damage to property (groups 8, 9)	1,471	238
f) TPL insurance (groups 11, 12, 13)	478	588
g) credit insurance and suretyship (groups 14, 15)	-	-
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	853	47
Total claims handling costs – indirect insurance (by accounting class)	2,803	878

19. Supplementary data to the technical account – non-life insurance

19.1 Supplementary data to the technical account for the year ended 31 December 2015

Total direct and indirect insurance for the year ended 31 December 2015	Gross written premiums	Gross earned premiums	Gross claims and benefits (paid)	Claims handling costs	Subrogations and salvages	Net inward reinsurance balance	Costs of operations (acquisition and administrative)
Accident and sickness insurance (groups 1 and 2)	448,999	453,482	106,155	39,882	1,836	8,522	159,408
MTPL (group 10)	2,824,430	2,589,964	2,135,955	258,890	25,140	149,056	629,734
Other motor insurance (group 3)	2,167,667	2,057,241	1,393,280	91,326	58,852	(19,535)	544,113
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	44,664	54,686	27,428	1,278	1,878	(5,671)	12,424
Fire and other damage to property (groups 8, 9)	1,999,292	1,903,605	657,620	90,295	14,857	(58,764)	608,434
TPL insurance (groups 11, 12, 13)	715,157	679,805	217,949	48,492	5,310	10,373	206,069
Credit insurance and suretyship (groups 14, 15)	77,076	58,516	16,800	474	3,959	(17,618)	17,840
Assistance (group 18)	291,123	261,176	136,575	17,535	605	806	97,555
Insurance of legal protection (group 17)	3,535	878	546	50	-	-	1,287
Other insurance (group 16)	286,093	89,628	6,112	1,174	159	53	49,203
Total direct and indirect insurance	8,858,036	8,148,981	4,698,420	549,396	112,596	67,222	2,326,067

Direct insurance for the year ended 31 December 2015	Gross written premiums	Gross earned premiums	Gross claims and benefits (paid)	Claims handling costs	Subrogations and salvages	Net inward reinsurance balance	Costs of operations (acquisition and administrative)
Accident and sickness insurance (groups 1 and 2)	437,104	444,901	106,155	39,882	1,836	(496)	156,877
MTPL (group 10)	2,642,743	2,527,439	2,135,580	258,889	25,140	8,334	595,961
Other motor insurance (group 3)	2,142,681	2,049,740	1,391,446	91,326	58,852	(27,715)	539,590
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	38,958	46,608	26,723	1,278	1,878	(9,772)	11,385
Fire and other damage to property (groups 8, 9)	1,865,317	1,811,198	616,120	88,824	14,857	(132,820)	594,117
TPL insurance (groups 11, 12, 13)	682,049	671,180	215,980	48,014	5,310	(13,585)	203,664
Credit insurance and suretyship (groups 14, 15)	75,250	54,867	16,802	474	3,959	(18,514)	18,443
Assistance (group 18)	290,260	261,176	136,575	17,535	605	184	97,554
Insurance of legal protection (group 17)	3,535	878	546	50	-	-	1,287
Other insurance (group 16)	85,073	80,065	6,046	321	159	(23,627)	47,985
Total direct insurance	8,262,970	7,948,052	4,651,973	546,593	112,596	(218,011)	2,266,863

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Indirect insurance for the year ended 31 December 2015	Gross written premiums	Gross earned premiums	Gross claims and benefits (paid)	Claims handling costs	Subrogations and salvages	Net inward reinsurance balance	Costs of operations (acquisition and administrative)
Accident and sickness insurance (groups 1 and 2)	11,895	8,581	-	-	-	9,018	2,531
MTPL (group 10)	181,687	62,525	375	1	-	140,722	33,773
Other motor insurance (group 3)	24,986	7,501	1,834	-	-	8,180	4,523
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	5,706	8,078	705	-	-	4,101	1,039
Fire and other damage to property (groups 8, 9)	133,975	92,407	41,500	1,471	-	74,056	14,317
TPL insurance (groups 11, 12, 13)	33,108	8,625	1,969	478	-	23,958	2,405
Credit insurance and suretyship (groups 14, 15)	1,826	3,649	(2)	-	-	896	(603)
Assistance (group 18)	863	-	-	-	-	622	1
Insurance of legal protection (group 17)	-	-	-	-	-	-	-
Other insurance (group 16)	201,020	9,563	66	853	-	23,680	1,218
Total indirect insurance	595,066	200,929	46,447	2,803	-	285,233	59,204

19.2 Supplementary data to the technical account for the period of 12 months ended 31 December 2014

Total direct and indirect insurance for the year ended 31 December 2014	Gross written premiums	Gross earned premiums	Gross claims and benefits (paid)	Claims handling costs	Subrogations and salvages	Net inward reinsurance balance	Costs of operations (acquisition and administrative)
Accident and sickness insurance (groups 1 and 2)	446,922	448,235	104,866	41,032	1	919	173,535
MTPL (group 10)	2,648,463	2,720,513	1,706,142	222,440	22,060	10,045	591,823
Other motor insurance (group 3)	2,016,289	2,015,272	1,265,396	92,884	45,958	(29,245)	505,344
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	68,425	52,495	16,712	1,232	4,278	(6,153)	12,584
Fire and other damage to property (groups 8, 9)	1,901,258	1,832,692	608,536	84,761	14,718	(30,806)	591,519
TPL insurance (groups 11, 12, 13)	768,424	677,044	181,505	41,383	2,199	(23,210)	192,665
Credit insurance and suretyship (groups 14, 15)	87,509	53,630	16,578	631	5,928	(13,479)	27,657
Assistance (group 18)	237,416	222,795	110,631	15,517	655	(292)	98,708
Insurance of legal protection (group 17)	875	915	692	40	-	-	710
Other insurance (group 16)	86,171	78,938	11,758	402	90	(12,052)	46,505
Total direct and indirect insurance	8,261,752	8,102,529	4,022,816	500,322	95,887	(104,273)	2,241,050

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

Direct insurance for the year ended 31 December 2014	Gross written premiums	Gross earned premiums	Gross claims and benefits (paid)	Claims handling costs	Subrogations and salvages	Net inward reinsurance balance	Costs of operations (acquisition and administrative)
Accident and sickness insurance (groups 1 and 2)	445,884	447,938	104,866	41,032	1	(118)	173,419
MTPL (group 10)	2,634,079	2,718,421	1,703,337	222,439	22,060	(1,302)	590,029
Other motor insurance (group 3)	2,010,892	2,012,834	1,265,032	92,884	45,958	(34,212)	504,893
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	56,646	43,083	16,175	1,228	4,278	(16,290)	11,125
Fire and other damage to property (groups 8, 9)	1,829,582	1,793,080	588,143	84,523	14,718	(76,885)	583,867
TPL insurance (groups 11, 12, 13)	761,402	673,065	172,520	40,795	2,199	(19,634)	191,231
Credit insurance and suretyship (groups 14, 15)	80,066	53,074	16,533	631	5,928	(18,844)	24,714
Assistance (group 18)	237,416	222,795	110,631	15,517	655	(292)	98,708
Insurance of legal protection (group 17)	875	915	692	40	-	-	710
Other insurance (group 16)	82,282	74,929	10,421	355	90	(14,151)	46,114
Total direct insurance	8,139,124	8,040,134	3,988,350	499,444	95,887	(181,728)	2,224,810

Indirect insurance for the year ended 31 December 2014	Gross written premiums	Gross earned premiums	Gross claims and benefits (paid)	Claims handling costs	Subrogations and salvages	Net inward reinsurance balance	Costs of operations (acquisition and administrative)
Accident and sickness insurance (groups 1 and 2)	1,038	297	-	-	-	1,037	116
MTPL (group 10)	14,384	2,092	2,805	1	-	11,347	1,794
Other motor insurance (group 3)	5,397	2,438	364	-	-	4,967	451
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	11,779	9,412	537	4	-	10,137	1,459
Fire and other damage to property (groups 8, 9)	71,676	39,612	20,393	238	-	46,079	7,652
TPL insurance (groups 11, 12, 13)	7,022	3,979	8,985	588	-	(3,576)	1,434
Credit insurance and suretyship (groups 14, 15)	7,443	556	45	-	-	5,365	2,943
Assistance (group 18)	-	-	-	-	-	-	-
Insurance of legal protection (group 17)	-	-	-	-	-	-	-
Other insurance (group 16)	3,889	4,009	1,337	47	-	2,099	391
Total indirect insurance	122,628	62,395	34,466	878	-	77,455	16,240

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

20. Information regarding claim handling process

Claims handling process in the year ended 31 December 2015 (data for direct insurance)	Average time of claims handling (in days)	Claims incurred during the reporting period from insurance contracts concluded in the reporting period, including:	
		Claims and benefits paid	Outstanding claims and benefits provision set up at the end of the reporting period
Accident and sickness insurance (groups 1 and 2)	7.61	27,187	30,823
MTPL (group 10)	22.76	452,140	503,596
Other motor insurance (group 3)	17.38	571,244	206,394
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	45.74	7,764	32,962
Fire and other damage to property (groups 8, 9)	14.38	271,978	96,638
TPL insurance (groups 11, 12, 13)	24.60	40,989	134,708
Credit insurance and suretyship (groups 14, 15)	61.24	840	576
Assistance (group 18)	28.71	78,750	22,697
Insurance of legal protection (group 17)	17.65	64	418
Other insurance (group 16)	20.59	1,139	2,666
Total (average)	16.33	1,452,095	1,031,478

Claims handling process in the year ended 31 December 2014 (data for direct insurance)	Average time of claims handling (in days)	Claims incurred during the reporting period from insurance contracts concluded in the reporting period, including:	
		Claims and benefits paid	Outstanding claims and benefits provision set up at the end of the reporting period
Accident and sickness insurance (groups 1 and 2)	8.33	24,587	26,783
MTPL (group 10)	22.43	378,403	424,739
Other motor insurance (group 3)	17.83	511,237	193,177
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	75.46	4,064	16,934
Fire and other damage to property (groups 8, 9)	14.90	224,449	102,367
TPL insurance (groups 11, 12, 13)	26.42	36,101	145,370
Credit insurance and suretyship (groups 14, 15)	70.00	1,013	2,075
Assistance (group 18)	20.17	58,069	18,784
Insurance of legal protection (group 17)	21.26	160	355
Other insurance (group 16)	22.93	1,495	15,291
Total (average)	16.48	1,239,578	945,875

21. Costs of insurance activities

Costs of insurance activity net of reinsurance	1 January - 31 December 2015	1 January - 31 December 2014
a) direct insurance	2,266,013	2,235,788
b) indirect insurance	59,204	16,240
Total costs of insurance activity, net of reinsurance	2,325,217	2,252,028

Costs of insurance activities (by type)	1 January - 31 December 2015	1 January - 31 December 2014
I. Administrative expenses	753,737	729,142
1. internal:	485,281	496,205
a) consumption of materials and energy	29,318	20,095
b) salaries/ wages, social charges and other benefits	399,696	418,950
c) depreciation	51,532	51,616
d) other administrative expenses	4,735	5,544
2. external:	268,456	232,937
a) external services	185,339	147,281
b) commissions for premium collection	21,525	10,031
c) advertisement	41,438	59,406
d) other expenses	20,154	16,219
II. Acquisition costs	1,572,330	1,511,908
1. internal	343,681	296,006
a) consumption of materials and energy	15,822	16,398
b) salaries/ wages, social charges and other benefits classified as acquisition costs	293,198	253,813
c) direct business commission	-	-
d) depreciation	34,661	25,795
e) other acquisition costs	-	-
2. external:	1,617,326	1,264,099
a) salaries/ wages, social charges and other benefits classified as acquisition costs	-	-
b) commissions on direct business, including:	1,215,650	1,155,166
- acquisition commissions	548,370	519,645
- policy renewal commissions	635,069	609,725
- insurance and reinsurance contract administration commissions	32,211	25,796
c) indirect business commission	255,889	8,412
d) external services	78,408	63,535
e) advertisement	51,985	21,810
f) other expenses	15,394	15,176
3. change in deferred acquisition costs ¹⁾	(388,677)	(48,197)
III. Claims handling and subrogation collection costs	549,396	500,322
1. internal	238,091	245,512
a) consumption of materials and energy	10,145	13,015
b) loss appraiser and adjuster remunerations and other remunerations related to claims handling and recourse collection	207,161	210,764
c) depreciation	20,785	21,733
2. external:	311,305	254,810
a) external services	133,998	120,525
b) other expenses	177,307	134,285
IV. Investment costs	391,054	301,637
1. internal	14,311	13,636
a) consumption of materials and energy	3,026	2,377
b) salaries/ wages, social charges and other employee benefits	8,257	7,879
c) depreciation	3,028	3,380
2. external:	376,743	288,001
a) external services	5,654	6,958
b) other expenses ²⁾	371,089	281,043

¹⁾ Item "change in deferred acquisition costs" in 2015 recognizes the deferment of indirect acquisition costs in the amount of PLN 112,031 thousand and its cause is explained in Note 9 of the Introduction to the financial statements.

²⁾ The item "other expenses" includes, inter alia, loss on realization and revaluation of investments.

21.1 Acquisition costs

Acquisition costs	1 January - 31 December 2015	1 January - 31 December 2014
a) incurred in the financial year, including:	1,961,007	1,560,105
- acquisition commissions on direct insurance	1,215,650	1,155,166
b) carried forward to future financial years	957,179	568,502

21.2 Administrative expenses

Administrative expenses	1 January - 31 December 2015	1 January - 31 December 2014
a) consumption of materials and energy	29,318	20,095
b) external services	185,339	147,281
c) taxes and charges	13,764	10,175
d) payroll	312,319	328,558
e) social charges;	87,377	90,392
f) depreciation	51,531	51,616
g) other, including:	74,089	81,025
advertising	41,438	59,406
commissions for premium collection	21,525	10,031
business trips	4,735	5,544
property insurance	733	862
Total administrative expenses	753,737	729,142

22. Other operating income

Other operating income	1 January - 31 December 2015	1 January - 31 December 2014
a) financial revenue	1,766	1,877
b) commission on loss adjusting services	6,567	7,320
c) revenue from acquisition activities carried out for open pension funds	-	-
d) other operating income including:	295,520	137,292
revenue from direct claims handling on behalf of other insurance companies	187,992	69,001
positive exchange differences	44,132	21,952
released provisions for employee benefits	22,487	22,628
impairment losses release and provision release for other costs	17,664	8,912
received damages	7,165	3,528
recharged expenses	5,086	5,878
revenue from disposal of tangible assets and investments in progress	1,151	1,069
other	9,843	4,324
Total	303,853	146,489

Employment restructuring has been described in Note 28.1 in Supplementary information and explanations.

23. Other operating expenses

Other operating expenses	1 January - 31 December 2015	1 January - 31 December 2014
a) financing expenses ¹⁾	54,493	78,642
b) costs relating to loss adjusting services	174	117
c) costs incurred in connection with acquisition activities carried out for open pension funds	-	-
d) other operating expenses including:	229,872	141,696
costs of direct claims handling on behalf of other insurance companies	192,969	73,101
negative exchange differences	17,037	14,831
rechargeable expenses	4,996	5,900

Warsaw, 14 March 2016

The attached supplementary information constitutes an integral part of the financial statements

restructuring costs	2,932	5,809
cost of establishing restructuring provisions	2,508	14,536
provisions created for probable losses	1,983	4,519
donations	1,434	16,076 ²⁾
sold tangible assets and investments in progress	1,362	872
receivables written off	644	315
penalties, compensations and fines paid	83	426
interest on overdue tax liabilities	70	964
costs of liquidation of pre-numbered forms	34	55
impairment losses on receivables, tangible and intangible assets	-	32
other	3,820	4,260
Total	284,539	220,455

¹⁾ The item "financing expenses" includes cost of interest and exchange differences of the loans from PZU Finance AB (publ.) in the amount of PLN 49,655 thousand (in 2014: PLN 75,991 thousand).

²⁾ The item "donations" includes the donation in the amount of PLN 15,000 thousand of 2014 for the PZU Foundation.

24. Interest revenue and expense

Both below tables present interest for the financial year determined on accrual basis.

24.1 Interest income calculated with contractual interest rates

Interest income calculated with contractual interest rates in 2015	Interest accrued and realized in 2015	Interest accrued and unrealized in 2015 (by maturity from the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Investments in related parties	390	-	2,640	-
b) other financial investments, including:	243,867	13,778	106,135	-
- debt securities and other fixed income securities	218,708	9,850	81,611	-
- shares in joint investments	-	-	-	-
- mortgages	9,748	1,941	19,409	-
- other loans	20,778	941	(550)	-
- term deposits at credit institutions	(5,367)	1,046	5,665	-
- other investments	-	-	-	-
c) Deposits with cedants	-	-	-	-
d) Receivables	-	-	-	-
- insurance receivables	-	-	-	-
- reinsurance receivables	-	-	-	-
- other receivables	-	-	-	-
Total interest revenue	244,257	13,778	108,775	-

Interest income calculated with contractual interest rates in 2014	Interest accrued and realized in 2014	Interest accrued and unrealized in 2014 (by maturity from the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Investments in related parties	539	609	-	-
b) other financial investments, including:	348,856	24,982	86,610	-
- debt securities and other fixed income securities	223,868	18,134	86,610	-
- shares in joint investments	-	-	-	-
- mortgages	-	2,569	-	-
- other loans	70,226	364	-	-
- term deposits at credit institutions	54,762	3,915	-	-
- other investments	-	-	-	-
c) Deposits with cedants	-	-	-	-
d) Receivables	-	-	-	-
- insurance receivables	-	-	-	-
- reinsurance receivables	-	-	-	-
- other receivables	-	-	-	-
Total interest revenue	349,395	25,591	86,610	-

24.2 Interest expense calculated with contractual interest rates

Interest expenses calculated with contractual interest rates in 2015	Interest accrued and realized in 2015	Interest accrued and unrealized in 2015 (by maturity from 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:	19,001	-	34,990 ¹⁾	-
- insurance liabilities	-	-	-	-
-reinsurance liabilities	-	-	-	-
- liabilities arising from issue of own debt securities and obtained loans	14,665	-	34,990	-
- liabilities to credit institutions	4,336	-	-	-
- other liabilities	-	-	-	-
Total interest expenses in 2015, including:	19,001	-	34,990	-
- liabilities held for trading	-	-	-	-
- short-term liabilities	4,336	-	-	-
- long-term liabilities	14,665	-	34,990	-

¹⁾ The item includes cost of exchange differences of loans from PZU Finance AB (publ.) in the amount of PLN 10,504 thousand.

Interest expenses calculated with contractual interest rates in 2014	Interest accrued and realized in 2014	Interest accrued and unrealized in 2014 (by maturity from 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:	2,353	-	75,991 ¹⁾	-
- insurance liabilities	-	-	-	-
-reinsurance liabilities	-	-	-	-
- liabilities arising from issue of own debt securities and obtained loans	-	-	75,991	-
- liabilities to credit institutions	2,353	-	-	-
- other liabilities	-	-	-	-
Total interest expenses in 2014, including:	2,353	-	75,991	-
- liabilities held for trading	-	-	-	-
- short-term liabilities	2,353	-	-	-
- long-term liabilities	-	-	75,991	-

¹⁾ The item includes cost of exchange differences of loans from PZU Finance AB (publ.) in the amount of PLN 59,400 thousand.

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25. Income tax

25.1 Tax Capital Group

On 25 September 2014, a new Tax Capital Group (PGK) agreement was signed between the companies of PZU Group, comprising of 13 companies: PZU, PZU Życie, Link4 Towarzystwo Ubezpieczeń SA, PZU Centrum Operacji SA, PZU Pomoc SA, Ogrodowa-Inwestycje Sp. z o.o., Ipsilon Sp. z o.o., PZU Asset Management SA, TFI PZU SA, Ipsilon Bis SA, PZU Finanse Sp. z o.o., Omicron SA, Omicron Bis SA. The TCG was formed for a period of 3 years from 1 January 2015 to 31 December 2017.

PZU is the parent entity and the company representing the PGK in the aforementioned agreement. In accordance with paragraph 25 clause 1 of the CIT Act, the TCG conducts settlements with the Tax Office in monthly cycles. PZU makes tax advances to the Tax Office in respect of corporate revenue tax, due from all companies belonging to the PGK and the said companies transfer the CIT advances related to their business activities to PZU.

On 22 December 2015, the Management Board of PZU consented to the conclusion, with effect from 1 January 2015, of an annex to the Tax Capital Group agreement. Under the annex signed on 21 January 2016, in a situation in which the income of Tax Capital Group will be reduced by a tax loss arising in one or more companies forming Tax Capital Group, the difference between the amount of Tax Capital Group's due tax determined without taking into account the tax losses and the amount of Tax Capital Group's due tax determined after taking into account the tax losses of the companies, will be transferred by PZU, proportionally to each of the companies in which the tax losses were generated. The settlement takes place within 14 days after submitting the CIT-8A declaration for the tax year for which there has been a reduction in tax liabilities of Tax Capital Group.

25.2 Current revenue tax

Current revenue tax	1 January - 31 December 2015	1 January - 31 December 2014
1. Gross profit (loss) ¹⁾	2,422,674	2,792,469
2. Difference between the gross profit (loss) and the tax base (by title)	(2,221,312)	(1,952,371)
2a) Expenses and losses not classified by tax regulations as tax-deductible costs	530,558	760,158
Accrued reinsurance outwards expenses	42,973	52,714
Accrued investment losses	338,033	392,666
Accrued bonuses and employee benefits provisions	94,758	112,380
Accrued and deferred acquisition costs	(87,815)	32,751
Impairment losses on insurance, reinsurance and recourse receivables	105,585	60,166
Enforcement costs and contractual penalties	3,340	7,072
PFRON charges	6,619	6,383
Donations	1,434	16,076
Accrued costs of external services	13,431	2,969
Recorded receivables	31,783	29,250
Other	(19,583)	47,731
2b) Revenue not included in the tax base	2,811,975	2,753,828
Accrued investment income	340,470	411,673
Dividends	1,704,309	2,090,225
Other technical income – reversed impairment losses etc.	188,406	156,090
Release of the restructuring and Office of Competition and Customer Protection provision	14,971	-
Accrued revenue from inward reinsurance and outwards	516,870	36,852
Other	46,949	58,988
2c) Other changes in the tax base	60,105	41,299
Realized investment income from previous years	205,192	184,731
Amounts paid to natural persons under personal service contracts and bonuses, accrued in the previous year	(111,302)	(95,280)
Other costs/ income realized	(33,360)	(32,706)
Income deductions	(425)	(15,446)

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3. Tax base	201,362	840,098
4. Income tax at 19% rate	38,259	159,619
5. Tax increase, cancelation, exemption, deduction and reduction	(11,656)	7,422
6. Current income tax disclosed in tax returns for the period, including:	26,603	167,041
- cost disclosed in the profit and loss account	26,603	167,041
- regarding items increasing or reducing equity	-	-
- regarding items increasing or reducing goodwill	-	-

¹⁾ The item "gross profit (loss)" covers the item "Share in net profit (loss) of related parties measured using the equity method" included in the general profit and loss account.

Income tax by type of activity	1 January - 31 December 2015	1 January - 31 December 2014
Differences between the gross profit (loss) and the tax base	(2,221,312)	(1,952,371)
- due to technical activities	(691,482)	(106,299)
- due to extraordinary profits and losses	-	-
- other	(1,529,830)	(1,846,072)
Tax base	201,362	840,098

Regulations concerning corporate revenue tax, personal revenue tax, value added tax, and contributions to social security undergo frequent changes. The current regulations contain unclear issues which result in a difference of opinions regarding their legal interpretation, both among competent authorities and between these authorities and enterprises. Tax and other settlements (e.g. concerning 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 of some countries with more advanced tax systems. Tax returns are subject to control over the period of five years. As a result, amounts disclosed in the financial statements may change in subsequent periods, following final determination of their value by tax authorities.

25.3 Deferred tax

Deferred tax recognized in the profit and loss account	1 January - 31 December 2015	1 January - 31 December 2014
- decrease (increase) due to recognizing and reversing of temporary differences	147,549	(11,305)
- decrease (increase) due to change in tax rates	-	-
- decrease (increase) due to previously unrecognized tax losses, allowances or temporary differences from the previous period	-	-
- decrease (increase) due to the impairment of deferred tax assets or inability to use deferred tax liability	-	-
- other deferred tax items (by title)	-	-
Total deferred tax	147,549	(11,305)

In 2015 and in 2014, no income tax on discontinued operations or extraordinary transactions occurred.

Deferred tax recognized beyond the profit and loss account	1 January - 31 December 2015	1 January - 31 December 2014
Total deferred tax amount:	361,785	252,907
- recognized in equity	361,785	252,907
- recognized in goodwill or negative goodwill	-	-

26. Share in net profit (loss) of related parties measured using the equity method

Share in net profit (loss) of related parties measured using the equity method	1 January - 31 December 2015	1 January - 31 December 2014
Share in net profit (loss) of related parties measured using the equity method, including:	(53,247)	(62,055)
- amortization of goodwill for related parties	(52,791)	(6,732)
- amortization of negative goodwill for related parties	-	-
- amortization of the difference on net asset measurement	(456)	(55,323)

27. Notes to the cash flow statement

"Other inflows from operating activities" include:

Other inflows from operating activities – selected data	1 January - 31 December 2015	1 January - 31 December 2014
Refunds of CIT advances - participation in PGK	492,686	403,983
Reimbursement of excess income tax payments	-	19,712
Inflows to social benefits fund account and employee account	5,833	6,719
Other inflows	174,812	88,872
Other inflows from operating activities total	673,331	519,286

Other outflows for operating activities – selected data

Advance CIT payments – participation in PGK	1 January - 31 December 2015	1 January - 31 December 2014
Outflows due to CIT advances - participation in PGK	337,751	403,983
Corporate income tax	104,686	227,604
Outflows from social benefits fund account and employee account	49,851	60,887
Donations	1,434	16,076
Other expenses	247,587	121,187
Total other operating costs	741,309	829,737

27.1 Cash not available for use

The cash flow statement includes cash not available for use, concerning the cash of the Prevention Fund and the Social Benefits Fund. Based on the provisions of 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.

28. Other information and explanations

28.1 Employment restructuring process at PZU

On 18 December 2014, Management Board of PZU decided to begin restructuring activities connected to the introduction of new IT systems and operation process automation.

On 8 April 2015, the Management Boards for PZU and PZU Życie announced their intention to carry out group redundancies in accordance with the Act of 13 March 2003 on special principles of employment termination for reasons not related to employees (Journal of Laws of 2003, Item 844, as amended) "the Act laying down special principles applicable to termination of employment contracts".

On 10 April 2015, PZU and their trade unions operating within PZU entered into an agreement setting out the terms and conditions of the employment restructuring process, which concerned to the largest degree the area of property operations and HR. The final version of the document was based on experience gained and solutions developed during similar negotiations in previous years.

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Employment restructuring was conducted during the planned period (May – June 2015) and finally encompassed 267 people within PZU, while the employment downsizing applied to 134 employees.

The people who were dismissed or who did not accept the changes in the terms and conditions of employment (just as during all stages of employment restructuring in 2010–2014) were offered more favorable conditions of leaving than those provided for by the law in similar situations (the Act laying down special principles applicable to termination of employment contracts). The amount of additional redundancy pay depended on the length of service with PZU Group and the salary of each employee.

The expenses due in relation to the payment of benefits for the dismissed employees were attributed to restructuring provision, which, as at 31 December 2015, amounted to PLN 1,564 thousand (as at 31 December 2014: PLN 9,354 thousand).

28.2 Situation in Ukraine

Both in 2015 and 2014, Ukraine's political and economic situation was unstable. This was linked to the following factors that influence the Ukrainian insurance market:

- high inflation rate (48.7% year-on-year) and strong dynamics of local currency (Ukrainian hryvnia) depreciation vs. US dollar and euro;
- collapse of domestic demand;
- problems in the banking sector;
- military action in eastern Ukraine (in the Donetsk and Luhansk regions).

In 2015, the Ukrainian economy submerged in crisis. In the third quarter of 2015, according to the data of the Ukrainian Central Statistical Office, the GDP drop was 7.2% year-on-year.

Due to the unstable political and economic situation in the country, the management boards of PZU Ukraine and PZU Ukraine Life Insurance have taken the decisions to mitigate the risk:

- concerning insurance activity, apart from standard exceptions such as: war, terrorism, etc., where insurance coverage does not apply to third-party operations performed in violation of the law. Moreover, it has been decided to temporarily suspend in terms of conclusion and renewal the non-life insurance contracts with natural and legal persons, including property that is subject to lien or mortgage, if the contract is to be executed in Donetsk and Luhansk regions. The same applies to forwarding agent and carrier's liability insurances and cargo insurance if the freight lane passes through the territory of the above mentioned regions.
- cash in current accounts and at bank deposits has been transferred to selected banks operating in Ukraine which have credible foreign majority shareholders and an appropriate ranking.

External influences disturb the functioning of the financial sector and hinder long-term business planning. In such circumstances, the reliability of insurance companies started to be important for the clients. Clients consider the insurance companies with foreign capital as more reliable. This tendency has a positive impact on the level of sales of the Ukrainian companies of PZU Group. Due to portfolio and sales channels diversification, PZU Ukraine and PZU Ukraine Life Insurance are more flexible to market changes and have realized their financial plans for 2015.

The Management Board of PZU in cooperation with the management boards of PZU Ukraine and PZU Ukraine Life Insurance constantly monitors external risks and changes in the Ukrainian legislation. The scenarios to respond to market changes and control mechanisms have been developed. PZU does not intend to withdraw from the Ukrainian market. As at the signing date of the separate financial statements, the Management Board of PZU assumes that the operations of PZU Ukraine and PZU Ukraine Life Insurance will be continued in accordance with the approved objectives. Nevertheless, a continuation of the current unstable business environment could in the future negatively affect the PZU Ukraine and PZU Ukraine Life Insurance results and financial position in a manner not currently determinable. The financial statements reflect the current assessment of the Management Board of PZU in this respect.

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28.3 Investment outlays incurred and planned for the 12 months following the balance sheet date

Investment outlays incurred for the current period	2015	2014
Investment outlays incurred, including:	201,628	151,691
- outlays for non-financial non-current assets	52,661	51,373

Investment outlays planned for the 12 months following the balance sheet date ¹⁾	31 December 2015	31 December 2014
Investment outlays planned for the 12 months following the balance sheet date, including:	194,003	267,059
- outlays for non-financial non-current assets	194,003	267,059

¹⁾ The data have not been revised by an auditor.

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 property. The proceedings and disputes are typical and repetitive and, usually, individually they are not significant for PZU.

Additionally, PZU is a party to 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 2015 and by the date of submission of the separate 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 at 31 December 2015, the total value of all 82,380 cases (as at 31 December 2014: 54,562 cases) held by courts, bodies competent to hear arbitration proceedings or public authority bodies involving the PZU Group companies was PLN 3,401,817 thousand (as at 31 December 2014: PLN 2,585,791 thousand). The amount includes PLN 2,925,272 thousand (as at 31 December 2014: PLN 2,270,251 thousand) of liabilities and PLN 476,545 thousand (as at 31 December 2014: PLN 315,540 thousand) of receivables of the PZU Group companies, which constituted 23.63% and 3.85% (as at 31 December 2014, respectively: 18.41% and 2.56%) of PZU equity calculated in accordance 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 ("MSC"), with the registered office in New York, against PZU regarding cancellation of the General Shareholders' Meeting of PZU's 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 Benefits Fund.

In its decision of 22 January 2010, the District Court in Warsaw cancelled the above resolution. PZU used all possible appeal instances, including a cassation appeal to the Supreme Court, which during its session on 27 March 2013 pronounced a judgment whereby the cassation appeal was dismissed. The judgment of the Supreme Court is final and it may not be appealed against.

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

In connection with the validation of the resolution No 8/2007, on 30 May 2012 GSM decided to distribute the profit for 2006 in a manner corresponding to the cancelled resolution No 8/2007. 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 MSC in the District Court in Warsaw, in which the plaintiff requested cancelation of the GSM resolution of 30 May 2012 regarding distribution of 2006 profit with the value of the disputable object determined at PLN 5,054 thousand. PZU responded, requesting dismissal of the entire claim.

On 17 December 2013, the District Court pronounced a judgment whereby the claims were accepted in its entirety and the costs of the proceedings awarded from PZU to Manchester Securities Corporation. On 4 March 2014, PZU appealed against the judgment in its entirety. On 11 February 2015, the Court of Appeal in Warsaw passed a judgment that changed the judgment of the District Court of 17 December 2013 in its entirety, dismissed the action filed by MSC and ordered MSC to pay the costs of the proceedings. The judgment of the Appellate Court of 6 November 2013 is final. MSC filed a cassation appeal on 9 June 2015 against the judgment of the Court of Appeal in its entirety. PZU filed its response to the cassation appeal and appealed to the Supreme Court to refuse accepting the cassation appeal, or dismiss it.

On 16 December 2014, MSC called PZU to pay PLN 264,865 thousand of compensation due to the cancelation of the resolution No 8/2007 of the PZU General Shareholders' Meeting 30 June 2007 on the distribution of profit of PZU for 2006. PZU refused to fulfill the obligation.

On 23 September 2015, PZU received a copy of complaint with attachments regarding the action initiated by MSC against PZU for the payment of PLN 169,328 thousand with statutory interest accrued from 2 January 2015 until the date of the payment. The action includes a claim for compensation for the deprivation of MSC and J.P. Morgan (MSC acquired the claim from J.P. Morgan) as minority shareholders of PZU a share in the profit for the year 2006, in connection with a resolution No. 8/2007 adopted by the General Shareholders' Meeting of 30 June 2007. The case is being handled by the District Court in Warsaw, XX Economic Division. On 18 December 2015, PZU responded by requesting dismissal of the entire claim.

According to the Management Board of PZU, MSC's claims are unfounded. As at 31 December 2015, no changes in the presentation of PZU capitals were made such as may result from cancelation of the resolution of the General Shareholders' Meeting on the distribution of profit for 2006, including "Supplementary capital" and "Retained earnings". The funds allocated to the Social Benefits Fund were not adjusted

29.1.1. Other requests for payment concerning the distribution of profit of PZU for 2006

On 17 December 2014, Wspólna Reprezentacja SA called PZU to pay the amount of PLN 56,281 thousand and the amount of PLN 618 thousand as claims compensation acquired from the shareholders as a response to their deprivation of the right to a share in the profit of PZU. PZU refused to fulfill the obligation.

Apart from the above mentioned documents, the shareholders or the former shareholders presented PZU with a request for payment based on the facts presented above. The parties requesting the payment did not indicate specific amounts, but a number of shares, or simply request the payment. PZU submitted a response in writing indicating that such claims did not exist and they would not be taken into account.

29.1.2. Other legal proceedings concerning the distribution of profit of PZU for 2006

On 19 January 2015, the District Court of Warsaw delivered a copy of a motion with attachments regarding the action initiated by Wspólna Reprezentacja SA for a summons to a conciliation hearing concerning the amount of PLN 56,281 thousand. At the trial held on 19 February 2015, PZU refused to settle.

On 2 February 2015, the District Court of Warsaw delivered a copy of the application of MSC for a summons to a conciliation hearing concerning the amount of PLN 264,865 thousand. The claim covered in the application is

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tantamount to the request filed by MSC on 16 December 2014. At a trial held on 24 February 2015, PZU refused the conciliation proposal.

PZU was receiving other copies of application for a summons to a conciliation hearing concerning settlement agreements consisting in the payment of the amount due to the share in the profit of PZU for 2006. The proceedings have already ended. PZU refused the conciliation proposal indicating that such claims did not exist and they would not be taken into account.

7 legal actions were initiated against PZU for the payment of dividend or compensation. PZU consistently responds to such requests demanding their cancelation in their entirety. In four proceedings, the District Court for Warszawa-Śródmieście in Warsaw dismissed the actions in their entirety (the judgments are final). In one case, the District Court discontinued the proceedings due to the withdrawal of the complaint (the decision is final).

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

29.2.1. Fine imposed in 2009 for standard agreement templates

In a decision of 30 December 2009 the President of the Office of Competition and Consumer Protection imposed a fine on PZU in the amount of PLN 14,792 thousand for the use of practices that infringe on the collective interest of consumers 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. After several years of proceedings, on 6 November 2013, the Appellate Court in Warsaw changed the judgment issued by the Court of Competition and Consumer Protection ("SOKiK") of 18 January 2013 through reversal of the decision of the President of the Office of Competition and Consumer Protection dated 30 December 2009 in part, dismissal – as regards the contractual clauses in contravention of Article 813.1 of the Civil Code – of PZU's appeal of 18 January 2010, reduction of fine to PLN 1,644 thousand. The judgment of 6 November 2013 is final and was executed through the payment of PZU of the awarded financial penalty. 23 June 2014, PZU filed a cassation appeal to the Supreme Court against the judgement ON 24 July 2014, PZU received a response of President of Office of Competition and Consumer Protection to its cassation appeal. On 28 January 2015, the Supreme Court issued the decision accepting the cassation appeal for consideration. On 9 September 2015, the Supreme Court pronounced a judgment whereby the cassation appeal of PZU was dismissed. The judgment is final and ends legal proceedings.

29.2.2. Fines imposed in 2011

29.2.2.1. Reimbursement of the costs of rental of 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 from 2007, No. 50, 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).

At a trial held on 2 December 2013, the District Court in Warsaw passed a judgment whereby PZU's appeal was dismissed and the costs of legal representation were awarded from PZU to the President of the Office of Competition and Consumer Protection. On 23 December 2013, PZU appealed against the decision. At the hearing on 17 December 2014, the Supreme Court issued a decision suspending the proceedings until the
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Supreme Court settles the legal issue that raises serious doubts regarding a different case pending before the Appellate Court. At a trial held on 9 September 2015, the Supreme Court ruled in favor of PZU indicating that in relation to the insurer, in an event covered by the compulsory TPL of the motor vehicle owner, the party injured in a traffic accident does not have a status of a consumer. Due to the Supreme Court's consideration of the legal issue mentioned above, the Appellate Court in Warsaw resumed the suspended proceedings and closed the case during the session of 26 January 2016. The announcement of the judgment was postponed to 1 February 2016. In its decision of 1 February 2016, the Appellate Court accepted the appeal of PZU and changed the decision of the District Court in Warsaw in its entirety, annulling the decision of the President of the Office of Competition and Consumer Protection of 18 November 2011 in its entirety, and adjudged the return of proceeding's expenses by the President of the Office of Competition and Consumer Protection in favor of PZU in both instances. The judgment of the Appellate Court is final. On 2 February 2016, PZU filed a motion to deliver the judgment of the Court of Appeal with its justification. The President of the Office of Competition and Consumer Protection filed a similar motion on 3 February 2016.

In the light of the above, PZU released the maintained provision in the amount of PLN 11,290 thousand.

29.2.2.2. 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 the Article 6. 1.3 of the Act on competition and consumer protection consisting in an agreement concluded by PZU and Maximus Broker Sp. z o.o. with its registered office in Toruń ("Maximus Broker") limiting the competition in the domestic market of accident group insurance for children, youth and staff of educational institutions by dividing the market between the entities – the customers of PZU in the Kujawsko-Pomorskie region were serviced by Maximus Broker in exchange for recommendation of PZU insurance to those customers. The Office demanded to discontinue these practices.

The Management Board of PZU refuses to agree with the facts and legal reasons presented in the decision, because 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 the President of the Office of Competition and Consumer Protection to its appeal, to which PZU responded on 5 November 2012. On 27 March 2015, SOKiK pronounced a judgment annulling the decision of the President of the Office of Competition and Consumer Protection of 30 December 2011. On 21 May 2015, the President of the Office of Competition and Consumer Protection filed an appeal. On 24 June 2015, PZU responded to the appeal of the President of the Office of Competition and Consumer Protection.

PZU had a provision for the above fine, whose amount both as at 31 December 2015 and 31 December 2014 was PLN 56,605 thousand.

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

PZU is the creditor of PBG SA ("PBG") and Hydrobudowa Polska SA ("Hydrobudowa") for the issued and realized insurance guarantees (contractual guarantees). The registered offices of both companies are located in Wysogotowo near Poznań.

In 2012, bankruptcy proceedings were initiated against PBG and Hydrobudowa. On 21 September 2012, PZU joined the above proceedings submitting its claims to the bankruptcy estate of both companies.

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.

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. As at 31 December 2015 and as at 31 December 2014, the sureties amounted to PLN 102,164 thousand and their reduction is due to the expiry of a part of guarantees to which no claims were reported. Due to low probability of claim recoverability, the amount was not recognized in the balance sheet. At the creditors' meeting of 5 August 2015, PZU voted in favor of an agreement, and on 25 August 2015, the judge-commissioner confirmed the voting results and the conclusion of the agreement. On 8 October 2015, the Bankruptcy Court announced its decision, in which it approved the agreement concluded with the creditors. The decision is not final. If the decision on approving the agreement becomes final and legally binding, PZU will receive 21% of the claim in form of cash payments, in accordance with the schedule enclosed in the Agreement Proposals, and in a non-cash form, involving a conversion of 0.491927% of the debt for an issue of new shares.

30. Employment

Average employment, broken down by employee group	1 January – 31 December 2015		1 January – 31 December 2014	
	Average annual employment (in employment contracts)	Average annual number of employees (in people)	Average annual employment (in employment contracts)	Average annual number of employees (in people)
a) Supervisory Board	9	9	9	9
b) Management Board	6	6	6	6
c) Total employment, including:	7,832	9,723	7,856	9,787
- management	387	630	359	637
- advisors	1	2	1	2
- actuaries	3	3	3	3
- other employees	7,441	9,088	7,493	9,145
- including agents on employment contracts	9	7	11	10
d) Number of agents without employment contracts (persons)		8,678		8,571

31. Agreements on audit and review of financial statements

31.1 Fee of the company authorized to audit financial statements

Fee of the company authorized to audit financial statements	1 January - 31 December 2015	1 January - 31 December 2014
a) statutory audit of annual separate/ consolidated financial statements	1,488	714
b) other attestation services, including review of separate/ consolidated financial statements	248	248
c) tax advisory services	-	-
d) other services	27	27
Total	1,763	989

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The attached supplementary information constitutes an integral part of the financial statements

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 a company authorized to audit financial statements

An agreement with KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. concerning the reviews and audits of the separate financial statements of PZU and the consolidated financial statements of PZU Group for the years 2014-2016, with an option to extend the agreement for the years 2017-2018, was concluded on 26 June 2014.

32. Related party transactions

In 2015 and 2014, PZU did not conclude related party transactions which individually or jointly would constitute a significant amount.

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

In 2015 and in 2014, 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 non-life insurance contracts, concluded on an arm's length basis.

In 2015 and in 2014, 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 non-life 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 2015 and in 2014, 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

Remunerations and other employee benefits paid by PZU	1 January – 31 December 2015		1 January – 31 December 2014	
		including bonuses and special benefits:		including bonuses and special benefits:
Management Board, including:	8,124	2,862	8,226	2,812
Andrzej Klesyk	2,970	1,170	2,714	914
Przemysław Dąbrowski	1,112	371	1,054	313
Dariusz Krzewina	1,281	507	1,314	534
Tomasz Tarkowski	995	332	891	228
Ryszard Trepczyński ¹⁾	1,194 ²⁾	482	1,165	424
Rafał Grodzicki ³⁾	312	-	-	-
Witold Jaworski ⁴⁾	260	-	-	-
Barbara Smalska ⁵⁾	-	-	1,088	399
Top management (PZU Group Directors), including:	3,799	1,530	3,717	1,193
Rafał Grodzicki ³⁾	624	312	936	312

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The attached supplementary information constitutes an integral part of the financial statements

Przemysław Henschke	936	312	936	312
Sławomir Niemierka	963	300	860	199
Tobiasz Bury	1,276	606	985	370 ⁶⁾
Supervisory Board, including:	1,224	-	1,221	-
Zbigniew Cwiąkański	180	-	168	-
Paweł Kaczmarek	84	-	-	-
Dariusz Filar	132	-	120	-
Aleksandra Magaczewska	156	-	97	-
Tomasz Zganiacz	72	-	144	-
Zbigniew Derdziuk	120	-	120	-
Dariusz Kacprzyk	120	-	64	-
Jakub Karnowski	120	-	64	-
Alojzy Nowak	120	-	120	-
Maciej Piotrowski	120	-	120	-
Waldemar Maj	-	-	90	-
Dariusz Daniluk	-	-	57	-
Włodzimierz Kiciński	-	-	57	-

Remunerations and other employee benefits paid by other entities of PZU Group	1 January – 31 December 2015		1 January – 31 December 2014	
		including bonuses:		including bonuses:
Management Board, including:	3,310	1,279	2,942	996
Przemysław Dąbrowski	799	400	599	200
Dariusz Krzewina	690	273	553	133
Tomasz Tarkowski	536	179	536	179
Ryszard Trepczyński ¹⁾	643 ²⁾	259	658	259
Rafał Grodzicki ³⁾	504	168	-	-
Witold Jaworski ⁴⁾	138	-	-	-
Barbara Smalska ⁵⁾	-	-	596	225
Top management (PZU Group Directors), including:	1,546	492	1,844	478
Rafał Grodzicki ³⁾	-	-	455	119
Przemysław Henschke	504	168	455	119
Sławomir Niemierka	464	107	427	70
Tobiasz Bury	578	217	507	170 ⁶⁾

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Total estimated value of non-financial benefits granted by PZU and the subsidiaries of PZU	1 January – 31 December 2015	1 January – 31 December 2014
Management Board, including:	1,224	1,307
Andrzej Klesyk	298	282
Przemysław Dąbrowski	191	186
Dariusz Krzewina	209	217
Tomasz Tarkowski	178	191
Ryszard Trepczyński ¹⁾	179	226
Rafał Grodzicki ³⁾	129	-
Witold Jaworski ⁴⁾	40	-
Barbara Smalska ⁵⁾	-	205
Top management (PZU Group Directors), including:	600	908
Rafał Grodzicki ³⁾	44	170
Przemysław Henschke	167	203
Sławomir Niemierka	176	358
Tobiasz Bury	213	177
Supervisory Board, including:	11	-
Zbigniew Cwiąkański	10	-
Jakub Karnowski	1	-

¹⁾ Ryszard Trepczyński was not appointed as a Member of the Management Board of PZU for the new term, which started 1 July 2015.

²⁾ Listed amounts include remuneration resulting from competition prohibition clause of PLN 185 thousand (PZU) and PLN 100 thousand (PZU Życie) and remuneration for the notice period.

³⁾ Rafał Grodzicki was dismissed from the function of Director of PZU Group on 30 June 2015 and appointed as a Member of the Management Board of PZU for the new term, which started 1 July 2015.

⁴⁾ Witold Jaworski was appointed as a Member of the Management Board of PZU on 1 September 2015.

⁵⁾ On 6 October 2014, Barbara Smalska submitted a statement of resignation effective from 31 December 2014. In 2015, she received remuneration for the notice period and resulting from the competition prohibition clause in the amount of PLN 974 thousand from PZU and PZU Życie and PLN 71 thousand in non-financial benefits.

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 - 31 December 2015	1 January - 31 December 2014
a) Charged to costs	19,827	20,165
b) Resulting from incentive or bonus plans based on issuer's equity	-	-

32.2 Transactions with subsidiaries

Transactions with subsidiaries	1 January - 31 December 2015	1 January - 31 December 2014
1. Gross written premiums, including:	276,107	43,508
- from Link4	160,686	4,318
- TUW PZUW	47,197	-
- from PrJSC IC PZU Ukraine	44,080	7,144
- from Lietuvos Draudimas AB	16,571	11,473
- from AAS Balta	9,004	5,712
- from Alior Bank	1,708	-
- from UAB DK PZU Lithuania	(4,963)	13,959
2. Dividend revenue, including:	1,704,309	2,090,211
- from PZU Życie	1,690,174	2,060,000
- TFI PZU	9,227	11,989
- from PZU AM	3,806	-
- PZU CO	1,102	18,222
3. Other revenue, including:	36,004	27,397
- kick-backs from TFI PZU	13,884	12,908
- receiving shares from PZU Pomoc free of charge	6,604	-
- from invoicing costs from related parties	4,384	4,862
- from property due to rentals to related parties	2,978	2,712

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The attached supplementary information constitutes an integral part of the financial statements

- due to impairment losses release for receivables from Syta Development		3,560
4. Gross claims and benefits paid, including:	6,769	9,996
- for AAS Balta	3,327	-
- for PZU Pomoc SA	1,877	-
- for PrJSC IC PZU Ukraine	1,389	-
- for Link4	158	-
- for UAB DK PZU Lithuania	4	9,996
5. Other expenses, including:	118,225	126,078
- cost of interest of the loan from PZU Finance AB	39,151	17,165
- IT services rendered by PZU CO	31,112	26,957
- reinsurance commissions payable to Link4	11,004	-
- cost of exchange differences of the loan from PZU Finance AB	9,683	58,826
- rental services by Ogrodowa Inwestycje	5,590	5,050
- reinsurance commissions payable to PrJSC IC PZU Ukraine	5,289	-
- cyclic mass print service by PZU CO	4,108	3,013
- share in profit for PrJSC IC PZU Ukraine	3,163	-
- investment activities costs carried out for TFI PZU	222	4,008

Transactions with subsidiaries	31 December 2015	31 December 2014
1. Receivables, including:	41,998	803,811
- receivables from settlements within Tax Capital Group	29,560	71,809
- other receivables from Link4	7,009	-
- receivables due to inward reinsurance – premiums from PZU Ukraine	2,450	-
- receivables from PZU Życie from the advance dividend	-	730,000
- deposits receivable due to inward reinsurance – premiums from PZU Lithuania	-	27
2. Liabilities, including:	3,660,858	2,136,130
- loans from PZU Finance AB (publ.)	3,611,636	2,127,155
- liabilities due to settlements within Tax Capital Group	42,115	536
- liabilities arising from inward reinsurance – to PZU Ukraine	1,276	-
3. Contingent liabilities (off-balance sheet) arising from the promissory notes from PZU Pomoc	12,944	13,158
4. Contingent liabilities (off-balance sheet) arising from the loan not granted to PZU Zdrowie	70,000	-

32.2.1. Information on loans from PZU Życie

On 7 August 2013, PZU and PZU Życie entered into a framework agreement concerning concluding cash loans transactions. Cash loans are granted in PLN for a specified period, not longer than 12 months. The total value of cash loans provided by each Party may not exceed PLN 1 billion. Cash loans provided are recognized under "Investments in related parties" in the Company's assets, while those received – under "Liabilities arising from issue of own debt securities and obtained loans" in liabilities.

32.3 Transactions with associates

Neither in 2015 nor in 2014, PZU had any associates.

Signatures of members of the Management Board of PZU SA:

Name	Position	
Michał Krupiński	CEO of PZU	..... ( signature)
Przemysław Dąbrowski	Member of the Management Board	..... ( signature)
Roger Hodgkiss	Member of the Management Board	..... ( signature)
Beata Kozłowska-Chyła	Member of the Management Board	..... ( signature)
Dariusz Krzewina	Member of the Management Board	..... ( signature)
Robert Pietryszyn	Member of the Management Board	..... ( signature)
Paweł Surówka	Member of the Management Board	..... ( signature)

Person responsible for bookkeeping

Katarzyna Łubkowska	Director of Accounting Department (signature)
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Chief Actuary at PZU

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