

**INTERIM CONSOLIDATED REPORT OF THE
CAPITAL GROUP OF
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA
FOR A PERIOD OF 6 MONTHS
ENDED 30 JUNE 2013**



Warsaw, August 2013

Interim consolidated report of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period of 6 months ended 30 June 2013 contains:

1. Selected items from financial statements contains:
 - Selected consolidated financial data of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the International Financial Reporting Standards);
 - Selected separate financial data of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards);
 - Selected separate financial data of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards).
2. Report on the activities of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period of 6 months ended 30 June 2012.
3. Interim consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period of 6 months ended 30 June 2013 (prepared in accordance with the International Financial Reporting Standards).
4. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. report on the review of the interim consolidated financial statements of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period from 1 January 2013 to 30 June 2013.
5. Interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period of 6 months ended 30 June 2013 (prepared in accordance with the Polish Accounting Standards).
6. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. opinion and report on the audit of the interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for a period from 1 January 2013 to 30 June 2013.

SELECTED ITEMS FROM FINANCIAL STATEMENTS

1. Selected consolidated financial data of The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the International Financial Reporting Standards)

Items from consolidated statement of financial position	PLN '000 30 June 2013	PLN '000 31 December 2012	PLN '000 30 June 2012	EUR '000 30 June 2013	EUR '000 31 December 2012	EUR '000 30 June 2012
Assets	62 598 497	55 909 560	54 267 604	14 459 599	13 675 838	12 734 988
Share capital	86 352	86 352	86 352	19 946	21 122	20 264
Equity and provisions attributable to equity holders of the parent entity	13 208 982	14 190 131	12 660 569	3 051 137	3 470 997	2 971 058
Non-controlling interests	79 724	79 138	80 015	18 415	19 358	18 777
Total equity	13 288 706	14 269 269	12 740 584	3 069 552	3 490 355	2 989 835
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	152,97	164,33	146,62	35,33	40,20	34,41

Items from consolidated income statement	PLN '000 1 January - 30 June 2013	PLN '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2013	EUR '000 1 January - 30 June 2012
Gross written premiums	8 495 251	8 246 274	2 015 959	1 951 966
Net earned premiums	8 177 240	7 866 736	1 940 494	1 862 126
Revenue from commissions and fees	143 270	116 359	33 999	27 543
Net profit or loss on investment activities	969 318	1 523 904	230 023	360 721
Net insurance claims	(5 459 405)	(5 514 635)	(1 295 540)	(1 305 363)
Gross profit (loss)	2 109 723	2 122 751	500 646	502 474
Net profit (loss) attributable to equity holders of the parent entity	1 675 348	1 716 933	397 567	406 413
Non-controlling interests profit (loss)	368	(484)	87	(115)
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	19,40	19,88	4,60	4,71

Items from consolidated statements of cash flows	PLN '000 1 January - 30 June 2013	PLN '000 1 January – 30 June 2012	EUR '000 1 January – 30 June 2013	EUR '000 1 January – 30 June 2012
Net cash flows generated by operating activities	1 685 662	1 227 568	400 015	290 576
Net cash used in/generated by investment activities	(2 147 660)	(460 561)	(509 649)	(109 019)
Net cash used in financing activities	622 743	(833 048)	147 780	(197 190)
Total net cash flows	160 745	(66 041)	38 145	(15 632)

2. Selected separate financial data of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards)

Items from statement of financial position	PLN '000 30 June 2013	PLN '000 31 December 2012	PLN '000 30 June 2012	EUR '000 30 June 2013	EUR '000 31 December 2012	EUR '000 30 June 2012
Assets	33 192 104	29 913 216	29 601 640	7 667 029	7 316 965	6 946 622
Share capital	86 352	86 352	86 352	19 946	21 122	20 264
Total equity	12 465 060	13 452 581	11 628 993	2 879 299	3 290 588	2 728 978
Weighted average basic and diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN/EUR)	144,35	155,79	134,67	33,34	38,11	31,60

Items from technical account – property and personal insurance and general profit and loss account	PLN '000 1 January - 30 June 2013	PLN '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2013	EUR '000 1 January - 30 June 2012
Gross written premiums	4 337 002	4 436 623	1 029 189	1 050 188
Technical result on property and personal insurance	761 194	418 648	180 635	99 098
Net profit or loss on investment activities*	4 262 212	1 788 772	1 011 441	423 418
Net profit (loss)	4 679 913	1 895 361	1 110 563	448 649
Weighted average basic and diluted number of ordinary shares (in pieces)	86 352 300	86 352 300	86 352 300	86 352 300
Basic and diluted profit (loss) per ordinary share (in PLN/EUR)	54,20	21,95	12,86	5,20

* Include: 'Share in net profits (losses) of controlled entities measured using the equity method'.

3. Selected separate financial data of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (prepared in accordance with the Polish Accounting Standards)

Items from statement of financial position	PLN '000 30 June 2013	PLN '000 31 December 2012	PLN '000 30 June 2012	EUR '000 30 June 2013	EUR '000 31 December 2012	EUR '000 30 June 2012
Assets	32 012 845	30 084 111	30 402 362	7 394 633	7 358 767	7 134 527
Total equity	3 665 606	6 748 062	5 837 112	846 717	1 650 619	1 369 796

Items from technical account – life insurance and general profit and loss account	PLN '000 1 January - 30 June 2013	PLN '000 1 January - 30 June 2012	EUR '000 1 January - 30 June 2013	EUR '000 1 January - 30 June 2012
Gross written premiums	4 801 369	5 191 451	1 139 385	1 228 862
Technical result on life insurance	847 215	992 864	201 048	235 020
Net profit or loss on investment activities	472 521	1 041 102	112 131	246 438
Net profit (loss)	763 691	1 029 385	181 227	243 664

The following exchange rates have been applied to translate data of foreign controlled entities and to present selected financial data:

Currency	1 January - 30 June 2013	30 June 2013	31 March 2013	1 June – 31 December 2012	31 December 2012	1 January - 30 June 2012	30 June 2012
LTL	1,2204	1,2538	1,2099	1,2087	1,1840	1,2235	1,2341
UAH	0,3947	0,4043	0,4006	0,4001	0,3825	0,4044	0,4221
EUR	4,2140	4,3292	4,1774	4,1736	4,0882	4,2246	4,2613

The rates are:

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