

**INTERIM SEPARATE FINANCIAL STATEMENTS OF
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
SPÓŁKA AKCYJNA
FOR A 6-MONTH PERIOD
ENDED 30 JUNE 2012**



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INTRODUCTION TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. Introduction

1.1. Information about Powszechny Zakład Ubezpieczeń

Powszechny Zakład Ubezpieczeń Spółka Akcyjna ("PZU", "Company") with its registered office in Warsaw, at Al. Jana Pawła II 24, was established by way of transformation of Państwowy Zakład Ubezpieczeń into a joint-stock company wholly owned by the State Treasury, 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 other personal and property insurance (PKD 65.12) and according to NACE, non-life insurance (EKD 6603).

PZU is a parent company of Powszechny Zakład Ubezpieczeń SA Capital Group ("PZU Group") and prepares consolidated financial statements.

1.2. Period covered by the interim separate financial statements

These interim condensed separate financial statements cover a 6-month period from 1 January to 30 June 2012.

1.3. Going concern

These interim condensed financial statements have been prepared based on the assumption that PZU will continue as a going concern in the foreseeable future, i.e. over a period of at least 12 months following the end of the reporting period, i.e. after 30 June 2012.

As of the date of signing the interim condensed financial statements, no facts and circumstances indicated a risk to the ability of PZU to continue as a going concern within 12 months of the end of the reporting period due to intended or forced discontinuation or material limitation of its activities.

1.4. Presentation unit

Unless expressly stated otherwise, all financial data are presented in PLN thousand in these interim condensed financial statements.

1.5. Business combinations

During the 6-month period from 1 January to 30 June 2012 and in 2011 PZU was not merged with any other business entities.

1.6. Discontinued operations

During the 6-month period from 1 January to 30 June 2012 and in 2011 PZU did not discontinue any of its operations.

1.7. Seasonal or cyclical nature of business

PZU's operations are not of particularly seasonal or cyclical nature.

2. Accounting principles (policy)

Pursuant to Art. 45. 1a of 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 IFRS and the related Interpretations published in the form of regulations of the European Commission (hereinafter: IFRS).

As the General Meeting of Shareholders of PZU has not taken the decision referred to in Art. 45. 1c of the Accounting Act of 29 September 1994 (Journal of Laws No. 152 of 2009, item 1223 as amended – the Accounting Act), regarding preparation of financial statements in accordance with IFRS, these interim condensed separate financial statements of PZU have been prepared in compliance with Polish Accounting Standards ("PAS") as laid down in the Accounting Act, as well as relevant secondary legislation issued on the basis thereof, including but not limited to:

- 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 on accounting principles for insurers;
- 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).

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 (IFRS).

Detailed accounting principles (policy) were presented in the annual separate financial statements of PZU for 2011, prepared in accordance with PAS and signed by the Management Board of PZU on 14 March 2012 on which the certified auditor issued an unqualified opinion on the above date and which were approved by the General Meeting of Shareholders of PZU on 30 May 2012 ("Separate financial statements of PZU for 2011").

The separate financial statements of PZU for 2011 are available on the PZU website www.pzu.pl under "PZU Capital Group/Investor Relations/Periodic and current reports/Periodic reports".

3. Changes in the accounting principles (policy) and comparability of financial data

No changes in the accounting principles (policy) were introduced in the 6-month period from 1 January to 30 June 2012.

The method of presenting financial data in these interim separate financial statements did not change compared to the separate financial statements of PZU for 2011.

4. Adjustments of previous year errors

In the 6-month period from 1 January to 30 June 2012 no adjustments of previous year errors were made.

5. Information on significant post-balance sheet events not disclosed in the financial statements

Until the date of publication of these interim condensed financial statements no significant events occurred which have not been disclosed in these interim condensed financial statements.

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

No information on significant prior year events was included in these interim separate financial statements.

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

7.1. Dividend from PZU Życie to PZU

On 22 May 2012 the Ordinary General Shareholders' Meeting of PZU Życie adopted a resolution on distribution of the profit of PZU Życie for the 2011 financial year of PLN 1.583.301 thousand as follows:

- payment of dividend to the sole shareholder, i.e. PZU - PLN 1,177,476 thousand;
- reclassification to the supplementary capital - PLN 395,825 thousand;
- PLN 10,000 thousand reclassified to the Company's Social Benefits Fund.

In accordance with the resolution in question the dividend record date was set at 22 May and the dividend was to be paid out on 13 September 2012.

7.2. Payment of a dividend for 2011

On 30 May 2012 the Ordinary General Shareholders' Meeting of PZU distributed the net profit for 2011 in the amount of PLN 2.582.303 thousand as follows:

- payment of dividend to the shareholders - PLN 1.936.882 thousand, PLN 22.43 per share;
- reclassification to the supplementary capital – PLN 635,421 thousand;
- PLN 10,000 thousand reclassified to the Company's Social Benefits Fund.

The dividend record day was set at 30 August 2012 and the dividend was to be paid out on 20 September 2012.

INTERIM BALANCE SHEET

PLN '000

Assets	Note	30 June 2012	31 March 2012	31 December 2011	30 June 2011
I. Intangible assets, including:	1	104 418	99 569	107 004	67 408
- goodwill		-	-	-	-
II. Investments		25 893 421	26 414 958	24 882 946	25 071 092
1. Real property	2.1	573 934	577 578	582 328	591 566
2. Investments in controlled entities	2.2	6 301 047	6 838 870	6 425 930	5 817 751
- investments in controlled entities measured using the equity method		6 268 926	6 806 731	6 393 817	5 791 415
3. Other financial investments	2.3	19 013 872	18 993 553	17 868 972	18 655 241
4. Deposits with ceding undertakings		4 568	4 957	5 716	6 534
III. Net unit-linked assets		-	-	-	-
IV. Receivables		2 745 232	2 112 891	1 487 399	3 871 584
1. Receivables from direct insurance	3.1	1 342 572	1 416 902	1 293 075	1 286 977
1.1. From controlled entities		97	219	283	101
1.2. From other entities		1 342 475	1 416 683	1 292 792	1 286 876
2. Receivables from reinsurance	3.2	35 276	33 760	32 917	78 668
2.1. From controlled entities		24	3	43	6 663
2.2. From other entities		35 252	33 757	32 874	72 005
3. Other receivables	3.3	1 367 384	662 229	161 407	2 505 939
3.1. Receivables from the state budget		534	6 026	5 476	9 500
3.2. Other receivables		1 366 850	656 203	155 931	2 496 439
a) from controlled entities		1 209 177	43 473	38 684	2 025 153
b) from other entities		157 673	612 730	117 247	471 286
V. Other assets		237 724	143 283	208 545	282 032
1. Tangible assets	4.1	86 410	91 966	100 677	96 861
2. Cash	4.2	151 314	51 317	107 868	185 171
3. Other assets		-	-	-	-
VI. Prepayments		620 845	631 515	711 963	638 920
1. Deferred tax asset		58 620	54 386	125 546	690
2. Deferred acquisition costs		498 286	512 850	493 180	489 629
3. Recognized interest and rent		277	-	-	-
4. Other prepayments	4.3	63 662	64 279	93 237	148 601
Total assets		29 601 640	29 402 216	27 397 857	29 931 036

INTERIM BALANCE SHEET (CONT'D)

PLN '000

Liabilities and equity	Note	30 June 2012	31 March 2012	31 December 2011	30 June 2011
I. Equity		11 628 993	12 544 351	11 745 410	11 191 406
1. Share capital	5	86 352	86 352	86 352	86 352
2. Called up share capital (negative value)		-	-	-	-
3. Treasury shares (negative value)		-	-	-	-
4. Supplementary capital		3 967 358	3 331 934	3 331 838	3 331 831
5. Revaluation reserve		5 679 922	6 220 032	5 744 917	5 309 159
6. Other reserve capitals		-	-	-	-
7. Previous year profit (loss)		-	2 582 303	-	-
8. Net profit (loss)		1 895 361	323 730	2 582 303	2 464 064
9. Appropriations of net profit during the financial year (negative value)		-	-	-	-
II. Subordinated liabilities		-	-	-	-
III. Technical provisions	6	15 302 630	15 140 965	14 653 008	14 163 921
IV. Reinsurers' share in technical provisions (negative value)		(696 041)	(611 298)	(679 274)	(748 134)
V. Estimated salvages and subrogations (negative value)		(60 766)	(68 790)	(78 387)	(47 403)
1. Estimated salvages and subrogations (gross)		(63 038)	(70 865)	(80 980)	(49 087)
2. Reinsurers' share in estimated salvages and subrogations		2 272	2 075	2 593	1 684
VI. Other provisions		384 301	404 776	412 906	317 872
1. Provisions for pension and other statutory employee benefits	7	228 533	221 785	216 628	218 778
2. Provision for deferred income tax		-	-	-	-
3. Other provisions	8	155 768	182 991	196 278	99 094
VII. Liabilities due to reinsurers' deposits		-	-	-	-
VIII. Other liabilities and special funds		2 704 853	1 583 458	826 280	4 754 004
1. Liabilities due to direct insurance	9.1	261 464	290 411	301 954	264 685
1.1. To controlled entities		692	146	686	746
1.2. To other entities		260 772	290 265	301 268	263 939
2. Liabilities due to reinsurance	9.2	65 521	66 197	20 574	71 721
2.1. to controlled entities		-	-	-	6 206
2.2. to other entities		65 521	66 197	20 574	65 515
3. Liabilities arising from issue of debt securities and obtained loans		-	-	-	-
4. Liabilities to credit institutions	9.3	109 197	479 472	154 488	1 313 668
5. Other liabilities	9.4	2 132 114	635 083	244 530	2 960 633
5.1. Liabilities to the state budget		28 623	8 284	16 552	67 082
5.2. Other liabilities		2 103 491	626 799	227 978	2 893 551
a) to controlled entities		4 555	9 659	5 685	15 026
b) to other entities		2 098 936	617 140	222 293	2 878 525
6. Special funds	9.4	136 557	112 295	104 734	143 297
IX. Accruals	11	337 670	408 754	517 914	299 370
1. Accrued expenses		314 208	384 569	498 186	284 302
2. Negative goodwill		-	-	-	-
3. Deferred income		23 462	24 185	19 728	15 068
Total liabilities and equity		29 601 640	29 402 216	27 397 857	29 931 036
Book value		11 628 993	12 544 351	11 745 410	11 191 406
Number of shares		86 352 300	86 352 300	86 352 300	86 352 300
Book value per share (in PLN)		134,67	145,27	136,02	129,60
Diluted number of shares		86 352 300	86 352 300	86 352 300	86 352 300
Diluted book value per share (in PLN)		134,67	145,27	136,02	129,60

INTERIM STATEMENT OF OFF-BALANCE SHEET ITEMS

PLN '000

Off-balance sheet items	30 June 2012	31 March 2012	31 December 2011	30 June 2011
1. Contingent receivables, including:	9 809 179	9 577 471	9 367 846	8 764 268
1.1. guarantees and sureties received	18 025	17 894	17 746	5 000
1.2. other /1	9 791 154	9 559 577	9 350 100	8 759 268
2. Contingent liabilities, including:	61 209	55 908	59 347	60 441
2.1. guarantees and sureties given	3 600	4 864	4 873	6 469
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	56 816	50 117	53 547	53 075
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	218 503	218 607	222 088	222 709
6. Other off-balance sheet items	-	-	-	-
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Own funds	9 151 164	10 205 942	9 192 064	8 841 033
Solvency margin	1 348 012	1 348 689	1 338 798	1 336 216
Surplus (shortage) of own funds to cover the solvency margin	7 803 152	8 857 253	7 853 266	7 504 817
Gross technical provisions/2	15 239 592	15 070 100	14 572 028	14 114 834
Assets to cover technical provisions	19 310 706	19 020 991	18 510 626	18 790 497
Surplus (shortage) of assets to cover technical provisions	4 071 114	3 950 891	3 938 598	4 675 663

/1 This item includes mainly: promissory notes due to insurance guarantees given, other promissory notes, collateral in the form of alienation of the debtor's assets, mortgage on the debtor's assets, other contingent receivables etc.

/2 including gross estimated salvages and subrogations

An increase in the balance of other contingent receivables in 2012 resulted mainly from an increase in the balance of promissory notes due to insurance guarantees given, which was PLN 8.153.548 thousand as of 30 June 2012 (PLN 7.970.772 thousand as of 31 March 2012, PLN 7.774.429 thousand as of 31 December 2011 and PLN 7.250.380 thousand as of 30 June 2011).

INTERIM TECHNICAL ACCOUNT - PROPERTY AND CASUALTY INSURANCE

PLN '000

Technical account - property and casualty insurance	Note	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
I. Premiums	13	2 086 556	4 084 173	1 973 522	3 832 180
1. Gross written premiums	13.1	1 995 432	4 436 623	1 956 610	4 213 519
2. Reinsurers' share in written premium		19 132	60 617	32 150	129 509
3. Changes in provisions for unearned premiums and unexpired risks (gross)		(123 806)	259 552	(51 952)	286 787
4. Reinsurers' share in change in provisions for unearned premiums		(13 550)	(32 281)	(2 890)	34 957
II. Net investment income, taking into account costs, reclassified from the general profit and loss account		72 765	144 813	66 885	132 492
III. Other technical revenue net of reinsurance		28 696	44 780	11 556	41 589
IV. Claims		1 360 210	2 633 393	1 402 422	2 558 747
1. Claims paid net of reinsurance		1 163 132	2 271 414	1 329 781	2 543 581
1.1. Gross claims paid	14				
	15	1 210 847	2 344 293	1 390 779	2 659 457
1.2. Reinsurers' share in claims paid		47 715	72 879	60 998	115 876
2. Change in provision for claims outstanding, net of reinsurance:		197 078	361 979	72 641	15 166
2.1. Change in provisions for claims outstanding (gross)		295 173	411 347	50 325	(57 909)
2.2. Reinsurers' share in change in provisions for claims outstanding		98 095	49 368	(22 316)	(73 075)
V. Changes in other technical provisions, net of reinsurance		-	-	-	-
1. Change in other technical provisions (gross)		-	-	-	-
2. Reinsurers' share in change in other technical provisions		-	-	-	-
VI. Bonuses and rebates net of reinsurance, including change in provisions		(1 725)	(3 144)	(271)	1 550
VII. Costs of insurance activity		507 465	1 044 995	485 620	967 500
1. Acquisition costs	16	360 428	730 776	360 490	713 724
- including change in the balance of deferred acquisition costs		14 564	(5 106)	1 612	(27 571)
2. Administrative expenses	17	136 387	300 985	127 411	264 632
3. Reinsurers' commissions and share in reinsurers' profit		(10 650)	(13 234)	2 281	10 856
VIII. Other technical charges, net of reinsurance		77 887	179 874	69 935	190 977
IX. Changes in equalization provisions		-	-	-	-
X. Technical result on property and casualty insurance		244 180	418 648	94 257	287 487

INTERIM GENERAL PROFIT AND LOSS ACCOUNT

PLN '000

General profit and loss account	Note	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
I. Technical result on property and casualty insurance		244 180	418 648	94 257	287 487
II. Investment income		1 581 097	1 902 140	2 300 231	2 597 422
1. Investment income - real property		1 582	3 161	1 471	2 999
2. Investment income – controlled entities		1 196 608	1 206 357	1 987 282	1 987 282
2.1. on shares		1 196 608	1 206 357	1 987 282	1 987 282
2.2. on loans and debt securities		-	-	-	-
2.3. on other investments		-	-	-	-
3. Investment income – other financial investments		290 170	488 604	223 944	429 045
3.1. on shares, other variable income securities as well as units and investment certificates in investment funds		25 492	25 527	13 141	13 254
3.2. on debt securities and other fixed income securities		213 943	381 482	206 366	405 236
3.3. on term deposits with credit institutions		19 325	33 486	829	4 754
3.4. on other investments		31 410	48 109	3 608	5 801
4. Gain on revaluation of investments		200	200	2 282	2 282
5. Gain on realization of investments		92 537	203 818	85 252	175 814
III. Unrealized gains on investments		11 815	82 835	17 070	71 584
IV. Net investment income, taking into account costs, reclassified from the technical account for life insurance		-	-	-	-
V. Costs of investment activity		77 302	138 742	49 219	178 115
1. Costs of property maintenance		1 183	2 629	1 255	2 563
2. Other costs of investment activity		7 037	13 844	5 693	10 594
3. Loss on revaluation of investments		7 117	7 117	325	325
4. Loss on realization of investments		61 965	115 152	41 946	164 633
VI. Unrealized losses on investments		33 954	53 431	23 752	50 821
VII. Net investment income, taking into account costs, reclassified to the technical account for property and casualty insurance		72 765	144 813	66 885	132 492
VIII. Other operating revenue	18	9 873	25 040	12 681	29 903
IX. Other operating expenses	19	10 699	25 263	13 228	28 079
X. Operating profit (loss)		1 652 245	2 066 414	2 271 155	2 596 889
XI. Extraordinary gains		-	-	-	-
XII. Extraordinary losses		-	-	-	-
XIII. Gross profit (loss)		1 652 245	2 066 414	2 271 155	2 596 889
XIV. Income tax		85 601	167 023	59 587	122 884
a) current portion		92 457	115 217	83 003	133 429
b) deferred portion		(6 856)	51 806	(23 416)	(10 545)
XV. Other statutory reductions in profit (increases in loss)		-	-	-	-
XVI. Share in net profits (losses) of controlled entities measured using the equity method		4 987	(4 030)	(8 173)	(9 941)
XVI. Net profit (loss)		1 571 631	1 895 361	2 203 395	2 464 064

Net profit (loss)	1 571 631	1 895 361	2 203 395	2 464 064
Net profit (loss) (annualized) /1	6 321 065	3 811 550	8 837 793	4 968 969
Weighted average number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Earnings (loss) per ordinary share (in PLN)	18,20	21,95	25,52	28,54
Weighted average diluted number of ordinary shares	86 352 300	86 352 300	86 352 300	86 352 300
Diluted earnings (loss) per ordinary share (in PLN)	18,20	21,95	25,52	28,54

/1 calculation considers the number of calendar days in the period

INTERIM STATEMENT OF CHANGES IN EQUITY

PLN '000

Statement of changes in equity	1 January - 30 June 2012	1 January - 31 December 2011	1 January - 30 June 2011
I. Opening balance of equity	11 745 410	11 902 186	11 902 186
a) adjustments of fundamental errors	-	-	-
I. a. Opening balance of equity, after adjustments	11 745 410	11 902 186	11 902 186
1. Opening balance of share capital	86 352	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	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	3 331 838	2 060 272	2 060 272
4.1. Changes in supplementary capital	635 520	1 271 566	1 271 559
a) increase (due to)	635 520	1 271 566	1 271 559
- profit distribution (above the statutory minimum value)	635 421	1 271 549	1 271 549
- from revaluation reserve – sale and liquidation of fixed assets	99	17	10
4.2. Closing balance of supplementary capital	3 967 358	3 331 838	3 331 831
b) decrease	-	-	-
5. Opening balance of revaluation reserve	5 744 917	6 238 853	6 238 853
5.1. Changes in revaluation reserve	(64 995)	(493 936)	(929 694)
a) increase (due to)	394 188	772 741	275 330
- measurement of financial investments	387 071	768 401	275 330
- reclassification of impairment write-down on investments available for sale	7 117	4 340	-
b) decrease (due to)	459 183	1 266 677	1 205 024
- measurement of financial investments	459 084	1 266 660	1 205 014
- sale and liquidation of fixed assets	99	17	10
5.2. Closing balance of revaluation reserve	5 679 922	5 744 917	5 309 159
6. Opening balance of other reserve capitals	-	-	-
6.1. Changes in other reserve capitals	-	-	-
a) increase (due to)	-	-	-
b) decrease (due to)	-	-	-
6.2. Closing balance of other reserve capitals	-	-	-

INTERIM STATEMENT OF CHANGES IN EQUITY (CONT'D)

PLN '000

Statement of changes in equity	1 January - 30 June 2012	1 January - 31 December 2011	1 January - 30 June 2011
7. Opening balance of previous year profit (loss)	2 582 303	3 516 709	3 516 709
7.1. Opening balance of previous year profit	2 582 303	3 516 709	3 516 709
a) adjustments of fundamental errors	-	-	-
7.2. Opening balance of previous year profit, after adjustments	2 582 303	3 516 709	3 516 709
a) increase	-	-	-
b) decrease (due to)	2 582 303	3 516 709	3 516 709
- reclassification to supplementary capital	635 421	1 271 549	1 271 549
- dividend payment	1 936 882	2 245 160	2 245 160
- reclassification/appropriations to the Company's Social Benefits Fund	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)	-	-	-
7.5. Opening balance of previous year loss, after adjustments	-	-	-
7.6. Closing balance of previous year loss	-	-	-
7.7. Closing balance of previous year profit (loss)	-	-	-
8. Net result	1 895 361	2 582 303	2 464 064
a) net profit	1 895 361	2 582 303	2 464 064
b) net loss	-	-	-
c) appropriations of profit	-	-	-
II. Closing balance of equity	11 628 993	11 745 410	11 191 406
III. Equity, including proposed profit distribution (loss coverage)	11 628 993	11 745 410	11 191 406

INTERIM CASH FLOW STATEMENT

PLN '000

Cash flow statement	1 January - 30 June 2012	1 January - 31 December 2011	1 January - 30 June 2011
A. Cash flows from operating activities			
I. Inflows	4 848 264	9 714 683	4 847 038
1. Inflows from direct business and outward reinsurance	4 470 649	8 407 305	4 218 071
1.1. Inflows from gross premiums	4 365 732	8 197 909	4 138 705
1.2. Inflows from salvages, subrogations and claim refunds	88 162	172 166	68 397
1.3. Other inflows from direct business	16 755	37 230	10 969
2. Inflows from reinsurance	99 580	411 549	185 634
2.1. Inflows due to reinsurers' share in claims	76 512	385 175	178 103
2.2. Inflows from reinsurance commissions and share in reinsurers' profits	6 186	20 418	3 316
2.3. Other inflows from reinsurance	16 882	5 956	4 215
3. Inflows from other operating activities	278 035	895 829	443 333
3.1. Inflows from loss adjusting services	130 258	220 906	109 826
3.2. Disposal of intangible assets and tangible fixed assets other than investments	1 547	1 269	307
3.3. Other inflows	146 230	673 654	333 200
II. Outflows	4 200 259	8 987 756	4 471 848
1. Outflows for direct business and outward reinsurance	3 581 246	7 269 288	3 792 912
1.1. Return of gross premiums	80 340	147 561	71 280
1.2. Gross claims paid	2 081 837	4 515 214	2 381 493
1.3. Acquisition costs	510 842	1 018 273	506 072
1.4. Administrative expenses	779 975	1 343 812	709 979
1.5. Outflows due to handling claims and costs of recourses	49 694	118 751	55 628
1.6. Paid commissions and profit sharing due to outward reinsurance	1 183	4 679	2 537
1.7. Other outflows due to direct business and outward reinsurance	77 375	120 998	65 923
2. Outflows due to reinsurance	111 242	213 605	97 335
2.1. Premiums paid due to reinsurance	90 325	154 873	77 980
2.2. Other outflows due to reinsurance	20 917	58 732	19 355
3. Outflows for other operating activities	507 771	1 504 863	581 601
3.1. Outflows for loss adjusting services	232 754	423 401	216 856
3.2. Acquisition of intangible assets and tangible fixed assets other than investments	35 833	88 770	26 898
3.3. Other operating expenses	239 184	992 692	337 847
III. Net cash flows from operating activities	648 005	726 927	375 190
B. Cash flows from investing activities			
I. Inflows	84 380 577	122 440 185	49 378 214
1. Disposal of real property	-	-	-
2. Disposal of shares in controlled entities	-	76 457	76 457
3. Disposal of shares in other entities and units and investment certificates in investment funds	784 056	1 076 012	645 565
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	14 034 035	37 241 036	18 255 075
6. Withdrawal of term deposits with credit institutions	28 720 468	57 019 467	27 113 904
7. Cash from other investments	40 487 771	24 949 182	3 265 480
8. Inflows from real property	3 541	7 524	4 372
9. Interest received	304 176	55 876	13 226
10. Dividends received	46 530	2 014 631	4 135
11. Other inflows from investments	-	-	-
II. Outflows	84 799 410	121 192 637	50 768 471
1. Acquisition of real property	-	-	-
2. Acquisition of shares in controlled entities	8 505	84 871	-
3. Acquisition of shares in other entities and units and investment certificates in investment funds	585 312	1 122 246	645 658

Cash flow statement	1 January - 30 June 2012	1 January - 31 December 2011	1 January - 30 June 2011
4. Acquisition of debt securities issued by controlled entities and granting loans to those entities	-	-	-
5. Acquisition of debt securities issued by other entities	13 528 067	36 098 609	18 947 040
6. Term deposits made with credit institutions	28 775 473	58 536 895	28 113 010
7. Acquisition of other investments	41 890 248	25 327 650	3 052 930
8. Outflows for maintenance of property	7 614	9 410	6 129
9. Other outflows for investments	4 191	12 956	3 704
III. Net cash flows from investing activities	(418 833)	1 247 548	(1 390 257)
C. Cash flows from financing activities			
I. Inflows	12 125 179	19 813 174	5 119 538
1. Net inflows from issue of shares and capital contributions	-	-	-
2. Credit facilities, loans and issue of debt securities	12 125 179	19 813 174	5 119 538
3. Other inflows from financing activities	-	-	-
II. Outflows	12 311 485	21 846 772	4 085 516
1. Dividends	132	2 163 206	120
2. Profit distribution payments other than dividend	-	-	-
3. Acquisition of treasury shares	-	-	-
4. Repayment of credit facilities and loans and redemption of debt securities	12 311 353	19 683 566	4 085 396
5. Interest on credit facilities, loans and issued debt securities	-	-	-
6. Other outflows for financing activities	-	-	-
III. Net cash flows from financing activities	(186 306)	(2 033 598)	1 034 022
D. Total net cash flows	42 866	(59 123)	18 955
E. Change in the balance of cash:	43 446	(58 421)	18 882
1. including change in cash due to exchange differences	(580)	(702)	73
F. Opening balance of cash	107 868	166 289	166 289
G. Closing balance of cash	151 314	107 868	185 171
1. including of limited disposability	51 117	34 973	71 174

NOTES

1. Intangible assets

Intangible assets	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) R&D expenditures	-	-	-	-
b) goodwill	-	-	-	-
c) acquired concessions, patents, licenses and similar items, including:	34 329	28 385	30 093	18 791
- computer software	32 379	26 611	28 194	16 667
d) other intangible assets	-	-	-	-
e) advance payments for intangible assets	70 089	71 184	76 911	48 617
Total intangible assets	104 418	99 569	107 004	67 08

2. Investments

2.1. Investments in real property

Investments in real property	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) own land	31 947	31 947	31 947	31 947
b) land perpetual usufruct right	15 268	16 087	16 982	18 860
c) buildings and structures	516 523	520 376	524 298	530 030
d) cooperative ownership of premises	7 114	7 182	6 847	7 145
e) non-current assets under construction	3 082	1 986	2 254	3 584
f) advance payments for non-current assets under construction	-	-	-	-
Total investments in real property	573 934	577 578	582 328	591 566

2.2. Investments in controlled entities

Investments in controlled entities	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) shares in subsidiaries	6 301 047	6 838 870	6 425 930	5 817 751
b) shares in co-subsiidiaries	-	-	-	-
c) shares in associates	-	-	-	-
d) loans granted to subsidiaries	-	-	-	-
e) loans granted to co-subsiidiaries	-	-	-	-
f) loans granted to associates	-	-	-	-
g) debt securities of subsidiaries	-	-	-	-
h) debt securities of co-subsiidiaries	-	-	-	-
i) debt securities of associates	-	-	-	-
j) other investments (by type), including:	-	-	-	-
- not registered payments for shares	-	-	-	-
Total investments in controlled entities	6 301 047	6 838 870	6 425 930	5 817 751

2.3. Other financial investments

Other financial investments	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) shares and other variable income securities	601 504	802 694	817 760	1 040 401
b) units and investment certificates in trust funds	553 605	547 777	466 365	318 737
c) debt securities and other fixed income securities	14 884 341	14 952 118	14 627 066	16 219 305
d) interests in joint ventures (investments)	-	-	-	-
e) mortgage loans, including:	29 634	30 976	32 264	34 623
- additionally collateralized with policies	-	-	-	-
f) Other loans, including:	1 881 819	550 993	863 273	337 358
- for the insured, with policies as the basic collateral	-	-	-	-
- for the insured, not collateralized with policies	-	-	-	-
g) Term deposits with credit institutions	1 035 016	2 083 244	1 022 963	670 098
h) Other investments	27 953	25 751	39 281	34 719
Total other financial investments	19 013 872	18 993 553	17 868 972	18 655 241

Other financial investments in financial instruments	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) issued by the State Treasury or international organizations to which the Republic of Poland belongs	13 428 335	14 076 279	13 875 383	15 257 857
b) guaranteed by the State Treasury or international organizations to which the Republic of Poland belongs	-	-	-	-
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	50 279	49 558	49 997	49 933
f) guaranteed by local government units or their associations, or by the capital city of Warsaw	-	-	-	-
g) other	-	-	-	-
Total other financial investments in financial instruments	13 478 614	14 125 837	13 925 380	15 307 790

Investments	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) financial assets held for trading	1 324 867	1 403 171	1 609 637	1 050 065
b) financial liabilities held for trading	-	-	-	-
c) originated loans and own receivables	3 466 977	2 740 242	1 972 477	1 047 121
d) financial assets held to maturity	7 047 655	7 782 953	7 682 395	8 038 035
e) financial assets available for sale	7 174 373	7 067 187	6 604 463	8 520 020
Total investments	19 013 872	18 993 553	17 868 972	18 655 241

2.4. Other information regarding investments

2.4.1. Change in the method of fair value measurement for financial instruments measured at fair value

In the 6-month period ended 30 June 2012 PZU and its subsidiaries did not change the method of fair value measurement of financial instruments.

2.4.2. Changes in classification of financial assets due to the change of the purpose or use of the assets

In the 6-month period ended 30 June 2012 PZU did not change classification of any financial assets due to the change of the purpose or use of the assets.

3. Receivables

3.1. Receivables from direct insurance

Receivables from direct insurance	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) receivables from policyholders	1 235 658	1 306 908	1 186 146	1 174 150
b) receivables from insurance intermediaries	55 500	82 724	81 707	55 504
c) other insurance receivables	51 414	27 270	25 222	57 323
Receivables from direct insurance (net)	1 342 572	1 416 902	1 293 075	1 286 977
d) revaluation write-downs	541 222	507 846	478 957	449 301
Receivables from direct insurance (gross)	1 883 794	1 924 748	1 772 032	1 736 278

3.2. Receivables from reinsurance

Receivables from reinsurance	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) current receivables from outward reinsurance	8 200	4 550	3 571	10 281
b) current receivables from reinsurance	27 065	29 210	29 346	68 387
c) current receivables from retrocession	11	-	-	-
d) receivables from reinsurance commission settled over time	-	-	-	-
e) receivables from reinsurers' share in claims paid	-	-	-	-
Receivables from reinsurance (net)	35 276	33 760	32 917	78 668
f) revaluation write-downs	4 485	4 648	4 848	5 082
Receivables from reinsurance (gross)	39 761	38 408	37 765	83 750

3.3. Other receivables

Other receivables	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) receivables from the state budget	534	6 026	5 476	9 500
b) receivables from guarantees and letters of credit	-	-	-	-
c) other receivables, including:	1 366 850	656 203	155 931	2 496 439
- Receivables from the Company's Social Benefits Fund	58 871	59 998	60 488	62 240
- Receivables from disposal of securities	72 425	529 076	29 840	384 394
- Receivables from claims adjustment and mediation services	4 688	4 686	6 260	4 359
- Receivables relating to prevention activities	10 570	12 301	10 414	10 746
- Advance payments for suppliers	983	1 855	1 092	1 835
- Retained guarantee deposits	3 845	3 923	3 850	3 595
- Receivables due to dividend from PZU Życie SA	1 177 476	-	-	1 987 282
- receivables from member entities of Tax Capital Group due to return of advance payment for corporate income tax	30 312	34 484	22 807	31 932
Total other receivables (net)	1 367 384	662 229	161 407	2 505 939
d) revaluation write-downs	41 816	41 829	41 855	42 501
Other receivables (gross)	1 409 200	704 058	203 262	2 548 440

4. Other assets

4.1. Tangible assets

Tangible assets	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) technical equipment and machines	27 075	31 180	35 321	39 246
b) vehicles	26 383	27 612	28 744	25 135
c) other fixed assets	20 534	22 014	22 629	25 251
d) fixed assets under construction	8 834	7 707	10 274	3 907
e) advance payments for fixed assets under construction	-	-	-	-
f) inventory	3 269	2 920	2 954	3 013
g) claim recoveries	315	533	755	309
Total tangible assets	86 410	91 966	100 677	96 861

4.2. Cash

Cash	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) cash in hand and at bank	149 246	49 356	105 988	183 642
b) other cash	2 068	1 961	1 880	1 529
Total cash	151 314	51 317	107 868	185 171

4.3. Other prepayments

Other prepayments	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) prepayments relating to reinsurance	37 193	45 217	84 853	113 379
b) prepayments relating to pension societies	-	-	-	18 878
c) IT expenses	6 014	6 432	4 061	3 930
d) other	20 455	12 630	4 323	12 414
Other prepayments, total	63 662	64 279	93 237	148 601

5. Share capital

Balance as of 30 June 2012:

Series	Face value per share	Share type	Preference	Limitation of rights	Number of shares	Face value of series/issue in PLN	Capital coverage method	Registration date	Cum dividend (as of)
A	PLN 1	registered	none	none	7 602	7 602	cash	23.01.1997	27.12.1991
A	PLN 1	bearer shares	none	none	60 438 718	60 438 718	cash	23.01.1997	27.12.1991
B	PLN 1	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			

6. Technical provisions

Technical provisions	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) provision for unearned premiums:	4 424 343	4 524 812	4 134 225	4 285 300
- gross provisions	4 549 528	4 663 547	4 291 692	4 389 963
- reinsurers' share	125 185	138 735	157 467	104 663
b) provision for unexpired risks:	2 534	12 321	817	9 611
- gross provisions	2 534	12 321	817	9 611
- reinsurers' share	-	-	-	-
c) life assurance provision:	-	-	-	-
- gross provisions	-	-	-	-
- reinsurers' share	-	-	-	-
d) provisions for claims outstanding:	9 588 017	9 398 964	9 243 661	8 581 645
- gross provisions	10 158 873	9 871 527	9 765 468	9 225 116
- reinsurers' share	570 856	472 563	521 807	643 471
e) provisions for bonuses and rebates for the insured:	2 897	4 772	6 232	4 511
- gross provisions	2 897	4 772	6 232	4 511
- reinsurers' share	-	-	-	-
f) equalization provisions	588 798	588 798	588 799	534 720
g) provisions for premium repayment to undertaking members	-	-	-	-
h) other technical provisions specified in the Articles of Association	-	-	-	-
- gross provisions	-	-	-	-
- reinsurers' share	-	-	-	-
i) unit-linked reserves	-	-	-	-
- gross value	-	-	-	-
- reinsurers' share	-	-	-	-
Total technical provisions	14 606 589	14 529 667	13 973 734	13 415 787

7. Provisions for pension and other statutory employee benefits

Provisions for pension and other statutory employee benefits	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) provisions for pension benefits	68 037	68 130	68 992	65 226
b) other statutory employee benefits (by basis):	160 496	153 655	147 636	153 552
provisions for jubilee bonuses	89 780	88 669	87 819	91 200
provisions for unused paid vacation	37 726	31 085	26 316	31 280
provisions for death benefits	11 862	11 659	11 393	11 818
provisions for post-employment benefits	21 128	22 242	22 108	19 254
Total provisions for pension and other statutory employee benefits	228 533	221 785	216 628	218 778

8. Other provisions

Other provisions	30 June 2012	31 March 2012	31 December 2011	30 June 2011
Provision for restructuring expenses	58 169	67 016	86 877	41 956
Provisions for reinsurance settlements	6 752	24 598	18 613	33 453
Provision for disputed claims and potential liabilities under insurance contracts	3 416	4 065	4 019	6 090
Provision for penalties imposed by the Office of Competition and Consumer Protection	82 684	82 684	82 684	14 792
Provisions for potential liabilities relating to CLSiOR investments	916	916	916	916
Other provisions	3 831	3 712	3 169	1 887
Total other provisions	155 768	182 991	196 278	99 094

9. Liabilities

9.1. Liabilities due to direct insurance

Liabilities due to direct insurance	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) liabilities to policyholders	105 103	108 275	102 845	95 296
b) liabilities to insurance intermediaries	84 353	84 932	82 642	85 709
c) other insurance liabilities	72 008	97 204	116 467	83 680
Total liabilities due to direct insurance	261 464	290 411	301 954	264 685

9.2. Liabilities due to reinsurance

Liabilities due to reinsurance	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) current liabilities due to outward reinsurance	2 835	322	1 896	8 735
b) current liabilities due to reinsurance	62 059	65 273	18 678	61 891
c) liabilities due to retrocession	627	602	-	1 095
d) liabilities due to reinsurance premiums settled over time	-	-	-	-
Total liabilities due to reinsurance	65 521	66 197	20 574	71 721

9.3. Liabilities to credit institutions

As at 30 June 2012, liabilities to credit institutions comprised almost exclusively short-term sell-buy-back debt securities transactions with a balance sheet value of PLN 109.195 thousand (PLN 479.472 thousand as at 31 March 2012, PLN 154.466 thousand as at 31 December 2011 and PLN 1.313.666 thousand as at 30 June 2011).

9.4. Other liabilities

Other liabilities	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) liabilities due to state budget	28 623	8 284	16 552	67 082
- corporate income tax	19 138	-	5 347	60 132
- personal income tax	8 747	7 163	10 050	6 174
- VAT	522	1 121	925	583
- other	216	-	230	193
b) other liabilities	2 103 491	626 799	227 978	2 893 551
- liabilities due to unsettled investment transactions)	41 037	489 136	70 414	520 933
- estimated liabilities	53 241	39 702	53 770	44 892
- due to loss adjusting and mediation services	43	-	-	-
- premium and social benefits (ZUS)	29 298	25 071	13 572	17 072
- settlements with shareholders due to dividend	1 940 392	3 510	3 650	2 249 000
- liabilities due to settlements of Tax Capital Group)	125	1 923	1 679	9 103
- liability to the Guarantee Fund	7 516	7 706	7 461	7 242
- liabilities arising from construction of Central Vehicle and Driver Register	2 635	2 710	3 679	2 837
- derivatives	18 599	12 356	47 759	19 269
- settlements with employees	233	356	34	523
- retained guarantee bails	537	503	503	509
- other	9 835	43 826	25 457	22 171
Total other liabilities	2 132 114	635 083	244 530	2 960 633

10. Special funds

Special funds	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) Prevention Fund	29 033	12 480	15 400	24 511
b) Company's Social Benefits Fund	107 524	99 815	89 334	118 786
c) Company's Bonus Fund	-	-	-	-
Total special funds	136 557	112 295	104 734	143 297

11. Accruals and deferred income

Accruals and deferred income	30 June 2012	31 March 2012	31 December 2011	30 June 2011
a) accruals, including:	314 208	384 569	498 186	284 302
- deferred income and accrued expenses relating to reinsurance	66 348	77 274	153 196	71 706
- accrued employee bonuses	27 933	50 951	106 978	24 587
- accrued payroll costs	47 140	62 264	68 975	38 569
- accrued costs of commissions on direct insurance	156 340	159 426	153 056	148 210
- other accruals	16 447	34 654	15 981	1 230
b) negative goodwill	-	-	-	-
a) deferred income, including:	23 462	24 185	19 728	15 068
- prepaid premiums	-	-	-	-
- land perpetual usufruct right received free of charge	5 510	5 871	6 232	6 857
- deferred reinsurance commissions	10 096	10 262	9 417	8 211
- other	7 856	8 052	4 079	-
Total accruals and deferred income	337 670	408 754	517 914	299 370

12. Changes in impairment write-downs

Asset	Impairment write-downs as of 1 January 2012, charged to:		Recognized write-downs, charged to:		Released write-downs, charged to:		Derecognition of assets from the balance sheet, charged to:		Other changes, charged to:		Impairment write-downs as of 30 June 2012, charged to:	
	financial result	equity	financial result	equity	financial result	equity	financial result	equity	financial result	equity	financial result	equity
I. Intangible assets	6 300	-	-	-	-	-	-	-	-	-	6 300	-
II. Investments	107 602	818	7 117	-	(11 909)	-	(1 900)	-	-	-	100 910	818
1. Real property	76 457	818	-	-	-	-	-	-	-	-	76 457	818
2. Investments in controlled entities	5 792	-	-	-	-	-	(1 900)	-	-	-	3 892	-
3. Other financial investments	25 353	-	7 117	-	(11 909)	-	-	-	-	-	20 561	-
a) shares and other variable income securities	25 353	-	-	-	(11 710)	-	-	-	-	-	13 643	-
b) units and investment certificates in investment funds	-	-	7 117	-	(199)	-	-	-	-	-	6 918	-
IV. Receivables	525 660	-	66 131	-	(4 161)	-	-	-	(107)	-	587 523	-
1. Receivables from direct insurance	478 957	-	66 043	-	(3 675)	-	-	-	(103)	-	541 222	-
2. Receivables from reinsurance	4 848	-	88	-	(451)	-	-	-	-	-	4 485	-
3. Other receivables	41 855	-	-	-	(35)	-	-	-	(4)	-	41 816	-
1.2. Other receivables	41 855	-	-	-	(35)	-	-	-	(4)	-	41 816	-
VI. Other assets	166	-	-	-	-	-	-	-	-	-	166	-
1. Tangible assets	166	-	-	-	-	-	-	-	-	-	166	-
VII. Prepayments	157	-	33	-	-	-	-	-	-	-	190	-
4. Other prepayments	157	-	33	-	-	-	-	-	-	-	190	-

Powszechny Zakład Ubezpieczeń Spółka Akcyjna
Interim separate financial statements for a 6-month period ended 30 June 2012

Asset	Impairment write-downs as of 1 January 2011, charged to:		Recognized write-downs, charged to:		Released write-downs, charged to:		Derecognition of assets from the balance sheet, charged to:		Other changes, charged to:		Impairment write-downs as of 30 June 2011, charged to:	
	financial result	equity	financial result	equity	financial result	equity	financial result	equity	financial result	equity	financial result	equity
I. Intangible assets	6 300	-	-	-	-	-	-	-	-	-	6 300	-
II. Investments	105 685	818	2	-	(5 106)	-	-	-	-	-	100 581	818
1. Real property	77 387	818	-	-	(662)	-	-	-	-	-	76 725	818
2. Investments in controlled entities	5 787	-	2	-	-	-	-	-	-	-	5 789	-
3. Other financial investments	22 511	-	-	-	(4 444)	-	-	-	-	-	18 067	-
a) shares and other variable income securities	21 889	-	-	-	(3 822)	-	-	-	-	-	18 067	-
b) units and investment certificates in investment funds	622	-	-	-	(622)	-	-	-	-	-	-	-
IV. Receivables	454 482	-	64 755	-	(21 509)	-	(844)	-	-	-	496 884	-
1. Receivables from direct insurance	393 399	-	59 429	-	(2 688)	-	(839)	-	-	-	449 301	-
2. Receivables from reinsurance	18 543	-	5 314	-	(18 775)	-	-	-	-	-	5 082	-
3. Other receivables	42 540	-	12	-	(46)	-	(5)	-	-	-	42 501	-
1.2. Other receivables	42 540	-	12	-	(46)	-	(5)	-	-	-	42 501	-
VII. Prepayments	1 259	-	25 229	-	-	-	-	-	-	-	26 488	-
4. Other prepayments	1 259	-	25 229	-	-	-	-	-	-	-	26 488	-

13. Premiums – property and casualty insurance

13.1. Gross written premiums – property and casualty insurance

Gross written premiums	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) in direct insurance	1 989	4 425	1 950	4 198
	206	586	657	569
b) in indirect insurance	6 226	11 037	5 953	14 950
Total gross written premiums	1 995 432	4 436 623	1 956 610	4 213 519

Gross written premiums – direct insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	86 608	244 002	88 466	183 337
b) TPL motor insurance (class 10)	759 844	1 513 518	731 242	1 420 083
c) other motor insurance (class 3)	548 903	1 116 135	574 984	1 156 566
d) sea, aircraft and transport insurance (class 4, 5, 6, 7)	21 582	37 313	11 542	26 725
e) insurance against fire and other damage to property (classes 8, 9)	354 400	959 511	356 953	968 913
f) TPL insurance (classes 11, 12, 13)	135 145	395 091	112 347	296 110
g) credit insurance and suretyship (classes 14, 15)	14 242	29 404	13 330	24 917
h) assistance (class 18)	51 217	98 975	50 218	95 290
i) legal protection (class 17)	242	564	256	558
j) other (class 16)	17 023	31 073	11 319	26 070
Total gross premiums - direct insurance (by accounting class)	1 989 206	4 425 586	1 950 657	4 198 569

Gross written premiums – indirect insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	(144)	(94)	1	236
b) TPL motor insurance (class 10)	(69)	(51)	2	535
c) other motor insurance (class 3)	(91)	(60)	(1)	37
d) sea, aircraft and transport insurance (class 4, 5, 6, 7)	1 476	1 528	830	1 018
e) insurance against fire and other damage to property (classes 8, 9)	3 835	7 491	4 660	10 795
f) TPL insurance (classes 11, 12, 13)	543	691	581	2 303
g) credit insurance and suretyship (classes 14, 15)	24	124	34	133
h) assistance (class 18)	-	-	-	-
i) legal protection (class 17)	-	-	-	-
j) other (class 16)	652	1 408	(154)	(107)
Total gross premiums - indirect insurance (by accounting class)	6 226	11 037	5 953	14 950

13.2. Gross earned premiums – property and casualty insurance

Gross earned premiums – direct insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	131 780	259 854	117 691	231 972
b) TPL motor insurance (class 10)	754 393	1 464 728	676 703	1 303 964
c) other motor insurance (class 3)	563 604	1 129 698	575 985	1 135 940
d) sea, aircraft and transport insurance (class 4, 5, 6, 7)	12 382	24 779	11 513	23 161
e) insurance against fire and other damage to property (classes 8, 9)	430 971	836 684	415 676	803 559
f) TPL insurance (classes 11, 12, 13)	148 427	289 999	126 498	248 698
g) credit insurance and suretyship (classes 14, 15)	678	13 058	12 572	25 057
h) assistance (class 18)	46 928	93 909	44 457	87 817
i) legal protection (class 17)	218	428	205	395
j) other (class 16)	22 884	46 850	21 647	47 715
Total gross earned premiums – direct property and casualty insurance	2 112 265	4 159 987	2 002 947	3 908 278

Gross earned premiums – indirect insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	(124)	(47)	25	188
b) TPL motor insurance (class 10)	31	183	135	274
c) other motor insurance (class 3)	155	473	22	(8)
d) sea, aircraft and transport insurance (class 4, 5, 6, 7)	431	675	521	868
e) insurance against fire and other damage to property (classes 8, 9)	5 783	13 473	5 004	14 959
f) TPL insurance (classes 11, 12, 13)	187	650	218	1 994
g) credit insurance and suretyship (classes 14, 15)	(5)	114	16	75
h) assistance (class 18)	-	-	-	-
i) legal protection (class 17)	-	-	-	-
j) other (class 16)	515	1 563	(326)	104
Total gross earned premiums – indirect property and casualty insurance	6 973	17 084	5 615	18 454

14. Gross claims paid

Gross claims paid	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) from direct insurance, including:	1 207 865	2 340 320	1 389 889	2 654 814
- claims handling costs	128 813	252 402	122 828	242 567
b) from indirect insurance, including:	2 982	3 973	890	4 643
- claims handling costs	216	216	-	-
Total gross claims paid	1 210 847	2 344 293	1 390 779	2 659 457

Gross claims paid – direct insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	43 644	84 582	42 425	83 589
b) TPL motor insurance (class 10)	456 495	933 272	480 167	973 959
c) other motor insurance (class 3)	294 552	645 832	392 990	800 091
d) sea, aircraft and transport insurance (class 4, 5, 6, 7)	8 795	12 585	20 687	48 126
e) insurance against fire and other damage to property (classes 8, 9)	298 800	465 004	315 134	502 212
f) TPL insurance (classes 11, 12, 13)	52 513	105 871	80 656	136 376
g) credit insurance and suretyship (classes 14, 15)	13 859	18 022	1 280	3 631
h) assistance (class 18)	29 110	58 189	32 834	65 346
i) legal protection (class 17)	96	248	147	270
j) other (class 16)	10 001	16 715	23 569	41 214
Total gross claims paid - direct insurance (by accounting class)	1 207 865	2 340 320	1 389 889	2 654 814

Gross claims paid – indirect insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	-	-	-	-
b) TPL motor insurance (class 10)	347	521	540	1 152
c) other motor insurance (class 3)	(26)	(43)	(38)	(36)
d) sea, aircraft and transport insurance (classes 4, 5, 6, 7)	33	41	(2)	3
e) insurance against fire and other damage to property (classes 8, 9)	1 415	1 489	382	2 468
f) TPL insurance (classes 11, 12, 13)	1 086	1 808	2	1 008
g) credit insurance and suretyship (classes 14, 15)	2	32	6	10
h) assistance (class 18)	-	-	-	-
i) legal protection (class 17)	-	-	-	-
j) other (class 16)	125	125	-	38
Total gross claims paid - indirect insurance (by accounting class)	2 982	3 973	890	4 643

15. Claims handling costs

Claims handling costs – direct insurance	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) accident and sickness insurance (class 1 and 2)	15 392	29 904	11 990	23 096
b) TPL motor insurance (class 10)	51 809	100 175	45 600	90 788
c) other motor insurance (class 3)	25 063	49 790	23 021	45 123
d) sea, aircraft and transport insurance (classes 4, 5, 6, 7)	238	468	730	1 626
e) insurance against fire and other damage to property (classes 8, 9)	22 699	43 972	25 104	48 415
f) TPL insurance (classes 11, 12, 13)	9 630	19 294	12 680	24 763
g) credit insurance and suretyship (classes 14, 15)	194	1 359	76	1 078
h) assistance (class 18)	3 436	6 958	3 450	6 615
i) legal protection (class 17)	11	19	9	15
j) other (class 16)	341	463	168	1 048
Total claims handling costs – direct insurance (by accounting class)	128 813	252 402	122 828	242 567

16. Acquisition costs

Acquisition costs	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) consumption of materials and energy	4 121	8 382	4 690	9 670
b) external services	21 049	51 243	20 843	42 338
c) payroll, insurance and other benefits	76 841	153 013	82 579	166 632
d) commissions	234 368	504 224	236 200	496 322
e) amortization/depreciation	4 667	11 119	4 875	8 964
f) other	4 818	7 901	9 691	17 369
g) change in deferred acquisition costs	14 564	(5 106)	1 612	(27 571)
Total acquisition costs	360 428	730 776	360 490	713 724

17. Administrative expenses

Administrative expenses	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
a) consumption of materials and energy	4 845	9 738	4 282	9 027
b) external services	40 696	95 441	26 019	53 984
c) payroll, insurance and other benefits	75 198	165 382	76 257	157 491
d) amortization/depreciation	10 030	21 735	10 446	22 711
e) other	5 618	8 689	10 407	21 419
Total administrative expenses	136 387	300 985	127 411	264 632

18. Other operating revenue

Other operating revenue	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
Interest income	209	439	263	634
Exchange gains	1 802	6 541	1 973	3 543
Revenue from fixed assets sold and investments in progress	90	1 065	131	192
Revenue from released revaluation write-downs and provisions for future liabilities	3 187	3 320	67	164
Revenue from insurance mediation and claims adjustment	1 937	4 408	1 546	3 470
Revenue from agreements with pension societies and investment funds	395	1 765	6 308	14 748
Recharged expenses	898	4 090	968	3 983
Claims received	580	1 508	635	1 352
Other	775	1 904	790	1 817
Total	9 873	25 040	12 681	29 903

19. Other operating expenses

Other operating expenses	1 April - 30 June 2012	1 January - 30 June 2012	1 April - 30 June 2011	1 January - 30 June 2011
Exchange losses	3 567	7 853	(774)	5 666
Default interest on tax liabilities	19	65	71	132
Costs of sell-buy-back agreements	2 716	6 259	3 164	2 555
Other financial expenses	66	209	17	42
Value of fixed assets sold and investments in progress	315	460	170	237
Donations	104	372	60	333
Receivables written off	1 323	1 323	3	11
Recognized revaluation write-downs on receivables	-	-	440	452
Penalties, damages and fines paid	95	449	433	467
Costs of agreements with pension societies and investment funds	548	1 493	5 482	9 809
Other operating expenses, including:	1 946	6 780	4 162	8 375
- rechargeable expenses	929	4 123	941	3 931
- costs of provisions for potential losses	358	922	1 641	2 225
- costs relating to loss adjusting services	158	206	101	206
Total	10 699	25 263	13 228	28 079

20. Solvency margin

The principles of calculation of the solvency margin and the minimum amount of the guarantee fund are specified in the Ordinance on the solvency margin.

Item	30 June 2012	31 March 2012	31 December 2011	30 June 2011
1. Assets of the insurance company	29 601 640	29 402 216	27 397 857	29 931 036
2. Assets allocated to settle all expected liabilities	17 972 647	16 857 865	15 652 447	18 739 630
a) subordinated liabilities				
b) technical provisions	14 545 823	14 460 877	13 895 347	13 368 384
c) technical provisions for life insurance products for unit linked products				
d) other provisions	384 301	404 776	412 906	317 872
e) liabilities arising from reinsurers' investments	-	-	-	-
f) other liabilities and special funds	2 704 853	1 583 458	826 280	4 754 004
g) accruals and deferred income	337 670	408 754	517 914	299 370
h) any other liabilities of the insurance company not included in items a-g	-	-	-	-
3. Intangible assets	104 418	99 569	107 004	67 408
4. Shares and other deductible assets pursuant to Article 148.2, 2a, 2b of the act including Article 148.2c and 2d of the act	5 943 891	6 476 777	6 063 902	5 552 482
a) shares and other assets used to finance equity of insurance companies in the same insurance capital group, pursuant to Article 148.2 of the act	5 943 891	6 476 777	6 063 902	5 552 482
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 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 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	-	-	-	-

Item	30 June 2012	31 March 2012	31 December 2011	30 June 2011
e) total amounts in the case of which the supervisory authority agreed not to apply deduction pursuant to Article 148.2d of the act (unless included in item 4d))	-	-	-	-
5. Impact of participation of the national insurance company in the insurance capital group on the value of equity of the insurance company	3 889 861	4 569 857	3 980 944	3 565 444
6. Deferred tax asset	319 381	331 920	363 384	295 927
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	9 151 164	10 205 942	9 192 064	8 841 033
14. Equity to cover guarantee fund pursuant to Article 148a of the act	9 151 164	10 205 942	9 192 064	8 841 033
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	9 151 164	10 205 942	9 192 064	8 841 033
15. Required solvency margin	1 348 012	1 348 689	1 338 798	1 336 216
16. Minimum amount of the guarantee fund	15 624	15 624	13 868	13 868
17. 1/3 of the amount of the required solvency margin	449 337	449 563	446 266	445 405
18. Surplus/shortage of equity to cover solvency margin	7 803 152	8 857 253	7 853 266	7 504 817
19. Guarantee fund	449 337	449 563	446 266	445 405
20. Surplus/shortage of equity to cover capital and reserves	8 701 827	9 756 379	8 745 798	8 395 628
a) difference between the amount indicated in 14a and the guarantee capital	8 701 827	9 756 379	8 745 798	8 395 628

21. Issues, redemption and repayment of debt and equity securities

During the 6-month period from 1 January to 30 June 2012, PZU did not issue, redeem or repay any debt or equity securities.

22. Breach or default of significant provisions of the loans or other borrowing arrangements

During the 6-month period ended 30 June 2012, PZU did not default under any credit facility or loan agreement nor did it breach any significant covenants or provisions of such agreements, which was not followed by appropriate remedial actions taken before the end of the reporting period.

23. Credit facility/loan collateral or guarantees given by PZU or its subsidiaries

During the 6-month period from 1 January to 30 June 2012, PZU did not give credit facility/loan collateral or guarantees - to one entity or a subsidiary of such an entity - if the total value of the existing collateral or guarantees constituted the equivalent of at least 10% of the equity of PZU.

24. Litigious proceedings

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 those 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 to proceedings carried out before the President of Office for Competition and Consumer Protection.

PZU considers such claims when creating technical provisions for reported damages, considering the probability of an unfavourable decision of the court and estimating the value of probable settlement.

During the 6-month period from 1 January to 30 June 2012 and by the date of submission of the interim 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 of the value or the total value of at least 10% of the equity of PZU.

As of 30 June 2012 the total value of all 32,361 cases heard by courts, bodies competent to hear arbitration proceedings or public authority bodies involving PZU was PLN 1,523,784 thousand. The amount includes PLN 1,365,255 thousand of liabilities and PLN 158,529 thousand of receivables of PZU, which constituted 11,74% and 1,36% of PZU equity calculated in line with PAS, respectively.

25. Related party transactions

During the 6-month period ended 30 June 2012, PZU did not conclude any related party transactions which could be considered significant (individually or jointly) and would be concluded on non-arm's length basis.

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

As of 30 June 2012, there were no advance payments that would not be settled or loans taken out by Members of the Management Board of PZU or Supervisory Board of PZU.

During the 6 months from 1 January to 30 June 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 property and casualty insurance contracts, concluded on an arm's length basis.

During the 6 months from 1 January to 30 June 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 property and casualty insurance contracts, concluded on an arm's length basis.

25.2. Transactions with subsidiaries

Transactions with subsidiaries	1 January - 30 June 2012	1 January - 31 December 2011	1 January - 30 June 2011
1. Gross written premium, including:	46	3 768	2 148
- from UAB DK PZU Lietuva	-	2 647	1 607
2. Dividend income, including:	1 206 357	1 987 286	1 987 282
- from Powszechny Zakład Ubezpieczeń na Życie SA	1 177 476	1 987 282	1 987 282
- from Towarzystwo Funduszy Inwestycyjnych PZU SA	13 581	-	-
- from PZU Centrum Operacji SA	6 204	-	-
- from ICH Center SA w likwidacji	3 545	-	-

- from PZU Asset Management SA	3 188	4	-
- from Ogrodowa-Inwestycje Sp. z o.o.	2 355	-	-
3. Other revenue, including:	8 895	41 627	19 987
- from acquisition activities carried out for OFE PZU received from PTE PZU	1 606	32 578	14 748
- from real property due to rents from controlled entities	1 401	5 074	1 320
4. Gross claims paid, including:	1 805	9 783	7 120
- for UAB DK PZU Lietuva	1 055	3 304	1 550
- handling costs arising from services provided by PZU CO	-	5 780	5 326
5. Other expenses, including:	24 503	32 338	14 725
- IT services provided by PZU Centrum Operacji SA	18 003	23 418	7 511
- costs of investing activities due to assets management for PZU AM	2 685	8 777	4 412
- regular mass printing services provided by PZU Centrum Operacji SA	905	3 011	1 342

Transactions with subsidiaries	30 June 2012	31 December 2011	30 June 2011
1. Receivables - gross value, including:	45 794	54 027	60 199
- from the Tax Capital Group members due to return of the advance payment for corporate income tax	30 312	22 807	31 932
- from Syta Development due to performance of agreements related to the CLSiOR investment	5 060	5 060	5 560
- from Syta Development Sp. z o.o. w likwidacji due to advance payments for CLSiOR investment	4 746	4 746	4 746
2. Receivables due to dividends from PZU Życie	1 177 476	-	1 987 282
3. Revaluation write-downs on receivables from Syta Development Sp. z o.o. w likwidacji	9 806	9 806	10 306
4. Liabilities, including:	5 247	6 371	21 978
- income tax liabilities to PZU Życie – Tax Capital Group	-	1 679	9 103
5. Off-balance sheet receivables - from Syta Development due to security of interest on the originated loan	2 275	2 275	2 275

25.3. Transactions with associated entities

Transactions with associated entities	1 January - 30 June 2012	1 January - 31 December 2011	1 January - 30 June 2011
1. Gross written premium	28	206	106
2. Dividend income	-	-	-
3. Other revenue	-	-	-
4. Gross claims paid	-	4	4
5. Other costs	-	-	1

Transactions with associated entities	30 June 2012	31 December 2011	30 June 2011
1. Receivables - gross value, including advance payments for construction investments	54	98	47
2. Revaluation write-downs on receivables	-	-	-
3. Liabilities, including prepaid premiums	-	-	-

The interim separate financial statements of PZU for a 6-month period ended 30 June 2012 was signed by:

Date	Name and surname	Position/Function	
28 August 2012	Andrzej Klesyk	Chairman of the Management Board of PZU (signature)
28 August 2012	Przemysław Dąbrowski	Member of the Management Board of PZU (signature)
28 August 2012	Witold Jaworski	Member of the Management Board of PZU (signature)
28 August 2012	Bogusław Skuza	Member of the Management Board of PZU (signature)
28 August 2012	Tomasz Tarkowski	Member of the Management Board of PZU (signature)
28 August 2012	Ryszard Trepczyński	Member of the Management Board of PZU (signature)
28 August 2012	Piotr Marczyk	Director of the Accounting Office (signature)
28 August 2012	Paweł Chadysz	Chief Actuary (signature)