

**ANNUAL REPORT 2012 OF
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA**



Warsaw, March 2013

Annual Report 2012 of Powszechny Zakład Ubezpieczeń Spółka Akcyjna contains:

1. Selected items from financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards).
2. Management Board's Representation of Powszechny Zakład Ubezpieczeń Spółka Akcyjna.
3. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (entity authorised to audit the financial statements) opinion on the audit of the financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2012.
4. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (entity authorised to audit the financial statements) report on the audit of the financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2012.
5. Financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2012 (prepared in accordance with the Polish Accounting Standards).
6. Management report on the activities of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period ended 31 December 2012.

SELECTED ITEMS FROM FINANCIAL STATEMENTS OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA (PREPARED IN ACCORDANCE WITH THE POLISH ACCOUNTING STANDARDS)

Items from statement of financial position	31 December 2012 PLN '000	31 December 2011 PLN '000	31 December 2012 EUR '000	31 December 2011 EUR '000
Assets	29 913 216	27 397 857	7 316 965	6 203 101
Share capital	86 352	86 352	21 122	19 551
Total equity	13 452 581	11 745 410	3 290 588	2 659 258
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	155,79	136,02	38,11	30,80

Items from technical account – property and personal insurance and general profit and loss account	1 January – 31 December 2012 PLN '000	1 January – 31 December 2011 PLN '000	1 January – 31 December 2012 EUR '000	1 January – 31 December 2011 EUR '000
Gross written premiums	8 453 498	8 247 241	2 025 469	1 992 039
Technical result on property and personal insurance	640 118	332 297	153 373	80 263
Net profit or loss on investment activities*	2 472 660	2 843 963	592 453	686 931
Net profit (loss)	2 580 720	2 582 303	618 344	623 730
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	29,89	29,90	7,16	7,22

* Included impact of measurement of shares in associated entities and co-subsidiaries by equity method.

Items from statements of cash flows	1 January – 31 December 2012 PLN '000	1 January – 31 December 2011 PLN '000	1 January – 31 December 2012 EUR '000	1 January – 31 December 2011 EUR '000
Net cash flows generated by operating activities	1 091 181	726 927	261 448	175 582
Net cash used in/generated by investment activities	886 569	1 247 548	212 423	301 333
Net cash used in financing activities	(2 044 120)	(2 033 598)	(489 774)	(491 195)
Total net cash flows	(66 370)	(59 123)	(15 902)	(14 281)

The following exchange rates have been applied to present selected financial data:

EUR / PLN	1 January – 31 December 2012	31 December 2012	1 January – 31 December 2011	31 December 2011
Average rate	4,1736	4,0882	4,1401	4,4168

The rates are:

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