

**POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA**

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013
WITH AUDITOR'S OPINION**



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

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I. INTRODUCTION TO THE FINANCIAL STATEMENTS

1. Introduction

1.1. Basic information about the Company

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

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

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

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

1.2. Period covered by the financial statements

The separate financial statements have been prepared for the period of 12 months from 1 January to 31 December 2013.

1.3. Going concern

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

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

1.4. Presentation unit

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

1.5. Profit/loss on discontinued operations

In the period of 12 months ended 31 December 2013 PZU did not discontinue any activities.

2. Selected financial data of PZU

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

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

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

Data from cash flow statement	PLN '000 1 January – 31 December 2013	PLN '000 1 January – 31 December 2012	EUR'000 1 January – 31 December 2013	EUR'000 1 January – 31 December 2012
Net cash generated by operating activities	1 076 004	1 091 181	255 522	261 448
Net cash flows from investing activities	2 927 984	886 569	695 318	212 423
Net cash used in financing activities	(3 966 013)	(2 044 120)	(941 822)	(489 774)
Total net cash flows	37 975	(66 370)	9 018	(15 902)

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 2013	31 December 2013	1 January – - 31 December 2012	31 December 2012
Average rate	4.2110	4.1472	4.1736	4.0882
Highest rate of the period	4.3432	n/a	4.5135	n/a
Lowest rate of the period	4.0671	n/a	4.0465	n/a

The rates are:

- average rates of the National Bank of Poland ruling as of the balance sheet date – for the balance sheet;
- rates determined as the arithmetic mean of the rates published by the National Bank of Poland, ruling as of the last day of each month of a given period - for the profit and loss account and cash flow statement.

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

In 2013 no changes to the Accounting Policy were introduced.

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

In 2013 no changes were introduced to the manner of preparing the separate financial statements compared to the ones prepared by the PZU for 2012.

6. Adjustments of previous years errors

In 2013 no previous years errors were adjusted.

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

There were no significant post-balance sheet events which have not been presented in these financial statements

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

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

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

9.1. Dividend from Powszechny Zakład Ubezpieczeń na Życie SA

On 21 June 2013, the General Shareholders' Meeting of PZU Życie („PZU Życie”) adopted resolutions concerning:

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

The total dividend due to the sole shareholder, i.e. PZU, for 2012, in the amount of PLN 3,842,875 thousand, was paid on 10 September 2013, whereas 21 June 2013 is the record date. The dividend was paid in the form of transfer of financial instruments in the amount of PLN 2,373,050 thousand and as cash in the amount of PLN 1,469,825 thousand.

9.2. Dividends paid

The issue has been presented in detail in Note 7.2.

9.3. Transfer of portion of financial investments to funds

The issue has been described in point 2.5.1. of Notes.

10. Comparability of financial data for the prior period with the financial statements for the period ended 31 December 2012

The financial statements of PZU for year ended 31 December 2013 contains financial data presented in line with Attachment No. 3 to Ordinance of Minister of Finance of 18 October 2005 on the scope of information disclosed in separate and consolidated financial statements as required in prospectuses of listed issuers with registered office on the territory of the Republic of Poland applying Polish accounting principles (Journal of Laws No. 209 of 2005, item 1743 as amended "Ordinance on financial statements presented in prospectuses"), ensuring at the same time comparability of the financial data for the presented periods.

11. Managing and supervisory bodies of PZU

11.1. Management Board of PZU

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

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

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

On 27 December 2013, Bogusław Skuza resigned from the position of Member of the Management Board of PZU as of 31 December 2013.

Composition of the Management Board of PZU between 1 January 2014 and the date of signing these financial statements:

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

11.2. Supervisory Board of PZU

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

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

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

11.3. Directors in the Group

The key management personnel of the PZU Group was apart from the members of Board, also directors of PZU Group, which also includes the Management Board of "PZU Życie".

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

Directors at the PZU Group as at 1 January 2013:

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

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

Directors of the PZU Group from 14 March 2013 to the date of 15 January 2014:

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

On 15 January 2014, the Management Board of PZU appointed Tobiasz Bury as the Director of the PZU Group effective from 16 January 2014.

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

12. Remuneration of the entity authorized to audit financial statements

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

13. Accounting principles (policy)

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

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

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

Other major legal acts applicable to the financial statements include:

- Ordinance of the Minister of Finance of 28 November 2003 on calculation of the solvency margin and minimum capital and reserves required for insurance sections and groups (Dz. U. No. 211 of 2003 item 2060, as amended.);
- The Insurance Activity Act of 22 May 2003 (consolidated text, Journal of Laws of 2013 item, 950 as amended, "The Insurance Activity Act").

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

13.1. Intangible assets

Intangible assets are recognized if it is likely than in the future they will cause an inflow of economic benefits closely related to such assets and include property rights acquired by PZU and suitable for economic use, classified as non-current assets, with expected useful life exceeding one year, and intended for internal purposes of PZU.

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

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

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

If appropriate, following a case-by-case analysis, the entity may apply another amortization rate suitable for the estimated useful life of the intangible asset. As the Company plans to use the Platforma Everest product system for 10 years, the adopted annual amortization rate is 10%. Intangible assets with a unit value of up to PLN 3,500 are expensed in the month of their commissioning.

13.2. Investments

13.2.1 Investments in real property

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

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

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

Asset type	Depreciation rate
Ownership right of cooperative residential or commercial space	2.5%
Buildings and structures	1.5 – 10%

13.2.2 Shares in controlled entities

Shares in controlled entities are measured in line with the equity method.

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

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

13.2.3 Financial instruments

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

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

- assets available for sale.

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

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

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

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 granted but unpaid.

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

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

13.2.3.1 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 entity concludes a short sale contract.

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

Financial instruments held for trading are measured at fair value.

Derivatives

Derivatives are recognized in the accounting records at fair value as at the transaction date and subsequently measured at fair value.

Fair value of derivatives quoted on an active market is determined as their closing price as at the reporting date.

The fair value of derivatives not quoted in an active market including forwards and interest rate swaps (IRS) is determined using the discounted cash flows. Interest rates derived from yield curves assigned to a given type of a financial instrument and currency, based on available market data, are used to discount cash flows.

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

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

13.2.3.2 Financial assets held to maturity

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

The classification is mainly based on a judgment of the Management Board of PZU, which, making the assessment, assesses its intentions and ability to hold these financial instruments to maturity. The assessment is

based on an analysis of material and financial position as well as possible mismatch of assets and liabilities of PZU.

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

13.2.3.3 Originated loans and own receivables

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

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

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

Term deposits with credit institutions are measured at adjusted cost and recognized at the nominal value of the deposit plus interest accrued as at the balance sheet date.

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

13.2.3.4 Assets available for sale

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

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

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

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

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

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

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

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

13.2.3.5 Deposits with ceding undertakings

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

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

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

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

13.2.3.7 Foreign investments

Foreign investments are located outside the territory of Poland.

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

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

13.3. Receivables

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

13.3.1 Receivables from direct insurance

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

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

13.3.1.1 Receivables from policyholders

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

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

13.3.2 Receivables from reinsurance

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

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

13.3.3 Other receivables

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

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

13.4. Tangible assets

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

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

Asset type	Depreciation rate for key assets in a given type
Machines and technical equipment	10% - 40%
Vehicles	14% - 33%
IT hardware	20% - 40%
Other non-current assets	7% - 20%

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

13.5. Cash

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

Cash is disclosed at face value.

13.6. Prepayments and accruals

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

In the case of property insurance acquisition commissions are deferred.

13.6.1 Prepayments

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

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

13.6.2 Accruals

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

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

13.6.3 Deferred income

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

13.7. Equity

13.7.1 Share capital

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

13.7.2 Supplementary capital

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

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

13.7.3 Revaluation reserve

The item includes the effects of:

- revaluation of shares in controlled entities (above acquisition price only) in correspondence with a change in deferred tax asset/provision;
- revaluation of investments classified as available for sale (above and below the acquisition price and for debt instruments, the adjusted acquisition price), in correspondence with a change in a deferred tax asset/provision;
- revaluation of fixed assets in line with relevant regulations. The last revaluation took place as of 1 January 1995.

13.7.4 Previous year profit (loss)

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

13.8. Technical provision

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

13.8.1 Provision for unearned premiums

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

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

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

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

13.8.2 Provisions for unexpired risks

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

The provision for unexpired risks is determined for individual insurance classes as at the end of each reporting period.

The overall amount of the provision for unexpired risks is determined for those insurance classes where the claims ratio for the current year exceeds 100%, as the difference between the product of the provision for unearned premiums and the claims ratio for the year, and the provision for unearned premiums – for the same insurance period..

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

13.8.3 Provisions for outstanding claims

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

13.8.3.1 Provision for claims reported but not paid

The provision for claims reported both paid and 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.

13.8.3.2 Provision for claims incurred but not reported

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

Both claims paid and reported are calculated based on annual claim triangles.

13.8.3.3 Provision for loss adjustment expenses

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

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

The provision for indirect loss adjustment expenses is created by actuarial method as the (determined based on the share of indirect claim handling costs in claims paid and direct claim handling expenses) of the provision for claims reported but not paid and provision for claims incurred but not reported and provision for direct loss adjustment expenses.

18.8.3.4 Provision for capitalized annuity benefits

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

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

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

As of the end of each reporting period a provision for capitalized annuity benefits is created by the actuarial method for claims incurred after 31 December 1990 by the balance sheet date and not disclosed as annuity (annuity IBNR).

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

13.8.3.5 Reinsurers' share in technical provisions

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

13.8.4 Equalization provision

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

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

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

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

13.8.6 Expected recoveries and recourses

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

13.9. Other provisions

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

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

13.9.1 Provision for retirement and disability benefits

Pursuant to the Labor Code of 26 June 1974 (consolidated text: Journal of Laws No. 21 of 1998, item 94, as amended – the "Labor Code"), 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 and disability benefits are estimated using actuarial methods and recognized on an accrual basis using the unit credit method.

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

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

13.9.2 Provision for unused paid vacation

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

13.9.3 Provision for survivor and post-employment benefits

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

Pursuant to the Act on social benefits fund of 4 March 1994 (consolidated text, Journal of Laws of 2012, item 592 as amended) and Internal Regulations of the Social Benefit Fund of PZU, pensioners, former employees of PZU and their families are entitled to use the performances and services financed from the fund. According to the assumptions made by PZU, appropriations to the Company's Social Benefit Fund amount to 6,25% of the average monthly remuneration per pensioner.

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

13.10. Liabilities due to reinsurers' deposits

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

13.11. Other liabilities

Liabilities are disclosed at the amount due.

13.12. Special funds

Special funds include:

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

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

13.13. Revenues from insurance services

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

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

13.14. Investment income and expenses

13.14.1 Income from real property and maintenance costs

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

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

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

13.14.2 Income and expenses from debt securities

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

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

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

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

13.14.3 Gains and losses on shares

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

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

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

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

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

13.14.4 Interest income on term deposits at credit institutions

Interest income on deposits with credit institutions is recognized on an accrual basis, i.e. all interest for the reporting period is recognized irrespective of the date when it is received. If the investment maturity date is after the balance sheet date, interest is determined on the accrual basis, in proportion to the time passed from the date following the investment date to the balance sheet date (inclusive).

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

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

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

13.14.6 Investment expense

Investment expense includes internal and external costs arising from the investment activity, i.e. investment management costs, bank fees, broker commissions, depreciation and maintenance of real property, except for the costs of depreciation and maintenance of real property used for internal purposes, which are classified as administrative expenses.

13.15. Costs of claims and benefits

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

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

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

13.16. Costs of insurance activity

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

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

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

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

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

13.17. Foreign currency transactions

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

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

13.18. Income tax

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

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

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

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

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

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

Since PZU prepared its first consolidated financial statements of the PZU group for the year ended 31 December 2005 and presented therein comparable date for the previous year, 1 January 2004 is assumed as the date of transition to IFRS of the PZU Group. Based on Point 17 of Appendix D to IFRS 1, indication, explanation and

quantification of material differences between PAS and IFRS are presented upon the assumption that PZU transitioned to IFRS for separate financial statements purposes as at 1 January 2004 despite the fact that PZU does not prepare separate financial statements in line with IFRS.

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

14.1. Measurement of investments in controlled entities

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

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

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

14.2. Measurement of property

Under the Ordinance on accounting principles in insurance undertakings, all real property (used for internal and investment purposes) is measured at cost, less accumulated depreciation and impairment losses.

As at the date of transition to IFRSs (i.e. as at 1 January 2004), the manufacturing costs of owned property used for internal purposes was determined and the difference was charged to undistributed profit/uncovered loss of previous years. In subsequent periods, this leads to a difference in the net book value and accumulated depreciation of the real property.

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

If real property used for internal purposes becomes 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.

14.3. Land perpetual usufruct right

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

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

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

14.4. Revaluation reserve – property, plant and equipment

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

14.5. Equalization provision –non-life insurance

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

14.6. Prevention fund

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

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

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

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

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

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

14.8. The Company's Social Benefits Fund

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

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

14.9. Actuarial gains and losses on provisions for employee benefits

In accordance with PAS, provisions for retirement and death benefits are determined taking into account 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.

14.10. Differences due to deferred tax

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

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

Description	Point	Net profit 1 January - 31 December 2013	Equity 31 December 2013	Net profit 1 January - 31 December 2012	Equity 31 December 2012
Financial statements in accordance with PAS		5 106 345	12 259 761	2 580 720	13 452 581
Measurement of investments in controlled entities ¹⁾	14.1	(12 378)	(3 979 803)	5 660	(6 276 791)
Measurement of property	14.2, 14.4	(44 077)	135 339	10 387	163 490
Land perpetual usufruct right	14.3, 14.4	(960)	3 739	(1 533)	4 699
Equalization provision – cnon-life insurance	14.5	5 122	477 966	(4 083)	472 844
Prevention Fund	14.6	25 933	42 270	3 863	16 337
Impairment loss on equity instruments classified as available for sale	14.7	(3 557)	-	23 277	-
The Company's Social Benefits Fund	14.8	(10 000)	-	(10 000)	-
Actuarial gains and losses on provisions for employee benefits	14.9	(31)	-	-	-
Total adjustments		(39 948)	(3 320 489)	27 571	(5 619 421)
Financial statements in accordance with IFRS		5 066 397	8 939 272	2 608 291	7 833 160

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

II. BALANCE SHEET AND OFF-BALANCE SHEET ITEMS

Assets	Note	31 December 2013	31 December 2012
I. Intangible assets, including:	X.1	244 582	129 729
- goodwill		-	-
II. Investments	X.2	27 609 398	27 591 485
1. Real property	X.2.3	515 161	561 589
2. Investments in controlled entities	X.2.4	4 957 219	7 243 170
- investments in controlled entities measured using the equity method		4 957 219	7 212 032
3. Other financial investments	X.2.5	22 134 104	19 782 584
4. Deposits with ceding undertakings	X.2.7	2 914	4 142
III. Net unit-linked assets		-	-
IV. Receivables	X.3	1 496 637	1 473 952
1. Receivables from direct insurance	X.3.1	1 282 803	1 276 089
1.1. From controlled entities		15	368
1.2. From other entities		1 282 788	1 275 721
2. Receivables from reinsurance	X.3.2	18 229	14 598
2.1. From controlled entities		30	3
2.2. From other entities		18 199	14 595
3. Other receivables	X.3.3	195 605	183 265
3.1. Receivables from the State Budget		33 968	81 050
3.2. Other receivables		161 637	102 215
a) from controlled entities		43 112	4 430
b) from other entities		118 525	97 785
V. Other assets	X.4	179 203	140 580
1. Tangible assets	X.4.1	104 194	98 968
2. Cash	X.4.2	75 009	41 612
3. Other assets		-	-
VI. Prepayments	X.5	606 752	577 470
1. Deferred tax asset	X.5.1	2 877	16 610
2. Deferred acquisition costs		520 305	490 285
3. Recognized interest and rent		-	-
4. Other prepayments	X.5.2	83 570	70 575
Total assets		30 136 572	29 913 216

Liabilities and equity	Note	31 December 2013	31 December 2012
I. Equity	X.7	12 259 761	13 452 581
1. Share capital	X.7.1	86 352	86 352
2. Called up share capital (negative value)		-	-
3. Treasury shares (negative value)		-	-
4. Supplementary capital	X.7.3	3 974 327	3 967 599
5. Revaluation reserve	X.7.4	4 819 783	6 817 910
6. Other reserve capitals		-	-
7. Previous year profit (loss)		-	-
8. Net profit (loss)		5 106 345	2 580 720
9. Appropriations of net profit during the financial year (negative value)		(1 727 046)	-
II. Subordinated liabilities		-	-
III. Technical provisions	X.8	16 519 014	15 771 187
IV. Reinsurers' share in technical provisions (negative value)	X.8	(482 520)	(721 301)
V. Expected recoveries and recourses (negative value)	X.9	(123 552)	(116 776)
1. Expected recoveries and recourses (gross)		(126 669)	(119 306)
2. Reinsurers' share in expected recoveries and recourses		3 117	2 530
VI. Other provisions	X.10	165 228	218 355
1. Provisions for pension and other obligatory employee benefits	X.10.1	83 251	72 560
2. Provision for deferred income tax	X.10.2	-	-
3. Other provisions	X.10.3	81 977	145 795
VII. Liabilities due to reinsurers' deposits		-	-
VIII. Other liabilities and special funds	X.11	1 280 359	810 652
1. Liabilities due to direct insurance	X.11.1	313 346	341 828
1.1. To controlled entities		1 087	1 070
1.2. To other entities		312 259	340 758
2. Liabilities due to reinsurance	X.11.2	28 759	20 568
2.1. To controlled entities		-	-
2.2. To other entities		28 759	20 568
3. Liabilities arising from issue of debt securities and obtained loans		-	-
4. Liabilities to credit institutions	X.11.3	-	-
5. Other liabilities	X.11.4	797 693	340 837
5.1. Liabilities to the state budget		49 864	28 109
5.2. Other liabilities		747 829	312 728
a) to controlled entities		221 655	72 074
b) to other entities		526 174	240 654
6. Special funds	X.11.6	140 561	107 419
IX. Accruals	X.12	518 282	498 518
1. Accrued expenses		501 342	483 677
2. Negative goodwill		-	-
3. Deferred income		16 940	14 841
Total liabilities and equity		30 136 572	29 913 216

Item	31 December 2013	31 December 2012
Book value	12 259 761	13 452 581
Number of shares	86 352 300	86 352 300
Book value per share (in PLN)	141.97	155.79
Diluted number of shares	86 352 300	86 352 300
Diluted book value per share (in PLN)	141.97	155.79

Off-balance sheet items	Note	31 December 2013	31 December 2012
1. Contingent receivables, including:	X.14.1	7 769 202	8 726 276
1.1. Guarantees and sureties received		19 586	17 746
1.2. Other		7 749 616	8 708 530
2. Contingent liabilities, including:	X.14.2	95 616	102 107
2.1. Guarantees and sureties issued		6 385	6 789
2.2. Accepted and endorsed promissory notes		-	-
2.3. Buy-sell-back assets		-	-
2.4. Other liabilities collateralized by the Company's assets or revenue		-	-
2.5. Disputed claims not acknowledged by the insurer and brought to court by creditors		88 924	94 543
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 entity's assets		112 901	217 594
6. Other non-balance sheet items (by type)		-	-
6.1. assets of the insurance company used as collateral		-	-
6.2. other off-balance sheet items		-	-
Total off-balance sheet items		7 977 719	9 045 977
Own funds	X.13	9 505 612	10 956 132
Solvency margin	X.13	1 362 353	1 343 831
Surplus (shortage) of own funds to cover the solvency margin	X.13	8 143 259	9 612 301
Technical provisions amount ¹⁾		16 392 345	15 651 881
Assets to cover technical provisions		18 941 151	19 741 146
Surplus (shortage) of assets to cover technical provisions		2 548 806	4 089 265

¹⁾ less gross expected recourses and recoveries

III. TECHNICAL INSURANCE ACCOUNT – NON-LIFE INSURANCE

Technical insurance account - non-life insurance	Note	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums		8 108 036	8 277 136
1. Gross written premiums	X.15	8 273 900	8 453 498
2. Reinsurers' share in written premium		204 029	198 596
3. Change in provisions for unearned premiums and unexpired risks, gross		(29 013)	2 433
4. Reinsurers' share in change in provisions for unearned premiums		9 152	24 667
II. Net investment income, taking into account costs, reclassified from the general profit and loss account		299 902	287 299
III. Other technical revenue net of reinsurance		46 394	94 125
IV. Claims	X.18	5 047 077	5 473 011
1. Claims paid net of reinsurance		4 034 856	4 404 554
1.1. Gross claims paid		4 301 883	4 528 092
1.2. Reinsurers' share in claims paid		267 027	123 538
2. Change in provision for claims outstanding, net of reinsurance:		1 012 221	1 068 457
2.1. Change in provision for claims outstanding, gross		763 701	1 085 880
2.2. Reinsurers' share in change in provisions for claims outstanding		(248 520)	17 423
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		298	(2 647)
VII. Costs of insurance activity	X.21	2 029 501	2 170 992
1. Acquisition costs, including:	X.21.1	1 441 795	1 473 052
- change in deferred acquisition costs		(30 020)	2 895
2. Administrative expenses	X.21.2	662 694	676 296
3. Reinsurers' commissions and share in reinsurers' profit		74 988	(21 644)
VIII. Other technical charges – net of reinsurance		309 278	382 126
IX. Changes in equalization provisions		6 323	(5 040)
X. Technical result on non-life insurance		1 061 855	640 118

IV. GENERAL PROFIT AND LOSS ACCOUNT

General profit and loss account	Note	1 January - 31 December 2013	1 January - 31 December 2012
I. Technical result on non-life insurance		1 061 855	640 118
II. Investment income		4 982 129	2 731 360
1. Investment income - real property		6 873	6 400
2. Investment income – controlled entities		3 886 588	1 206 357
2.1. On shares		3 886 588	1 206 357
2.2. On loans and debt securities		-	-
2.3. On other investments		-	-
3. Investment income – other financial investments		565 602	926 435
3.1. On shares, other variable income securities as well as units and investment certificates in investment funds		8 905	45 808
3.2. On debt securities and other fixed income securities		462 032	728 080
3.3. On term deposits with credit institutions		26 002	61 921
3.4. On other investments		68 663	90 626
4. Gain on revaluation of investments		8 969	33
5. Gain on realization of investments		514 097	592 135
III. Unrealized gains on investments		132 295	134 605
IV. Net investment income, taking into account costs, reclassified from the technical account for life insurance		-	-
V. Costs of investment activities		371 493	321 344
1. Costs of property maintenance		10 611	7 329
2. Other costs of investment activities		26 262	29 313
3. Loss on revaluation of investments		40 707	8 559
4. Loss on realization of investments		293 913	276 143
VI. Unrealized losses on investments		121 068	67 224
VII. Net investment income, taking into account costs, reclassified to the technical account for non-life insurance		299 902	287 299
VIII. Other operating revenue	X.22	65 131	215 391
IX. Other operating costs	X.23	58 067	121 226
X. Operating profit (loss)		5 390 880	2 924 381
XI. Extraordinary gains		-	-
XII. Extraordinary losses		-	-
XIII. Gross profit (loss)		5 390 880	2 924 381
XIV. Income tax	X.25	295 974	338 924
a) current portion		355 718	290 888
b) deferred portion		(59 744)	48 036
XV. Other statutory reductions in profit (increases in loss)		-	-
XVI. Share in net profits (losses) of controlled entities measured using the equity method	X.26	11 439	(4 737)
XVII. Net profit (loss)		5 106 345	2 580 720

	31 December 2013	31 December 2012
Net profit (loss) (annualized)	5 106 345	2 580 720
Weighted average number of ordinary shares	86 352 300	86 352 300
Earnings (loss) per ordinary share (in PLN)	59.13	29.89
Weighted average diluted number of ordinary shares	86 352 300	86 352 300
Diluted earnings (loss) per ordinary share (in PLN)	59.13	29.89

Warsaw, 11 March 2014

The enclosed notes are an integral part of the financial statements

V. STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity	1 January – 31 December 2013	1 January – 31 December 2012
I. Opening balance of equity	13 452 581	11 745 410
a) changes in the accounting principles (policy)	-	-
b) error adjustments	-	-
I. a. Opening balance of equity after adjustments	13 452 581	11 745 410
1. Opening balance of share capital	86 352	86 352
1.1. Changes in share capital	-	-
a) increase	-	-
b) decrease	-	-
1.2. Closing balance of share capital	86 352	86 352
2. Opening balance of called up share capital	-	-
2.1. Changes in called up share capital	-	-
a) increase	-	-
b) decrease	-	-
2.2. Closing balance of called up share capital	-	-
3. Opening balance of treasury shares	-	-
3.1. Changes in treasury shares	-	-
a) increase	-	-
b) decrease	-	-
3.2. Closing balance of treasury shares	-	-
4. Opening balance of supplementary capital	3 967 599	3 331 838
4.1. Changes in supplementary capital	6 728	635 761
a) increase (due to)	6 728	635 761
- profit distribution (above the statutory minimum value)	6 057	635 421
- from revaluation reserve – sale and liquidation of fixed assets	671	340
b) decrease	-	-
- increase of reserve capital due to interim dividend advances	-	-
4.2. Closing balance of supplementary capital	3 974 327	3 967 599
5. Opening balance of revaluation reserve	6 817 910	5 744 917
- changes in the accounting principles (policy)	-	-
5.1. Changes in revaluation reserve	(1 998 127)	1 072 993
a) increase (due to)	549 837	1 618 306
- measurement of financial investments	549 086	1 611 956
- reclassification of impairment loss on investments available for sale	751	6 350
b) decrease (due to)	2 547 964	545 313
- measurement of financial investments	2 545 012	544 213
- sale and liquidation of fixed assets	671	340
- other decrease, including impairment loss	2 281	760
5.2. Closing balance of revaluation reserve	4 819 783	6 817 910
6. Opening balance of other reserve capitals	-	-
6.1. Changes in other reserve capitals	-	-
a) increase (due to)	-	-
- reclassified to reserve capital for funding of advances for dividend	-	-
b) decrease (due to)	-	-
- financing advance payments towards expected dividend	-	-
6.2. Closing balance of other reserve capitals	-	-
7. Opening balance of previous year profit (loss)	2 580 720	2 582 303
7.1. Opening balance of previous year profit	2 580 720	2 582 303
a) changes in the accounting principles (policy)	-	-

Warsaw, 11 March 2014

The enclosed notes are an integral part of the financial statements

Statement of changes in equity	1 January – 31 December 2013	1 January – 31 December 2012
b) error adjustments	-	-
7.2. Opening balance of previous year profit reconciled to comparative data	2 580 720	2 582 303
a) increase	-	-
b) decrease (due to)	2 580 720	2 582 303
- reclassification to supplementary capital	6 057	635 421
- dividend payment	2 564 663	1 936 882
- reclassification/appropriations to the Company's Social Benefits Fund	10 000	10 000
7.3. Closing balance of previous year profit	-	-
7.4. Opening balance of previous year loss	-	-
a) changes in the accounting principles (policy)	-	-
b) error adjustments	-	-
7.5. Opening balance of previous year loss reconciled to comparative data	-	-
7.6. Closing balance of previous year loss	-	-
7.7. Closing balance of previous year profit (loss)	-	-
8. Net result	3 379 299	2 580 720
a) net profit	5 106 345	2 580 720
b) net loss	-	-
c) appropriations of profit	(1 727 046)	-
II. Closing balance of equity	12 259 761	13 452 581
III. Equity, including proposed profit distribution (loss coverage)	12 259 761	13 452 581

¹⁾ Equity after proposed profit distribution (loss coverage)" has been calculated by taking into account the issue presented in Section 7.3 of the Notes.

VI. CASH FLOW STATEMENT

Cash Flow Statement	Note	1 January - 31 December 2013	1 January - 31 December 2012
A. Cash flows from operating activities			
I. Inflows		9 533 864	9 419 320
1. Inflows from direct business and inward reinsurance		8 474 096	8 637 340
1.1. Inflows from gross premiums		8 304 035	8 446 977
1.2. Inflows from recoveries, recourses and claim refunds		131 572	158 035
1.3. Other inflows from direct business		38 489	32 328
2. Inflows from outward reinsurance		340 039	165 755
2.1. Inflows due to reinsurers' share in claims		272 071	132 750
2.2. Inflows from reinsurance commissions and share in reinsurers' profits		67 927	13 469
2.3. Other inflows from outward reinsurance		41	19 536
3. Inflows from other operating activities		719 729	616 225
3.1. Inflows from claims handling services		229 061	230 235
3.2. Disposal of intangible assets and tangible fixed assets other than investments		3 935	3 201
3.3. Other inflows	X.27	486 733	382 789
II. Outflows		8 457 860	8 328 139
1. Outflows for direct business and inward reinsurance		6 663 528	6 857 394
1.1. Return of gross premiums		186 430	168 012
1.2. Gross claims paid		3 726 114	3 951 726
1.3. Acquisition costs		1 042 740	967 878
1.4. Administrative costs		1 473 446	1 504 881
1.5. Outflows due to handling claims and costs of recourses		121 214	142 104
1.6. Paid commissions and profit sharing due to inward reinsurance		1 685	2 521
1.7. Other outflows due to direct business and inward reinsurance		111 899	120 272
2. Outflows due to outward reinsurance		182 268	192 429
2.1. Premiums paid due to reinsurance		181 973	168 847
2.2. Other outflows due to outward reinsurance		295	23 582
3. Outflows for other operating activities		1 612 064	1 278 316
3.1. Outflows for loss adjusting services		463 108	439 757
3.2. Acquisition of intangible assets and tangible fixed assets other than investments		162 350	90 955
3.3. Other operating costs	X.27	986 606	747 604
III. Net cash flows generated by operating activities (I-II)		1 076 004	1 091 181
B. Cash flows from investing activities			
I. Inflows		177 071 640	174 889 260
1. Disposal of real property		10 127	6 492
2. Disposal of shares in controlled entities		265	-
3. Disposal of shares in other entities and units and investment certificates in investment funds		280 804	1 092 797
4. Redemption of debt securities issued by controlled entities and repayment of loans taken out by those entities		-	-
5. Redemption of debt securities issued by other entities		26 745 642	31 456 328
6. Withdrawal of term deposits with credit institutions		42 649 055	60 828 647
7. Cash from other investments		105 188 546	80 078 590
8. Inflows from real property		7 773	7 062
9. Interest received		675 864	180 580
10. Dividends received	X.9.1	1 513 564	1 238 764
11. Other inflows from investments		-	-
II. Outflows		174 143 656	174 002 691
1. Acquisition of real property		-	-
2. Acquisition of shares in controlled entities		12 359	8 505
3. Acquisition of shares in other entities and units and investment		1 076 750	6 687 167

Warsaw, 11 March 2014

The enclosed notes are an integral part of the financial statements

Powszechny Zakład Ubezpieczeń Spółka Akcyjna
Financial Statements for the financial year ended 31 December 2013

Cash Flow Statement	Note	1 January - 31 December 2013	1 January - 31 December 2012
certificates in investment funds			
4. Acquisition of debt securities issued by controlled entities and granting loans to those entities		-	-
5. Acquisition of debt securities issued by other entities		24 618 519	26 130 081
6. Term deposits made with credit institutions		41 914 984	61 002 005
7. Acquisition of other investments		106 497 405	80 156 134
8. Outflows for maintenance of property		16 546	11 359
9. Other outflows for investments		7 093	7 440
III. Net cash flows from investing activities (I-II)		2 927 984	886 569
C. Cash flows from financing activities			
I. Inflows		5 254 172	28 677 698
1. Net inflows from issue of shares and capital contributions		-	-
2. Credit facilities, loans and issue of debt securities		5 254 172	28 677 698
3. Other inflows from financing activities		-	-
II. Outflows		9 220 185	30 721 818
1. Dividends		4 166 166	1 873 391
2. Profit distribution payments other than dividend		-	-
3. Acquisition of own shares		-	-
4. Repayment of credit facilities and loans and redemption of debt securities		5 054 019	28 848 427
5. Interest on credit facilities, loans and issued debt securities		-	-
6. Other outflows for financing activities		-	-
III. Net cash flows from financing activities (I-II)		(3 966 013)	(2 044 120)
D. Total net cash flows (A.III+/-B.III+/-C.III)		37 975	(66 370)
E. Balance sheet change in cash, including:		33 397	(66 256)
- change in cash due to exchange differences		(4 578)	(114)
F. Opening balance of cash		41 612	107 868
G. Cash at the end of the financial year (F+/-D), including:		75 009	41 612
- restricted cash	X.27.1.	70 842	37 189

Warsaw, 11 March 2014

The enclosed notes are an integral part of the financial statements

VII. TECHNICAL ACCOUNTS – DIRECT INSURANCE

Technical account – direct insurance total

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	8 074 185	8 237 810
1. Gross written premiums	8 218 944	8 406 449
2. Reinsurers' share in written premium	191 929	186 691
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(36 471)	(3 699)
4. Reinsurers' share in change in provisions for unearned premiums	10 699	14 353
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	299 902	287 299
III. Other technical revenue net of reinsurance	45 626	93 572
IV. Claims	5 023 762	5 464 503
1. Claims paid net of reinsurance	3 995 523	4 392 161
1.1. Gross claims paid	4 262 550	4 515 280
1.2. Reinsurers' share in claims paid	267 027	123 119
2. Change in provision for claims outstanding, net of reinsurance:	1 028 239	1 072 342
2.1. Change in provisions for claims outstanding (gross)	779 719	1 089 865
2.2. Reinsurers' share in change in provisions for claims outstanding	(248 520)	17 523
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	298	(2 647)
VII. Costs of insurance activity	2 020 996	2 163 466
1. Acquisition costs	1 436 455	1 468 539
1.1. including change in the balance of deferred acquisition costs	(30 020)	2 895
2. Administrative expenses	659 529	673 283
3. Reinsurers' commissions and share in reinsurers' profit	74 988	(21 644)
VIII. Other technical charges – net of reinsurance	308 257	381 014
IX. Changes in equalization provisions	4 637	(5 018)
X. Technical result on non-life insurance	1 061 763	617 363

Technical insurance account – direct

GROUP 1 Accident insurance, including industrial injury and occupational disease

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	450 646	501 583
1. Gross written premiums	446 058	492 821
2. Reinsurers' share in written premium	102	239
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(4 727)	(8 963)
4. Reinsurers' share in change in provisions for unearned premiums	(37)	38
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	796	1 443
IV. Claims	157 272	201 320
1. Claims paid net of reinsurance	146 953	164 160
1.1. Gross claims paid	146 976	164 160
1.2. Reinsurers' share in claims paid	23	-
2. Change in provision for claims outstanding, net of reinsurance:	10 319	37 160
2.1. Change in provisions for claims outstanding (gross)	10 315	37 159
2.2. Reinsurers' share in change in provisions for claims outstanding	(4)	(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	-	-
VII. Costs of insurance activity	163 248	168 047
1. Acquisition costs	107 033	108 595
1.1. including change in the balance of deferred acquisition costs	(800)	1 480
2. Administrative expenses	56 318	59 298
3. Reinsurers' commissions and share in reinsurers' profit	103	(154)
VIII. Other technical charges – net of reinsurance	6 052	12 811
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	124 870	120 848

Technical insurance account – direct insurance

GROUP 2 – Sickness insurance

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	9 705	11 187
1. Gross written premiums	9 015	11 101
2. Reinsurers' share in written premium	4	5
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(693)	(91)
4. Reinsurers' share in change in provisions for unearned premiums	1	-
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	42	64
IV. Claims	5 255	5 922
1. Claims paid net of reinsurance	5 369	6 495
1.1. Gross claims paid	5 369	6 495
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(114)	(573)
2.2. Reinsurers' share in change in provisions for claims outstanding	(114)	(576)
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 activity	2 972	3 708
1. Acquisition costs	1 750	2 081
1.1. including change in the balance of deferred acquisition costs	122	7
2. Administrative expenses	1 222	1 627
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	82	90
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	1 438	1 531

Technical insurance account – direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	2 056 343	2 217 057
1. Gross written premiums	2 027 029	2 141 959
2. Reinsurers' share in written premium	22 507	26 262
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(54 026)	(99 010)
4. Reinsurers' share in change in provisions for unearned premiums	(2 205)	2 350
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	9 282	8 790
IV. Claims	1 283 142	1 273 682
1. Claims paid net of reinsurance	1 251 331	1 272 901
1.1. Gross claims paid	1 251 318	1 272 952
1.2. Reinsurers' share in claims paid	(13)	51
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	31 811	781
2.2. Reinsurers' share in change in provisions for claims outstanding	31 873	704
	62	(77)
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	355	2
VII. Costs of insurance activity	471 396	499 228
1. Acquisition costs	352 113	375 971
1.1. including change in the balance of deferred acquisition costs	274	15 711
2. Administrative expenses	118 428	117 284
3. Reinsurers' commissions and share in reinsurers' profit	(855)	(5 973)
VIII. Other technical charges – net of reinsurance	37 543	45 719
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	273 189	407 216

Technical insurance account – direct insurance

GROUP 4 – „Casco” insurance of railway rolling stock

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	6 398	8 527
1. Gross written premiums	6 034	14 171
2. Reinsurers' share in written premium	1 613	4 168
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(3 109)	2 187
4. Reinsurers' share in change in provisions for unearned premiums	(1 132)	711
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	359	12
IV. Claims	4 406	4 627
1. Claims paid net of reinsurance	4 307	5 235
1.1. Gross claims paid	6 030	6 904
1.2. Reinsurers' share in claims paid	1 723	1 669
2. Change in provision for claims outstanding, net of reinsurance:	99	(608)
2.1. Change in provisions for claims outstanding (gross)	(1 491)	799
2.2. Reinsurers' share in change in provisions for claims outstanding	(1 590)	1 407
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	-
VII. Costs of insurance activity	1 679	1 750
1. Acquisition costs	1 678	2 064
1.1. including change in the balance of deferred acquisition costs	456	(312)
2. Administrative expenses	171	273
3. Reinsurers' commissions and share in reinsurers' profit	170	587
VIII. Other technical charges – net of reinsurance	79	600
IX. Changes in equalization provisions	227	-
X. Technical result on non-life insurance	362	1 562

Technical insurance account – direct insurance

GROUP 5 – „Casco” insurance of aircraft

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	6 583	8 991
1. Gross written premiums	6 502	13 046
2. Reinsurers' share in written premium	938	4 715
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(3 026)	(629)
4. Reinsurers' share in change in provisions for unearned premiums	(2 007)	31
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	390	8
IV. Claims	5 826	4 412
1. Claims paid net of reinsurance	4 010	2 923
1.1. Gross claims paid	4 517	3 415
1.2. Reinsurers' share in claims paid	507	492
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	1 816	1 489
2.2. Reinsurers' share in change in provisions for claims outstanding	(392)	(399)
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	6	-
VII. Costs of insurance activity	1 539	2 023
1. Acquisition costs	1 556	1 914
1.1. including change in the balance of deferred acquisition costs	320	75
2. Administrative expenses	154	245
3. Reinsurers' commissions and share in reinsurers' profit	171	136
VIII. Other technical charges – net of reinsurance	130	631
IX. Changes in equalization provisions	329	(558)
X. Technical result on non-life insurance	(857)	2 491

Technical insurance account – direct insurance

GROUP 6 – Insurance of vessels in sea and inland navigation

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	12 606	10 667
1. Gross written premiums	18 838	14 366
2. Reinsurers' share in written premium	5 180	3 426
3. Changes in provisions for unearned premiums and unexpired risks (gross)	2 733	(186)
4. Reinsurers' share in change in provisions for unearned premiums	1 681	(459)
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	471	152
IV. Claims	6 259	17 748
1. Claims paid net of reinsurance	14 880	8 596
1.1. Gross claims paid	15 739	8 610
1.2. Reinsurers' share in claims paid	859	14
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(8 621)	9 152
2.2. Reinsurers' share in change in provisions for claims outstanding	(9 334)	7 438
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	-
VII. Costs of insurance activity	3 079	2 843
1. Acquisition costs	2 552	2 244
1.1. including change in the balance of deferred acquisition costs	(181)	17
2. Administrative expenses	748	597
3. Reinsurers' commissions and share in reinsurers' profit	221	(2)
VIII. Other technical charges – net of reinsurance	648	898
IX. Changes in equalization provisions	630	(662)
X. Technical result on non-life insurance	2 431	(10 008)

Technical insurance account – direct insurance

GROUP 7 – Goods-in-transit insurance

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	8 087	8 039
1. Gross written premiums	12 487	10 483
2. Reinsurers' share in written premium	3 053	2 278
3. Changes in provisions for unearned premiums and unexpired risks (gross)	2 118	133
4. Reinsurers' share in change in provisions for unearned premiums	771	(33)
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	56	207
IV. Claims	2 814	3 032
1. Claims paid net of reinsurance	3 539	1 454
1.1. Gross claims paid	3 540	1 454
1.2. Reinsurers' share in claims paid	1	-
2. Change in provision for claims outstanding, net of reinsurance:	(725)	1 578
2.1. Change in provisions for claims outstanding (gross)	(783)	1 649
2.2. Reinsurers' share in change in provisions for claims outstanding	(58)	71
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	63	(18)
VII. Costs of insurance activity	4 038	4 276
1. Acquisition costs	2 968	3 222
1.1. including change in the balance of deferred acquisition costs	(231)	(258)
2. Administrative expenses	1 094	1 055
3. Reinsurers' commissions and share in reinsurers' profit	24	1
VIII. Other technical charges – net of reinsurance	526	426
IX. Changes in equalization provisions	404	-
X. Technical result on non-life insurance	298	530

Technical insurance account – direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	985 401	976 187
1. Gross written premiums	1 073 206	1 036 061
2. Reinsurers' share in written premium	38 752	60 837
3. Changes in provisions for unearned premiums and unexpired risks (gross)	36 691	8 206
4. Reinsurers' share in change in provisions for unearned premiums	(12 362)	9 169
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	3 823	2 474
IV. Claims	416 345	374 027
1. Claims paid net of reinsurance	378 662	330 228
1.1. Gross claims paid	378 339	360 721
1.2. Reinsurers' share in claims paid	(323)	30 493
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	37 683	43 799
2.2. Reinsurers' share in change in provisions for claims outstanding	37 501	24 902
	(182)	(18 897)
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	(881)	(2 605)
VII. Costs of insurance activity	296 691	303 399
1. Acquisition costs	221 390	228 457
1.1. including change in the balance of deferred acquisition costs	(9 255)	(133)
2. Administrative expenses	76 350	75 885
3. Reinsurers' commissions and share in reinsurers' profit	1 049	943
VIII. Other technical charges – net of reinsurance	50 633	55 721
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	226 436	248 119

Technical insurance account - direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	712 099	648 506
1. Gross written premiums	787 025	730 312
2. Reinsurers' share in written premium	66 363	20 451
3. Changes in provisions for unearned premiums and unexpired risks (gross)	42 958	54 865
4. Reinsurers' share in change in provisions for unearned premiums	34 395	(6 490)
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	2 038	7 262
IV. Claims	247 607	428 102
1. Claims paid net of reinsurance	221 476	437 311
1.1. Gross claims paid	252 395	442 195
1.2. Reinsurers' share in claims paid	30 919	4 884
2. Change in provision for claims outstanding, net of reinsurance:	26 131	(9 209)
2.1. Change in provisions for claims outstanding (gross)	27 977	(16 498)
2.2. Reinsurers' share in change in provisions for claims outstanding	1 846	(7 289)
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	440	64
VII. Costs of insurance activity	258 335	257 732
1. Acquisition costs	176 496	175 654
1.1. including change in the balance of deferred acquisition costs	(7 868)	(10 513)
2. Administrative expenses	82 937	82 055
3. Reinsurers' commissions and share in reinsurers' profit	1 098	(23)
VIII. Other technical charges – net of reinsurance	18 597	19 571
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	189 158	(49 701)

Technical insurance account - direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	2 873 675	2 956 359
1. Gross written premiums	2 826 349	2 960 541
2. Reinsurers' share in written premium	5 261	6 381
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(53 268)	(2 057)
4. Reinsurers' share in change in provisions for unearned premiums	(681)	142
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	275 069	262 839
III. Other technical revenue net of reinsurance	22 085	65 717
IV. Claims	2 406 879	2 497 139
1. Claims paid net of reinsurance	1 599 620	1 781 743
1.1. Gross claims paid	1 746 458	1 825 706
1.2. Reinsurers' share in claims paid	146 838	43 963
2. Change in provision for claims outstanding, net of reinsurance:	807 259	715 396
2.1. Change in provisions for claims outstanding (gross)	629 855	696 545
2.2. Reinsurers' share in change in provisions for claims outstanding	(177 404)	(18 851)
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	14	(63)
VII. Costs of insurance activity	498 476	582 548
1. Acquisition costs	334 232	329 888
1.1. including change in the balance of deferred acquisition costs	(12 660)	(5 461)
2. Administrative expenses	231 536	242 445
3. Reinsurers' commissions and share in reinsurers' profit	67 292	(10 215)
VIII. Other technical charges – net of reinsurance	173 625	209 093
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	91 835	(3 802)

Technical insurance account - direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	3 928	4 532
1. Gross written premiums	5 748	6 347
2. Reinsurers’ share in written premium	2 053	1 661
3. Changes in provisions for unearned premiums and unexpired risks (gross)	10	(56)
4. Reinsurers’ share in change in provisions for unearned premiums	243	(210)
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	108	77
III. Other technical revenue net of reinsurance	65	76
IV. Claims	1 420	5 306
1. Claims paid net of reinsurance	724	6 247
1.1. Gross claims paid	7 095	6 855
1.2. Reinsurers’ share in claims paid	6 371	608
2. Change in provision for claims outstanding, net of reinsurance:	696	(941)
2.1. Change in provisions for claims outstanding (gross)	(2 721)	2 372
2.2. Reinsurers’ share in change in provisions for claims outstanding	(3 417)	3 313
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 activity	1 723	1 781
1. Acquisition costs	1 255	1 385
1.1. including change in the balance of deferred acquisition costs	(48)	43
2. Administrative expenses	507	419
3. Reinsurers’ commissions and share in reinsurers’ profit	39	23
VIII. Other technical charges – net of reinsurance	230	331
IX. Changes in equalization provisions	196	-
X. Technical result on non-life insurance	472	(2 733)

Technical insurance account - direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	448	449
1. Gross written premiums	496	483
2. Reinsurers' share in written premium	10	76
3. Changes in provisions for unearned premiums and unexpired risks (gross)	2	(9)
4. Reinsurers' share in change in provisions for unearned premiums	(36)	33
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	-	2
IV. Claims	307	170
1. Claims paid net of reinsurance	170	184
1.1. Gross claims paid	170	184
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:	137	(14)
2.1. Change in provisions for claims outstanding (gross)	134	(19)
2.2. Reinsurers' share in change in provisions for claims outstanding	(3)	(5)
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 activity	232	243
1. Acquisition costs	151	159
1.1. including change in the balance of deferred acquisition costs	1	1
2. Administrative expenses	81	84
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	5	4
IX. Changes in equalization provisions	(20)	22
X. Technical result on non-life insurance	(76)	12

Technical insurance account - direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	635 698	595 338
1. Gross written premiums	677 515	655 059
2. Reinsurers' share in written premium	19 855	17 607
3. Changes in provisions for unearned premiums and unexpired risks (gross)	26 625	46 642
4. Reinsurers' share in change in provisions for unearned premiums	4 663	4 528
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	24 725	24 383
III. Other technical revenue net of reinsurance	2 811	2 550
IV. Claims	363 720	452 538
1. Claims paid net of reinsurance	202 851	219 287
1.1. Gross claims paid	205 557	220 409
1.2. Reinsurers' share in claims paid	2 706	1 122
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	160 869	233 251
2.2. Reinsurers' share in change in provisions for claims outstanding	162 430	256 038
	1 561	22 787
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	58	(23)
VII. Costs of insurance activity	172 637	171 362
1. Acquisition costs	132 012	128 255
1.1. including change in the balance of deferred acquisition costs	(5 123)	(7 290)
2. Administrative expenses	41 427	43 935
3. Reinsurers' commissions and share in reinsurers' profit	802	828
VIII. Other technical charges – net of reinsurance	14 654	27 865
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	112 165	(29 471)

Technical insurance account - direct insurance

GROUP 14 – Credit insurance

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	15 275	12 121
1. Gross written premiums	14 660	17 053
2. Reinsurers' share in written premium	2 103	2 038
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(2 442)	3 152
4. Reinsurers' share in change in provisions for unearned premiums	276	258
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	727	994
IV. Claims	1 398	1 785
1. Claims paid net of reinsurance	1 319	2 214
1.1. Gross claims paid	2 680	4 645
1.2. Reinsurers' share in claims paid	1 361	2 431
2. Change in provision for claims outstanding, net of reinsurance:	79	(429)
2.1. Change in provisions for claims outstanding (gross)	380	(878)
2.2. Reinsurers' share in change in provisions for claims outstanding	301	(449)
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	51	(9)
VII. Costs of insurance activity	6 079	5 819
1. Acquisition costs	3 287	3 334
1.1. including change in the balance of deferred acquisition costs	1 672	(8)
2. Administrative expenses	3 432	3 389
3. Reinsurers' commissions and share in reinsurers' profit	640	904
VIII. Other technical charges – net of reinsurance	250	387
IX. Changes in equalization provisions	1 507	1 802
X. Technical result on non-life insurance	6 717	3 331

Technical insurance account - direct insurance

GROUP 15 – Suretyship

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	26 653	15 191
1. Gross written premiums	23 754	28 473
2. Reinsurers' share in written premium	11 756	13 402
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(20 812)	2 412
4. Reinsurers' share in change in provisions for unearned premiums	(6 157)	2 532
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	529	48
IV. Claims	(10 479)	77 706
1. Claims paid net of reinsurance	29 254	32 413
1.1. Gross claims paid	82 394	58 293
1.2. Reinsurers' share in claims paid	53 140	25 880
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(39 733)	45 293
2.2. Reinsurers' share in change in provisions for claims outstanding	(106 434)	118 404
2.2. Reinsurers' share in change in provisions for claims outstanding	(66 701)	73 111
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	-	-
VII. Costs of insurance activity	14 241	30 524
1. Acquisition costs	9 504	11 418
1.1. including change in the balance of deferred acquisition costs	1 446	1 181
2. Administrative expenses	8 817	10 055
3. Reinsurers' commissions and share in reinsurers' profit	4 080	(9 051)
VIII. Other technical charges – net of reinsurance	494	335
IX. Changes in equalization provisions	1 334	(1 578)
X. Technical result on non-life insurance	21 592	(91 748)

Technical insurance account - direct insurance

GROUP 16 – Insurance of various financial risks

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	64 371	67 415
1. Gross written premiums	69 874	76 857
2. Reinsurers' share in written premium	11 942	22 635
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(13 144)	(11 543)
4. Reinsurers' share in change in provisions for unearned premiums	(6 705)	1 650
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	1 963	3 455
IV. Claims	20 989	21 170
1. Claims paid net of reinsurance	18 623	12 401
1.1. Gross claims paid	41 538	23 913
1.2. Reinsurers' share in claims paid	22 915	11 512
2. Change in provision for claims outstanding, net of reinsurance:		
	2 366	8 769
2.1. Change in provisions for claims outstanding (gross)	537	(26 131)
2.2. Reinsurers' share in change in provisions for claims outstanding	(1 829)	(34 900)
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	98	5
VII. Costs of insurance activity	45 155	49 685
1. Acquisition costs	41 399	46 651
1.1. including change in the balance of deferred acquisition costs	3 432	8 920
2. Administrative expenses	3 910	3 386
3. Reinsurers' commissions and share in reinsurers' profit	154	352
VIII. Other technical charges – net of reinsurance	1 804	4 449
IX. Changes in equalization provisions	-	(4 044)
X. Technical result on non-life insurance	(1 712)	(395)

Technical insurance account - direct insurance

GROUP 17 - Insurance of legal protection

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	600	856
1. Gross written premiums	848	800
2. Reinsurers' share in written premium	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	248	(56)
4. Reinsurers' share in change in provisions for unearned premiums	-	-
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	13	2
IV. Claims	659	554
1. Claims paid net of reinsurance	521	570
1.1. Gross claims paid	521	570
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	138	(16)
2.2. Reinsurers' share in change in provisions for claims outstanding	138	(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	-	-
VII. Costs of insurance activity	672	763
1. Acquisition costs	431	503
1.1. including change in the balance of deferred acquisition costs	1	2
2. Administrative expenses	241	260
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	31	48
IX. Changes in equalization provisions	30	-
X. Technical result on non-life insurance	(779)	(507)

Technical insurance account - direct insurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	205 669	194 805
1. Gross written premiums	213 506	196 516
2. Reinsurers' share in written premium	437	510
3. Changes in provisions for unearned premiums and unexpired risks (gross)	7 391	1 304
4. Reinsurers' share in change in provisions for unearned premiums	(9)	103
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	176	316
IV. Claims	109 943	95 263
1. Claims paid net of reinsurance	111 914	107 799
1.1. Gross claims paid	111 914	107 799
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:	(1 971)	(12 536)
2.1. Change in provisions for claims outstanding (gross)	(1 968)	(13 117)
2.2. Reinsurers' share in change in provisions for claims outstanding	3	(581)
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 activity	78 804	77 735
1. Acquisition costs	46 648	46 744
1.1. including change in the balance of deferred acquisition costs	(1 578)	(567)
2. Administrative expenses	32 156	30 991
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	2 874	2 035
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	14 224	20 088

VIII. TECHNICAL INSURANCE ACCOUNTS – INWARD REINSURANCE

Technical insurance account – inward reinsurance total

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	33 851	39 326
1. Gross written premiums	54 956	47 049
2. Reinsurers' share in written premium	12 100	11 905
3. Changes in provisions for unearned premiums and unexpired risks (gross)	7 458	6 132
4. Reinsurers' share in change in provisions for unearned premiums	(1 547)	10 314
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	768	553
IV. Claims	23 315	8 508
1. Claims paid net of reinsurance	39 333	12 393
1.1. Gross claims paid	39 333	12 812
1.2. Reinsurers' share in claims paid	-	419
2. Change in provision for claims outstanding, net of reinsurance:	(16 018)	(3 885)
2.1. Change in provisions for claims outstanding (gross)	(16 018)	(3 985)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	(100)
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 activity	8 505	7 526
1. Acquisition costs	5 340	4 513
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	3 165	3 013
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	1 021	1 112
IX. Changes in equalization provisions	1 686	(22)
X. Technical result on non-life insurance	92	22 755

In 2013 and 2012 PZU carried out inward reinsurance activities in all accounting classes, except for classes 8 and 9.

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	71	(1)
1. Gross written premiums	73	(28)
2. Reinsurers' share in written premium	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	2	(27)
4. Reinsurers' share in change in provisions for unearned premiums	-	-
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	2	4
IV. Claims	(6)	(27)
1. Claims paid net of reinsurance	-	5
1.1. Gross claims paid	-	5
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(6)	(32)
2.2. Reinsurers' share in change in provisions for claims outstanding	(6)	(32)
	-	-
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 activity	3	(47)
1. Acquisition costs	-	-
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	3	(47)
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	-	8
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	76	69

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	(172)	788
1. Gross written premiums	851	350
2. Reinsurers' share in written premium	284	235
3. Changes in provisions for unearned premiums and unexpired risks (gross)	784	(438)
4. Reinsurers' share in change in provisions for unearned premiums	45	235
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	117	86
IV. Claims	(3 371)	(507)
1. Claims paid net of reinsurance	910	1 183
1.1. Gross claims paid	910	1 183
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(4 281)	(1 690)
2.2. Reinsurers' share in change in provisions for claims outstanding	(4 281)	(1 690)
	-	-
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 activity	(87)	99
1. Acquisition costs	(163)	68
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	76	31
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	4	168
IX. Changes in equalization provisions	273	-
X. Technical result on non-life insurance	3 126	1 114

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	717	1 058
1. Gross written premiums	1 172	134
2. Reinsurers' share in written premium	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	455	(924)
4. Reinsurers' share in change in provisions for unearned premiums	-	-
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	20	12
IV. Claims	(102)	(42)
1. Claims paid net of reinsurance	21	168
1.1. Gross claims paid	21	168
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:		
	(123)	(210)
2.1. Change in provisions for claims outstanding (gross)	(123)	(210)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-
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 activity	174	(59)
1. Acquisition costs	110	(68)
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	64	9
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	-	135
IX. Changes in equalization provisions	6	-
X. Technical result on non-life insurance	659	1 036

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	4 171	1 772
1. Gross written premiums	7 568	2 417
2. Reinsurers' share in written premium	3 143	694
3. Changes in provisions for unearned premiums and unexpired risks (gross)	1 590	593
4. Reinsurers' share in change in provisions for unearned premiums	1 336	642
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	65	4
IV. Claims	158	(183)
1. Claims paid net of reinsurance	95	38
1.1. Gross claims paid	95	38
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:	63	(221)
2.1. Change in provisions for claims outstanding (gross)	63	(221)
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-
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 activity	1 228	408
1. Acquisition costs	1 021	348
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	207	60
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	53	88
IX. Changes in equalization provisions	28	(10)
X. Technical result on non-life insurance	2 769	1 473

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	25 370	31 197
1. Gross written premiums	38 830	38 169
2. Reinsurers' share in written premium	7 267	9 369
3. Changes in provisions for unearned premiums and unexpired risks (gross)	3 694	5 640
4. Reinsurers' share in change in provisions for unearned premiums	(2 499)	8 037
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	522	317
IV. Claims	18 843	5 022
1. Claims paid net of reinsurance	26 689	6 992
1.1. Gross claims paid	26 689	7 455
1.2. Reinsurers' share in claims paid	-	463
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(7 846)	(1 970)
2.2. Reinsurers' share in change in provisions for claims outstanding	(7 846)	(2 070)
	-	(100)
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 activity	5 938	6 386
1. Acquisition costs	3 568	3 692
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	2 370	2 694
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	593	623
IX. Changes in equalization provisions	1 287	-
X. Technical result on non-life insurance	(769)	19 483

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	1 274	984
1. Gross written premiums	2 251	794
2. Reinsurers' share in written premium	471	15
3. Changes in provisions for unearned premiums and unexpired risks (gross)	747	(202)
4. Reinsurers' share in change in provisions for unearned premiums	241	3
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	19	2
IV. Claims	7 247	4 132
1. Claims paid net of reinsurance	6 394	3 793
1.1. Gross claims paid	6 394	3 793
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:	853	339
2.1. Change in provisions for claims outstanding (gross)	853	339
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-
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 activity	350	128
1. Acquisition costs	220	89
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	130	39
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	295	-
IX. Changes in equalization provisions	-	-
X. Technical result on non-life insurance	(6 599)	(3 274)

Technical insurance account – inward reinsurance

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

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	642	280
1. Gross written premiums	627	329
2. Reinsurers' share in written premium	-	-
3. Changes in provisions for unearned premiums and unexpired risks (gross)	(15)	49
4. Reinsurers' share in change in provisions for unearned premiums	-	-
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	3	-
IV. Claims	(6)	268
1. Claims paid net of reinsurance	11	32
1.1. Gross claims paid	11	32
1.2. Reinsurers' share in claims paid	-	-
2. Change in provision for claims outstanding, net of reinsurance:	(17)	236
2.1. Change in provisions for claims outstanding (gross)	(17)	236
2.2. Reinsurers' share in change in provisions for claims outstanding	-	-
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 activity	395	151
1. Acquisition costs	170	34
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	225	117
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	5	9
IX. Changes in equalization provisions	3	-
X. Technical result on non-life insurance	248	(148)

Technical insurance account – inward reinsurance
ACCOUNTING CLASS 10 - Miscellaneous (group 16)

Item	1 January - 31 December 2013	1 January - 31 December 2012
I. Premiums	1 778	3 248
1. Gross written premiums	3 584	4 884
2. Reinsurers' share in written premium	935	1 592
3. Changes in provisions for unearned premiums and unexpired risks (gross)	201	1 441
4. Reinsurers' share in change in provisions for unearned premiums	(670)	1 397
II. Net investment income, taking into account costs, reclassified from the general profit and loss account	-	-
III. Other technical revenue net of reinsurance	20	128
IV. Claims	552	(155)
1. Claims paid net of reinsurance	5 213	182
1.1. Gross claims paid	5 213	138
1.2. Reinsurers' share in claims paid		(44)
2. Change in provision for claims outstanding, net of reinsurance:		
2.1. Change in provisions for claims outstanding (gross)	(4 661)	(337)
2.2. Reinsurers' share in change in provisions for claims outstanding	(4 661)	(337)
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 activity	504	460
1. Acquisition costs	414	350
1.1. including change in the balance of deferred acquisition costs	-	-
2. Administrative expenses	90	110
3. Reinsurers' commissions and share in reinsurers' profit	-	-
VIII. Other technical charges – net of reinsurance	71	81
IX. Changes in equalization provisions	89	(12)
X. Technical result on non-life insurance	582	3 002

IX. ACTUARY'S OPINION

I state hereby that as at 31 December 2013, technical provisions recognized in Powszechny Zakład Ubezpieczeń Spółka Akcyjna based on insurance mathematics method are correct.

Paweł Chadysz
Chief Actuary at PZU

Warsaw, 11 March 2014

The enclosed notes are an integral part of the financial statements

X. NOTES

1. Intangible assets

Intangible assets	31 December 2013	31 December 2012
a) R&D expenses	-	-
b) goodwill	-	-
c) acquired concessions, patents, licenses and similar items, including:	206 858	69 961
- computer software	205 451	68 024
d) other intangible assets	-	-
e) advance payments for intangible assets	37 724	59 768
Total intangible assets	244 582	129 729

Change in intangible assets, total	31 December 2013	31 December 2012
a) gross value of intangible assets – opening balance	330 315	284 559
b) increases (due to)	317 538	150 069
- purchase	156 386	61 194
- reclassification	159 944	80 246
- donation	-	-
- other	1 208	8 629
c) decreases (due to)	172 117	104 313
- sale	-	-
- liquidation	8 443	24 067
- donation	-	-
- reclassification	159 944	80 246
- other	3 730	-
d) gross value of intangible assets – closing balance	475 736	330 315
e) accumulated amortization – opening balance	187 590	171 255
f) amortization for the period (due to)	33 729	16 335
- current year charges	36 249	39 408
- sale	-	-
- liquidation	(2 520)	(23 073)
- donation	-	-
- other	-	-
g) accumulated amortization – closing balance	221 319	187 590
h) impairment losses – opening balance	12 996	6 300
- increases	1 209	6 696
- decreases	4 370	-
i) impairment losses – closing balance	9 835	12 996
j) net value of intangible assets – closing balance	244 582	129 729

Intangible assets – ownership structure	31 December 2013	31 December 2012
a) own	244 582	129 729
b) used based on lease, rental or other agreement	-	-
Total intangible assets	244 582	129 729

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Change in intangible assets in the year ended 31 December 2013	a) R&D expenses	b) goodwill	c) acquired concessions, patents, licenses and similar items	- including software	d) other intangible assets	e) advances for intangible assets under construction	Total intangible assets
a) gross value of intangible assets – opening balance	-	-	257 538	250 221	13	72 764	330 315
b) increases (due to)	-	-	174 699	173 288	-	142 839	317 538
- purchase	-	-	14 755	14 755	-	141 631	156 386
- reclassification	-	-	159 944	158 533	-	-	159 944
- donation	-	-	-	-	-	-	-
- other	-	-	-	-	-	1 208	1 208
c) decreases (due to)	-	-	4 073	2 134	-	168 044	172 117
- sale	-	-	-	-	-	-	-
- liquidation	-	-	4 073	2 134	-	4 370	8 443
- donation	-	-	-	-	-	-	-
- reclassification	-	-	-	-	-	159 944	159 944
- other	-	-	-	-	-	3 730	3 730
d) gross value of intangible assets – closing balance	-	-	428 164	421 375	13	47 559	475 736
e) accumulated amortization – opening balance	-	-	187 577	182 197	13	-	187 590
f) depreciation for the period	-	-	33 729	33 727	-	-	33 729
- current year charges	-	-	36 249	34 937	-	-	36 249
- sale	-	-	-	-	-	-	-
- liquidation	-	-	(2 520)	(1 440)	-	-	(2 520)
- donation	-	-	-	-	-	-	-
- other	-	-	-	230	-	-	-
g) accumulated amortization – closing balance	-	-	221 306	215 924	13	-	221 319
h) impairment losses – opening balance	-	-	-	-	-	12 996	12 996
- increases	-	-	-	-	-	1 209	1 209
- decreases	-	-	-	-	-	4 370	4 370
i) impairment losses – closing balance	-	-	-	-	-	9 835	9 835
j) net value of intangible assets – closing balance	-	-	206 858	205 451	-	37 724	244 582

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Change in intangible assets in the year ended 31 December 2012	a) R&D expenses	b) goodwill	c) acquired concessions, patents, licenses and similar items	- including software	d) other intangible assets	e) advances for intangible assets under construction	Total intangible assets
a) gross value of intangible assets – opening balance	-	-	201 335	193 605	13	83 211	284 559
b) increases (due to)	-	-	80 270	78 857	-	69 799	150 069
- purchase	-	-	24	24	-	61 170	61 194
- reclassification	-	-	80 246	72 644	-	-	80 246
- donation	-	-	-	-	-	-	-
- other	-	-	-	6 189	-	8 629	8 629
c) decreases (due to)	-	-	24 067	22 241	-	80 246	104 313
- sale	-	-	-	-	-	-	-
- liquidation	-	-	24 067	22 241	-	-	24 067
- donation	-	-	-	-	-	-	-
- reclassification	-	-	-	-	-	80 246	80 246
d) gross value of intangible assets – closing balance	-	-	257 538	250 221	13	72 764	330 315
e) accumulated amortization – opening balance	-	-	171 242	165 411	13	-	171 255
f) depreciation for the period	-	-	16 335	16 786	-	-	16 335
- current year charges	-	-	39 408	34 813	-	-	39 408
- sale	-	-	-	-	-	-	-
- liquidation	-	-	(23 073)	(21 247)	-	-	(23 073)
- donation	-	-	-	-	-	-	-
- other	-	-	-	3 220	-	-	-
g) accumulated amortization – closing balance	-	-	187 577	182 197	13	-	187 590
h) impairment losses – opening balance	-	-	-	-	-	6 300	6 300
- increases	-	-	-	-	-	6 696	6 696
- decreases	-	-	-	-	-	-	-
i) impairment losses – closing balance	-	-	-	-	-	12 996	12 996
j) net value of intangible assets – closing balance	-	-	69 961	68 024	-	59 768	129 729

2. Investments

2.1. Geographical structure of investments

Geographical structure of investments as of 31 December 2013	Domestic				Foreign – EU countries				Foreign - other countries				Total			
	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss
I. Real property ¹⁾	824 665	759 918	515 161	90 501	-	-	-	-	-	-	-	-	824 665	759 918	515 161	90 501
II. Investments in controlled entities ²⁾	664 003	4 838 093	4 838 093	3 878	223 123	96 982	96 982	-	176 250	22 144	22 144	-	1 063 376	4 957 219	4 957 219	3 878
III. Other financial investments	20 435 972	21 450 361	21 234 784	13 646	735 249	868 160	868 160	-	33 078	31 160	31 160	-	21 204 299	22 349 681	22 134 104	13 646
1. Shares and other variable income securities	12 788	69	69	12 719	-	-	-	-	-	-	-	-	12 788	69	69	12 719
- measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- measured at acquisition cost	12 788	69	69	12 719	-	-	-	-	-	-	-	-	12 788	69	69	12 719
2. Units and investment certificates in investment funds	11 494 781	12 264 149	12 264 149	927	-	-	-	-	-	-	-	-	11 494 781	12 264 149	12 264 149	927
3. Debt securities and other fixed income securities	7 023 143	7 259 199	7 043 622	-	735 249	766 719	766 719	-	33 078	31 160	31 160	-	7 791 470	8 057 078	7 841 501	-
- measured at fair value	1 192 240	1 180 260	1 180 260	-	665 627	696 270	696 270	-	33 078	31 160	31 160	-	1 890 945	1 907 690	1 907 690	-
- measured at adjusted acquisition price or acquisition cost.	5 830 903	6 078 939	5 863 362	-	69 622	70 449	70 449	-	-	-	-	-	5 900 525	6 149 388	5 933 811	-
4. Shares in joint investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other loans	1 718 899	1 720 077	1 720 077	-	-	-	-	-	-	-	-	-	1 718 899	1 720 077	1 720 077	-
7. Term deposits with credit institutions	186 361	187 694	187 694	-	-	-	-	-	-	-	-	-	186 361	187 694	187 694	-
8. Other investments	-	19 173	19 173	-	-	101 441	101 441	-	-	-	-	-	-	120 614	120 614	-
IV. Deposits with ceding undertakings	-	-	-	-	2 914	2 914	2 914	-	-	-	-	-	2 914	2 914	2 914	-
Total	21 924 640	27 048 372	26 588 038	108 025	961 286	968 056	968 056	-	209 328	53 304	53 304	-	23 095 254	28 069 732	27 609 398	108 025

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

²⁾ In the case of companies measured using the equity method, the presented fair value of investments in controlled entities (which cannot be precisely specified and estimations would be charged with a significant error margin) was adopted at the level of net assets of those companies assigned to PZU as of the balance sheet date, including unamortised goodwill on the balance sheet date and impairment losses.

Investment structure as at 31 December 2013	Domestic - net carrying amount	Foreign – EU countries – net carrying amount	Foreign – other countries – net carrying amount	Total
I. Real property	515 161	-	-	515 161
II. Investments in controlled entities	4 838 093	96 982	22 144	4 957 219
- unrestricted, quoted on a regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	4 838 093	96 982	22 144	4 957 219
- restricted	-	-	-	-
III. Other financial investments	21 234 784	868 160	31 160	22 134 104
1. Shares and other variable income securities	69	-	-	69
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	69	-	-	69
- restricted	-	-	-	-
2. Units and investment certificates in investment funds	12 264 149	-	-	12 264 149
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	12 264 149	-	-	12 264 149
- restricted	-	-	-	-
3. Debt securities and other fixed income securities	7 043 622	766 719	31 160	7 841 501
- unrestricted, quoted on regulated market	6 706 143	696 270	31 160	7 433 573
- unrestricted, quoted on OTC market	312 263	-	-	312 263
- unrestricted, not quoted on a regulated market	25 216	70 449	-	95 665
- restricted	-	-	-	-
4. Shares in joint investments	-	-	-	-
- unrestricted, quoted on regulated market	-	-	-	-
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	-	-	-	-
- restricted	-	-	-	-
5. Mortgage loans	-	-	-	-
6. Other loans	1 720 077	-	-	1 720 077
7. Term deposits with credit institutions	187 694	-	-	187 694
8. Other investments	19 173	101 441	-	120 614
- unrestricted, quoted on regulated market	-	2 540	-	2 540
- unrestricted, quoted on OTC market	-	-	-	-
- unrestricted, not quoted on a regulated market	19 173	98 901	-	118 074
- restricted	-	-	-	-
IV. Deposits with ceding undertakings	-	2 914	-	2 914
Total	26 588 038	968 056	53 304	27 609 398

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

¹⁾ The fair value of real property results from valuations carried out mainly in 2008-2012, based primarily on the income method

²⁾ In the case of companies measured using the equity method, the presented fair value of investments in controlled entities (which cannot be precisely specified and estimations would be charged with a significant error margin) was adopted at the level of net assets of those companies assigned to PZU as of the balance sheet date, including unamortised goodwill on the balance sheet date and impairment losses.

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

2.2. Change in financial instruments divided by portfolio

Change in financial instruments by portfolio in year ended 31 December 2013	Opening balance	Increases, including:		Decreases, including:		Closing balance
		Acquisition	Value increase	Sale or redemption	Value reduction	
a) financial assets held for trading, including:	929 091	973 637	165 076	811 416	124 784	1 131 604
Investments in controlled entities	-	-	-	-	-	-
Shares, stock and other variable income securities, participation units and certificates of investment funds	198 131	-	-	198 131	-	-
Debt securities and other fixed income securities	652 893	942 151	34 437	613 285	5 206	1 010 990
Other investments	78 067	31 486	130 639	-	119 578	120 614
b) financial liabilities held for trading	-	-	-	-	-	-
c) originated loans and own receivables including:	3 154 762	148 469 679	4 303	149 408 687	23	2 220 034
Debt securities and other fixed income securities	1 053 401	460 300	1 730	1 203 145	23	312 263
Mortgage loans	26 847	-	-	26 847	-	-
Other loans	1 040 923	106 016 261	1 218	105 338 325	-	1 720 077
Term deposits with credit institutions	1 033 591	41 993 118	1 355	42 840 370	-	187 694
d) financial assets held to maturity, including:	7 142 820	2 597 955	119 985	4 229 757	9 455	5 621 548
Debt securities and other fixed income securities	7 142 820	2 597 955	119 985	4 229 757	9 455	5 621 548
e) financial assets available for sale, including:	15 799 081	27 150 955	2 098 218	22 977 264	3 952 853	18 118 137
Investments in controlled entities	7 243 170	12 280	1 545 029	385	3 842 875	4 957 219
Shares, stock and other variable income securities, participation units and certificates of investment funds	7 015 421	6 025 279	543 059	1 258 890	60 651	12 264 218
Debt securities and other fixed income securities	1 540 490	21 113 396	10 130	21 717 989	49 327	896 700
Total	27 025 754	179 192 226	2 387 582	177 427 124	4 087 115	27 091 323

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Change in financial instruments by portfolio in year ended 31 December 2012	Opening balance	Increases, including:		Decreases, including:		Closing balance
		Acquisition	Value increase	Sale or redemption	Value reduction	
a) financial assets held for trading, including:	1 609 689	1 242 489	144 509	2 000 222	67 374	929 091
Investments in controlled entities	52	-	-	52	-	-
Shares, stock and other variable income securities, participation units and certificates of investment funds	755 048	823 044	27 463	1 407 424		198 131
Debt securities and other fixed income securities	815 308	360 956	38 979	562 162	188	652 893
Other investments	39 281	58 489	78 067	30 584	67 186	78 067
b) financial liabilities held for trading	-	-	-	-	-	-
c) originated loans and own receivables including:	1 972 477	141 779 299	21 460	140 618 386	88	3 154 762
Debt securities and other fixed income securities	53 977	1 107 500	12 493	120 481	88	1 053 401
Mortgage loans	32 264	-	10	5 427	-	26 847
Other loans	863 273	80 703 385	1 020	80 526 755	-	1 040 923
Term deposits with credit institutions	1 022 963	59 968 414	7 937	59 965 723	-	1 033 591
d) financial assets held to maturity, including:	7 682 395	513 862	172 625	1 226 062	-	7 142 820
Debt securities and other fixed income securities	7 682 395	513 862	172 625	1 226 062	-	7 142 820
e) financial assets available for sale, including:	13 030 341	30 166 671	1 187 253	28 523 590	61 594	15 799 081
Investments in controlled entities	6 425 878	8 523	831 018	-	22 249	7 243 170
Shares, stock and other variable income securities, participation units and certificates of investment funds	529 077	6 417 370	300 106	199 988	31 144	7 015 421
Debt securities and other fixed income securities	6 075 386	23 740 778	56 129	28 323 602	8 201	1 540 490
Total	24 294 902	173 702 321	1 525 847	172 368 260	129 056	27 025 754

2.3. Investments in real property

Investments in real property (by group)	31 December 2013	31 December 2012
a) own land	31 429	31 339
- by purchase price	36 142	36 985
- by current value	86 730	83 701
b) land perpetual usufruct right	11 361	13 594
c) buildings and structures	462 303	506 482
- by purchase price	726 818	730 439
- by current value	488 763	756 596
d) cooperative ownership of premises	6 696	6 969
e) construction investments	3 372	3 205
f) advances for construction investments	-	-
Investments in real property (by group), total	515 161	561 589

Change in investments in real property	31 December 2013	31 December 2012
a) gross value – opening balance	840 431	842 103
b) increases (due to)	10 617	3 396
- investments	786	3 337
- donations	-	-
- direct purchase	9 658	-
- other	173	59
c) decreases (due to)	26 383	5 068
- liquidation	11 011	3
- sale	15 372	5 065
- donations	-	-
- other	-	-
d) gross value – closing balance	824 665	840 431
e) accumulated amortization – opening balance	205 356	182 500
f) depreciation for the period (due to)	13 647	22 856
- current year charges	20 210	20 340
- accumulated depreciation of fixed assets liquidated	-	-
- accumulated depreciation of fixed assets sold	(6 624)	(1 890)
- accumulated depreciation of fixed assets donated	-	-
- accumulated depreciation of fixed assets lost by accident	-	-
- other	61	4 406
g) accumulated depreciation – closing balance	219 003	205 356
h) impairment losses – opening balance	73 486	77 275
- increases	37 314	618
- decreases	20 299	4 407
i) impairment losses – closing balance	90 501	73 486
j) net value – closing balance	515 161	561 589

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Change in real property value in year ended 31 December 2013	Land and perpetual usufruct right of land	Buildings and structures, premises	Titles to apartments and premises	Construction investments	Advances for construction investments	Total real property
a) gross value of real property – opening balance	80 161	730 439	10 869	14 216	4 746	840 431
b) increases (due to)	686	9 591	173	786	-	11 236
- investments	-	-	-	786	-	786
- donations	-	-	-	-	-	-
- direct purchase	686	8 972	-	-	-	9 658
- reclassification	-	619	-	-	-	619
- other	-	-	173	-	-	173
c) decreases (due to)	1 955	13 212	205	11 630	-	27 002
- liquidation	-	-	-	11 011	-	11 011
- sale	1 955	13 212	205	-	-	15 372
- donations	-	-	-	-	-	-
- reclassification	-	-	-	619	-	619
- other	-	-	-	-	-	-
d) gross value of real property – closing balance	78 892	726 818	10 837	3 372	4 746	824 665
e) accumulated amortization – opening balance	27 944	173 512	3 900	-	-	205 356
f) depreciation for the period (due to)	2 368	11 038	241	-	-	13 647
- current year charges	3 263	16 678	269	-	-	20 210
- accumulated depreciation of real property liquidated	-	-	-	-	-	-
- accumulated depreciation of real property sold	(895)	(5 640)	(89)	-	-	(6 624)
- accumulated depreciation of real property donated	-	-	-	-	-	-
- accumulated depreciation of real property lost by accident	-	-	-	-	-	-
- other	-	-	61	-	-	61
g) accumulated depreciation – closing balance	30 312	184 550	4 141	-	-	219 003
h) impairment losses – opening balance	7 284	50 445	-	11 011	4 746	73 486
- increases	-	37 314	-	-	-	37 314
- decreases	1 494	7 794	-	11 011	-	20 299
i) impairment losses – closing balance	5 790	79 965	-	-	4 746	90 501
j) net value of real property – closing balance	42 790	462 303	6 696	3 372	-	515 161

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Change in intangible assets in the year ended 31 December 2012	Land and perpetual usufruct right of land	Buildings and structures, premises	Titles to apartments and premises	Construction investments	Advances for construction investments	Total real property
a) gross value of real property – opening balance	80 923	732 731	10 483	13 220	4 746	842 103
b) increases (due to)	59	1 938	403	3 337	-	5 737
- investments	-	-	-	3 337	-	3 337
- donations	-	-	-	-	-	-
- direct purchase	-	-	-	-	-	-
- reclassification	-	1 938	403	-	-	2 341
- other	59	-	-	-	-	59
c) decreases (due to)	821	4 230	17	2 341	-	7 409
- liquidation	3	-	-	-	-	3
- sale	818	4 230	17	-	-	5 065
- donations	-	-	-	-	-	-
- reclassification	-	-	-	2 341	-	2 341
- other	-	-	-	-	-	-
d) gross value of real property – closing balance	80 161	730 439	10 869	14 216	4 746	840 431
e) accumulated amortization – opening balance	23 233	155 631	3 636	-	-	182 500
f) depreciation for the period (due to)	4 711	17 881	264	-	-	22 856
- current year charges	3 351	16 526	463	-	-	20 340
- accumulated depreciation of real property liquidated	-	-	-	-	-	-
- accumulated depreciation of real property sold	(116)	(1 575)	(199)	-	-	(1 890)
- accumulated depreciation of real property donated	-	-	-	-	-	-
- accumulated depreciation of real property lost by accident	-	-	-	-	-	-
- other	1 476	2 930	-	-	-	4 406
g) accumulated depreciation – closing balance	27 944	173 512	3 900	-	-	205 356
h) impairment losses – opening balance	8 761	52 802	-	10 966	4 746	77 275
- increases	-	573	-	45	-	618
- decreases	1 477	2 930	-	-	-	4 407
i) impairment losses – closing balance	7 284	50 445	-	11 011	4 746	73 486
j) net value of real property – closing balance	44 933	506 482	6 969	3 205	-	561 589

Real property (by use)	31 December 2013	31 December 2012
a) used for own purposes	439 518	481 097
b) other	75 643	80 492
Real property (by use) total	515 161	561 589

Investments in real property	31 December 2013	31 December 2012
a) short-term	-	-
b) long-term	515 161	561 589
Total investments in real property	515 161	561 589

Investments in real property (by currency)	31 December 2013	31 December 2012
a) in PLN	515 161	561 589
b) in foreign currencies (by currency and translated to PLN)	-	-
Total investments in real property	515 161	561 589

Investments in real property	31 December 2013	31 December 2012
Value of land in perpetual usufruct not used for own purposes	1 581	2 243
Total value of land in perpetual usufruct not used for own purposes	1 581	2 243

2.4. Investments in controlled entities

Investments in controlled entities	31 December 2013	31 December 2012
a) shares in subsidiaries including:	4 957 219	7 243 170
- long-term investments	4 957 219	7 243 170
b) shares in co-subsidiaries including:	-	-
- long-term investments	-	-
c) shares in associates including:	-	-
- long-term investments	-	-
d) loans granted to subsidiaries including:	-	-
- long-term investments	-	-
e) loans granted to co-subsidiaries including:	-	-
- long-term investments	-	-
f) loans granted to associates including:	-	-
- long-term investments	-	-
g) debt securities of subsidiaries including:	-	-
- long-term investments	-	-
f) debt securities of co-subsidiaries including:	-	-
- long-term investments	-	-
i) debt securities of associates including:	-	-
- long-term investments	-	-
j) other investments (by type), including:	-	-
- long-term investments	-	-
Total investments in controlled entities	4 957 219	7 243 170

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

Investments in controlled entities measured using the equity method	31 December 2013	31 December 2012
a) shares or stock including:	4 957 219	7 212 032
- in subsidiaries	4 957 219	7 212 032
- in co-subsidiaries	-	-
- in associates	-	-
b) loans originated, including:	-	-
- to subsidiaries	-	-
- to co-subsidiaries	-	-
- to associates	-	-
c) debt instruments, including:	-	-
- subsidiaries	-	-
- co-subsidiaries	-	-
- associates	-	-
d) other (by basis), including:	-	-
- in subsidiaries	-	-
- in co-subsidiaries	-	-
- in associates	-	-
Investments in controlled entities measured with equity method total	4 957 219	7 212 032

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

Changes in goodwill - controlled entities	31 December 2013	31 December 2012
a) gross value of goodwill – opening balance including:	-	-
b) increases	-	-
c) decreases	-	-
d) gross value of goodwill – closing balance	-	-
e) impairment of goodwill – opening balance	-	-
f) impairment of goodwill for the period	-	-
e) impairment of goodwill – closing balance	-	-
h) net value of goodwill – closing balance	-	-

Change in investments in controlled entities (by type)	31 December 2013	31 December 2012
a) opening balance	7 243 170	6 425 930
- shares and stock in controlled entities	7 243 170	6 425 930
- originated loans	-	-
- contribution to share capital	-	-
b) increases (due to)	1 557 309	839 541
- acquisition	12 280	8 523
- revaluation adjustments	1 545 029	831 018
- other	-	-
c) decreases (due to)	3 843 260	22 301
- disposal or redemption	385	52
- revaluation adjustments	3 842 875	22 249
- other	-	-
d) closing balance	4 957 219	7 243 170
- shares and stock in controlled entities	4 957 219	7 243 170
- originated loans	-	-
- contribution to share capital	-	-

Shares and securities in controlled entities	31 December 2013	31 December 2012
a) listed on a regulated market	-	-
b) not listed on a regulated market	4 957 219	7 243 170
Shares and securities in controlled entities total	4 957 219	7 243 170

Shares, stock and other financial instruments in controlled entities (long-term investments) by disposability	31 December 2013	31 December 2012
A. Unrestricted, quoted on regulated market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	(52)
- opening balance	-	52
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
B. Unrestricted, quoted on OTC market (carrying amount)	-	-
a) stock (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
C. Unrestricted, not quoted on a regulated market (carrying amount)	4 957 219	7 243 170
a) stock (carrying amount):	4 701 589	6 991 258
- revaluation adjustments (for the period)	(2 289 669)	810 263
- opening balance	6 991 258	6 180 995
- at purchase price	804 238	793 250

Shares, stock and other financial instruments in controlled entities (long-term investments) by disposability	31 December 2013	31 December 2012
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value):	255 630	251 912
shares in controlled entities	255 630	251 912
- revaluation adjustments (for the period)	3 718	7 029
- opening balance	251 912	244 883
- at purchase price	255 279	255 229
D. Restricted (carrying amount)	-	-
a) shares or stock (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- by purchase price	-	-
c) other – by group (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
By purchase price, total	1 059 517	1 048 479
Opening balance total	7 243 170	6 425 930
Revaluation adjustments (for the period) total	(2 285 951)	817 240
Total carrying amount	4 957 219	7 243 170

In 2012-2013 no shares or other financial instruments in subsidiaries, classified as short-term investments, occurred.

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Controlled entities as at 31 December 2013 with financial data

a) Entity's name and legal form	b) Registered office	c) Core business	d) Capital relationship	e) Consolidation method applied / measurement with equity method or statement that the entity is excluded from consolidation / measurement with equity method	f) Control assuming date marking commencement of significant influence	g) Value of shares/ stock (at purchase cost)	h) Revaluation adjustments total*	i) Carrying amount of stock/ shares	j) Percent of share capital held directly by PZU	k) Share in the total number of votes at general shareholders meeting	l) basis of control/ joint control/ significant influence other than defined in point j) or k)
1. PZU ŻYCIE SA („PZU Życie”)	Warsaw	Life insurance	subsidiary	full method consolidation	18.12.1991	295 088	4 151 658	4 446 746	100.00%	100.00%	n/a
2. UAB DK PZU Lietuva	Vilnius - Lithuania	Property insurance	subsidiary	full method consolidation	26.04.2002	182 887	(113 229)	69 658	99.76%	99.76%	n/a
3. PZU Tower Sp. z o.o. („PZU Tower”)	Warsaw	Acquisition and disposal of real property, agency in real property trade, real property management	indirect subsidiary	full method consolidation	17.08.1999	112 900	(2 301)	110 599	27.47%	27.47%	n/a
4. PZU Asset Management S.A. („PZU AM”)	Warsaw	Management of securities portfolios for the account of third parties	subsidiary	full method consolidation	12.07.2001	11 463	110	11 573	100.00%	100.00%	n/a
5. Syta Development Sp. z o.o. w likwidacji („Syta Development”)	Warsaw	Acquisition and disposal of real property, agency in real property trade, real property management	subsidiary	Not consolidated	29.04.1996	22	(22)	-	100.00%	100.00%	n/a
6. Ogrodowa - Inwestycje Sp. z o.o. („Ogrodowa Inwestycje”)	Warsaw	Business and management consulting services, holding activities	subsidiary	full method consolidation	15.09.2004	142 255	2 694	144 949	100.00%	100.00%	n/a
7. UAB PZU Lietuva Gyvybes Draudimas	Vilnius	Life insurance	subsidiary	full method consolidation	08.04.2004	40 236	(12 912)	27 324	99.34%	99.34%	n/a
8. Międzyzakładowe Pracownicze Tow. Emerytalne S.A. („MPTE”)	Warsaw	Developing and managing of employee pension plan	subsidiary	full method consolidation	13.08.2004	500	752	1 252	100.00%	100.00%	n/a
9. PrJSC IC PZU Ukraine	Kiev - Ukraine	Property insurance	subsidiary	full method consolidation	01.07.2005	143 666	(127 681)	15 985	89.97%	89.97%	n/a
10. PrJSC IC PZU Ukraine Life Insurance	Kiev - Ukraine	Life insurance	subsidiary	full method consolidation	01.07.2005	32 584	(26 425)	6 159	53.47%	53.47%	n/a
11. PZU Finanse Sp. z o.o.	Warsaw	The Company does not conduct activities..	subsidiary	full method consolidation	30.10.2013	50	(2)	48	100.00%	100.00%	n/a
12. Ipsilon Sp. z o.o.	Warsaw	Assistance and medical services	subsidiary	full method consolidation	02.04.2009	52	(18)	34	100.00%	100.00%	n/a
13. PZU Pomoc SA	Warsaw	Assistance services	subsidiary	full method consolidation	18.03.2009	18 566	(935)	17 631	100.00%	100.00%	n/a
14. Towarzystwo Funduszy Inwestycyjnych PZU SA („TFI PZU”)	Warsaw	Creation, representing and management of investment funds	subsidiary	full method consolidation	27.09.2011	38 403	11 458	49 861	100.00%	100.00%	n/a
15. PZU Centrum Operacji SA („PZU CO”)	Warsaw	Auxiliary activity related to insurance and pension funds	subsidiary	full method consolidation	27.09.2011	40 645	14 582	55 227	100.00%	100.00%	n/a
16. Ipsilon Bis SA	Warsaw	Entity does not carry out business activity	subsidiary	full method consolidation	02.09.2011	100	(19)	81	100.00%	100.00%	n/a
17. Omicron SA	Warsaw	Entity does not carry out business activity	subsidiary	full method consolidation	13.09.2011	100	(8)	92	100.00%	100.00%	n/a
	TOTAL					1 059 517	3 897 702	4 957 219			

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

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a) Entity's name and legal form	m) Equity, including:						n) Liabilities and provisions for liabilities including:		o) Receivables:		p) Total assets	r) Sales revenue	s) Value of stock/shares not paid by the issuer	t) Dividends paid by the entity or due for the last financial year
	- Share capital	- Called up share capital (negative value)	- Supplementary capital	- Other equity, including:			- Long-term liabilities	- Short-term liabilities	- long-term	- short-term				
				- Other equity	- Previous year profit (loss)	- Net profit (loss)								
1. PZU Życie 2/	295 000	-	2 368 373	88 716	-	1 694 657	3 497	1 038 481	4 191	253 508	29 020 410	8 878 775	-	3 842 875
2. PZU Lietuva 1/	109 248	-	-	473	-40 202	304	-	29 595	-	35 775	325 370	230 476	-	-
3. PZU Tower	411 000	-	-	161 989	-32 887	21 711	-	590	-	92	563 168	377	-	-
4. PZU AM	5 000	-	4 164	1 475	-	845	-	179	94	1 069	12 377	6 472	-	-
5. Syta Development	792	-	6 008	-285	-9 567	-33	-	3 568	-	43	5 234	1 622	-	-
6. Ogrodowa Inwestycje	142 255	-	2 863	284	-	-518	1 513	2 603	-	1 102	149 929	21 702	-	570
7. UAB PZU Lietuva Gyvybes Draudimas 1/	29 309	-	-	1 550	-3 424	71	-	1 232	-	279	90 338	31 814	-	-
8. MPTE	500	-	167	-	-	583	-	294	-	89	1 591	1 952	-	-
9. PrJSC IC PZU Ukraine 1/	7 216	-	501	153 895	-149 266	4 923	-	30 438	-	17 724	158 891	157 063	-	-
10. PrJSC IC PZU Ukraine Life Insurance 1/	7 153	-	-	30 936	-28 645	3 197	-	4 234	-	2 171	100 409	46 576	-	-
11. PZU Finanse Sp. z o.o.	50	-	-	-	-	-2	-	2	-	-	50	-	-	-
12. Ipsilon Sp. z o.o.	50	-	-	-	-13	-3	-	-	-	-	35	-	-	-
13. PZU Pomoc SA	4 886	-	11 279	-	-	1 466	-	1 750	-	7 471	20 739	23 344	-	-
14. TFI PZU	13 000	-	14 131	7 514	-	15 986	-	17 844	102	24 796	81 574	113 559	-	12 019
15. PZU CO	500	-	35 509	-	-	19 635	246	10 431	1 521	10 323	74 659	115 304	-	31 124
16. Ipsilon Bis SA	100	-	-	-	-16	-6	-	-	-	-	81	-	-	-
17. Omicron SA	100	-	-	-	-3	-5	-	-	-	-	95	-	-	-

The above data have been disclosed based on not audited financial statements of the entities

1/ Data according to IFRS

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

Powszechny Zakład Ubezpieczeń Spółka Akcyjna
Financial Statements for the financial year ended 31 December 2013

Controlled entities as at 31 December 2012 with financial data

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

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

Powszechny Zakład Ubezpieczeń Spółka Akcyjna
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a) Entity's name and legal form	m) Equity, including:						n) Liabilities and provisions for liabilities including:		o) Receivables:		p) Total assets	r) Sales revenue	s) Value of stock/shares not paid by the issuer	t) Dividends paid by the entity or due for the last financial year
	- Share capital	- Called up share capital (negative value)	- Supplementary capital	- Other equity, including:			- Long-term liabilities	- Short-term liabilities	- long-term	- short-term				
				- Other equity	- Previous year profit (loss)	- Net profit (loss)								
1. PZU ZYCIE 3/	295 000	-	4 368 091	232 096	-	1 852 875	3 200	542 227	1 139	296 139	30 084 111	9 345 213	-	1 177 476
2. UAB DK PZU Lietuva 1/3	107 042	-	-	(27)	(51 586)	1 276	324	22 710	-	26 955	284 912	195 721	-	-
3. PZU Tower	411 000	-	-	166 974	(56 010)	23 457	-	30	-	15	545 153	19	-	-
4. PZU AM	5 000	-	2 913	1 475	-	1 251	-	1 019	89	2 628	12 621	18 595	-	3 188
5. Syta Development	792	-	6 008	(285)	(11 774)	2 207	-	3 588	-	2	5 372	2 748	-	-
6. Ogródowa - Inwestycje	142 255	-	2 863	48	-	570	2 265	1 565	-	1 585	150 544	22 196	-	2 355
7. UAB PZU Lietuva Gyvybes Draudimas 2/3	29 309	-	-	1 383	(3 977)	545	-	1 600	-	161	79 900	25 495	-	-
8. MPTE	500	-	167	-	-	685	-	184	-	77	1 578	1 891	-	-
9. PrJSC IC PZU Ukraine 1/3	6 867	-	211	157 067	(150 932)	(235)	-	39 393	-	19 748	156 607	142 228	-	-
10. PrJSC IC PZU Ukraine Life Insurance 2/3	7 153	-	-	30 964	(25 954)	429	-	3 815	-	438	86 498	38 583	-	-
11. ICH Center	593	-	-	-	-	(215)	-	20	-	-	400	-	-	3 545
12. Ipsilon Sp. z o.o.	50	-	-	-	(10)	(3)	-	-	-	-	38	-	-	-
13. PZU Pomoc SA	4 886	-	13 653	-	(2 244)	(130)	-	2 466	-	4 275	19 729	16 988	-	-
14. TFI PZU	13 000	-	14 131	4 635	-	12 019	-	15 997	100	14 967	71 421	80 564	-	13 581
15. PZU CO	500	-	35 509	-	-	31 894	369	10 515	1 469	13 214	92 161	133 872	-	6 204
16. Ipsilon Bis SA	100	-	-	-	(4)	(12)	-	-	-	-	87	-	-	-
17. Omicron SA	100	-	-	-	-	(3)	-	-	-	-	100	-	-	-

1/ Data according to IFRS

2/ Data according to local accounting standards

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

Investments in controlled entities (currency structure)	31 December 2013	31 December 2012
a) in PLN	4 838 093	7 144 225
b) in foreign currencies (by currency and translated to PLN)	119 126	98 945
b1. LTL thousand	80 744	70 652
PLN thousand	96 982	83 652
b2. UAH thousand	59 752	39 982
PLN thousand	22 144	15 293
Total investments in controlled entities	4 957 219	7 243 170

2.4.1 Completion of the liquidation of ICH Center S.A.

On 23 April 2013, the General Meeting of ICH Center SA in liquidation adopted a resolution on completion of the liquidation process. The company was deregistered on 20 May 2013.

2.4.2 Establishment of PZU Finanse Sp. z o.o.

On 30 October 2013, a new company, PZU Finanse Sp. z o.o., was established. The share capital of the new company is PLN 50 thousand and it is divided into 100 shares of PLN 500 each. All shares were acquired by PZU. On 8 November 2013, the company was entered into the National Court Register.

2.4.3 Contribution to cover the losses of PZU Lietuva

On 21 June 2013 and 17 December 2013, the Management Board of PZU adopted resolutions on capital injections to PZU Lietuva, each time granting their consent to supply additional capital to PZU Lietuva in the amount of LTL 5,000 thousand (PLN 6,248 thousand and PLN 6,061 thousand, respectively). The funds were transferred by PZU on 26 June 2013 and 20 December 2013. The aforesaid capital injections were aimed at ensuring PZU Lietuva's satisfaction of regulatory requirements concerning its coverage of the solvency margin and formed part of the capital injection planned for 2013-2014 in the total amount of LTL 24 million, under the business plan of PZU Lietuva concerning investments in Latvia and Estonia.

2.5. Other financial investments

Other financial investments	31 December 2013	31 December 2012
a) shares and other variable income securities	69	353 295
b) units and investment certificates in investment funds	12 264 149	6 860 257
c) debt securities and other fixed income securities	7 841 501	10 389 604
d) interests in joint ventures (investments)	-	-
e) mortgage loans, including:	-	26 847
- additionally collateralized with policies	-	-
f) other loans, including:	1 720 077	1 040 923
- for the insured, with policies as the basic collateral	-	-
- for the insured, not collateralized with policies	-	-
g) term deposits with credit institutions	187 694	1 033 591
h) other investments	120 614	78 067
Total other financial investments	22 134 104	19 782 584

Change in other investments (by type)	31 December 2013	31 December 2012
a) opening balance	19 782 584	17 868 972
Shares, stock and other variable income securities, participation units and certificates of investment funds	7 213 552	1 284 125
Debt securities and other fixed income securities	10 389 604	14 627 066
Other investments	2 179 428	1 957 781
b) increases (due to)	180 022 499	174 388 627
- acquisition	179 179 946	173 693 798
- revaluation adjustments	842 553	694 829
- other	-	-
c) decreases (due to)	177 670 979	172 475 015
- sale or redemption	177 426 739	172 368 208

Change in other investments (by type)	31 December 2013	31 December 2012
- revaluation adjustments	244 240	106 807
- other	-	-
d) closing balance	22 134 104	19 782 584
Shares, stock and other variable income securities, participation units and certificates of investment funds	12 264 218	7 213 552
Debt securities and other fixed income securities	7 841 501	10 389 604
Other investments	2 028 385	2 179 428

Other financial investments	31 December 2013	31 December 2012
a) long-term	20 079 995	14 936 530
b) short-term	2 054 109	4 846 054
Total other financial investments	22 134 104	19 782 584

Other financial investments (currency structure)	31 December 2013	31 December 2012
a) in PLN	21 055 720	18 713 700
b) in foreign currencies (by currency and translated to PLN)	1 078 384	1 068 884
b1. EUR thousand	221 652	185 132
PLN thousand	919 234	756 855
b2. USD thousand	42 029	51 099
PLN thousand	126 590	158 388
b3. other currencies PLN thousand	32 560	153 641
Total other financial investments	22 134 104	19 782 584

Other financial investments by portfolio qualification	31 December 2013	31 December 2012
a) financial assets held for trading	1 131 604	929 091
b) originated loans and own receivables	2 220 034	3 154 762
c) financial assets held to maturity	5 621 548	7 142 820
d) financial assets available for sale	13 160 918	8 555 911
Total other financial investments	22 134 104	19 782 584

Other financial investments – in financial instruments	31 December 2013	31 December 2012
a) issued by the State Treasury or international organizations to which the Republic of Poland belongs	6 376 822	7 662 709
- long-term investments	5 895 299	4 849 740
- short-term investments	481 523	2 812 969
b) guaranteed by the State Treasury or international organizations to which the Republic of Poland belongs	303 068	703 499
c) issued by the National Bank of Poland	-	-
d) guaranteed by the National Bank of Poland	-	-
e) issued by local government units or their associations, or by the capital city of Warsaw	26 253	52 759
f) guaranteed by local government units or their associations, or by the capital city of Warsaw	-	-
g) other	15 427 961	11 363 617
Total other financial investments – in financial instruments	22 134 104	19 782 584

Securities (other financial investments)	31 December 2013	31 December 2012
a) listed on a regulated market	7 433 573	9 375 091
b) not listed on a regulated market	407 997	1 367 808
Total securities (other financial investments)	7 841 570	10 742 899

Shares and other variable income securities (carrying amount)	31 December 2013	31 December 2012
a) shares and stock including:	69	353 295
- long-term investments	69	285 140
b) debt securities, including:	-	-
- long-term investments	-	-
c) other (by type)	12 264 149	6 860 257
units and investment certificates in investment funds	12 264 149	6 860 257
- including: long-term investments	12 264 149	6 730 281
Shares and other variable income securities total	12 264 218	7 213 552

Change in the balance of investments in shares and other variable income securities (by type)	31 December 2013	31 December 2012
a) opening balance	7 213 552	1 284 125
Shares and other variable income securities	353 295	817 760
Units and investment certificates in investment funds	6 860 257	466 365
b) increases (due to)	6 568 338	7 567 983
- purchase	6 025 279	7 240 414
- value adjustment	543 059	327 569
- other	-	-
c) decreases (due to)	1 517 672	1 638 556
-disposal	1 457 021	1 607 412
- value adjustment	60 651	31 144
- other	-	-
d) closing balance	12 264 218	7 213 552
Shares and other variable income securities	69	353 295
Units and investment certificates in investment funds	12 264 149	6 860 257

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

Shares, stock and other variable income financial instruments (long-term investments) by disposability	31 December 2013	31 December 2012
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
C. Unrestricted, not quoted on a regulated market (carrying amount)	12 264 218	6 730 349
a) stock (carrying amount)	69	68
- revaluation adjustments (for the period)	1	-
- opening balance	68	68
- at purchase price	12 788	12 788
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	12 264 149	6 730 281
closed investment fund units (carrying value)	12 264 149	6 730 281
- revaluation adjustments (for the period)	5 533 868	6 395 307
- opening balance	6 730 281	334 974
- at purchase price	11 494 781	6 441 466
loans (carrying amount)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
D. Restricted (carrying amount)	-	-
a) shares or stock (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
b) bonds (carrying amount):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
c) other – by group (carrying value)	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- at purchase price	-	-
At purchase price, total	11 507 569	6 686 994
Opening balance total	7 015 421	529 076
Revaluation adjustments (for the period) total	5 248 797	6 486 345
Total carrying amount	12 264 218	7 015 421

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

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

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

2.5.1 Transfer of a portion of financial investments to funds

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

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

Debt instruments

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

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

Equity instruments

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

On 28 March 2013, TFI PZU awarded investment certificates corresponding to the value of the aforementioned payments, to PZU SA of PLN 724,394 thousand..

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

2.5.2 Other loans

Other loans	31 December 2013		31 December 2012	
	Carrying amount	Type of collateral	Carrying amount	Type of collateral
Buy-sell-back transactions	1 245 253	Securities	584 708	Securities
Collateralized with assets loans, other than mortgage	474 824	Pledges on shares, liability portfolios as well as bank accounts, other loans or other forms of collateral	456 215	Pledges on shares, liability portfolios as well as bank accounts, other loans or other forms of collateral
Other loans, total	1 720 077		1 040 923	

2.5.3 Debt securities issued by companies and local government authorities

Debt securities by issuer as at 31 December 2013	Valuation method	Purchase price	Carrying amount	Adjusted acquisition price	Fair value
Companies from WIG – Banki	measured at fair value	90 661	91 811	91 811	-
	measured at adjusted acquisition price	335 556	337 478	b.d.	-
Companies from WIG-Paliwa	measured at fair value	13 489	13 619	13 619	-
Foreign banks	measured at adjusted acquisition price	69 622	70 449	b.d.	-
Local authorities	measured at adjusted acquisition price	25 000	26 253	b.d.	-
Total		534 328	539 611	n.d.	-

Debt securities by issuer as at 31 December 2012	Valuation method	Purchase price	Carrying amount	Adjusted acquisition price	Fair value
Companies from WIG – Banki	measured at fair value	93 065	94 124	94 124	-
	measured at adjusted acquisition price	25 000	25 296	n/a	-
	measured at adjusted acquisition price	545 000	555 830	n/a	-
Companies from WIG-Paliwa	measured at adjusted acquisition price	119 390	127 289	127 289	-
	measured at adjusted acquisition price	450 000	450 793	n/a	-
Domestic banks not listed	measured at adjusted acquisition price	22 500	23 234	n/a	-
Foreign banks	measured at adjusted acquisition price	69 622	69 426	n/a	-
Local authorities	measured at fair value	22 816	26 505	26 505	-
	measured at adjusted acquisition price	25 000	26 255	27 199	-
Other	measured at adjusted acquisition price	23 500	23 543	n/a	-
Total		1 395 893	1 422 295	n/a	-

2.5.4 Debt securities issued by state treasuries other than polish

As at 31 December 2013:

Issuer	Currency	Valuation method	Purchase price	Carrying amount	Fair value	Adjusted acquisition price
Iceland	USD	measured at fair value	33 078	31 160	31 160	-
Germany	EUR	measured at fair value	129 700	126 939	126 939	-
Romania	EUR	measured at fair value	166 036	170 152	170 152	-
Slovenia	EUR	measured at fair value	167 694	191 288	191 288	-
Slovenia	USD	measured at fair value	58 179	56 406	56 406	-
Hungary	EUR	measured at fair value	41 382	46 053	46 053	-
Total			596 069	621 998	621 998	-

As at 31 December 2012:

Issuer	Currency	Valuation method	Purchase price	Carrying amount	Fair value	Adjusted acquisition price
Iceland	USD	measured at fair value	110 290	113 748	113 748	-
Germany	EUR	measured at fair value	62 787	59 448	59 448	-
Romania	EUR	measured at fair value	170 142	172 021	172 021	-
Slovenia	EUR	measured at fair value	54 995	57 788	57 788	-
Slovenia	USD	measured at fair value	38 552	40 867	40 867	-
Hungary	CHF	measured at fair value	4 342	4 306	4 306	-

Issuer	Currency	Valuation method	Purchase price	Carrying amount	Fair value	Adjusted acquisition price
Hungary	EUR	measured at fair value	18 660	20 578	20 578	-
Hungary	HUF	measured at fair value	135 342	132 345	132 345	-
Total			595 110	601 101	601 101	-

2.5.5 Term deposits with credit institutions

Term deposits with credit institutions by maturity period after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	187 694	400 784
b) over 3 months and up to 1 year	-	632 807
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
Term deposits in credit institutions, total	187 694	1 033 591

Term deposits with credit institutions (currency structure)	31 December 2013	31 December 2012
a) in PLN	176 109	786 938
b) in foreign currencies with domestic banks (by currency and translated into PLN)	11 585	246 653
b1. EUR thousand	251	59 422
PLN thousand	1 040	242 930
b2. USD thousand	3 501	1 201
PLN thousand	10 545	3 723
c) in foreign currencies with foreign banks (by currency and translated into PLN)	-	-
Term deposits in credit institutions, total	187 694	1 033 591

2.5.6 Derivatives

Both in 2013 and in 2012, PZU did not apply hedge accounting and had no derivatives to hedge the value of technical provisions.

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

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As at 31 December 2013, PZU held the following derivatives and achieved the following results on transactions involving such instruments in 2013:

Risk hedged	Acquisition / issue purpose	Scope and nature of instrument	Currency	Pricing, maturity, expiry or realization date	Early settlement opportunity – period or day if available	Exchange ability to another asset or liability	Additional collateral related to the instrument, accepted or submitted	Nominal value as of 31 December 2013	Nominal value as of 31 December 2013 translated into '000 PLN	Number as of 31 December 2013	Position as at 31 December 2013 (short/ long)	Assets – carrying amount	Liabilities – carrying amount in '000 PLN	Realized gain/loss in 2013 in '000 PLN	Unrealized gain/loss in 2013 in '000 in PLN
Forex risk	trade	Forward contract for raw materials	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(122)	-
Forex risk	trade	Forward contract for interest rate	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	2 661	-
Forex risk	trade	Forward contract for interest rate	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4 208)	-
Forex risk	trade	Forward contract for interest rate	CHF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(6 577)	-
Forex risk	trade	Forward contract for interest rate	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	4 981	-
Forex risk	trade	Forward contract for interest rate	EUR	2014-03-20	Yes	None	None	28 638	118 765	250	long	280	-	-	280
Forex risk	trade	Forward contract for interest rate	EUR	2014-03-20	Yes	None	None	35 338	146 552	250	Short	2 260	-	-	2 260
Interest rate risk	trade	FRA	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(2 118)	-
Interest rate risk	trade	FRA	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 581	-
Interest rate risk	trade	FRA	ZAR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(5 077)	-
Interest rate risk	trade	FRA	PLN	2015-05-08	Yes	None	None	500 000	500 000	1	n/a	-	376	-	(376)
Interest rate risk	trade	FRA	PLN	2015-05-19	Yes	None	None	500 000	500 000	1	n/a	571	-	-	571
Interest rate risk	trade	FRA	PLN	2014-11-20	Yes	None	None	150 000	150 000	1	n/a	-	270	-	(270)
Interest rate risk	trade	FRA	PLN	2015-09-28	Yes	None	None	125 000	125 000	1	n/a	-	104	-	(104)
Forex risk	trade	Futures	CAD	n/a	n/a	n/a	n/a	n/a	n/d	n/a	n/a	-	-	(2 968)	-
Forex risk	trade	Futures	CZK	n/a	n/a	n/a	n/a	n/a	n/d	n/a	n/a	-	-	(2 813)	-
Forex risk	trade	Futures	EUR	n/a	n/a	n/a	n/a	n/a	n/d	n/a	n/a	-	-	(3 538)	-
Forex risk	trade	Futures	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(244)	-
Forex risk	trade	Futures	JPY	n/d	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	698	-
Forex risk	trade	Futures	RON	n/d	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	768	-
Forex risk	trade	Futures	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	919	-
Forex risk	trade	Futures	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4 270)	-
Forex risk	trade	Futures	EUR	2014-01-10	Yes	None	None	1 900	7 880	1	Short	122	-	-	122
Forex risk	trade	FX SWAP	CHF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	106	-
Forex risk	trade	FX SWAP	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 223)	-
Forex risk	trade	FX SWAP	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 945)	-
Forex risk	trade	FX SWAP	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(5)	-
Forex risk	trade	FX SWAP	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(311)	-
Forex risk	trade	FX SWAP	TRY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1 472	-
Forex risk	trade	FX SWAP	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(12 341)	-
Forex risk	trade	FX SWAP	EUR	2014-01-10	Yes	None	None	10 800	44 790	1	n/a	682	-	-	682
Forex risk	trade	FX SWAP	EUR	2014-01-10	Yes	None	None	40 800	169 206	1	n/a	2 577	-	-	2 577
Forex risk	trade	FX SWAP	EUR	2014-01-10	Yes	None	None	41 100	170 450	1	n/a	2 596	-	-	2 596
Forex risk	trade	FX SWAP	EUR	2014-01-08	Yes	None	None	25 000	103 680	1	n/a	-	316	-	(316)

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Forex risk	trade	FX SWAP	USD	2014-01-10	Yes	None	None	13 300	40 060	1	n/a	1 102	-	-	1 102
Forex risk	trade	FX SWAP	USD	2014-01-10	Yes	None	None	18 000	54 216	1	n/a	1 492	-	-	1 492
Interest rate risk	trade	IRS	BRL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 411)	-
Interest rate risk	trade	IRS	CAD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(4 604)	-
Interest rate risk	trade	IRS	CZK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	4 398	-
Interest rate risk	trade	IRS	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 003)	-
Interest rate risk	trade	IRS	HUF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(1 339)	-
Interest rate risk	trade	IRS	JPY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	(816)	-
Interest rate risk	trade	IRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	20 789	-
Interest rate risk	trade	IRS	RUB	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	13	-
Interest rate risk	trade	IRS	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	986	-
Interest rate risk	trade	IRS	BRL	2018-01-02	Yes	None	None	1 201 332	1 532 059	5	n/a	9 204	10 808	-	(1 604)
Interest rate risk	trade	IRS	CZK	2017-07-29	Yes	None	None	2 500 000	378 250	1	n/a	4 247	-	-	4 247
Interest rate risk	trade	IRS	CZK	2017-08-03	Yes	None	None	1 225 000	185 343	1	n/a	2 178	-	-	2 178
Interest rate risk	trade	IRS	CZK	2017-08-16	Yes	None	None	1 250 000	189 125	1	n/a	2 265	-	-	2 265
Interest rate risk	trade	IRS	CZK	2017-10-19	Yes	None	None	2 500 000	378 250	2	n/a	-	2 348	-	(2 348)
Interest rate risk	trade	IRS	CZK	2017-10-21	Yes	None	None	2 400 000	363 120	2	n/a	-	2 039	-	(2 039)
Interest rate risk	trade	IRS	CZK	2017-11-21	Yes	None	None	4 100 000	620 330	1	n/a	-	492	-	(492)
Interest rate risk	trade	IRS	EUR	2017-06-19	Yes	None	None	95 000	393 984	1	n/a	284	-	-	284
Interest rate risk	trade	IRS	EUR	2017-07-09	Yes	None	None	100 000	414 720	1	n/a	851	-	-	851
Interest rate risk	trade	IRS	EUR	2017-08-02	Yes	None	None	97 000	402 278	1	n/a	1 403	-	-	1 403
Interest rate risk	trade	IRS	HUF	2020-04-30	Yes	None	None	2 000 000	27 938	1	n/a	3 785	-	(2 256)	3 785
Interest rate risk	trade	IRS	HUF	2020-05-11	Yes	None	None	2 000 000	27 938	2	n/a	-	4 405	2 785	(4 405)
Interest rate risk	trade	IRS	PLN	2014-04-14	Yes	None	None	200 000	200 000	2	n/a	3 811	3 808	(2)	3
Interest rate risk	trade	IRS	PLN	2014-05-10	Yes	None	None	100 000	100 000	1	n/a	2 004	-	(1 782)	2 004
Interest rate risk	trade	IRS	PLN	2014-09-29	Yes	None	None	132 500	132 500	1	n/a	2 006	-	(1 421)	2 006
Interest rate risk	trade	IRS	PLN	2014-10-01	Yes	None	None	66 000	66 000	1	n/a	986	-	(698)	986
Interest rate risk	trade	IRS	PLN	2014-10-06	Yes	None	None	265 000	265 000	1	n/a	3 833	-	(2 695)	3 833
Interest rate risk	trade	IRS	PLN	2014-10-08	Yes	None	None	66 000	66 000	1	n/a	978	-	(697)	978
Interest rate risk	trade	IRS	PLN	2014-10-20	Yes	None	None	236 500	236 500	2	n/a	3 176	-	(2 221)	3 176
Interest rate risk	trade	IRS	PLN	2014-11-20	Yes	None	None	1 100 000	1 100 000	3	n/a	2 376	-	1 497	2 376
Interest rate risk	trade	IRS	PLN	2015-01-08	Yes	None	None	900 000	900 000	3	n/a	2 386	471	-	1 915
Interest rate risk	trade	IRS	PLN	2015-01-09	Yes	None	None	250 000	250 000	1	n/a	1 127	-	-	1 127
Interest rate risk	trade	IRS	PLN	2015-01-15	Yes	None	None	475 000	475 000	2	n/a	-	752	-	(752)
Interest rate risk	trade	IRS	PLN	2015-05-11	Yes	None	None	500 000	500 000	2	n/a	-	1 793	-	(1 793)
Interest rate risk	trade	IRS	PLN	2015-05-19	Yes	None	None	1 900 000	1 900 000	5	n/a	-	6 146	-	(6 146)
Interest rate risk	trade	IRS	PLN	2015-06-10	Yes	None	None	750 000	750 000	5	n/a	3 192	7 706	4 255	(4 514)
Interest rate risk	trade	IRS	PLN	2015-06-18	Yes	None	None	200 000	200 000	2	n/a	29	-	-	29
Interest rate risk	trade	IRS	PLN	2015-07-13	Yes	None	None	275 000	275 000	1	n/a	-	8 271	-	(1 926)
Interest rate risk	trade	IRS	PLN	2015-07-31	Yes	None	None	275 000	275 000	1	n/a	6 787	-	-	1 754
Interest rate risk	trade	IRS	PLN	2017-01-08	Yes	None	None	900 000	900 000	3	n/a	1 608	-	-	1 608
Interest rate risk	trade	IRS	PLN	2017-01-09	Yes	None	None	250 000	250 000	1	n/a	840	-	-	840
Interest rate risk	trade	IRS	PLN	2017-01-16	Yes	None	None	475 000	475 000	2	n/a	-	324	-	(324)
Interest rate risk	trade	IRS	PLN	2017-07-29	Yes	None	None	425 000	425 000	1	n/a	415	-	-	415

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Interest rate risk	trade	IRS	PLN	2017-09-28	Yes	None	None	50 000	50 000	1	n/a	-	1 647	1 734	(1 647)
Interest rate risk	trade	IRS	PLN	2017-10-02	Yes	None	None	25 000	25 000	1	n/a	-	820	868	(820)
Interest rate risk	trade	IRS	PLN	2017-10-04	Yes	None	None	112 500	112 500	1	n/a	-	3 482	3 718	(3 482)
Interest rate risk	trade	IRS	PLN	2017-10-09	Yes	None	None	25 000	25 000	1	n/a	-	811	867	(811)
Interest rate risk	trade	IRS	PLN	2017-10-19	Yes	None	None	100 000	100 000	2	n/a	-	2 776	3 060	(2 776)
Interest rate risk	trade	IRS	PLN	2017-11-20	Yes	None	None	312 500	312 500	2	n/a	-	8 803	(173)	(8 803)
Interest rate risk	trade	IRS	PLN	2018-07-12	Yes	None	None	112 500	112 500	1	n/a	5 092	-	-	(856)
Interest rate risk	trade	IRS	PLN	2018-07-31	Yes	None	None	125 000	125 000	1	n/a	-	4 236	-	1 115
Interest rate risk	trade	IRS	PLN	2023-06-20	Yes	None	None	130 000	130 000	1	n/a	3 448	-	-	3 448
Interest rate risk	trade	IRS	PLN	2023-06-28	Yes	None	None	25 000	25 000	1	n/a	405	-	(342)	405
Interest rate risk	trade	IRS	PLN	2017-08-19	Yes	None	None	225 000	225 000	1	n/a	-	1 525	-	(1 525)
Interest rate risk	trade	IRS	PLN	2023-09-09	Yes	None	None	130 000	130 000	1	n/a	810	-	-	810
Interest rate risk	trade	IRS	PLN	2023-09-11	Yes	None	None	25 000	25 000	1	n/a	787	-	-	787
Interest rate risk	trade	IRS	PLN	2017-09-17	Yes	None	None	215 000	215 000	1	n/a	1 632	-	-	1 632
Interest rate risk	trade	IRS	PLN	2017-11-07	Yes	None	None	425 000	425 000	1	n/a	53	-	-	53
Interest rate risk	trade	IRS	PLN	2018-11-12	Yes	None	None	175 000	175 000	1	n/a	-	1 018	-	(1 018)
Interest rate risk	trade	IRS	PLN	2016-11-14	Yes	None	None	150 000	150 000	1	n/a	84	-	-	84
Interest rate risk	trade	IRS	PLN	2016-11-30	Yes	None	None	275 000	275 000	1	n/a	-	25	-	(25)
Interest rate risk	trade	IRS	PLN	2023-12-11	Yes	None	None	15 000	15 000	1	n/a	84	-	-	84
Interest rate risk	trade	IRS	PLN	2015-12-11	Yes	None	None	67 500	67 500	1	n/a	-	104	-	(104)
Interest rate risk	trade	IRS	PLN	2023-12-20	Yes	None	None	12 500	12 500	1	n/a	-	99	-	(99)
Interest rate risk	trade	IRS	RUB	2016-04-13	Yes	None	None	650 000	59 410	2	n/a	-	1 434	926	(1 434)
Interest rate risk	trade	IRS	RUB	2016-04-15	Yes	None	None	650 000	59 410	2	n/a	2 136	-	(2 292)	2 136
Interest rate risk	trade	IRS	SEK	2017-11-11	Yes	None	None	860 000	403 684	1	n/a	-	1 155	-	(1 155)
Interest rate risk	trade	IRS	USD	2017-07-09	Yes	None	None	128 000	385 536	1	n/a	-	2 231	-	(2 231)
Interest rate risk	trade	IRS	USD	2023-01-08	Yes	None	None	44 500	134 034	1	n/a	6 572	-	-	6 572
Interest rate risk	trade	IRS	USD	2023-01-30	Yes	None	None	50 000	150 600	1	n/a	3 627	-	-	3 627
Interest rate risk	trade	IRS	USD	2023-03-12	Yes	None	None	69 500	209 334	1	n/a	-	9 024	-	(9 024)
Interest rate risk	trade	IRS	USD	2023-05-14	Yes	None	None	111 000	334 332	1	n/a	15 685	-	-	15 685
Interest rate risk	trade	IRS	USD	2023-05-21	Yes	None	None	114 000	343 368	1	n/a	-	16 979	-	(16 979)
Interest rate risk	trade	IRS	USD	2023-09-16	Yes	None	None	5 600	16 867	1	n/a	-	-	606	-
Interest rate risk	trade	IRS	USD	2017-10-26	Yes	None	None	128 000	385 536	1	n/a	-	1 645	-	(1 645)
Interest rate risk	trade	IRS	ZAR	2014-10-01	Yes	None	None	2 250 000	645 075	1	n/a	-	2 079	-	(1 946)
Interest rate risk	trade	IRS	ZAR	2014-09-22	Yes	None	None	2 250 000	645 075	1	n/a	1 497	-	584	1 497
Interest rate risk	trade	IRS	ZAR	2022-09-20	Yes	None	None	637 500	182 771	1	n/a	-	7 514	-	(7 585)
Interest rate risk	trade	IRS	ZAR	2022-10-03	Yes	None	None	637 500	182 771	1	n/a	7 249	-	-	7 632
TOTAL												120 614	117 836	(11 240)	3 938

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

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

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

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

2.6. Investment risks

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

Key elements of risk management in PZU include:

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

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

The risk appetite 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:

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

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

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

2.6.1 Interest rate risk

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

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

As at 31 December 2013, the value of financial instruments directly exposed to interest rate risk in the held for trading and available for sale portfolio amounted to PLN 2,016.6 million (2,271.4 million as at 31 December 2012).

As at 31 December 2013, the value of instruments exposed to interest rate risk in the held to maturity portfolio was PLN 5,621,5 million (as at 31 December 2012: PLN 7,142.8 million).

As at 31 December 2013, the value of debt securities held in the loan portfolio amounted to PLN 312.3 million (PLN 1,053.4 million as at 31 December 2012).

The change results from the transfer of securities to fund portfolios, presented in the financial statements as participation units.

As at 31 December 2013, the value of units in cash and debt investment funds was PLN 1,962.3 million (compared to PLN 5,286.1 million as at 31 December 2012). The value change results from one debt fund changing its profile to stable growth.

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.

As at 31 December 2013, financial instruments exposed to the equity risk amounted to PLN 7,005.5 million and included shares and unlisted shares of PLN 4,957.2 million as well as units in equity fund of PLN 2,048.3 million (as at 31 December 2012: PLN 8,444.5 million including quoted shares of PLN 353.2 million, unquoted shares of PLN 7,517.4 million and share fund participation units of PLN 574.9 million).

As at 31 December 2013, the value of stable growth and balanced investment funds amounted to PLN 7,151.7 million (PLN 531.2 million as at 31 December 2012).

2.6.3 Credit risk

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

The tables below present the value of items exposed to the credit risk, broken down by rating categories, in 2013 and 2012. The following assumption has been adopted:

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

Assets with a credit risk - balance as of 31 December 2013 (PLN million)	AAA	AA	A	BBB	BB	Lower than BB or not rated	Total
Debt securities and other fixed income securities	127	-	7 058	540	46	70	7 841
- held to maturity	-	-	5 526	25	-	70	5 621
- available for sale	127	-	747	23	-	-	897
- measured at fair value	-	-	764	201	46	-	1 011
- loans	-	-	21	291	-	-	312
Bank deposits and repo transactions involving treasury securities	-	-	1 281	55	97	-	1 433
Mortgage loans	-	-	-	-	-	-	-
Other loans	-	-	-	-	23	452	475
Derivatives	-	11	69	20	-	21	121
Reinsurers' share in net claim provisions	-	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	-	3	3
Receivables from reinsurance	-	-	-	-	-	-	-
Total assets exposed to credit risk	127	11	8 408	615	166	546	9 873

Assets with a credit risk - balance as of 31 December 2012 (PLN million)	AAA	AA	A	BBB	BB	Lower than BB or not rated	Total
Debt securities and other fixed income securities	59	-	9 069	937	280	45	10 390
- held to maturity	-	-	7 048	95	-	-	7 143
- available for sale	59	-	1 301	57	123	-	1 540
- measured at fair value	-	-	210	286	157	-	653
- loans	-	-	510	499	-	45	1 054
Bank deposits and repo transactions involving treasury securities	-	-	932	611	76	-	1 619
Mortgage loans	-	-	-	-	-	27	27
Other loans	-	-	-	-	-	456	456
Derivatives	-	5	56	17	-	-	78
Reinsurers' share in net claim provisions	-	155	313	21	-	50	539
Deposits with ceding undertakings	-	-	-	-	-	4	4
Receivables from reinsurance	-	5	5	1	-	4	15
Total assets exposed to credit risk	59	165	10 375	1 587	356	586	13 128

As at 31 December 2013, the maximum potential credit loss for PZU was PLN 345.08 million (as at 31 December 2012: PLN 479.2 million). The amount has been based on average accumulated probability ratios regarding insolvency for a ten-year horizon in a given rating group as published by Standard&Poor's and presented below:

Rating	AAA	AA	A	BBB	BB	Lower than BB or not rated¹⁾
The ratio for the conversion as at 31 December 2013 (%)	0.76	0.88	1.65	4.59	15.09	27.84
The ratio for the conversion as at 31 December 2012 (%)	0.78	0.86	1.77	4.88	15.59	28.70

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

2.6.4 Risk concentration

As at 31 December 2013, the Company held securities issued by the Polish Ministry of Finance with contingent transactions relating to those securities of PLN 7,622.1 million (31 December 2012: PLN 8,247.4 million), which was 27.6% of the value of investments (31 December 2012: 29.9%).

As at 31 December 2013, the Company's exposure to controlled entities (including TFI PZU investment fund units and bonds issued by these funds) was PLN 17,221.4 million (PLN 14,127.0 million as at 31 December 2012), which accounted for 62.4% of investments (51.2% as at 31 December 2012).

2.6.5 Real property risk

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

Exposure to real property risk results from investing in property and investment certificates of funds that invest in the real property sector. As at 31 December 2013, the value of investments exposed to real property risk was PLN 1,617.6 million (as at 30 December 2012: PLN 1.097,3), including PLN 1,102.5 million in investment certificates of the real property sector funds (as at 31 December 2012: PLN 535.7).

2.6.6 Currency risk

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

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

As at 31 December 2013, the mismatch was plus PLN 385.7 million (the value of assets denominated in foreign currencies was PLN 1,018.6 million and the value of technical provisions denominated in foreign currencies net of reinsurance was PLN 632.9 million). For comparison, at the end of 2012, the currency mismatch was PLN 569.3 million (value of assets denominated in foreign currencies was PLN 1,185.5 million and the value of technical provisions denominated in foreign currencies was PLN 616.2 million).

2.7. Deposits with ceding undertakings

Deposits with ceding undertakings (currency structure)	31 December 2013	31 December 2012
a) deposits denominated in PLN including with:	-	-
b) deposits denominated in foreign currencies including with:	2 914	4 142
- subsidiaries, including:	2 827	3 813
b1. EUR thousand	682	933
PLN thousand	2 827	3 813
- other, including:	87	329
b1. EUR thousand	-	57
PLN thousand	-	231
b2. USD thousand	27	31
PLN thousand	87	98
c) impairment loss	-	-
Deposits with ceding undertakings (gross)	2 914	4 142

Both in 2013 and 2012, no impairment losses on deposits with ceding undertakings occurred.

Deposits with ceding undertakings by maturity period after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	2 914	4 142
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
Deposits with ceding undertakings total	2 914	4 142

3. Receivables

Geographical structure in receivables	31 December 2013				31 December 2012			
	Domestic	Foreign – EU countries	Other countries	Total	Domestic	Foreign – EU countries	Other countries	Total
I. Receivables from direct insurance	1 280 502	2 256	45	1 282 803	1 274 041	2 026	22	1 276 089
1. Receivables from policyholders	1 147 893	926	45	1 148 864	1 102 659	753	22	1 103 434
2. Receivables from insurance intermediaries	108 974	23	-	108 997	136 225	-	-	136 225
3. Other receivables	23 635	1 307	-	24 942	35 157	1 273	-	36 430
II. Receivables from reinsurance	15 030	2 545	654	18 229	2 766	7 903	3 929	14 598
III. Other receivables	128 231	44 801	22 573	195 605	169 446	7 025	6 794	183 265
1. Receivables from the State Budget	33 968	-	-	33 968	81 050	-	-	81 050
2. Other receivables	94 263	44 801	22 573	161 637	88 396	7 025	6 794	102 215
Total receivables	1 423 763	49 602	23 272	1 496 637	1 446 253	16 954	10 745	1 473 952

3.1. Receivables from direct insurance

Receivables from direct insurance	31 December 2013	31 December 2012
a) receivables from policyholders including:	1 148 864	1 103 434
- from controlled entities	15	368
- domestic	15	368
- foreign	-	-
- from other entities	1 148 849	1 103 066
- domestic	1 147 878	1 102 291
- foreign	971	775
b) receivables from intermediaries, including:	108 997	136 225
- from controlled entities	-	-
- domestic	-	-
- foreign	-	-
- from other entities	108 997	136 225
- domestic	108 974	136 225
- foreign	23	-
c) other receivables, including:	24 942	36 430
- from controlled entities	-	-
- domestic	-	-
- foreign	-	-
- from other entities	24 942	36 430
- domestic	23 635	35 157
- foreign	1 307	1 273
Receivables from direct insurance (net)	1 282 803	1 276 089
d) impairment losses	560 021	532 148
Receivables from direct insurance (gross)	1 842 824	1 808 237

Receivables from direct insurance with maturity periods after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	791 634	840 974
b) over 3 months and up to 1 year	418 187	415 538
c) over 1 year and up to 5 years	72 982	19 573
d) over 5 years	-	4
Receivables from direct insurance total	1 282 803	1 276 089

Receivables from direct insurance (net)	31 December 2013	31 December 2012
a) from subsidiaries	15	236
b) from co-subsidiaries	-	-
c) from associates	-	132
d) from a major investor	-	-
e) from a shareholder in a co-subsidiary	-	-
f) from holding company	-	-
g) other	1 282 788	1 275 721
Receivables from direct insurance total	1 282 803	1 276 089

Receivables from direct insurance (currency structure)	31 December 2013	31 December 2012
a) in PLN	1 282 803	1 276 089
b) in foreign currencies (by currency and translated to PLN)	-	-
b1. EUR thousand	-	-
PLN thousand	-	-
b2. USD thousand	-	-
PLN thousand	-	-
Receivables from direct insurance total	1 282 803	1 276 089

Balance of co-insurance settlements	31 December 2013	31 December 2012
Balance of co-insurance settlements	216 263	125 374

3.2. Receivables from reinsurance

Receivables from reinsurance	31 December 2013	31 December 2012
a) current receivables from inward reinsurance	11 111	1 517
- from domestic ceding undertakings	10 927	1 307
- from foreign ceding undertakings	184	210
b) current receivables from outward reinsurance including:	7 118	13 081
- from domestic reinsurers	4 103	1 459
- from foreign reinsurers	3 015	11 622
c) current receivables from retrocession including:	-	-
- domestic	-	-
- foreign	-	-
d) receivables from reinsurance commission brought forward	-	-
e) receivables from reinsurers' share in claims paid	-	-
Receivables from reinsurance (net) total	18 229	14 598
f) impairment losses	4 620	3 959
Receivables from reinsurance (gross) total	22 849	18 557

Receivables from reinsurance	31 December 2013	31 December 2012
a) from subsidiaries	30	3
b) from co-subsidiaries	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from a shareholder in a co-subsidiary	-	-
f) from holding company	-	-
g) other	18 199	14 595
Receivables from reinsurance total	18 229	14 598

Receivables from reinsurance	31 December 2013	31 December 2012
a) current receivables from inward reinsurance including:	11 111	1 517
- from ceding undertakings being subsidiaries	30	3
- from ceding undertakings being co-subsidiaries	-	-
- from ceding undertakings being associates	-	-
- from a ceding undertaking being a major investor	-	-
- from a ceding undertaking being a shareholder in a co-subsidiary	-	-
- from a ceding undertaking being the holding company	-	-
b) current receivables from outward reinsurance including:	7 118	13 081
- from ceding undertakings being subsidiaries	-	-
- from ceding undertakings being co-subsidiaries	-	-
- from ceding undertakings being associates	-	-
- from a ceding undertaking being a major investor	-	-
- from a ceding undertaking being a shareholder in a co-subsidiary	-	-
- from a ceding undertaking being the holding company	-	-
c) current receivables from retrocession including:	-	-
- from subsidiaries	-	-
- from co-subsidiaries	-	-
- from associates	-	-
- from a major investor	-	-
- from a shareholder in a co-subsidiary	-	-
- from the holding company	-	-
d) other	-	-
Receivables from reinsurance total	18 229	14 598

Receivables from reinsurance (net) with maturity periods after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	14 316	12 268
b) over 3 months and up to 1 year	2 555	1 231
c) over 1 year and up to 5 years	509	232
d) over 5 years	849	867
Receivables from reinsurance (net) total	18 229	14 598

Receivables from reinsurance (currency structure)	31 December 2013	31 December 2012
a) in PLN	16 681	12 909
b) in foreign currencies (by currency and translated to PLN)	1 548	1 689
b1. EUR thousand	170	200
PLN thousand	706	816
b2. USD thousand	280	282
PLN thousand	842	873
Receivables from reinsurance total	18 229	14 598

3.3. Other receivables

Other receivables	31 December 2013	31 December 2012
a) receivables from the state budget	33 968	81 050
b) receivables from guarantees and letters of credit	-	-
c) other receivables, including:	161 637	102 215
- Receivables from the Company's Social Benefits Fund	57 066	58 999
- Receivables from PGK due to CIT advances refund	41 544	2 325
- Receivables due to margin deposits and investment transactions not accounted for	30 558	8 778
- Receivables from prevention activities	13 249	11 839
- Receivables from loss adjusting services	6 316	5 354
- Receivables from shortages and damage	3 993	4 266
- Retained guarantee deposits	3 421	4 006
- Advance payments for suppliers	723	800
- Receivables from PTE PZU arising from commission for acquisition activities on behalf of OPE	-	98
Total other receivables (net)	195 605	183 265
d) impairment losses	15 183	15 634
Other receivables (gross) total	210 788	198 899

Other receivables	31 December 2013	31 December 2012
a) from subsidiaries	43 112	4 430
b) from co-subsidiaries	-	-
c) from associates	-	-
d) from a major investor	-	-
e) from a shareholder in a co-subsidiary	-	-
f) from holding company	-	-
g) other	152 493	178 835
Total other receivables	195 605	183 265

Other receivables by maturity period after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	185 626	173 225
b) over 3 months and up to 1 year	824	1 715
c) over 1 year and up to 5 years	9 019	7 926
d) over 5 years	136	399
Total other receivables	195 605	183 265

Other receivables (currency structure)	31 December 2013	31 December 2012
a) in PLN	163 873	182 255
b) in foreign currencies (by currency and translated to PLN)	31 732	1 010
b1. EUR thousand	6 194	246
PLN thousand	25 686	1 007
b2. USD thousand	2 001	1
PLN thousand	6 028	3
b3. CHF thousand	18	-
Total other receivables	195 605	183 265

3.4. Other information on receivables

3.4.1 Change in impairment loss on receivables by type

Change in impairment loss on receivables by type	31 December 2013	31 December 2012
a) opening balance (by type of receivable)	551 741	525 660
impairment losses on receivables from direct insurance	532 148	478 957
impairment losses on receivables from reinsurance	3 959	4 848
impairment losses on other receivables	15 634	41 855
b) increases (due to)	40 599	90 448
impairment losses on receivables from direct insurance	39 202	90 151
impairment losses on receivables from reinsurance	1 279	89
impairment losses on other receivables	118	208
c) decreases (due to)	12 516	64 367
-assigned	2 835	25 285
impairment losses on receivables from direct insurance	2 324	595
impairment losses on receivables from reinsurance	-	116
impairment losses on other receivables	511	24 574
-impairment losses reversed following repayment and other bases	9 681	39 082
impairment losses on receivables from direct insurance	9 005	36 365
impairment losses on receivables from reinsurance	618	862
impairment losses on other receivables	58	1 855
d) closing balance (by type of receivable)	579 824	551 741
impairment losses on receivables from direct insurance	560 021	532 148
impairment losses on receivables from reinsurance	4 620	3 959
impairment losses on other receivables	15 183	15 634

3.4.2 Overdue receivables

Overdue receivables	31 December 2013	31 December 2012
a) up to 3 months	142 179	79 088
- receivables from direct insurance	139 498	75 349
- receivables from reinsurance	-	-
- other receivables	2 681	3 739
b) over 3 months	159 265	230 862
- receivables from direct insurance	138 428	209 335
- receivables from reinsurance	-	-
- other receivables	20 837	21 527
Total overdue receivables including:	301 444	309 950
a) up to 3 months	142 179	79 088
b) over 3 months	159 265	230 862

4. Other assets

4.1. Tangible assets

Tangible assets	31 December 2013	31 December 2012
a) technical equipment and machines	34 148	26 666
b) vehicles	44 193	37 960
c) other fixed assets	20 232	20 980
d) fixed assets under construction	5 161	11 101
e) advance payments for fixed assets under construction	-	-
f) inventory	214	1 874
g) claim recoveries	246	387
Total tangible assets	104 194	98 968

Tangible assets – ownership structure	31 December 2013	31 December 2012
a) own	104 194	98 968
b) leased	-	-
Total tangible assets	104 194	98 968

Fixed assets (balance sheet) – ownership structure	31 December 2013	31 December 2012
a) own	104 194	98 968
b) used based on lease, rental or other agreement	-	-
Fixed assets (balance sheet) total	104 194	98 968

Fixed assets (off-balance sheet)	31 December 2013	31 December 2012
a) used based on lease, rental or other agreement including:	112 901	217 594
- lease	112 901	217 594
Fixed assets (off-balance sheet) total	112 901	217 594

In 2013 and 2012, PZU did not incur costs of manufacturing fixed assets under construction and for internal purposes.

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Changes in tangible assets in the year ended 31 December 2013	Technical equipment and machines	Vehicles	Other fixed assets	Fixed assets under construction	Advance payments for fixed assets under construction	Inventories	Claim recoveries	Total tangible assets
a) gross value of fixed assets – opening balance	322 583	76 467	66 570	11 262	-	1 874	387	479 143
b) increases (due to)	22 578	14 960	5 297	26 405	-	1 354	2 006	72 600
- investments	-	-	-	-	-	-	-	-
- donations	-	-	-	-	-	-	-	-
- direct purchase	6 203	-	3 785	26 405	-	-	-	36 393
- reclassification	16 346	14 740	1 259	-	-	-	-	32 345
- other	29	220	253	-	-	1 354	2 006	3 862
c) decreases (due to)	28 844	12 912	10 649	32 506	-	3 014	2 147	90 072
- liquidation	24 773	-	10 438	161	-	-	-	35 372
- sale	1 770	12 912	88	-	-	-	-	14 770
- donations	2 301	-	123	-	-	-	-	2 424
- reclassification	-	-	-	32 345	-	-	-	32 345
- other	-	-	-	-	-	3 014	2 147	5 161
d) gross value of fixed assets – closing balance	316 317	78 515	61 218	5 161	-	214	246	461 671
e) accumulated depreciation – opening balance	295 917	38 507	45 590	-	-	-	-	380 014
f) depreciation for the period (due to)	(13 748)	(4 185)	(4 604)	-	-	-	-	(22 537)
- current year charges	14 867	8 170	5 584	-	-	-	-	28 621
- depreciation of liquidated fixed assets	(24 666)	-	(10 313)	-	-	-	-	(34 979)
- depreciation of fixed assets sold	(1 740)	(12 568)	(88)	-	-	-	-	(14 396)
- depreciation of fixed assets donated	(2 301)	-	(123)	-	-	-	-	(2 424)
- depreciation of fixed assets lost	-	-	-	-	-	-	-	-
- other	92	213	336	-	-	-	-	641
g) accumulated depreciation – closing balance	282 169	34 322	40 986	-	-	-	-	357 477
h) impairment losses – opening balance	-	-	-	161	-	-	-	161
- increases	-	-	-	-	-	-	-	-
- decreases	-	-	-	161	-	-	-	161
i) impairment losses – closing balance	-	-	-	-	-	-	-	-
j) net value of fixed assets – closing balance	34 148	44 193	20 232	5 161	-	214	246	104 194

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Financial Statements for the financial year ended 31 December 2013

Changes in tangible assets in the year ended 31 December 2012	Technical equipment and machines	Vehicles	Other fixed assets	Fixed assets under construction	Advance payments for fixed assets under construction	Inventories	Claim recoveries	Total tangible assets
a) gross value of fixed assets – opening balance	362 436	72 059	103 173	10 440	-	2 954	755	551 817
b) increases (due to)	10 118	20 316	6 314	34 129	-	236	2 714	73 827
- investments	-	-	-	-	-	-	-	-
- donations	-	-	-	-	-	-	-	-
- direct purchase	619	-	1 384	34 129	-	-	-	36 132
- reclassification	9 429	19 725	4 153	-	-	-	-	33 307
- other	70	591	777	-	-	236	2 714	4 388
c) decreases (due to)	49 971	15 908	42 917	33 307	-	1 316	3 082	146 501
- liquidation	45 989	-	41 072	-	-	-	-	87 061
- sale	229	15 908	301	-	-	-	-	16 438
- donations	3 753	-	1 544	-	-	-	-	5 297
- reclassification	-	-	-	33 307	-	-	-	33 307
- other	-	-	-	-	-	1 316	3 082	4 398
d) gross value of fixed assets – closing balance	322 583	76 467	66 570	11 262	-	1 874	387	479 143
e) accumulated depreciation – opening balance	327 115	43 315	80 544	-	-	-	-	450 974
f) depreciation for the period (due to)	(31 198)	(4 808)	(34 954)	-	-	-	-	(70 960)
- current year charges	18 453	9 758	5 847	-	-	-	-	34 058
- depreciation of liquidated fixed assets	(45 807)	-	(39 661)	-	-	-	-	(85 468)
- depreciation of fixed assets sold	(215)	(15 103)	(301)	-	-	-	-	(15 619)
- depreciation of fixed assets donated	(3 753)	-	(1 542)	-	-	-	-	(5 295)
- depreciation of fixed assets lost	-	-	-	-	-	-	-	-
- other	124	537	703	-	-	-	-	1 364
g) accumulated depreciation – closing balance	295 917	38 507	45 590	-	-	-	-	380 014
h) impairment losses – opening balance	-	-	-	166	-	-	-	166
- increases	-	-	-	-	-	-	-	-
- decreases	-	-	-	5	-	-	-	5
i) impairment losses – closing balance	-	-	-	161	-	-	-	161
j) net value of fixed assets – closing balance	26 666	37 960	20 980	11 101	-	1 874	387	98 968

4.2. Cash

Cash	31 December 2013	31 December 2012
a) cash in hand and at bank	72 809	39 196
b) other cash	2 200	2 416
Total cash	75 009	41 612

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

Cash – currency structure	31 December 2013	31 December 2012
a) in PLN	73 650	41 059
b) in foreign currencies (by currency and translated to PLN)	1 359	553
b1. EUR thousand	207	106
PLN thousand	857	432
b2. USD thousand	89	39
PLN thousand	269	121
b3. ZAR thousand	813	-
PLN thousand	233	-
Total cash	75 009	41 612

5. Prepayments and accruals

5.1. Deferred tax assets

Change in deferred tax assets	31 December 2013	31 December 2012
1. Deferred tax assets opening balance including:		
	16 610	125 546
a) charged to financial profit/loss	89 281	137 317
b) charged to equity	(72 671)	(11 771)
c) charged to goodwill or negative goodwill	-	-
2. Increases	59 744	-
a) charged to the financial profit/loss for the period in relation to taxable negative differences (due to)	59 744	-
- occurrence of temporary differences	59 744	-
- changes in tax rates	-	-
- not recognized temporary difference from previous period	-	-
b) charged to the financial profit/loss for the period in relation to tax loss (due to)	-	-
c) charged to equity in relation to taxable negative differences (due to)	-	-
- occurrence of temporary differences	-	-
- changes in tax rates	-	-
- not recognized temporary difference from previous period	-	-
d) charged to equity in relation to tax loss (due to)	-	-
e) charged to goodwill or negative goodwill period in relation to taxable negative differences (due to)	-	-
3. Decreases	73 477	108 936
a) charged to the financial profit/loss for the period in relation to taxable negative differences (due to)	-	48 036
- reversed temporary differences	-	48 036
- changes in tax rates	-	-
- write-off of deferred tax assets	-	-
b) charged to the financial profit/loss for the period in relation to tax loss (due to)	-	-
c) charged to equity in relation to taxable negative differences (due to)	73 477	60 900
- reversed temporary differences	73 477	60 900
- changes in tax rates	-	-
- write-off of deferred tax assets	-	-
d) charged to equity in relation to tax loss (due to)	-	-
e) charged to goodwill or negative goodwill period in relation to taxable negative differences (due to)	-	-

Change in deferred tax assets	31 December 2013	31 December 2012
4. Total deferred tax assets closing balance	2 877	16 610
a) charged to financial profit/loss	149 025	89 281
b) charged to equity	(146 148)	(72 671)
c) charged to goodwill or negative goodwill	-	-

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

Additional information on temporary taxable negative differences	31 December 2013	31 December 2012
a) opening balance of temporary taxable negative differences	16 610	125 546
b) closing balance of temporary taxable negative differences including:	2 877	16 610
negative forex gains expiring within one year	49 189	43 746
negative forex gains expiring within more than one year	(46 312)	(27 136)

5.2. Other prepayments

Other prepayments	31 December 2013	31 December 2012
a) prepayments relating to reinsurance	64 570	54 861
b) IT costs	12 592	8 505
c) other	6 408	7 209
Other prepayments, total	83 570	70 575

6. Changes in impairment losses

Changes in impairment losses in the year ended 31 December 2013.

Item	Impairment losses as of 1 January 2013, including:		Recognized, including:		Reversed, including:		Derecognition of assets from the balance sheet, including:		Other changes, including:		Impairment losses as of 31 December 2013, including:	
	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity
I. Intangible assets	12 996	-	1 209	-	(4 370)	-	-	-	-	-	9 835	-
II. Investments	90 203	818	40 706	2 281	(8 886)	(82)	(17 015)	-	-	-	105 008	3 017
1. Real property	72 668	818	35 033	2 281	(4 494)	(82)	(15 723)	-	-	-	87 484	3 017
2. Investments in controlled entities	4 816	-	4 713	-	(4 359)	-	(1 292)	-	-	-	3 878	-
3. Other financial investments	12 719	-	960	-	(33)	-	-	-	-	-	13 646	-
a) shares and other variable income securities	12 719	-	33	-	(33)	-	-	-	-	-	12 719	-
b) units and investment certificates in investment funds	-	-	927	-	-	-	-	-	-	-	927	-
c) debt securities and other fixed income securities	-	-	-	-	-	-	-	-	-	-	-	-
d) interests in joint ventures (investments)	-	-	-	-	-	-	-	-	-	-	-	-
e) mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-	-	-
g) term deposits with credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
h) other investments (by type)	-	-	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-	-	-
III. Net unit-linked assets	-	-	-	-	-	-	-	-	-	-	-	-
IV. Receivables	551 741	-	40 599	-	(9 681)	-	-	-	(2 835)	-	579 824	-
1. Receivables from direct insurance	532 148	-	39 202	-	(9 005)	-	-	-	(2 324)	-	560 021	-
2. Receivables from reinsurance	3 959	-	1 279	-	(618)	-	-	-	-	-	4 620	-
3. Other receivables	15 634	-	118	-	(58)	-	-	-	(511)	-	15 183	-
3.1. Receivables from the state budget	-	-	-	-	-	-	-	-	-	-	-	-
3.2. Other receivables	15 634	-	118	-	(58)	-	-	-	(511)	-	15 183	-
V. Other assets, including:	161	-	-	-	(161)	-	-	-	-	-	-	-
1. Tangible assets	161	-	-	-	(161)	-	-	-	-	-	-	-
2. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
VI. Prepayments	48	-	22	-	-	-	-	-	-	-	70	-
1. Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-
3. Recognized interest and rent	-	-	-	-	-	-	-	-	-	-	-	-
4. Other prepayments	48	-	22	-	-	-	-	-	-	-	70	-

Changes in impairment losses in the year ended 31 December 2012.

Item	Impairment losses as of 1 January 2012, including:		Recognized, including:		Reversed, including:		Derecognition of assets from the balance sheet, including:		Other changes, including:		Impairment losses as of 31 December 2012, including:	
	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity	charged to financial profit/loss	charged to equity
I. Intangible assets	6 300	-	6 696	-	-	-	-	-	-	-	12 996	-
II. Investments	107 602	818	8 458	-	-19 551	-	-1 900	-	-4 406	-	90 203	818
1. Real property	76 457	818	618	-	-1	-	-	-	-4 406	-	72 668	818
2. Investments in controlled entities	5 792	-	924	-	-	-	-1 900	-	-	-	4 816	-
3. Other financial investments	25 353	-	6 916	-	-19 550	-	-	-	-	-	12 719	-
a) shares and other variable income securities	25 353	-	6 916	-	-19 550	-	-	-	-	-	12 719	-
b) units and investment certificates in investment funds	-	-	-	-	-	-	-	-	-	-	-	-
c) debt securities and other fixed income securities	-	-	-	-	-	-	-	-	-	-	-	-
d) interests in joint ventures (investments)	-	-	-	-	-	-	-	-	-	-	-	-
e) mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-	-	-
g) term deposits with credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
h) other investments (by type)	-	-	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding undertakings	-	-	-	-	-	-	-	-	-	-	-	-
III. Net unit-linked assets	-	-	-	-	-	-	-	-	-	-	-	-
IV. Receivables	525 660	-	90 448	-	-39 082	-	-25 285	-	-	-	551 741	-
1. Receivables from direct insurance	478 957	-	90 151	-	-36 365	-	-595	-	-	-	532 148	-
2. Receivables from reinsurance	4 848	-	89	-	-862	-	-116	-	-	-	3 959	-
3. Other receivables	41 855	-	208	-	-1 855	-	-24 574	-	-	-	15 634	-
3.1. Receivables from the state budget	-	-	-	-	-	-	-	-	-	-	-	-
3.2. Other receivables	41 855	-	208	-	-1 855	-	-24 574	-	-	-	15 634	-
V. Other assets, including:	166	-	-	-	-5	-	-	-	-	-	161	-
1. Tangible assets	166	-	-	-	-5	-	-	-	-	-	161	-
2. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
VI. Prepayments	157	-	-	-	-109	-	-	-	-	-	48	-
1. Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-
3. Recognized interest and rent	-	-	-	-	-	-	-	-	-	-	-	-
4. Other prepayments	157	-	-	-	-109	-	-	-	-	-	48	-

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

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

7. Equity

7.1. Share capital

Share capital structure as of 31 December 2013

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

Share capital structure as of 31 December 2012

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

Shareholding structure as of 31 December 2013

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

Shareholding structure as of 31 December 2012

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

7.2. Dividend

7.2.1 Dividend paid from the profit for 2012

On 8 April 2013, the Management Board of PZU adopted a resolution concerning distribution of profit for the 2012 financial year, recommending payment of dividend of PLN 2,564,663 thousand, i.e. PLN 29.70 per share. On 16 April 2013, the recommendation of the Management Board of PZU was approved by the Supervisory Board of PZU and presented to the General Meeting for consideration.

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

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

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

7.2.2 *Interim dividend for 2013*

On 26 August 2013, the Management Board of PZU adopted a resolution concerning payment of interim dividend, as forecast for the 2013 financial year end, in the amount of PLN 1,727,046 thousand, i.e. PLN 20.00 per share. The Supervisory Board granted their consent for interim dividend payment at the aforesaid date. The record date for the interim dividend was set as 12 November 2013, and the interim dividend payment date as 19 November 2013. The interim dividend has been paid.

Appropriations on net profit during the financial year	31 December 2013	31 December 2012
Appropriations of net profit in the financial year	1 727 046	-
- Appropriations on net profit of interim dividend, as forecast for the 2013 financial year end	1 727 046	
Appropriations on net profit in the financial year total	1 727 046	-

7.3. Proposed distribution of profit for 2013

By the date of signing these financial statements, the Management Board of PZU had not adopted a resolution concerning distribution of profit for 2013.

7.4. Supplementary capital

Supplementary capital	31 December 2013	31 December 2012
a) share premium	538 139	538 139
b) statutory	28 784	28 784
c) arising from by-laws or articles of association above the statutory amount	3 404 241	3 398 184
d) shareholder contributions	-	-
e) other	3 163	2 492
Total supplementary capital	3 974 327	3 967 599

7.5. Revaluation reserve

Revaluation reserve	31 December 2013	31 December 2012
a) revaluation of fixed assets	13 198	16 150
b) deferred income tax	(146 148)	(72 671)
c) exchange differences from translation of foreign branches	-	-
c) other (by type)	4 952 733	6 874 431
- due to revaluation of financial investments (gross)	4 952 733	6 874 431
Total revaluation reserve	4 819 783	6 817 910

Revaluation reserve on financial instruments (gross)	1 January – 31 December 2013	1 January – 31 December 2012
1. Opening balance	6 874 431	5 739 438
2. Increases due to:	540 918	1 679 206
a) effects of re-measurement of AFS financial assets including:	540 918	1 679 206
- gains on periodic measurement	394 767	1 161 705
- amounts deducted as at the de-recognition date (e.g. sales)	145 224	509 661
- impairment losses charged to the general profit and loss account in case impairment is detected	927	7 840
- gains on measurement as at the date of reclassifying assets to available for sale (AFS) from held to maturity (HTM)	-	-
- amounts settled upon reclassification of assets to HTM (re-reclassified to HTM after the period referred to in clause 8.4 of the Ordinance on financial instruments).	-	-
b) arising from hedge accounting:	-	-
- amounts settled upon hedging of fair value of an interest-bearing financial instrument	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of changes in cash flows	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of shares in net assets of foreign undertakings	-	-
c) other	-	-
d) deferred tax asset and provision determined, revalued and charged to financial profit/loss	-	-
3. Decreases due to:	2 462 616	544 213
a) effects of re-measurement of AFS financial assets including:	2 462 616	544 213
- losses on periodic measurement	2 070 245	120 219
- amounts deducted as at the de-recognition date (e.g. sales)	392 371	423 994
- losses on measurement as at the date of reclassifying assets to available for sale (AFS) from held to maturity (HTM)	-	-
- amounts settled upon reclassification of assets to HTM (re-reclassified to HTM after the period referred to in clause 8.4 of the Ordinance on financial instruments).	-	-
b) arising from hedge accounting:	-	-
- amounts settled upon hedging of fair value of an interest-bearing financial instrument	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of changes in cash flows	-	-
- periodic measurement of hedged items and hedging instruments related to hedging of shares in net assets of foreign undertakings	-	-
c) other	-	-
d) deferred tax asset and provision determined, revalued and charged to financial profit/loss	-	-
4. Closing balance	4 952 733	6 874 431

8. Technical provisions

Technical provisions	31 December 2013	31 December 2012
a) provision for unearned premiums:	4 074 416	4 112 808
- gross value	4 265 702	4 294 942
- reinsurers' share	191 286	182 134
b) provision for unexpired risks:	227	-
- gross value	227	-
- reinsurers' share	-	-
c) life insurance provision:	-	-
- gross value	-	-
- reinsurers' share	-	-
d) provisions for claims outstanding:	11 369 504	10 350 507
- gross value	11 660 738	10 889 674
- reinsurers' share	291 234	539 167
e) provisions for bonuses and rebates for the insured:	2 265	2 812
- gross value	2 265	2 812
- reinsurers' share	-	-
f) equalization provisions	590 082	583 759
g) provisions for premium repayment to undertaking members	-	-
- gross value	-	-
- reinsurers' share	-	-
h) other technical provisions specified in the By-laws	-	-
- gross value	-	-
- reinsurers' share	-	-
i) unit-linked reserves	-	-
- gross value	-	-
- reinsurers' share	-	-
Total technical provisions	16 036 494	15 049 886

Technical provisions (currency structure)	31 December 2013	31 December 2012
a) provision for unearned premiums:	4 265 702	4 294 942
- in PLN	4 265 702	4 294 942
- in foreign currencies (by currency and translated to PLN)	-	-
b) provision for unexpired risks:	227	-
- in PLN	227	-
- in foreign currencies (by currency and translated to PLN)	-	-
c) life assurance provision:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
d) provisions for claims outstanding:	11 660 738	10 889 674
- in PLN	11 027 824	10 273 468
- in foreign currencies (by currency and translated to PLN)	632 914	616 206
d1. EUR thousand	152 604	150 710
PLN thousand	632 881	616 131
d2. USD thousand	11	24
PLN thousand	33	75
e) provisions for bonuses and rebates for the insured:	2 265	2 812
- in PLN	2 265	2 812
- in foreign currencies (by currency and translated to PLN)	-	-
f) equalization provisions:	590 082	583 759
- in PLN	590 082	583 759
- in foreign currencies (by currency and translated to PLN)	-	-
g) provisions for premium repayment to undertaking members:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
h) other technical provisions specified in the By-laws:	-	-
- in PLN	-	-

Technical provisions (currency structure)	31 December 2013	31 December 2012
- in foreign currencies (by currency and translated to PLN)	-	-
i) unit linked reserve	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
Total technical provisions	16 519 014	15 771 187

Reinsurers' share in technical provisions (currency structure)	31 December 2013	31 December 2012
a) reinsurers' share in change in provisions for unearned premiums:	191 286	182 134
- in PLN	191 286	182 134
- in foreign currencies (by currency and translated to PLN)	-	-
b) reinsurers' share in provision for unexpired risks:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
c) reinsurers' share in life assurance provision:	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
d) reinsurers' share in provision for claims outstanding:	291 234	539 167
- in PLN	291 234	400 806
- in foreign currencies (by currency and translated to PLN)	-	138 361
d1. EUR thousand	-	33 844
PLN thousand	-	138 361
e) reinsurers' share in provision for bonuses and rebates for the insured	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
f) reinsurers' share in other technical provisions specified in the Articles of Association	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
g) reinsurers' share in unit linked reserve	-	-
- in PLN	-	-
- in foreign currencies (by currency and translated to PLN)	-	-
Reinsurers' share in technical provisions, total	482 520	721 301

8.1. Provision for unearned premiums and for unexpired risk

Provision for unearned premiums and for unexpired risk	31 December 2013	31 December 2012
a) provision for unearned premiums:	4 074 416	4 112 808
- gross provisions	4 265 702	4 294 942
- reinsurers' share	191 286	182 134
b) provision for unexpired risks:	227	-
- gross provisions	227	-
- reinsurers' share	-	-
Total provision for unearned premiums and for unexpired risks	4 074 643	4 112 808

8.2. Provisions for outstanding claims

8.2.1 Gross provision for claims outstanding

Gross provision for claims outstanding	Balance as of 31 December 2013	Provision for claims occurring in the reporting period
Accident and sickness insurance (groups 1 and 2)	132 820	79 795
MTPL insurance (group 10)	8 829 720	1 157 299
Auto casco insurance (group 3)	473 412	314 254
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	46 201	14 656
Insurance against fire and other damage to property (groups 8, 9)	431 347	176 556
TPL insurance (groups 11, 12, 13)	1 623 647	296 395
Credit insurance and suretyship (groups 14, 15)	26 984	4 390
Assistance (group 18)	33 209	21 955
Insurance of legal protection (group 17)	2 111	591
Other insurance (group 16)	61 287	30 387
Provisions for claims outstanding, total	11 660 738	2 096 278

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

8.2.2 Reinsurers' share in provision for claims outstanding

Reinsurers' share in provision for claims outstanding	Balance as of 31 December 2013	Provision for claims occurring in the reporting period
Accident and sickness insurance (groups 1 and 2)	2	2
MTPL insurance (group 10)	186 980	1 485
Auto casco insurance (group 3)	98	29
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	1 192	602
Insurance against fire and other damage to property (groups 8, 9)	39 996	6 348
TPL insurance (groups 11, 12, 13)	30 735	3 120
Credit insurance and suretyship (groups 14, 15)	10 742	1 371
Assistance (group 18)	68	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	21 421	20 078
Reinsurers' share in provision for claims outstanding, total	291 234	33 035

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

8.3. Provisions for capitalized value of annuity claims

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

Provisions for capitalized value of annuity claims before discounts and gross write-downs	Balance as of 31 December 2013	Reinsurers' share
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	9 046 011	254 987
Auto casco insurance (group 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	-	-
TPL insurance (groups 11, 12, 13)	838 098	-
Credit insurance and suretyship (groups 14, 15)	-	-
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Total provisions	9 884 109	254 987

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

9. Expected recoveries, recourses and subsidies

9.1. Estimated recoveries, recourses and subsidies (gross)

Estimated recoveries, recourses and subsidies (gross)	31 December 2013	31 December 2012
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	37 332	27 972
Auto casco insurance (group 3)	68 533	63 468
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	13 696	22 935
TPL insurance (groups 11, 12, 13)	24	86
Credit insurance and suretyship (groups 14, 15)	7 084	4 845
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Total estimated recoveries, recourses and subsidies (gross)	126 669	119 306

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

Reinsurers' share in estimated recourses, recoveries and subsidies	31 December 2013	31 December 2012
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	27	419
Auto casco insurance (group 3)	-	-
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other damage to property (groups 8, 9)	1	12
TPL insurance (groups 11, 12, 13)	-	-
Credit insurance and suretyship (groups 14, 15)	3 089	2 099
Assistance (group 18)	-	-
Insurance of legal protection (group 17)	-	-
Other insurance (group 16)	-	-
Total estimated recoveries, recourses and subsidies (gross)	3 117	2 530

10. Other provisions

10.1. Provisions for pension and other obligatory employee benefits

Provisions for pension and other obligatory employee benefits	31 December 2013	31 December 2012
a) provisions for pension benefits	9 042	8 162
b) other obligatory employee benefits (by basis):	74 209	64 398
Provision for jubilee bonuses	-	-
provisions for unused paid vacation	36 906	29 894
provisions for death benefits	14 675	12 244
provisions for post-employment benefits	22 628	22 260
Total provisions for pension and other obligatory employee benefits	83 251	72 560

Change in provisions for pension and other obligatory employee benefits	1 January – 31 December 2013	1 January – 31 December 2012
a) opening balance (by basis)	72 560	216 628
provisions for pension benefits	8 162	68 992
provisions for jubilee bonuses	-	87 819
provisions for unused paid vacation	29 894	26 316
provisions for death benefits	12 244	11 393
provisions for post-employment benefits	22 260	22 108
b) increases (due to)	22 843	17 308
provisions for pension benefits	2 121	4 644
provisions for jubilee bonuses	-	2 014
provisions for unused paid vacation	17 611	6 279

Change in provisions for pension and other obligatory employee benefits	1 January – 31 December 2013	1 January – 31 December 2012
provisions for death benefits	2 642	1 055
provisions for post-employment benefits	469	3 316
c) applied (due to)	12 152	17 038
provisions for pension benefits	1 241	9 454
provisions for jubilee bonuses	-	3 342
provisions for unused paid vacation	10 599	2 701
provisions for death benefits	211	204
provisions for post-employment benefits	101	1 337
d) reversed (due to)	-	144 338
provisions for pension benefits	-	56 020
provisions for jubilee bonuses	-	86 491
provisions for unused paid vacation	-	-
provisions for death benefits	-	-
provisions for post-employment benefits	-	1 827
e) closing balance (by basis)	83 251	72 560
provisions for pension benefits	9 042	8 162
provisions for jubilee bonuses	-	-
provisions for unused paid vacation	36 906	29 894
provisions for death benefits	14 675	12 244
provisions for post-employment benefits	22 628	22 260

Provisions for pension and other obligatory employee benefits (currency structure)	31 December 2013	31 December 2012
a) in PLN	83 251	72 560
b) in foreign currencies (by currency and translated to PLN)	-	-
Total provisions for pension and other obligatory employee benefits	83 251	72 560

10.2. Provision for deferred income tax

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

In 2012-2013, no deferred tax liabilities occurred understood as the result of offsetting the relevant amounts arising from temporary taxable and tax-deductible differences.

10.3. Other provisions

Other provisions	31 December 2013	31 December 2012
provision for penalties imposed by the Office of Competition and Consumer Protection	67 892	82 684
provisions for reinsurance settlements	4 829	8 037
provision for disputed claims and potential liabilities under insurance contracts	3 075	2 687
provisions for potential liabilities relating to CLSiOR investments	916	916
provision for restructuring expenses	-	47 914
other provisions	5 265	3 557
Total other provisions	81 977	145 795

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

The restructuring process has been presented in detail in point 28.1. of the Notes

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

Change in other provisions	31 December 2013	31 December 2012
a) opening balance (by basis)	145 795	196 278
provision for restructuring expenses	47 914	86 877
provisions for reinsurance settlements	8 037	18 613
provision for penalties imposed by the Office of Competition and Consumer Protection	82 684	82 684
other provisions	7 160	8 104
b) increases (due to)	4 730	53 432
provision for restructuring expenses	-	38 171
provisions for reinsurance settlements	1 348	12 063
other provisions	3 382	3 198
c) applied (due to)	35 080	73 911
provision for restructuring expenses	33 334	51 272
provisions for reinsurance settlements	-	22 639
provision for penalties imposed by the Office of Competition and Consumer Protection	1 644	-
other provisions	102	-
d) reversed (due to)	33 468	30 004
provision for restructuring expenses	14 580	25 862
provisions for reinsurance settlements	4 556	-
provision for penalties imposed by the Office of Competition and Consumer Protection	13 148	-
other provisions	1 184	4 142
e) closing balance (by basis)	81 977	145 795
provision for restructuring expenses	-	47 914
provisions for reinsurance settlements	4 829	8 037
provision for penalties imposed by the Office of Competition and Consumer Protection	67 892	82 684
other provisions	9 256	7 160

Other provisions (currency structure)	31 December 2013	31 December 2012
a) in PLN	81 977	145 795
b) in foreign currencies (by currency and translated to PLN)	-	-
Total other provisions	81 977	145 795

11. Other liabilities and special funds

Geographical structure of liabilities	31 December 2013				31 December 2012			
	Domestic	Foreign – EU countries	Foreign - other countries	Total	Domestic	Foreign – EU countries	Foreign - other countries	Total
I. Liabilities due to reinsurers' deposits	-	-	-	-	-	-	-	-
II. Liabilities due to direct insurance	295 745	17 085	516	313 346	324 126	17 025	677	341 828
1. Liabilities to policyholders	123 915	414	6	124 335	116 175	-	6	116 181
2. Liabilities to insurance intermediaries	136 345	-	-	136 345	125 493	-	-	125 493
3. Other insurance liabilities	35 485	16 671	510	52 666	82 458	17 025	671	100 154
III. Liabilities due to reinsurance	13 442	15 000	317	28 759	11 552	8 948	68	20 568
IV. Liabilities arising from issue of debt securities and obtained loans	-	-	-	-	-	-	-	-
V. Liabilities to credit institutions	-	-	-	-	-	-	-	-
VI. Other liabilities	644 658	123 143	29 892	797 693	258 005	72 468	10 364	340 837
1. Liabilities to the state budget	49 864	-	-	49 864	28 109	-	-	28 109
2. Other liabilities	594 794	123 143	29 892	747 829	229 896	72 468	10 364	312 728
Total liabilities	953 845	155 228	30 725	1 139 798	593 683	98 441	11 109	703 233

11.1. Liabilities due to direct insurance

Liabilities due to direct insurance	31 December 2013	31 December 2012
a) liabilities to policyholders including:	124 335	116 181
- to controlled entities	6	5
- domestic	6	5
- foreign	-	-
- to other entities	124 329	116 176
- domestic	123 909	116 170
- foreign	420	6
b) liabilities to insurance intermediaries including:	136 345	125 493
- to controlled entities	5	4
- domestic	5	4
- foreign	-	-
- to other entities	136 340	125 489
- domestic	136 340	125 489
- foreign	-	-
c) other insurance liabilities including:	52 666	100 154
- to controlled entities	1 076	1 061
- domestic	981	906
- foreign	95	155
- to other entities	51 590	99 093
- domestic	34 504	81 552
- foreign	17 086	17 541
Total liabilities due to direct insurance	313 346	341 828

Liabilities due to direct insurance	31 December 2013	31 December 2012
a) subsidiaries	1 087	1 070
b) co-subsidiaries	-	-
c) associates	-	-
d) major investor	-	-
e) shareholder in a co-subsidiary	-	-
f) holding company	-	-
g) other	312 259	340 758
Total liabilities due to direct insurance	313 346	341 828

Liabilities arising from direct insurance with maturity periods after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	313 346	341 828
b) over 3 months and up to 1 year	-	-
c) over 1 year and up to 5 years	-	-
d) over 5 years	-	-
Total liabilities due to direct insurance	313 346	341 828

Liabilities due to direct insurance (currency structure)	31 December 2013	31 December 2012
a) in PLN	294 920	324 132
b) in foreign currencies (by currency and translated to PLN)	18 426	17 696
b1. EUR thousand	3 833	3 628
PLN thousand	15 896	14 830
b2. USD thousand	-	9
PLN thousand	-	27
b3. GBP thousand	279	386
PLN thousand	1 388	1 933
b4. CHF thousand	10	27
PLN thousand	34	91
b5. other in PLN thousand	1 108	815
Total liabilities due to direct insurance	313 346	341 828

11.2. Liabilities due to reinsurance

Liabilities due to reinsurance	31 December 2013	31 December 2012
a) current liabilities due to inward reinsurance including:	9 278	458
- domestic ceding undertakings	9 252	407
- foreign ceding undertakings	26	51
b) current liabilities due to outward reinsurance including:	18 204	20 110
- domestic reinsurers	4 190	11 145
- foreign reinsurers	14 014	8 965
c) liabilities due to retrocession including:	1 277	-
- domestic retrocessionaries	-	-
- foreign retrocessionaries	1 277	-
d) liabilities due to reinsurance premiums settled over time	-	-
Total liabilities due to reinsurance	28 759	20 568

Liabilities due to reinsurance	31 December 2013	31 December 2012
a) current receivables from inward reinsurance including to:	9 278	458
- ceding undertakings being subsidiaries	-	-
- ceding undertakings being co-subsidiaries	-	-
- ceding undertakings being associates	-	-
- a ceding undertaking being a major investor	-	-
- a ceding undertaking being a shareholder in a co-subsidiary	-	-
- a ceding undertaking being the holding company	-	-
a) current receivables from outward reinsurance including to:	18 204	20 110
- reinsurers being subsidiaries	-	-
- reinsurers being subsidiaries	-	-
- reinsurers being associates	-	-
- a reinsurer being a major investor	-	-
- a reinsurer being a shareholder in a co-subsidiary	-	-
- a reinsurer being the holding company	-	-
c) current liabilities to retrocessionaries including to:	1 277	-
- retrocessionaries being subsidiaries	-	-
- retrocessionaries being co-subsidiaries	-	-
- retrocessionaries being associates	-	-
- a retrocessionary being a major investor	-	-
- a retrocessionary being a shareholder in a co-subsidiary	-	-
- a retrocessionary being the holding company	-	-
d) other	-	-
Total liabilities due to reinsurance	28 759	20 568

Liabilities arising from reinsurance with maturity periods after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	17 879	12 181
b) over 3 months and up to 1 year	3 875	5 003
c) over 1 year and up to 5 years	6 055	2 417
d) over 5 years	950	967
Total liabilities due to reinsurance	28 759	20 568

Liabilities due to reinsurance (currency structure)	31 December 2013	31 December 2012
a) in PLN	23 929	14 092
b) in foreign currencies (by currency and translated to PLN)	4 830	6 476
b1. EUR thousand	955	1 358
PLN thousand	3 959	5 553
b2. USD thousand	289	298
PLN thousand	871	923
b3. SEK thousand	-	-
PLN thousand	-	-
Total liabilities due to reinsurance	28 759	20 568

11.3. Liabilities to credit institutions

There were no liabilities to credit institutions as at 31 December 2013 and 31 December 2012.

11.4. Other liabilities

Other liabilities	31 December 2013	31 December 2012
a) Liabilities to the State Budget including:	49 864	28 109
- corporate income tax	39 017	17 848
- personal income tax	8 205	8 497
- value added tax	2 642	1 325
- other	-	439
b) other liabilities, including:	747 829	312 728
- liabilities due to margin deposits and investment transactions not accounted for	234 344	28 345
- loans from PZU Życie ¹⁾	200 000	-
- liabilities due to margin deposits and investment transactions not accounted for	117 836	67 186
- measurement of derivatives – held-for-trading liabilities	91 646	77 252
- liabilities arising from settlements of Tax Capital Group	16 131	66 660
- social security premiums and benefits	12 588	11 826
- liability to the Guarantee Fund	9 159	7 249
- liabilities arising from construction of Central Vehicle and Driver Register	3 552	3 792
- liabilities arising from legal representation	3 323	2 803
- dividend settlements with shareholders	3 321	3 453
- retained guarantee deposits	1 458	705
- liabilities to employees	29	154
- other	54 442	43 303
Total other liabilities	797 693	340 837

¹⁾ Loans from PZU Życie have been described in Note 32.2.1

Other liabilities	31 December 2013	31 December 2012
a) subsidiaries	221 655	72 074
b) co-subsidiaries	-	-
c) associates	-	-
d) major investor	-	-
e) shareholder in a co-subsidiary	-	-
f) holding company	-	-
g) other	576 038	268 763
Total other liabilities	797 693	340 837

Other liabilities by maturity period after the balance sheet date	31 December 2013	31 December 2012
a) up to 3 months	797 693	340 837
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	797 693	340 837

Other liabilities (currency structure)	31 December 2013	31 December 2012
a) in PLN	709 948	325 561
b) in foreign currencies (by currency and translated to PLN)	87 745	15 276
b1. EUR thousand	3 726	133
PLN thousand	15 452	544
b2. USD thousand	13 215	700
PLN thousand	39 804	2 171
b3. RUB thousand	15 689	76 814
PLN thousand	1 434	7 812
b4. BRL thousand	8 476	-
PLN thousand	10 809	-
b5. ZAR thousand	33 460	2 731
PLN thousand	9 593	997
b6. CZK thousand	32 254	-
PLN thousand	4 880	-
B7. HUF thousand	315 270	223 868
PLN thousand	4 404	3 129
B8. other in PLN thousand	1 369	623
Total other liabilities	797 693	340 837

11.5. Other information regarding liabilities

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

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

11.5.2 Overdue liabilities

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

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

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

11.6. Special funds

Special funds	31 December 2013	31 December 2012
a) Prevention Fund	52 185	20 169
b) Company's Social Benefits Fund	88 376	87 250
c) Company's Bonus Fund	-	-
Total special funds	140 561	107 419

12. Accruals and deferred income

Accruals and deferred income	31 December 2013	31 December 2012
a) accruals, including:	501 342	483 677
- long-term (by basis):	-	-
- short-term (by basis):	501 342	483 677
- deferred income and accrued expenses relating to reinsurance	193 249	171 472
- accrued costs of commissions on direct insurance	173 400	153 822
- accrued payroll costs	67 134	76 359
- accrued employee bonuses	55 868	68 350
- other accruals	11 691	13 674
b) negative goodwill	-	-
c) deferred income, including:	16 940	14 841
- land perpetual usufruct right received free of charge	3 738	4 699
- deferred reinsurance commissions	13 202	10 142
- other	-	-
Total accruals	518 282	498 518

As at 31 December 2013, "accrued employee bonuses" included accrued performance bonuses for 2013, in the amount of PLN 49,000 thousand (as at 31 December 2012: PLN 66,900 thousand as 2012 performance bonus).

Change in accruals and deferred income	31 December 2013	31 December 2012
Opening balance (by basis)	498 518	517 914
accrued expenses	483 677	498 186
deferred income	14 841	19 728
a) increases (due to)	1 066 986	606 961
accrued expenses	489 572	573 420
deferred income	577 414	33 541
b) decreases (due to)	1 047 222	626 357
accrued expenses	471 907	587 929
deferred income	575 315	38 428
Closing balance (by basis)	518 282	498 518
accrued expenses	501 342	483 677
deferred income	16 940	14 841

13. Required solvency margin

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

Solvency statement	31 December 2013	31 December 2012
1. Assets of the insurance company	30 136 572	29 913 216
2. Assets allocated to settle all expected liabilities	17 876 811	16 460 635
a) subordinated liabilities	-	-
b) technical provisions	15 912 942	14 933 110
c) technical provisions for unit linked life products	-	-
d) other provisions	165 228	218 355
e) liabilities arising from reinsurers' investments	-	-
f) other liabilities and special funds	1 280 359	810 652
g) accruals and deferred income	518 282	498 518
h) any other liabilities of the insurance company not included in items a-g	-	-
3. Intangible assets	244 582	129 729
4. Shares and other deductible assets pursuant to Article 148.2, 2a, 2b of the act including Article 148.2c and 2d of the act	4 565 872	6 847 006
a) Shares and other assets used to finance equity of insurance companies in the same insurance capital group, pursuant to Article 148.2 of the act	4 565 872	6 847 006
b) Shares or assets used to finance equity of other insurance companies, credit and financial institutions as understood by the banking law and investment companies firm which are members of a financial conglomerate pursuant to Article 148.2a of the Act (unless included in item 4a))	-	-
c) held by the insurance company with respect to other insurance companies, credit and financial institutions as understood by the banking law and investment companies pursuant to Article 148.2b of the Act	-	-
i) subordinated loans granted by the insurance company which meet the	-	-

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Solvency statement	31 December 2013	31 December 2012
conditions specified in Article 148.4.2 of the act		
ii) accumulated unpaid dividends due to preference shares	-	-
d) Total amounts in the case of which the supervisory authority agreed not to apply deduction pursuant to Article 148.2c of the act	-	-
d) Total amounts in the case of which the supervisory authority agreed not to apply deduction pursuant to Article 148.2d of the act (unless included in item 4d))	-	-
5. Impact of participation of the national insurance company in the insurance capital group on the value of equity of the insurance company	2 403 826	4 789 418
6. Deferred tax asset	347 521	309 132
7. In the case of mutual insurance companies, the value of liabilities to the members of the company, provided that the conditions specified in Article 148.3.2 of the act have been met	-	-
8. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.4.1 of the act, authorized to be classified as equity	-	-
9. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.4.2 of the act, authorized to be classified as equity	-	-
10. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.4.3 of the act, authorized to be classified as equity	-	-
11. Total amounts specified in the decisions of the supervisory authority issued based on Article 148.5 of the act, authorized to be classified as equity	-	-
12. Value of deposit referred to in Article 113 of the act	-	-
13. Value of equity	9 505 612	10 956 132
14. Equity to cover guarantee fund pursuant to Article 148a of the act	9 505 612	10 956 132
a) Total values resulting from Article 148.3.1-6 and clause 4.1 and 4.2 of the act including the elements indicated in Article 148.1 2-4 and clause 2a and 2b of the act	9 505 612	10 956 132
15. Required solvency margin	1 362 353	1 343 831
16. Minimum amount of the guarantee fund	15 048	15 624
17. 1/3 of the amount of the required solvency margin	454 118	447 944
18. Surplus/shortage of equity to cover solvency margin	8 143 259	9 612 301
19. Guarantee fund	454 118	447 944
20. Surplus/shortage of equity to cover capital and reserves	9 051 494	10 508 188
a) Difference between the amount indicated in 14a and the guarantee capital	9 051 494	10 508 188

13.2. Numeric data used to calculated the solvency margin for non-life insurance

Required solvency margin	31 December 2013	31 December 2012
1. Premium amount (G) (the higher of (1a-1b+50%*1c) and (1d-1e+50%*1f))	8 631 474	8 784 443
a) Premium written during the last 12 months from direct insurance and inward reinsurance including reversals, not reduced by reinsurers and retrocessionaries' share	8 273 900	8 453 498
b) Tax included in the premium under 1a	-	-
c) Premium from groups 11, 12 and 13 included in 1a after tax deduction	683 758	661 889
d) Premium written during the last 12 months reduced by change in the provision for unearned premiums from direct insurance and inward reinsurance including reversals, not reduced by reinsurers and retrocessionaries' share	8 302 914	8 451 065
e) Tax included in the premium under 1d	-	-
f) Premium from groups 11, 12 and 13 included in 1d after tax deduction	657 120	615 312
2. PLN equivalent of T1 at the average exchange rate of NBP as per Rate Table 1 of each reporting year (P1)	249 313	256 680
3. Sickness insurance premium amount	-	-
a) up to P1 amount	-	-
a) over P1 amount	-	-
4. Other insurance premium amount	8 631 474	8 784 443
a) up to P1 amount	249 313	256 680
a) over P1 amount	8 382 161	8 527 763
5. Reinsurance rate in percent (H) (5b/5a, not less than 50%)	98.2923%	95.2636%
a) Gross claims paid during last 36 months net of returns, recourses and recoveries including the change in the provision for gross unpaid claims for the period	16 183 015	17 218 215
b) Gross claims net of reinsurance paid during last 36 months net of returns, recourses and recoveries including the change in the provision for gross unpaid claims net of reinsurance for the period	15 906 652	16 402 687
6. Solvency margin calculated on the basis of premiums (((3a*6%+3b*16%/three+4a*18%+4b*16%)*5)	1 362 353	1 343 831
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	8 273 900	8 453 498
b) Premium written during the last 12 months from insurance from storm, hail, frost or credit, not reduced by reinsurers and retrocessionaries' share	1 874 892	1 783 426
c) Share ratio of insurance from storm, hail, frost or credit (7b/7a)	22.6603%	21.0969%
8. Average annual claims amount (J) (((8a - 8b + 8c - 8d + 1/2*(8e - 8f + 8g - 8h))/7)*twelve	5 601 528	5 916 108

Required solvency margin	31 December 2013	31 December 2012
a) Claims paid from direct insurance and inward reinsurance in the reporting period, not reduced by reinsurers and retrocessionaries' share	14 351 145	15 415 431
b) Returns, recourses and recoveries of the reporting period	468 262	440 175
c) Provisions for unpaid claims as at the last day of the comparative period, not reduced by reinsurers and retrocessionaries' share	11 534 069	10 770 367
d) Provisions for unpaid claims as at the first day of the comparative period, not reduced by reinsurers and retrocessionaries' share	9 233 936	8 527 408
e) Claims paid in groups 11, 12 and 13 included in 8a	690 933	670 671
f) Returns, recoveries and recourses in groups 11, 12 and 13 included in 8b	2 548	1 491
g) Provisions for unpaid claims paid in groups 11, 12 and 13 included in 8c	1 612 462	1 452 618
h) Provisions for unpaid claims paid in groups 11, 12 and 13 included in 8d	1 057 711	1 061 579
9. PLN equivalent of T2 at the average exchange rate of NBP as per Rate Table 1 of each reporting year (P2)	174 479	179 899
10. Average annual amount of sickness insurance claims	-	-
a) up to P2 amount	-	-
a) over P2 amount	-	-
11. Average annual amount of other insurance claims	5 601 528	5 916 108
a) up to P2 amount	174 479	179 899
a) over P2 amount	5 427 049	5 736 209
12. Solvency margin calculated on the basis of average annual amount of claims $((10a*26\%/trzy+10b*23\%/three+11a*26\%+11b*23\%)*5)$	1 271 495	1 301 398
13. Solvency margin calculated on the basis of premiums and average annual amount of claims (the higher of the amounts in items 6 and 12)	1 362 353	1 343 831
14. Solvency margin as at the same day of the previous year	1 343 831	1 338 798
15. Adjustment ratio (15a/15b, not higher than 1)	100.0000%	100.0000%
a) Change in provision for claims outstanding, net of reinsurance as at the reporting date	11 245 952	10 233 731
b) Change in provision for claims outstanding, net of reinsurance as at the date following the same day of the previous year	10 233 730	9 165 273
16. Solvency margin after adjustment (14 * 15)	1 343 831	1 338 798
17. Solvency margin for section II (the higher of the amounts in items 13 and 16)	1 362 353	1 343 831

14. Off-balance sheet items

14.1. Contingent receivables

Contingent receivables	31 December 2013	31 December 2012
a) guarantees and sureties received	19 586	17 746
b) other (by type)	7 749 616	8 708 530
promissory notes related to suretyship granted	7 011 573	7 958 329
other promissory notes	120 027	42 499
- including: from subsidiaries	-	2 275
other contingent receivables	618 016	707 702
Contingent receivables total	7 769 202	8 726 276

Contingent receivables (currency structure)	31 December 2013	31 December 2012
a) guarantees and sureties received	19 586	17 746
- in PLN	19 586	17 746
- in foreign currencies (by currency and translated to PLN)	-	-
h) other (by type)	7 749 616	8 708 530
- in PLN	7 560 722	8 435 879
- in foreign currencies (by currency and translated to PLN)	188 894	272 651
b1. EUR thousand	45 546	66 577
PLN thousand	188 887	272 179
b2. USD thousand	2	152
PLN thousand	7	472
Contingent receivables total	7 769 202	8 726 276

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 another year.

As at 31 December 2013, under the facility valid for the period from 7 October 2013 to 6 October 2014, 72 guarantees for the total amount of PLN 6,385 thousand were granted.

14.2. Contingent liabilities

Contingent liabilities due to:	31 December 2013	31 December 2012
a) guarantees and sureties granted	6 385	6 789
b) accepted and endorsed promissory notes	-	-
c) assets with resale obligation	-	-
d) other liabilities secured on assets or revenue	-	-
e) other (by type)	89 231	95 318
disputed claims not acknowledged by the insurer and brought to court by creditors	88 924	94 543
contingency liabilities arising from sub-issue contracts	-	-
other contingent liabilities	307	775
Contingent liabilities total	95 616	102 107

Contingent liabilities (currency structure)	31 December 2013	31 December 2012
a) guarantees and sureties granted	6 385	6 789
- in PLN	6 385	6 789
- in foreign currencies (by currency and translated to PLN)	-	-
b) accepted and endorsed promissory notes	-	-
c) assets with resale obligation	-	-
d) other liabilities secured on assets or revenue	-	-
e) other (by type)	89 231	95 318
disputed claims not acknowledged by the insurer and brought to court by creditors	88 924	94 543
- in PLN	88 924	94 543
- in foreign currencies (by currency and translated to PLN)	-	-
other contingent liabilities	307	775
- in PLN	307	775
- in foreign currencies (by currency and translated to PLN)	-	-
Contingent liabilities total	95 616	102 107

14.3. Other non-balance sheet items

Other non-balance sheet items due to	31 December 2013	31 December 2012
Other non-balance sheet items (by type):	112 901	217 594
third-party assets not recognized in the entity's assets	112 901	217 594
- including: to subsidiaries	10 667	3 665
Other non-balance sheet items total	112 901	217 594

Other non-balance sheet items (currency structure)	31 December 2013	31 December 2012
a) in PLN	112 901	217 594
b) in foreign currencies (by currency and translated to PLN)	-	-
Other non-balance sheet items total	112 901	217 594

15. Gross written premiums

Gross written premiums	1 January - 31 December 2013	1 January - 31 December 2012
a) in direct insurance including:	8 218 944	8 406 449
- from contracts concluded outside Poland including:	2 345	1 175
- from contracts concluded in EU member states	1 764	784
b) in indirect insurance	54 956	47 049
Total gross written premiums	8 273 900	8 453 498

15.1. Gross written premiums – direct insurance

Gross written premium in direct non-life insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	455 073	503 922
b) MTPL insurance (group 10)	2 826 349	2 960 541
c) auto casco insurance (group 3)	2 027 029	2 141 959
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	43 861	52 066
e) insurance against fire and other damage to property (groups 8, 9)	1 860 231	1 766 373
f) TPL insurance (groups 11, 12, 13)	683 759	661 889
g) credit insurance and suretyship (groups 14, 15)	38 414	45 526
h) assistance (group 18)	213 506	196 516
i) legal protection (group 17)	848	800
j) other (group 16)	69 874	76 857
Total gross premiums - direct insurance (by accounting class)	8 218 944	8 406 449

Total gross earned premiums – direct property and personal insurance arising from obligatory TPL insurance by groups	1 January - 31 December 2013	1 January - 31 December 2012
Group 10	2 785 263	2 921 682
Group 11	5 664	6 176
Group 13	331 391	306 009
Total gross earned premiums – direct non-life insurance arising from obligatory TPL insurance by groups total	3 122 318	3 233 867

15.2. Gross written premiums – indirect insurance

Gross written premium in indirect property and personal insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	73	(28)
b) MTPL insurance (group 10)	851	350
c) auto casco insurance (group 3)	1 172	134
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	7 568	2 417
e) insurance against fire and other damage to property (groups 8, 9)	38 830	38 169
f) TPL insurance (groups 11, 12, 13)	2 251	794
g) credit insurance and suretyship (groups 14, 15)	627	329
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	3 584	4 884
Total gross premiums - indirect insurance (by accounting class)	54 956	47 049

Total gross earned premiums – indirect non-life insurance arising from obligatory TPL insurance by group	1 January - 31 December 2013	1 January - 31 December 2012
Group 10	758	320
Group 11	357	34
Group 13	-	2
Total gross earned premiums – indirect non-life insurance arising from obligatory TPL insurance by group total	1 115	356

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 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	460 493	512 975
b) MTPL insurance (group 10)	2 879 617	2 962 602
c) auto casco insurance (group 3)	2 081 055	2 240 968
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	45 145	50 560
e) insurance against fire and other damage to property (groups 8, 9)	1 780 582	1 703 302
f) TPL insurance (groups 11, 12, 13)	657 122	615 312
g) credit insurance and suretyship (groups 14, 15)	61 668	39 962
h) assistance (group 18)	206 115	195 211
i) legal protection (group 17)	600	856
j) other (group 16)	83 018	88 400
Total gross earned premiums – direct non-life insurance	8 255 415	8 410 148

Total gross earned premiums – direct non-life insurance arising from obligatory TPL insurance by groups	1 January - 31 December 2013	1 January - 31 December 2012
Group 10	2 840 087	2 925 628
Group 11	5 578	6 153
Group 13	325 247	263 281
Total gross earned premiums – direct non-life insurance	3 170 912	3 195 062

16.2. Gross earned premiums – indirect insurance

Gross earned premium in indirect non-life insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	71	-
b) MTPL insurance (group 10)	67	788
c) auto casco insurance (group 3)	717	1 058
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	5 978	1 824
e) insurance against fire and other damage to property (groups 8, 9)	35 136	32 529
f) TPL insurance (groups 11, 12, 13)	1 504	995
g) credit insurance and suretyship (groups 14, 15)	642	280
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	3 383	3 443
Total gross earned premiums – indirect non-life insurance	47 498	40 917

Total gross earned premiums – indirect non-life insurance arising from obligatory TPL insurance by groups	1 January - 31 December 2013	1 January - 31 December 2012
Group 10	60	701
Group 11	194	86
Group 13	-	257
Total gross earned premiums – indirect non-life insurance	254	1 044

17. Reinsurance settlements

Reinsurance settlements	1 January - 31 December 2013	1 January - 31 December 2012
a) insurance premiums received from abroad	27 748	20 245
b) reinsurance premiums transferred abroad	153 356	137 434
c) outward reinsurance balance	(7 774)	(3 146)
d) inward reinsurance balance	1 864	1 135
e) receivables and liabilities arising from outward reinsurance including:	26 599	33 191
- receivables from reinsurers collateralized with guarantees of financial institutions	-	-
f) receivables and liabilities arising from inward reinsurance including:	20 389	1 975
- liabilities to ceding undertakings collateralized with insurer's guarantees	-	-
- liabilities to retroceding undertakings collateralized with insurer's guarantees	-	-

18. Claims

Gross claims paid	1 January - 31 December 2013	1 January - 31 December 2012
a) from direct insurance, including:	4 262 550	4 515 280
- claims handling costs	472 415	490 271
b) from indirect insurance, including:	39 333	12 812
- claims handling costs	1 431	-
Total gross claims paid	4 301 883	4 528 092

18.1. Gross claims paid

Total gross claims paid - direct non-life insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	152 345	170 655
b) MTPL insurance (group 10)	1 746 458	1 825 706
c) auto casco insurance (group 3)	1 251 318	1 272 952
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	29 826	20 383
e) insurance against fire and other damage to property (groups 8, 9)	630 734	802 916
f) TPL insurance (groups 11, 12, 13)	212 822	227 448
g) credit insurance and suretyship (groups 14, 15)	85 074	62 938
h) assistance (group 18)	111 914	107 799
i) legal protection (group 17)	521	570
j) other (group 16)	41 538	23 913
Total gross claims paid - direct insurance (by accounting class)	4 262 550	4 515 280

Total gross claims paid - indirect non-life insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	-	5
b) MTPL insurance (group 10)	910	1 183
c) auto casco insurance (group 3)	21	168
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	95	38
e) insurance against fire and other damage to property (groups 8, 9)	26 689	7 455
f) TPL insurance (groups 11, 12, 13)	6 394	3 793
g) credit insurance and suretyship (groups 14, 15)	11	32
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	5 213	138
Total gross claims paid - indirect insurance (by accounting class)	39 333	12 812

18.2. Claim handling costs

Total claims handling costs – direct non-life insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	48 075	57 353
b) MTPL insurance (group 10)	195 246	194 343
c) auto casco insurance (group 3)	88 327	96 814
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	985	840
e) insurance against fire and other damage to property (groups 8, 9)	85 152	86 796
f) TPL insurance (groups 11, 12, 13)	37 734	36 779
g) credit insurance and suretyship (groups 14, 15)	1 195	2 098
h) assistance (group 18)	14 933	13 761
i) legal protection (group 17)	40	40
j) other (group 16)	728	1 447
Total claims handling costs – direct insurance (by accounting class)	472 415	490 271

Total claims handling costs – indirect non-life insurance (by accounting class)	1 January - 31 December 2013	1 January - 31 December 2012
a) accident and sickness insurance (groups 1 and 2)	-	-
b) MTPL insurance (group 10)	-	-
c) auto casco insurance (group 3)	-	-
d) sea, aircraft and transport insurance (groups 4, 5, 6, 7)	-	-
e) insurance against fire and other damage to property (groups 8, 9)	384	-
f) TPL insurance (groups 11, 12, 13)	1 038	-
g) credit insurance and suretyship (groups 14, 15)	-	-
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	9	-
Total claims handling costs – indirect insurance (by accounting class)	1 431	-

19. Supplementary data to the technical account

19.1. Supplementary data to the technical account for the year ended 31 December 2013

Total direct and indirect insurance for the year ended 31 December 2013	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	455 146	460 564	104 282	48 075	12	(1)	166 326
MTPL insurance (group 10)	2 827 200	2 879 684	1 576 677	195 246	24 555	3 144	565 681
Auto casco insurance (group 3)	2 028 201	2 081 772	1 228 919	88 327	65 907	(721)	470 715
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	51 429	51 123	29 420	985	484	(244)	12 149
Insurance against fire and other damage to property (groups 8, 9)	1 899 061	1 815 718	597 221	85 536	25 334	(2 645)	563 111
TPL insurance (groups 11, 12, 13)	686 010	658 626	181 383	38 772	939	(4 135)	175 783
Credit insurance and suretyship (groups 14, 15)	39 041	62 310	92 783	1 195	8 893	(273)	25 435
Assistance (group 18)	213 506	206 115	97 532	14 933	551	-	78 804
Insurance of legal protection (group 17)	848	600	491	40	10	-	672
Other insurance (group 16)	73 458	86 401	46 095	737	81	(1 035)	45 813
Total direct and indirect insurance	8 273 900	8 302 913	3 954 803	473 846	126 766	(5 910)	2 104 489

Direct insurance for the year ended 31 December 2013	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	455 073	460 493	104 282	48 075	12	(1)	166 323
MTPL insurance (group 10)	2 826 349	2 879 617	1 575 767	195 246	24 555	3 144	565 768
Auto casco insurance (group 3)	2 027 029	2 081 055	1 228 898	88 327	65 907	(721)	470 541
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	43 861	45 145	29 325	985	484	(1 634)	10 921
Insurance against fire and other damage to property (groups 8, 9)	1 860 231	1 780 582	570 916	85 152	25 334	(3 272)	557 173
TPL insurance (groups 11, 12, 13)	683 759	657 122	176 027	37 734	939	(3 921)	175 433
Credit insurance and suretyship (groups 14, 15)	38 414	61 668	92 772	1 195	8 893	(273)	25 040
Assistance (group 18)	213 506	206 115	97 532	14 933	551	-	78 804
Insurance of legal protection (group 17)	848	600	491	40	10	-	672
Other insurance (group 16)	69 874	83 018	40 891	728	81	(1 096)	45 309
Total direct insurance	8 218 944	8 255 415	3 916 901	472 415	126 766	(7 774)	2 095 984

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Indirect insurance the year ended 31 December 2013	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	73	71	-	-	-	-	3
MTPL insurance (group 10)	851	67	910	-	-	-	(87)
Auto casco insurance (group 3)	1 172	717	21	-	-	-	174
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	7 568	5 978	95	-	-	1 390	1 228
Insurance against fire and other damage to property (groups 8, 9)	38 830	35 136	26 305	384	-	627	5 938
TPL insurance (groups 11, 12, 13)	2 251	1 504	5 356	1 038	-	(214)	350
Credit insurance and suretyship (groups 14, 15)	627	642	11	-	-	-	395
Assistance (group 18)	-	-	-	-	-	-	-
Insurance of legal protection (group 17)	-	-	-	-	-	-	-
Other insurance (group 16)	3 584	3 383	5 204	9	-	61	504
Total indirect insurance	54 956	47 498	37 902	1 431	-	1 864	8 505

19.2. Supplementary data to the technical account for the period of 12 months ended 31 December 2012

Total direct and indirect insurance for the year ended 31 December 2012	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	503 894	512 975	113 329	57 353	22	(40)	171 554
MTPL insurance (group 10)	2 960 891	2 963 390	1 655 149	194 343	22 603	3 081	572 432
Auto casco insurance (group 3)	2 142 093	2 242 026	1 266 911	96 814	90 605	(85)	493 196
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	54 483	52 384	20 457	840	876	(1 487)	12 022
Insurance against fire and other damage to property (groups 8, 9)	1 804 542	1 735 831	756 421	86 796	32 846	(7 092)	568 437
TPL insurance (groups 11, 12, 13)	662 683	616 307	194 781	36 779	319	(5 863)	174 365
Credit insurance and suretyship (groups 14, 15)	45 855	40 242	67 073	2 098	6 201	10 574	28 347
Assistance (group 18)	196 516	195 211	94 042	13 761	4	-	77 735
Insurance of legal protection (group 17)	800	856	553	40	23	-	763
Other insurance (group 16)	81 741	91 843	22 639	1 447	35	(1 099)	50 497
Total direct and indirect insurance	8 453 498	8 451 065	4 191 355	490 271	153 534	(2 011)	2 149 348

Direct insurance for the year ended 31 December 2012	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	503 922	512 975	113 324	57 353	22	(40)	171 601
MTPL insurance (group 10)	2 960 541	2 962 602	1 653 966	194 343	22 603	3 081	572 333
Auto casco insurance (group 3)	2 141 959	2 240 968	1 266 743	96 814	90 605	(85)	493 255
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	52 066	50 560	20 419	840	876	(1 531)	11 614
Insurance against fire and other damage to property (groups 8, 9)	1 766 373	1 703 302	748 966	86 796	32 846	(8 055)	562 051
TPL insurance (groups 11, 12, 13)	661 889	615 312	190 988	36 779	319	(5 873)	174 237
Credit insurance and suretyship (groups 14, 15)	45 526	39 962	67 041	2 098	6 201	10 574	28 196
Assistance (group 18)	196 516	195 211	94 042	13 761	4	-	77 735
Insurance of legal protection (group 17)	800	856	553	40	23	-	763
Other insurance (group 16)	76 857	88 400	22 501	1 447	35	(1 217)	50 037
Total direct insurance	8 406 449	8 410 148	4 178 543	490 271	153 534	(3 146)	2 141 822

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Indirect insurance for the year ended 31 December 2012	Gross written premiums	Gross earned premiums	Gross claims (paid)	Claim handling costs	Recourses, recoveries and subsidies	Net balance of reinsurance	Operating costs (acquisition and administrative costs)
Accident and sickness insurance (groups 1 and 2)	(28)	-	5	-	-	-	(47)
MTPL insurance (group 10)	350	788	1 183	-	-	-	99
Auto casco insurance (group 3)	134	1 058	168	-	-	-	(59)
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	2 417	1 824	38	-	-	44	408
Insurance against fire and other damage to property (groups 8, 9)	38 169	32 529	7 455	-	-	963	6 386
TPL insurance (groups 11, 12, 13)	794	995	3 793	-	-	10	128
Credit insurance and suretyship (groups 14, 15)	329	280	32	-	-	-	151
Assistance (group 18)	-	-	-	-	-	-	-
Insurance of legal protection (group 17)	-	-	-	-	-	-	-
Other insurance (group 16)	4 884	3 443	138	-	-	118	460
Total indirect insurance	47 049	40 917	12 812	-	-	1 135	7 526

20. Information regarding claim handling process

Loss adjustment process in the year ended 31 December 2013 (data for direct insurance)	Average claim handling time in days	Amount of claims occurred in the financial period under contracts concluded in the same period including:	
		Claims paid	Provision for claims outstanding recognized at year end
Accident and sickness insurance (groups 1 and 2)	6.72	24 185	31 116
MTPL insurance (group 10)	21.02	356 530	426 540
Auto casco insurance (group 3)	17.43	464 646	186 451
Sea, aircraft and transport insurance (groups 4, 5, 6, 7)	101.42	6 911	9 765
Insurance against fire and other damage to property (groups 8, 9)	17.84	257 697	97 258
TPL insurance (groups 11, 12, 13)	31.52	33 414	136 375
Credit insurance and suretyship (groups 14, 15)	25.66	1 066	643
Assistance (group 18)	37.05	49 175	15 749
Insurance of legal protection (group 17)	18.50	73	372
Other insurance (group 16)	25.75	1 844	14 572
Total (average)	16.80	1 195 541	918 841

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

21. Costs of insurance activity

Costs of insurance activity net of reinsurance	1 January - 31 December 2013	1 January - 31 December 2012
a) direct insurance	2 020 996	2 163 466
b) indirect insurance	8 505	7 526
Total costs of insurance activity net of reinsurance	2 029 501	2 170 992

Costs of insurance activities (by type)	1 January - 31 December 2013	1 January - 31 December 2012
I. Administrative expenses	662 694	676 296
1. internal:	450 659	463 116
a) consumption of materials and energy	23 987	24 744
b) payroll, insurance and other benefits	379 084	387 244
c) amortization	42 820	46 703
d) other administrative costs	4 768	4 425
2. external:	212 035	213 180
a) external services	131 345	137 002
b) commissions for premium collection	11 015	5 726
c) advertisement	53 772	57 408
d) other expenses	15 903	13 044
II. Acquisition costs	1 441 795	1 473 052
1. internal	293 980	332 773
a) consumption of materials and energy	19 345	16 242
b) payroll, insurance and other benefits classified as acquisition costs	254 173	291 618
c) commissions on direct business	-	-
d) amortization	20 462	24 913
e) other acquisition costs	-	-
2. external:	1 177 835	1 137 384
a) payroll, insurance and other benefits classified as acquisition costs	-	-
b) commissions on direct business, including:	1 045 934	1 003 109
- acquisition commissions	472 728	457 060
- policy renewal commissions	554 722	525 582
- insurance and reinsurance contract administration commissions	18 484	20 467
c) commissions on indirect business	5 341	4 512
d) external services	72 659	86 492
e) advertising	38 698	26 272
f) other expenses	15 203	16 999
3. change in deferred acquisition costs	(30 020)	2 895
III. Claims handling and recourse collection costs	473 846	490 271
1. internal	250 637	274 455
a) consumption of materials and energy	14 025	11 927
b) remuneration of appraisers relating to claims handling and recourse collection	218 539	243 001
c) amortization	18 073	19 527
2. external:	223 209	215 816
a) external services	124 826	139 813
b) other expenses	98 383	76 003
IV. Costs of investment activities	371 493	321 344
1. internal	17 665	17 537
a) consumption of materials and energy	3 234	2 751
b) payroll, insurance and other employee benefits	10 717	11 779
c) amortization	3 714	3 007
2. external:	353 828	303 807
a) external services	15 616	15 505
b) other expenses ¹⁾	338 212	288 302

¹⁾ "Other expenses" includes, among other things, loss on realization and revaluation of investments.

21.1. Acquisition costs

Acquisition costs	1 January - 31 December 2013	1 January - 31 December 2012
a) incurred in the reporting period including:	1 471 815	1 470 157
- acquisition commissions on direct insurance	1 045 934	1 003 109
b) carried forward to future reporting periods	30 020	(2 895)

21.2. Administrative expenses

Administrative expenses	1 January - 31 December 2013	1 January - 31 December 2012
a) consumption of materials and energy	23 987	24 744
b) external services	131 345	137 002
c) taxes and charges	9 667	8 003
d) payroll	293 255	307 687
e) social security and other benefits	85 829	79 557
f) amortization	42 820	46 703
g) other, including:	75 791	72 600
Advertising	53 772	57 408
commissions for premium collection	11 015	5 726
business trips	4 768	4 425
property insurance	916	803
Total administrative expenses	662 694	676 296

22. Other operating revenue

Other operating revenue	1 January - 31 December 2013	1 January - 31 December 2012
a) financial revenue	1 620	970
b) commission on loss adjusting services	7 505	8 147
c) revenue from acquisition activities carried out for open pension funds	333	1 968
d) other operating income including:	55 673	204 306
restructuring provision release	14 580	25 862
provision release for the Office of Competition and Customer Protection	13 148	-
exchange gains	10 789	10 500
recharged expenses	6 104	6 218
revenue from reversed impairment losses and provisions for future liabilities	3 248	3 163
gain on disposal of fixed assets and investments in progress	2 093	2 621
impairment losses release and provision release for other liabilities	1 242	5 997
jubilee provision release	-	86 491
provision release for retirement and disability benefits	-	56 020
provision release for post-employment benefits	-	1 827
other	4 469	5 607
Total	65 131	215 391

Employment restructuring has been described in point 28.1 in Notes.

23. Other operating costs

Other operating costs	1 January - 31 December 2013	1 January - 31 December 2012
a) financial expenses	754	386
b) costs relating to loss adjusting services	264	179
c) costs relating to acquisition activities carried out for open pension funds	8	1 849
d) other operating costs, including:	57 041	118 812
exchange losses	19 791	14 768
Donations	19 051	25 620
rechargeable expenses	6 496	6 368
provisions created for probable losses	3 382	3 198
costs of impairment losses on tangible and intangible assets	1 209	6 696
receivables written off	1 138	1 352
costs of liquidation of pre-numbered forms	852	1 703
loss on disposal of fixed assets and investments in progress	791	1 801
penalties, damages and fines paid	404	767
default interest on tax liabilities	120	75
cost of sell buy back conditional sales contract	85	15 922
restructuring costs	-	38 171
Other	3 722	2 371
Total	58 067	121 226

The position „Donations” includes donation in amount of PLN 16,000 thousand given PZU Foundation in 2013 (in 2012: PLN 25,000 thousand)

24. Interest income and expense

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

24.1. Interest income calculated with contractual interest rates

Interest income calculated with contractual interest rates in 2013	Interest accrued and realized in 2013	Interest accrued and unrealized in 2013 (by maturity after the balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
a) Investments in controlled entities	-	-	-	-
b) other financial investments, including:	571 979	16 260	113 630	-
- debt securities and other fixed income securities	477 276	13 709	113 630	-
- shares in joint investments	-	-	-	-
- mortgage loans	2 573	-	-	-
- other loans and borrowings	67 482	1 196	-	-
- term deposits with credit institutions	24 648	1 355	-	-
- other investments	-	-	-	-
c) Deposits with ceding undertakings	-	-	-	-
d) Receivables	-	-	-	-
- receivables from direct insurance	-	-	-	-
- receivables from reinsurance	-	-	-	-
- other receivables	-	-	-	-
Interest income, total	571 979	16 260	113 630	-

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

24.2. Interest expense calculated with contractual interest rates

Interest expenses calculated with contractual interest rates in 2013	Interest accrued and realized in 2013	Interest accrued and unrealized in 2013 (by maturity after the balance sheet date))		
		up to 3 months	from 3 to 12 months	over 12 months
a) Liabilities due to reinsurers' deposits	-	-	-	-
b) Other liabilities, including:	85	-	-	-
- Liabilities due to direct insurance	-	-	-	-
- Liabilities due to reinsurance	-	-	-	-
- Liabilities arising from issue of debt securities and obtained loans	-	-	-	-
- Liabilities to credit institutions	85	-	-	-
- Other liabilities	-	-	-	-
Total interest expenses in 2013 including:	85	-	-	-
- liabilities held for trading	-	-	-	-
- short-term liabilities	85	-	-	-
- long-term liabilities	-	-	-	-

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

25. Income tax

25.1. Tax Capital Group

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

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

25.2. Current income tax

Current income tax	1 January- 31 December 2013	1 January - 31 December 2012
1. Gross profit (loss)¹⁾	5 402 319	2 919 644
2. Difference between the gross profit (loss) and the tax base (by title)	(3 511 459)	(1 413 043)
2a) Expenses and losses not classified by tax regulations as tax-deductible costs	497 696	541 669
Accrued outward reinsurance expenses	27 161	16 871
Accrued investment losses	140 248	114 907
Accrued bonuses, appropriations to the Company's Bonus Fund and employee benefits	93 949	108 300
Accrued and deferred acquisition costs	46 733	78 979
Impairment losses on insurance, reinsurance and recourse receivables	51 235	101 050
Enforcement costs and contractual penalties	3 025	5 051
Appropriations to PFRON	6 750	6 720
Donations	19 051	25 620
Accrued costs of external services	26 264	22 882
Provision for probable losses	44 719	39 829
Other	38 561	21 460
2b) Revenue not included in the tax base	4 321 223	1 847 451
Accrued investment income	302 809	380 587
Dividends	3 886 588	1 245 764
Other technical income – reversed impairment losses etc.	73 737	69 911
Release of provision for jubilee bonuses and post-employment benefits	-	142 511
Release of the Office of Competition and Customer Protection provision	27 728	25 862
Accrued revenue from reinsurance	9 133	(17 350)
Other	21 228	166
2c) Other changes in the tax base	312 068	(107 261)
Realized accrued previous year investment income	462 916	101 777
Amounts payable to natural persons under personal service contracts and bonuses, accrued in the previous year	(106 463)	(145 786)
Realized accrued previous years' acquisition costs	(35 951)	(7 406)
Other costs/income realized	8 987	(30 444)
Tax-exempt income	(17 421)	(25 402)
3. Income tax base	1 890 860	1 506 601
4. Income tax at 19% rate	359 263	286 254
5. Tax increase, cancellation, exemption, deduction and reduction	(3 545)	4 634
6. Current income tax recognized in tax returns for the period, including:	355 718	290 888
- cost disclosed in the profit and loss account	355 718	290 888
- regarding items increasing or reducing equity	-	-

Current income tax	1 January- 31 December 2013	1 January - 31 December 2012
- regarding items increasing or reducing goodwill	-	-

¹⁾ Gross profit/(loss) includes "Share in net profit/(loss) of controlled entities measured with the equity method" included in the general profit and loss account.

Income tax by type of activity	1 January- 31 December 2013	1 January - 31 December 2012
Differences between the gross profit (loss) and the tax base	(3 511 459)	(1 413 043)
- due to technical activities	(14 920)	136 933
- due to extraordinary gains and losses	-	-
- other	(3 496 539)	(1 549 976)
Tax base	1 890 860	1 506 601

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

25.3. Deferred income tax

Deferred income tax disclosed in the profit and loss account	1 January- 31 December 2013	1 January - 31 December 2012
- decrease (increase) due to recognizing and reversing of temporary differences	(59 744)	48 036
- decrease (increase) due to change in tax rates	-	-
- decrease (increase) due to previously unrecognized tax loss, allowance or temporary difference from the previous period	-	-
- decrease (increase) due to deduction of deferred tax assets or inability to use deferred tax provision	-	-
- other deferred tax items (by basis)	-	-
Total deferred income tax	(59 744)	48 036

In 2013 and in 2012, no income tax on discontinued operations or extraordinary transactions occurred.

Deferred income tax disclosed beyond the profit and loss account	1 January- 31 December 2013	1 January - 31 December 2012
The total deferred tax amount:	146 148	72 671
- recognized in equity	146 148	72 671
- recognized in goodwill or negative goodwill	-	-

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

Share in net profits (losses) of controlled entities measured using the equity method	1 January- 31 December 2013	1 January - 31 December 2012
Share in net profits (losses) of controlled entities measured using the equity method including:	11 439	(4 737)
- impairment of negative goodwill of controlled entities	-	-
- impairment of negative goodwill of controlled entities	-	-
- impairment loss on net asset measurement	11 439	(4 737)

27. Additional information to the cash flow statement

“Other inflows from operating activities” include:

Other inflows from operating activities – selected data	1 January- 31 December 2013	1 January – 31 December 2012
Proceeds from PZU Życie - refund of CIT advances - participation in PGK	398 855	320 530
Inflows to social benefits fund account and employee account	64 897	10 818
Other inflows	22 981	51 441
Other inflows from operating activities total	486 733	382 789

“Other outflows for operating activities” include:

Other outflows for operating activities – selected data	1 January- 31 December 2013	1 January – 31 December 2012
CIT payments	453 454	338 982
Expenditure for advance CIT payments received from PZU Życie – participation in PGK	398 855	320 530
Expenditure from social benefits fund account and employee account	52 708	42 355
Other expenses	81 589	45 737
Other operating costs total	986 606	747 604

27.1. Restricted cash

The cash flow statement includes restricted cash item concerning:

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

28. Other information and explanations

28.1. Employment restructuring process at PZU

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

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

The employment restructuring process was carried out as scheduled and it finally affected 1,985 employees of PZU, while 473 individuals were laid off.

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

The total restructuring costs charged to the restructuring provision in 2013 amounted to PLN 33,334 thousand (throughout 2012: PLN 51,272 thousand), and the unused part of provision in amount of PLN 14,580 thousand has been released.

In 2013, there were on provisions for restructuring costs (compared to PLN 47,914 thousand, as at 31 December 2012).

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

Investment outlays incurred for the current period	1 January – 31 December 2013	1 January – 31 December 2012
Investment outlays incurred including:	203 223	91 446
- outlays for non-financial non-current assets	37 179	30 252

Investment outlays planned for the 12 months following the balance sheet date including:	31 December 2013	31 December 2012
Investment outlays planned for the 12 months following the balance sheet date including:	208 613	225 839
- outlays for non-financial non-current assets	208 613	225 839

29. Disputes

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

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

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

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

As of 31 December 2013 the total value of all 59,663 cases heard by courts, bodies competent to hear arbitration proceedings or public authority bodies involving PZU was PLN 2,184,836 thousand. The amount includes PLN 1,818,637 thousand of liabilities and PLN 366,199 thousand of receivables of PZU, which constituted 14,83% and 2,99% of PZU equity calculated in line with PAS, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

On 17 December 2013, the District Court pronounced a judgment whereby the claims were accepted in whole and the costs of the proceedings awarded from PZU to Manchester Securities Corporation. On 4 March 2014, PZU appealed against the judgment in whole.

As at the balance sheet date of 31 December 2013, no changes in presentation of PZU capitals were made that may result from cancellation of the resolution, including "Supplementary capital" and "Previous year profit (loss)". The funds appropriated to the Company's Social Benefit Fund were not adjusted or provisions recognized against any potential additional claims resulting from cancellation of the above resolution.

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

29.2.1 Fine imposed in 2009 for standard agreements

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

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

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

On 6 November 2013, the Appellate Court in Warsaw changed the judgment issued by the Court of Competition and Consumer Protection on 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. A final appeal against the judgment may be filed with the Supreme Court within 2 months of the date of receipt of the statement of reasons. The aforesaid statement of reasons had not been provided to PZU by the date of signing these financial statements.

The fine of PLN 1,644 thousand, paid by the Company, was charged to a provision, which amounted to PLN 14,792 thousand as at 31 December 2012. The remaining amount of the provision (PLN 13,148 thousand) was derecognized.

29.2.2 Fine imposed in 2011

29.2.2.1 Reimbursement of the costs of rental a replacement car

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

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

and demanded that the practices be discontinued.

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

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

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 aforementioned judgment. However, the appeal had not been examined by the Appellate Court in Warsaw by the date of these financial statements.

Regardless of the appeal measures employed, PZU recognized a provision for the aforesaid fine, which amounted to PLN 11,287 thousand both as at 31 December 2013 and 31 December 2012.

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 Article 6.1.3 of the Act on competition and consumer protection following an agreement concluded by PZU and Maximus Broker Sp. z o.o. with its registered office in Toruń (“Maximus Broker”) that limited the competition in the domestic group accident insurance for children, youth and staff of educational institutions by dividing the market between the entities – the clients of PZU in the kujawsko-pomorskie region were serviced by Maximus Broker in exchange for recommendation of PZU insurance to those clients. The Office demanded that the practices be discontinued.

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

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

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

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

On 22 October 2012, PZU received a response of President of Office of Competition and Consumer Protection to its appeal. PZU replied to this response on 5 November 2012. The date of the trial had not been set by the date of signing these financial statements.

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

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

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

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

On 21 September 2012 PZU joined the above proceedings submitting its claims to the bankruptcy estate of both companies (including amounts payable in future).

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

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

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

29.4. Dispute with Comarch SA

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

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

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

30. Employment

Average employment, broken down by employee group	1 January – 31 December 2013		1 January - 31 December 2012	
	Average annual employment (FTE)	Average annual headcount (persons)	Average annual FTE	Average annual headcount (persons)
a) Supervisory Board	9	9	8	8
b) Management Board	7	7	6	6
c) Total employment, including:	7 945	9 815	8 369	10 286
- management	360	612	375	629
- advisors	1	2	1	2
- actuaries	3	3	2	2
- other employees	7 581	9 198	7 991	9 653
- including agents on employment contracts	73	77	126	133
d) Number of agents without employment contracts (persons)		8 723		8 157

31. Agreements on audit and review of financial statements

31.1. Remuneration of the entity authorized to audit financial statements

Remuneration of the entity authorized to audit financial statements	1 January - 31 December 2013	1 January - 31 December 2012
a) statutory audit of annual separate/consolidated financial statements	633	633
b) other attestation services including review of separate/consolidated financial statements	887	519
c) tax advisory services	416	377
d) other services	34	34
Total	1 970	1 563

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

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

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

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

32. Related party transactions

In 2013, PZU did not conclude related party transactions, which individually or jointly would constitute a significant amount, on non-arm's length terms.

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

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

In 2013 and in 2012, there were no material transactions between PZU and entities in which Members of the Management Board of PZU or the Supervisory Board of PZU, persons who are their joint householders, spouses, persons related by blood or affinity up to the second degree, adoptees and adopters and persons under their care or guardianship would hold directly or indirectly at least 20% of votes at the general (shareholders') meeting, other than those resulting from concluded 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 2013 and in 2012, no unpaid advances, credit facilities, loans, guarantees, sureties or other contracts with performance obligation regarding members of PZU Management Board or Supervisory Board occurred.

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

Remuneration and other short-term employee benefits paid by PZU	1 January – 31 December 2013		1 January – 31 December 2012	
		bonuses:		bonuses:
Management Board, out of which:	9 503	3 024	7 012	1 600
Andrzej Klesyk	2 780	980	1 691	480
Przemysław Dąbrowski	1 135	336	1 092	252
Dariusz Krzewina	642	-	-	-
Barbara Smalska	593	-	-	-
Tomasz Tarkowski	1 102	336	1 100	259
Ryszard Trepczyński	1 535	736	945	105
Witold Jaworski	-	-	1 176	336
Bogusław Skuza ¹⁾	1 716	636	1 008	168
High level managers (PZU Group Directors), out of which:	3 263	1 122	2 283	337
Rafał Grodzicki	874	250	709	179
Przemysław Henschke	804	180	435	-
Dariusz Krzewina ²⁾	291	180	616	86
Sławomir Niemierka	863	200	523	72
Barbara Smalska ²⁾	431 ³⁾	312 ⁴⁾	-	-

Remuneration and other short-term employee benefits paid by PZU	1 January – 31 December 2013		1 January – 31 December 2012	
Supervisory Board, out of which:	1 224	-	1 126	-
Waldemar Maj	192	-	162	-
Zbigniew Cwiąkański	168	-	168	-
Tomasz Zganiacz	144	-	85	-
Dariusz Daniluk	120	-	120	-
Zbigniew Derdziuk	120	-	120	-
Dariusz Filar	120	-	120	-
Włodzimierz Kiciński	120	-	71	-
Alojzy Nowak	120	-	71	-
Maciej Piotrowski	120	-	71	-
Marzena Piszczek	-	-	79	-
Krzysztof Dresler	-	-	59	-

Remuneration and other short-term employee benefits paid by other PZU Group entities	1 January – 31 December 2013		1 January – 31 December 2012	
		bonuses:		bonuses:
Management Board, out of which:	3 826	1 224	2 106	255
Andrzej Klesyk	320	-	386	-
Przemysław Dąbrowski	654	255	425	101
Dariusz Krzewina	1 121	561	-	-
Barbara Smalska	327	-	-	-
Tomasz Tarkowski	510	153	257	77
Ryszard Trepczyński	654	255	409	77
Witold Jaworski	-	-	392	-
Bogusław Skuza ¹⁾	240	-	237	-
High level managers (PZU Group Directors), out of which:	2 235	1 071	2 486	569
Rafał Grodzicki	742	357	704	252
Przemysław Henschke	742	357	381	-
Dariusz Krzewina ²⁾	-	-	992	278
Sławomir Niemierka	751	357	409	39
Barbara Smalska ²⁾	-	-	-	-

Total estimated amount of non-cash benefits granted by the Company and its subsidiaries	1 January – 31 December 2013		1 January – 31 December 2012	
Management Board, out of which:	1 343		1 150	
Andrzej Klesyk	251		214	
Przemysław Dąbrowski	167		148	
Dariusz Krzewina	214		-	
Barbara Smalska	151		-	
Tomasz Tarkowski	181		273	
Ryszard Trepczyński	166		244	
Bogusław Skuza ¹⁾	213		90	
Witold Jaworski	-		181	
High level managers (PZU Group Directors), out of which:	401		617	
Rafał Grodzicki	183		192	
Przemysław Henschke	55		72	
Dariusz Krzewina ²⁾	-		201	
Sławomir Niemierka	163		152	
Barbara Smalska ²⁾	-		-	
Supervisory Board, out of which:	-		1	
Alojzy Nowak	-		1	

¹⁾ On 27 December 2013, Bogusław Skuza resigned from the position of Member of the Management Board of PZU as of 31 December 2013.

²⁾ On 12 March 2013, the Supervisory Board of PZU appointed Dariusz Krzewina and Barbara Smalska to the position of Members of the Management Board effective from 15 March 2013. (Additionally Dariusz Krzewina and Barbara Smalska were Directors of PZU Group respectively till 14 March 2013 and from 5 January 2013 till 14 March 2013)

³⁾ The amount includes the bonuses for 2012 and benefits granted during the term of office in PZU and PZU Życie till the appointment as PZU Group Director

⁴⁾ Amount representing the value of benefits granted during the term of office in PZU and PZU Życie.

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 2013	1 January – 31 December 2012
a) Charged to costs	21 795	16 781
b) Resulting from incentive or bonus plans based on issuer's equity	-	-

32.2. Transactions with subsidiaries

Transactions with subsidiaries	1 January – 31 December 2013	1 January – 31 December 2012
1. Gross written premium, including:	2 851	1 414
- from UAB DK PZU Lietuva	2 303	418
- from PR JSC IC PZU Ukraina	136	409
2. Dividend income, including:	3 886 588	1 206 357
- from PZU Życie	3 842 875	1 177 476
- from PZU CO	31 124	6 204
- from PZU TFI	12 019	13 581
- from Ogrodowa Inwestycje	570	2 355
- from ICH Center	-	3 545
- from PZU AM	-	3 188
- from Armatura Kraków SA	-	8
3. Other revenue, including:	17 647	17 979
- from a return of a portion of a fee for managing financial assets from TFI PZU	8 640	5 737
- from re invoicing costs from controlled entries	5 329	5 378
- from real property due to rents from controlled entities -	2 519	2 782
- from acquisition activities carried out for OFE PZU received from PTE PZU	-	1 646
4. Gross claims paid, including:	4 599	4 219
- for UAB DK PZU Lietuva	4 599	2 319
5. Other expenses, including:	48 324	54 276
- IT services rendered by PZU CO	32 199	38 260
- cyclic mass print service by PZU CO	5 985	1 235
- costs acquisition activities carried out for TFI PZU	5 060	5 737

Transactions with subsidiaries	31 December 2013	31 December 2012
1. Receivables - gross value, including:	54 290	16 788
- Receivables due to reimbursement of CIT – Tax Group	41 544	2 325
- from Syta Development due to performance of agreements related to the CLSiOR investment	4 746	4 746
- from Syta Development due to advance payments for the CLSiOR investment	3 562	3 562
- deposits receivable due to inward reinsurance – premiums from UAB DK PZU Lietuva	2 827	3 813
2. Impairment losses on receivables and advances from Syta Development	8 306	8 306
3. Liabilities including:	222 742	73 144
- loans from PZU Życie	200 000	-
- income tax liabilities – Tax Capital Group	16 131	66 660
4. Off-balance sheet receivables - from Syta Development as collateral of interest on the originated loan	-	2 275

32.2.1 Information on loans from PZU Życie

On 7 August 2013, PZU and PZU Życie entered into a framework agreement on execution of transactions concerning cash advances. Cash advances will be provided in the Polish zloty for a fixed term of no more than 12 months. The total value of cash advances provided by each Party may not exceed PLN 1 billion. Cash advances provided are presented under "Investments in controlled entities" in the Company's assets, while those received – under "Other liabilities to controlled entities" in the Company's equity and liabilities.

32.3. Transactions with associated entities

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

Transactions with associated entities	31 December 2013	31 December 2012
1. Receivables - gross value, including advance payments for construction investments	0	132
2. Liabilities	-	-

Signatures of members of the Management Board of PZU

Name	Position	
Andrzej Klesyk	Chairman of the Board (signature)
Przemysław Dąbrowski	Member of the Board (signature)
Dariusz Krzewina	Member of the Board (signature)
Barbara Smalska	Member of the Board (signature)
Tomasz Tarkowski	Member of the Board (signature)
Ryszard Trepczyński	Member of the Board (signature)

Person responsible for preparation of separate financial statements:

Jan Terlecki	Director in charge of reporting (signature)
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Chief Actuary at PZU:

Paweł Chadysz	Vice-Director of the Actuarial Office (signature)
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Warsaw, 11 March 2014