BANK PEKAO SA

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

Interim financial statements of the Bank Pekao S.A. Group for the third quarter of 2010 prepared according to International Financial Reporting Standards

Warsaw, November, 2010

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Selected Financial Data

Selected Financial Data

INCOME STATEMENT	3 QUARTERS 2010	3 QUARTERS 2009	3 QUARTERS 2010	3 QUARTERS 2009
	in PLN thousand		in EUR thousand	
Net interest income	3,038,621	2,828,069	759,143	642,845
Dividend income and income from equity investments	68,535	46,127	17,122	10,485
Total net interest income, dividend income and income from equity investments	3,107,156	2,874,196	776,265	653,330
Income from Swap transactions	102,203	180,464	25,534	41,021
Total net interest income and income from Swap transactions	3,209,359	3,054,660	801,799	694,351
Net fee and commission income	1,751,265	1,675,945	437,521	380,957
Profit before income tax	2,325,017	2,230,996	580,862	507,125
Net profit for the period	1,888,814	1,806,620	471,885	410,661
Net profit for the period attributable to equity holders of the Bank	1,881,512	1,799,957	470,061	409,146
Net profit for the period attributable to non-controlling interest	7,302	6,663	1,824	1,515
CASH FLOW STATEMENT	**3 QUARTERS 2010**	**3 QUARTERS 2009**	**3 QUARTERS 2010**	**3 QUARTERS 2009**
	in PLN thousand		in EUR thousand	
Net cash from operating activities	5,677,726	3,114,044	1,418,474	707,850
Net cash used in investing activities	(7,397,162)	(3,762,364)	(1,848,043)	(855,219)
Net cash from financing activities	(1,278,647)	(580,232)	(319,446)	(131,892)
Net increase / decrease in cash and cash equivalents	(2,998,083)	(1,228,552)	(749,015)	(279,261)
STATEMENT OF FINANCIAL POSITION	**30.09.2010**	**31.12.2009**	**30.09.2010**	**31.12.2009**
	in PLN thousand		in EUR thousand	
Loans and advances to customers and net investment in financial leases	82,821,594	79,483,538	20,772,910	19,347,534
Total assets	134,621,582	130,616,054	33,765,132	31,793,986
Amounts due to Central Bank	821,936	1,100,176	206,154	267,800
Amounts due to other banks	6,629,653	7,379,005	1,662,817	1,796,165
Amounts due to customers	100,984,043	97,249,996	25,328,328	23,672,167
Non-controlling interest	85,077	83,057	21,339	20,217
Equity attributable to equity holders of the Bank	19,629,182	18,288,019	4,923,296	4,451,589
Share capital	262,361	262,331	65,804	63,855
Number of shares	262,360,536	262,330,611	x	x
MARKET INDICES	**3 QUARTERS 2010**	**3 QUARTERS 2009**	**3 QUARTERS 2010**	**3 QUARTERS 2009**
	PLN		EUR	
Book value per share	74.82	67.30	18.77	15.94
Diluted book value per share	74.80	67.30	18.76	15.94
Earnings per one ordinary share	7.17	6.86	1.79	1.56
Diluted earnings per one ordinary share	7.17	6.86	1.79	1.56
Dividend per share	2.90	-	0.67	-
CAPITAL ADEQUACY	**30.09.2010**	**31.12.2009**	**30.09.2010**	**31.12.2009**
	in PLN thousand		in EUR thousand	
Capital adequacy ratio (%)	17.97	16.24	x	x
Risk weighted assets	94,108,178	92,617,213	23,603,757	22,544,475
Core funds (Tier I)	16,903,402	15,041,821	4,239,629	3,661,414
Supplementary funds (Tier II)	10,923	-	2,740	-

Exchange rates used for EUR translation purposes:

- Statement of Financial Position – an exchange rate announced by the National Bank of Poland as at September 30, 2010 – 1EUR = 3.9870 PLN, as at December 31, 2009 – 1EUR = 4.1082 PLN
- Income Statement – an exchange rate calculated as the arithmetic mean of exchange rates announced by the National Bank of Poland as at the end of each month of the three quarters of 2010 and 2009 – 1 EUR = 4.0027 PLN and 1 EUR = 4.3993PLN respectively
- Cash Flow Statement – an exchange rate used for income statement items
- for dividend – an exchange rate calculated as the arithmetic mean of exchange rates announced by the National Bank of Poland as at the end of each month of 2009 – 1 EUR = 4.3406 PLN.

Executive Summary

Executive Summary

The Bank Pekao S.A. Group reported solid financial results for the three quarters of 2010, with net profit attributable to equity holders amounting to PLN 1,881.5 million, i.e. an increase of PLN 81.5 million (4.5%) in comparison to the three quarters of 2009.

Sound results for the three quarters of 2010 with the operating profit increased by 4.4% in comparison with the three quarters of 2009 were driven by higher operating income as well as lower operating costs.

The strength of the capital and liquidity structure of the Bank Pekao S.A. Group is reflected by a capital adequacy ratio of 18.0% and loans to deposits ratio at the level of 82.0% at the end of September 2010. This enables for further sound and stable development of the Group's activities.

The Bank continued its policy of offering only PLN mortgage loans. The residual stock of mortgage loans denominated in foreign currencies, almost entirely acquired as a result of the merger of the spun-off part of Bank BPH SA, represents only 7.2% of total loans of the Bank.

- In the three quarters of 2010, the Group's operating income amounted to PLN 5,349.3 million, an increase of PLN 74.7 million (1.4%) in comparison to the three quarters of 2009 with growth in total net interest income, dividend income and income from equity investments as well as net fee and commission income.
- Total net interest income, dividend income and income from equity investments in the three quarters of 2010 amounted to PLN 3,209.3 million and increased by PLN 154.6 million (5.1%) in comparison with previous year. The increase was driven, among others, by efficient management of interest margin as well as favourable changes in loan portfolio structure.
- The Group's net non-interest income in the three quarters of 2010 amounted to PLN 2,140.0 million, a reduction of PLN 79.9 million (3.6%) in comparison with the three quarters of 2009, mainly due to lower trading result. However, the Group's net fee and commission income in 9 months of 2010 amounted to PLN 1,751.3 million, an increase of PLN 75.4 million (4.5%) in comparison with previous year, mainly as a result of an increase in commissions on loans, payment cards and investment products.
- In the three quarters of 2010, the operating costs were kept under control and amounted to PLN 2,723.1 million. They were lower than the operating costs in comparable period of 2009 by PLN 37.0 million (1.3%).
- Net impairment losses on financial assets and off-balance sheet commitments amounted to PLN 410.6 million in 9 months of 2010, an increase of PLN 14.3 million (3.6%) compared to previous year.

  As at September 30, 2010, the ratio of impaired receivables to total receivables amounted to 6.9% as compared with 6.8% at the end of 2009.
- As at the end of September 2010, the total amounts due to the Group's customers (including customer deposits, structured certificates of deposits, repo and sell-buy-back transactions) amounted to PLN 101,261.4 million, an increase of PLN 3,256.6 million (3.3%) in comparison to the end of 2009.

  The total volume of retail customers deposits and structured certificates of deposits amounted to PLN 45,277.0 million at the end of September 2010, an increase of PLN 125.8 million (0.3%) in comparison to the end of 2009. At the same time, the value of net assets of investment funds managed by Pioneer Pekao TFI S.A. amounted to PLN 17,739.0 million, an increase of PLN 2,446.7 million (16.0%) in comparison to the end of 2009.

  The total volume of corporate customers deposits and repo and sell-buy-back transactions amounted to PLN 55,984.4 million at the end of September 2010, an increase of PLN 3,130.8 million (5.9%) as compared to the end of 2009.
- As at the end of September 2010, the volume of retail loans amounted to PLN 30,511.2 million, an increase of PLN 1,842.0 million (6.4%) in comparison to the end of 2009. The growth of volumes of retail loans was driven by improving dynamics in sales of key lending products. Thanks to commercial focus, the Bank's sales of consumer loans in the third quarter of 2010 increased by 8.4% and sales of PLN mortgage loans was higher by 26.0% compared with the second quarter of 2010. The volume of corporate loans, non quoted securities and reverse repo transactions increased by PLN 1,552.6 million (2.8%) as compared to the end of 2009 and amounted to PLN 56,905.8 million at the end of September 2010.

Accounting principles adopted in the preparation of the report

Accounting principles adopted in the preparation of the report

Condensed interim consolidated financial statements of the Bank Pekao S.A. Capital Group and interim financial statements of Bank Pekao S.A. were prepared in compliance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” and respective accounting standards which apply to interim financial reporting adopted by European Union.

The presented report meets the requirements of Decree of the Minister of Finance dated February 19, 2009 regarding current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state.

Condensed interim consolidated financial statements of the Group and enclosed interim financial statements of the Bank have been prepared in accordance with the accounting principles applied for the purpose of asset and liabilities valuation and measurement of financial results, as disclosed in the Consolidated financial statements of the Bank Pekao S.A. Capital Group and the Unconsolidated financial statement of Bank Pekao S.A. ended as at December 31, 2009.

The accounting principles applied in the third quarter of 2010 report have not been changed in relation to the scope of assets and liabilities valuation and income measurement.

Data presented in condensed interim consolidated financial statements of the Group and enclosed interim financial statements of the Bank have been prepared in a manner assuring their comparability.

Consolidated Income Statement

(PLN thousand)

Financial Statements

Consolidated Financial Statements

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Interest income	1,652,021	4,835,497	1,590,896	5,103,169
Interest expense	(621,042)	(1,796,876)	(620,644)	(2,275,100)
Net interest income	1,030,979	3,038,621	970,252	2,828,069
Dividend income and income from equity investments	21,393	68,535	14,972	46,127
Total net interest income, dividend income and income from equity investments	**1,052,372**	**3,107,156**	**985,224**	**2,874,196**
Fee and commission income	693,345	2,066,223	686,584	1,989,877
Fee and commission expense	(102,751)	(314,958)	(93,005)	(313,932)
Net fee and commission income	590,594	1,751,265	593,579	1,675,945
Trading result	156,766	438,302	178,648	659,425
Net other operating income and expenses	23,754	52,601	32,959	65,014
Net non-interest income	**771,114**	**2,242,168**	**805,186**	**2,400,384**
OPERATING INCOME	**1,823,486**	**5,349,324**	**1,790,410**	**5,274,580**
Personnel expenses	(482,442)	(1,426,239)	(459,843)	(1,389,486)
Other administrative expenses	(338,467)	(997,050)	(330,678)	(1,050,926)
Refunding of administrative expenses	1,070	4,592	2,729	8,494
Depreciation and amortisation	(97,703)	(304,431)	(109,450)	(328,228)
Operating costs	**(917,542)**	**(2,723,128)**	**(897,242)**	**(2,760,146)**
OPERATING PROFIT	**905,944**	**2,626,196**	**893,168**	**2,514,434**
Net result on other provisions	441	1,598	222	1,142
Net impairment losses on financial assets and off-balance sheet commitments	(133,688)	(410,591)	(151,184)	(396,279)
Net result on investment activity	47,070	107,814	22,873	111,699
PROFIT BEFORE INCOME TAX	**819,767**	**2,325,017**	**765,079**	**2,230,996**
Income tax expenses	(157,502)	(436,203)	(142,449)	(424,376)
NET PROFIT FOR THE PERIOD	**662,265**	**1,888,814**	**622,630**	**1,806,620**
Attributable to equity holders of the Bank	**659,685**	**1,881,512**	**620,458**	**1,799,957**
Attributable to non-controlling interest	2,580	7,302	2,172	6,663
Earnings per share (in PLN per share)				
Basic for the period	2.51	7.17	2.36	6.86
Diluted for the period	2.51	7.17	2.36	6.86

Consolidated Statement of Comprehensive Income

(PLN thousand)

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Net profit	**662,265**	**1,888,814**	**622,630**	**1,806,620**
Attributable to equity holders of the Bank	**659,685**	**1,881,512**	**620,458**	**1,799,957**
Attributable to non-controlling interest	2,580	7,302	2,172	6,663
Other comprehensive income				
Foreign currency translation differences	(49,514)	7,146	(51,676)	(16,811)
Change in fair value of available-for-sale financial assets	121,548	148,614	132,571	39,450
Change in fair value of cash flow hedges	3,548	104,685	(12,847)	(152,787)
Income tax expense on other comprehensive income	(24,165)	(48,217)	(22,830)	20,563
Other comprehensive income (net)	**51,417**	**212,228**	**45,218**	**(109,585)**
Total comprehensive income	**713,682**	**2,101,042**	**667,848**	**1,697,035**
Attributable to equity holders of the Bank	**711,102**	**2,093,740**	**665,676**	**1,690,372**
Attributable to non-controlling interest	2,580	7,302	2,172	6,663

Consolidated Statement of Financial Position

(PLN thousand)

	30.09.2010	31.12.2009	30.09.2009
ASSETS			
Cash and due from Central Bank	5,965,356	9,620,329	4,956,500
Debt securities eligible for rediscounting at Central Bank	190	158	603
Loans and advances to banks	7,466,561	7,202,675	8,066,222
Financial assets held for trading	1,603,547	3,753,979	3,118,692
Derivative financial instruments (held for trading)	2,394,109	2,407,545	2,655,203
Other financial instruments at fair value through profit and loss	499,417	2,394,086	2,364,729
Loans and advances to customers	79,813,308	76,380,061	76,596,407
Receivables from financial leases	3,008,286	3,103,477	3,157,168
Hedging instruments	96,334	87,543	71,170
Investment securities	29,432,605	21,274,025	18,843,074
Available for sale	24,818,116	17,466,202	15,677,312
Held to maturity	4,614,489	3,807,823	3,165,762
Assets held for sale	47,051	39,908	45,426
Investments in subsidiaries	206,979	239,949	222,034
Intangible assets	664,971	708,473	675,545
Property, plant and equipment	1,756,414	1,822,396	1,834,950
Investment properties	65,047	65,239	67,593
Income tax assets	605,643	682,728	554,043
Current tax receivable	548	220,581	55,771
Deferred tax assets	605,095	462,147	498,272
Other assets	995,764	833,483	982,568
TOTAL ASSETS	**134,621,582**	**130,616,054**	**124,211,927**
LIABILITIES			
Liabilities			
Amounts due to Central Bank	821,936	1,100,176	1,191,747
Amounts due to other banks	6,629,653	7,379,005	10,389,580
Financial liabilities held for trading	246,086	981,354	831,516
Derivative financial instruments (held for trading)	2,003,923	1,592,073	1,946,529
Amounts due to customers	100,984,043	97,249,996	88,073,304
Hedging instruments	472,755	150,452	203,386
Debt securities issued	1,532,769	2,032,234	1,871,177
Income tax liabilities	112,446	6,080	-
Current income tax payable	100,583	3,575	7,297
Deferred tax liabilities	11,863	2,505	3,110
Provisions	246,001	255,009	269,569
Other liabilities	1,857,711	1,498,599	1,695,399
TOTAL LIBILITIES	**114,907,323**	**112,244,978**	**106,482,614**
Equity attributable to equity holders of the Bank			
Share capital	262,361	262,331	262,261
Other capital and reserves	17,441,789	15,587,032	15,562,116
Retained earnings and profit for the period	1,925,032	2,438,656	1,824,829
Total equity attributable to equity holders the Bank	**19,629,182**	**18,288 019**	**17,649,206**
Non-controlling interest	85,077	83,057	80,107
TOTAL EQUITY	**19,714,259**	**18,371,076**	**17,729,313**
TOTAL EQUITY AND LIABILITIES	**134,621,582**	**130,616,054**	**124,211,927**
Capital adequacy ratio (%)	**17.97**	**16.24**	**15.32**
Book value	19,629,182	18,288,019	17,649,206
Number of shares	262,360,536	262,330,611	262,260,666
Book value per share (in PLN per share)	74.82	69.71	67.30
Diluted number of shares	262,438,936	262,316,162	262,260,666
Diluted book value per share (in PLN per share)	74.80	69.71	67.30

Consolidated Statement of Changes in Equity

(PLN thousand)

For the period from January 1, 2010 to September 30, 2010

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK											
		OTHER CAPITAL AND RESERVES										
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES	OTHER	RETAINED EARNINGS AND CURRENT YEAR PROFIT	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity as at January 1, 2010	**262,331**	**15,587,032**	**9,120,232**	**1,337,850**	**4,993,548**	**(46,762)**	**(179,560)**	**361,724**	**2,438,656**	**18,288,019**	**83,057**	**18,371,076**
Management options	**30**	**4,891**	**3,649**	**-**	**-**	**-**	**-**	**1,242**	**-**	**4,921**	**16**	**4,937**
Options exercised (share issue)	30	3,649	3,649	-	-	-	-	-	-	3,679	-	3,679
Revaluation of management share options	-	1,242	-	-	-	-	-	1,242	-	1,242	16	1,258
Valuation of financial instruments	**-**	**205,082**	**-**	**-**	**-**	**205,082**	**-**	**-**	**-**	**205,082**	**-**	**205,082**
Revaluation of available-for-sale investments net of tax	-	120,287	-	-	-	120,287	-	-	-	120,287	-	120,287
Revaluation of hedging financial instruments net of tax	-	84,795	-	-	-	84,795	-	-	-	84,795	-	84,795
Appropriation of retained earnings and current year profit	**-**	**1,637,638**	**-**	**100,000**	**1,533,986**	**-**	**-**	**3,652**	**(517,222)**	**1,120,416**	**1,179**	**1,121,595**
Dividend paid	-	-	-	-	-	-	-	-	(761,096)	(761,096)	(6,123)	(767,219)
Profit appropriation	-	1,637,638	-	100,000	1,533,986	-	-	3,652	(1,637,638)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	1,881,512	1,881,512	7,302	1,888,814
Other	**-**	**7,146**	**-**	**-**	**-**	**-**	**7,146**	**-**	**3,598**	**10,744**	**825**	**11,569**
Foreign currency translation differences	-	7,146	-	-	-	-	7,146	-	202	7,348	-	7,348
Other	-	-	-	-	-	-	-	-	3,396	3,396	825	4,221
Equity as at September 30, 2010	**262,361**	**17,441,789**	**9,123,881**	**1,437,850**	**6,527,534**	**158,320**	**(172,414)**	**366,618**	**1,925,032**	**19,629,182**	**85,077**	**19,714,259**

Consolidated Statement of Changes in Equity

(PLN thousand)

For the period from January 1, 2009 to December 31, 2009

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK											
		OTHER CAPITAL AND RESERVES										
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES	OTHER	RETAINED EARNINGS AND CURRENT YEAR PROFIT	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity as at January 1, 2009	**262,213**	**12,194,504**	**9,105,832**	**1,237,850**	**1,579,227**	**34,326**	**(112,786)**	**350,055**	**3,490,596**	**15,947,313**	**89,125**	**16,036,438**
Management options	**118**	**16,791**	**14,400**	**-**	**-**	**-**	**-**	**2,391**	**-**	**16,909**	**23**	**16,932**
Options exercised (share issue)	118	14,400	14,400	-	-	-	-	-	-	14,518	-	14,518
Revaluation of management share options	-	2,391	-	-	-	-	-	2,391	-	2,391	23	2,414
Valuation of financial instruments	**-**	**(81,088)**	**-**	**-**	**-**	**(81,088)**	**-**	**-**	**-**	**(81,088)**	**-**	**(81,088)**
Revaluation of available-for-sale investments net of tax	-	41,045	-	-	-	41,045	-	-	-	41,045	-	41,045
Revaluation of hedging financial instruments net of tax	-	(122,133)	-	-	-	(122,133)	-	-	-	(122,133)	-	(122,133)
Appropriation of retained earnings and current year profit	**-**	**3,463,675**	**-**	**100,000**	**3,354,397**	**-**	**-**	**9,278**	**(1,051,940)**	**2,411,735**	**1,687**	**2,413,422**
Dividend paid	-	-	-	-	-	-	-	-	-	-	(7,924)	(7,924)
Profit appropriation	-	3,463,675	-	100,000	3,354,397	-	-	9,278	(3,463,675)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	2,411,735	2,411,735	9,611	2,421,346
Other	**-**	**(6,850)**	**-**	**-**	**59,924**	**-**	**(66,774)**	**-**	**-**	**(6,850)**	**(7,778)**	**(14,628)**
Foreign currency translation differences	-	(15,469)	-	-	51,305	-	(66,774)	-	-	(15,469)	-	(15,469)
Other	-	8,619	-	-	8,619	-	-	-	-	8,619	(7,778)	841
Equity as at December 31, 2009	**262,331**	**15,587,032**	**9,120,232**	**1,337,850**	**4,993,548**	**(46,762)**	**(179,560)**	**361,724**	**2,438,656**	**18,288,019**	**83,057**	**18,371,076**

Consolidated Statement of Changes in Equity

(PLN thousand)

For the period from January 1, 2009 to September 30, 2009

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK											
		OTHER CAPITAL AND RESERVES										
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES	OTHER	RETAINED EARNINGS AND CURRENT YEAR PROFIT	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity as at January 1, 2009	**262,213**	**12,194,504**	**9,105,832**	**1,237,850**	**1,579,227**	**34,326**	**(112,786)**	**350,055**	**3,490,596**	**15,947,313**	**89,125**	**16,036,438**
Management options	**48**	**7,726**	**5,863**	**-**	**-**	**-**	**-**	**1,863**	**-**	**7,774**	**30**	**7,804**
Options exercised (share issue)	48	5,863	5,863	-	-	-	-	-	-	5,911	-	5,911
Revaluation of management share options	-	1,863	-	-	-	-	-	1,863	-	1,863	30	1,893
Valuation of financial instruments	**-**	**(92,863)**	**-**	**-**	**-**	**(92,863)**	**-**	**-**	**-**	**(92,863)**	**-**	**(92,863)**
Revaluation of available-for-sale investments net of tax	-	30,895	-	-	-	30,895	-	-	-	30,895	-	30,895
Revaluation of hedging financial instruments net of tax	-	(123,758)	-	-	-	(123,758)	-	-	-	(123,758)	-	(123,758)
Appropriation of retained earnings and current year profit	**-**	**3,465,724**	**-**	**100,000**	**3,351,279**	**-**	**-**	**14,445**	**(1,665,767)**	**1,799,957**	**(1,261)**	**1,798,696**
Dividend paid	-	-	-	-	-	-	-	-	-	-	(7,924)	(7,924)
Profit appropriation	-	3,465,724	-	100,000	3,351,279	-	-	14,445	(3,465,724)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	1,799,957	1,799,957	6,663	1,806,620
Other	**-**	**(12,975)**	**-**	**-**	**3,836**	**-**	**(16,811)**	**-**	**-**	**(12,975)**	**(7,787)**	**(20,762)**
Foreign currency translation differences	-	(12,975)	-	-	3,836	-	(16,811)	-	-	(12,975)	-	(12,975)
Other	-	-	-	-	-	-	-	-	-	-	(7,787)	(7,787)
Equity as at September 30, 2009	**262,261**	**15,532,116**	**9,111,695**	**1,337,850**	**4,934,342**	**(58,537)**	**(129,597)**	**366,363**	**1,824,829**	**17,649,206**	**80,107**	**17,729,313**

Consolidated Cash Flow Statement

(PLN thousand)

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Cash flow from operating activities - indirect method				
Net profit for the period	**659,685**	**1,881,512**	**620,458**	**1,799,957**
Adjustments:	**356,420**	**3,796,214**	**(2,156,346)**	**1,314,087**
Depreciation expense	97,703	304,431	110,194	330,420
Share of profit (losses) in associates	(21,212)	(60,646)	(14,957)	(40,158)
Gains (losses) on foreign exchange differences	374,840	(14,846)	141,800	196,886
Gains (losses) on investing activities	(47,070)	(107,814)	(22,858)	(111,507)
Interest and dividend	(139,975)	(484,379)	(7,201)	(98,270)
Change in loans and advances to banks	(255,963)	393,004	(45,787)	3,590,989
Change in financial assets as held for trading and other financial instruments at fair value through profit and loss	828,094	4,045,101	(895,115)	1,974,110
Change in derivative financial instruments (assets)	(151,737)	13,436	630,343	1,785,338
Change in loans and advances to customers and debt securities eligible for rediscounting at Central Bank	(988,290)	(3,433,279)	2,553,294	2,481,813
Change in receivables from financial leases	74,965	95,191	104,479	280,215
Change in investment securities available for sale	(15,423)	(87,768)	(72,463)	(84,164)
Change in deferred tax assets	25,525	28,868	(56,435)	(67,787)
Change in other assets	(207,747)	(298,771)	277,366	117,476
Change in amounts due to banks	(128,500)	(1,027,592)	684,640	(3,566,105)
Change in liabilities held for trading	178,145	(735,268)	358,226	425,537
Change in derivative financial instruments (liabilities) and other financial instruments at fair value	(464,875)	411,850	(581,252)	(3,198,969)
Change in amounts due to customers	1,474,648	3,734,047	(5,365,952)	(2,815,744)
Change in debt securities issued	6,469	17,713	(10,611)	(1,827)
Change in provisions	10,156	(9,008)	(16,546)	(37,170)
Change in other liabilities	(280,204)	685,484	670,417	1,100,892
Income tax paid (negative sign)	(142,339)	(290,599)	(216,433)	(856,577)
Current tax expense	129,210	617,059	(381,495)	(91,311)
Net cash flows from operating activities	**1,016,105**	**5,677,726**	**(1,535,888)**	**3,114,044**
Cash flows from investing activities				
Investing activity inflows	**98,172,224**	**222,342,367**	**52,080,068**	**85,931,921**
Sale of investment securities	98,195,580	222,084,749	52,101,135	85,756,586
Sale of intangible assets and property, plant and equipment	3,626	7,601	3,140	3,990
Other investing inflows	(26,982)	250,017	(24,207)	171,345
Investing activity outflows	**(101,011,776)**	**(229,739,529)**	**(52,612,440)**	**(89,694,285)**
Acquisition of investments in subsidiaries and associates	-	-	-	(7,500)
Acquisition of investment securities	(100,930,281)	(229,545,715)	(52,537,278)	(89,486,147)
Acquisition of intangible assets and property, plant and equipment	(81,495)	(193,814)	(75,162)	(200,638)
Net cash flows from investing activities	**(2,839,552)**	**(7,397,162)**	**(532,372)**	**(3,762,364)**

Consolidated Cash Flow Statement (cont)

(PLN thousand)

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Cash flows from financing activities				
Financing activity inflows	**2,394**	**82,187**	**121,515**	**218,866**
Issue of debt securities	2,394	78,508	115,604	212,955
Issue of shares	-	3,679	5,911	5,911
Financing activity outflows	**(276,341)**	**(1,360,834)**	**(19,827)**	**(799,098)**
Redemption of debt securities	(276,341)	(599,738)	(19,827)	(799,098)
Dividends and other payments to shareholders	-	(761,096)	-	-
Net cash flows from financing activities	**(273,947)**	**(1,278,647)**	**101,688**	**(580,232)**
Total net cash flows	**(2,097,394)**	**(2,998,083)**	**(1,966,572)**	**(1,228,552)**
Net change in cash and cash equivalents	**(2,097,394)**	**(2,998,083)**	**(1,966,572)**	**(1,228,552)**
Cash and cash equivalents at the beginning of the period	**13,752,513**	**14,653,202**	**12,404,809**	**11,666,789**
Cash and cash equivalents at the end of the period	**11,655,119**	**11,655,119**	**10,438,237**	**10,438,237**

Unconsolidated Income Statement

(PLN thousand)

Unconsolidated Financial Statements

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Interest income	1,542,886	4,499,061	1,465,540	4,701,224
Interest expense	(590,967)	(1,716,222)	(592,878)	(2,181,659)
Net interest income	951,919	2,782,839	872,662	2,519,565
Dividend income	181	255,419	15	416,120
Total net interest income and dividend income	**952,100**	**3,038,258**	**872,677**	**2,935,685**
Fee and commission income	619,253	1,858,412	613,441	1,798,670
Fee and commission expense	(96,067)	(295,262)	(84,917)	(292,020)
Net fee and commission income	523,186	1,563,150	528,524	1,506,650
Trading result	144,107	400,882	172,959	614,799
Net other operating income and expenses	21,137	39,138	26,120	46,583
Net non-interest income	**688,430**	**2,003,170**	**727,603**	**2,168,032**
OPERATING INCOME	**1,640,530**	**5,041,428**	**1,600,280**	**5,103,717**
Personnel expenses	(426,780)	(1,261,754)	(412,805)	(1,243,731)
Other administrative expenses	(324,219)	(953,445)	(308,289)	(982,644)
Refunding of administrative expenses	1,513	6,146	2,253	8,531
Depreciation and amortisation	(89,568)	(279,264)	(100,979)	(299,653)
Operating costs	**(839,054)**	**(2,488,317)**	**(819,820)**	**(2,517,497)**
OPERATING PROFIT	**801,476**	**2,553,111**	**780,460**	**2,586,220**
Net result on other provisions	413	693	9	69
Net impairment losses on financial assets and off-balance sheet commitments	(105,946)	(336,342)	(103,297)	(272,503)
Net result on investment activity	46,693	115,035	21,219	85,998
PROFIT BEFORE INCOME TAX	**742,636**	**2,332,497**	**698,391**	**2,399,784**
Income tax expenses	(145,156)	(397,648)	(132,649)	(381,572)
NET PROFIT FOR THE PERIOD	**597,480**	**1,934,849**	**565,742**	**2,018,212**
Earnings per share (in PLN per share)				
Basic for the period	2.28	7.38	2.16	7.70
Diluted for the period	2.27	7.37	2.16	7.70

Unconsolidated Statement of Comprehensive Income

(PLN thousand)

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Net profit	**597,480**	**1,934,849**	**565,742**	**2,018,212**
Other comprehensive income				
Foreign currency translation differences	5	(41)	(90)	(136)
Change in fair value of available-for-sale financial assets	119,983	146,967	132,056	38,197
Change in fair value of cash flow hedges	3,548	104,685	(12,847)	(152,787)
Income tax expenses on other comprehensive income	(23,778)	(47,811)	(22,756)	20,734
Other comprehensive income (net)	**99,758**	**203,800**	**96,363**	**(93,992)**
Total comprehensive income	**697,238**	**2,138,649**	**662,105**	**1,924,220**

Unconsolidated Statement of Financial Position

(PLN thousand)

	30.09.2010	31.12.2009	30.09.2009
ASSETS			
Cash and due from Central Bank	5,938,540	9,587,211	4,920,281
Debt securities eligible for rediscounting at Central Bank	190	158	603
Loans and advances to banks	9,025,462	9,138,563	10,143,200
Financial assets held for trading	1,429,594	3,685,551	3,089,676
Derivative financial instruments (held for trading)	2,439,717	2,431,471	2,685,750
Other financial instruments at fair value through profit and loss	499,417	2,394,040	2,364,682
Loans and advances to customers	76,660,656	73,042,722	73,040,785
Hedging instruments	96,334	87,543	71,170
Investment securities	29,210,191	21,293,507	18,786,661
Available for sale	24,669,653	17,526,224	15,663,320
Held to maturity	4,540,538	3,767,283	3,123,341
Assets held for sale	47,051	38,580	42,456
Investments in subsidiaries	1,370,483	1,426,442	1,506,442
Investments in associates	39,345	39,345	39,345
Intangible assets	634,913	678,462	650,605
Property, plant and equipment	1,690,744	1,745,821	1,755,050
Investment properties	54,939	54,967	56,550
Income tax assets	445,768	557,768	439,750
Current tax receivable	-	219,798	55,464
Deferred tax assets	445,768	337,970	384,286
Other assets	763,022	715,869	785,907
TOTAL ASSETS	**130,346,366**	**126,918,020**	**120,378,913**
LIABILITIES			
Amounts due to Central Bank	821,936	1,100,176	1,191,747
Amounts due to other banks	5,010,849	5,462,055	8,314,160
Financial liabilities held for trading	246,086	981,354	831,516
Derivative financial instruments (held for trading)	2,003,984	1,594,037	1,949,452
Amounts due to customers	99,588,111	96,701,298	87,506,668
Hedging instruments	472,755	150,452	203,386
Debt securities issued	827,883	1,297,785	1,135,067
Income tax liabilities	94,414	-	-
Current income tax payable	94,414	-	-
Deferred tax liabilities	-	-	-
Provisions	273,908	281,369	266,134
Other liabilities	1,656,748	1,381,925	1,477,556
TOTAL LIBILITIES	**110,996,674**	**108,950,451**	**102,875,686**
Equity			
Share capital	262,361	262,331	262,261
Other capital and reserves	17,152,482	15,242,975	15,222,754
Retained earnings and profit for the period	1,934,849	2,462,263	2,018,212
TOTAL EQUITY	**19,349,692**	**17,967,569**	**17,503,227**
TOTAL EQUITY AND LIABILITIES	**130,346,366**	**126,918,020**	**120,378,913**
Capital adequacy ratio (%)	17.68	15.64	14.63

Unconsolidated Statement of Changes in Equity

(PLN thousand)

For the period from January 1, 2010 to September 30, 2010

	SHARE CAPITAL	OTHER CAPITAL AND RESERVES							RETAINED EARNINGS AND CURRENT YEAR PROFIT	TOTAL EQUITY
		TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES	OTHER		
Equity as at January 1, 2010	**262,331**	**15,242,975**	**9,120,232**	**1,337,850**	**4,590,737**	**(46,588)**	**3,046**	**237,698**	**2,462,263**	**17,967,569**
Management options	**30**	**4,540**	**3,649**	**-**	**-**	**-**	**-**	**891**	**-**	**4,570**
Options exercised (share issue)	30	3,649	3,649	-	-	-	-	-	-	3,679
Revaluation of management share options	-	891	-	-	-	-	-	891	-	891
Valuation of financial instruments	**-**	**203,841**	**-**	**-**	**-**	**203,841**	**-**	**-**	**-**	**203,841**
Revaluation of available-for-sale investments net of tax	-	119,046	-	-	-	119,046	-	-	-	119,046
Revaluation of hedging financial instruments net of tax	-	84,795	-	-	-	84,795	-	-	-	84,795
Appropriation of retained earnings and current year profit	**-**	**1,701,167**	**-**	**100,000**	**1,601,167**	**-**	**-**	**-**	**(527,414)**	**1,173,753**
Dividend paid	-	-	-	-	-	-	-	-	(761,096)	(761,096)
Profit appropriation	-	1,701,167	-	100,000	1,601,167	-	-	-	(1,701,167)	-
Net profit for the period	-	-	-	-	-	-	-	-	1,934,849	1,934,849
Other	**-**	**(41)**	**-**	**-**	**-**	**-**	**(41)**	**-**	**-**	**(41)**
Foreign currency translation differences	-	(41)	-	-	-	-	(41)	-	-	(41)
Equity as at September 30, 2010	**262,361**	**17,152,482**	**9,123,881**	**1,437,850**	**6,191,904**	**157,253**	**3,005**	**238,589**	**1,934,849**	**19,349,692**

Unconsolidated Statement of Changes in Equity

(PLN thousand)

For the period from January 1, 2009 to December 31, 2009

	SHARE CAPITAL	OTHER CAPITAL AND RESERVES							RETAINED EARNINGS AND CURRENT YEAR PROFIT	TOTAL EQUITY
		TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES	OTHER		
Equity as at January 1, 2009	**262,213**	**11,963,276**	**9,105,832**	**1,237,850**	**1,344,892**	**36,121**	**3,169**	**235,412**	**3,345,845**	**15,571,334**
Management options	**118**	**16,686**	**14,400**	**-**	**-**	**-**	**-**	**2,286**	**-**	**16,804**
Options exercised (share issue)	118	14,400	14,400	-	-	-	-	-	-	14,518
Revaluation of management share options	-	2,286	-	-	-	-	-	2,286	-	2,286
Valuation of financial instruments	**-**	**(82,709)**	**-**	**-**	**-**	**(82,709)**	**-**	**-**	**-**	**(82,709)**
Revaluation of available-for-sale investments net of tax	-	39,424	-	-	-	39,424	-	-	-	39,424
Revaluation of hedging financial instruments net of tax	-	(122,133)	-	-	-	(122,133)	-	-	-	(122,133)
Appropriation of retained earnings and current year profit	**-**	**3,345,845**	**-**	**100,000**	**3,245,845**	**-**	**-**	**-**	**(883,582)**	**2,462,263**
Dividend paid	-	-	-	-	-	-	-	-	-	-
Profit appropriation	-	3,345,845	-	100,000	3,245,845	-	-	-	(3,345,845)	-
Net profit for the period	-	-	-	-	-	-	-	-	2,462,263	2,462,263
Other	**-**	**(123)**	**-**	**-**	**-**	**-**	**(123)**	**-**	**-**	**(123)**
Foreign currency translation differences	-	(123)	-	-	-	-	(123)	-	-	(123)
Equity as at December 31, 2009	**262,331**	**15,242,975**	**9,120,232**	**1,337,850**	**4,590,737**	**(46,588)**	**3,046**	**237,698**	**2,462,263**	**17,967,569**

Unconsolidated Statement of Changes in Equity

(PLN thousand)

For the period from January 1, 2009 to September 30, 2009

	SHARE CAPITAL	OTHER CAPITAL AND RESERVES							RETAINED EARNINGS AND CURRENT YEAR PROFIT	TOTAL EQUITY
		TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES FROM FINANCIAL INSTRUMENTS	FOREIGN CURRENCY TRANSLATION DIFFERENCES	OTHER		
Equity as at January 1, 2009	**262,213**	**11,963,276**	**9,105,832**	**1,237,850**	**1,344,892**	**36,121**	**3,169**	**235,412**	**3,345,845**	**15,571,334**
Management options	**48**	**7,625**	**5,863**	**-**	**-**	**-**	**-**	**1,762**	**-**	**7,673**
Options exercised (share issue)	48	5,863	5,863	-	-	-	-	-	-	5,911
Revaluation of management share options	-	1,762	-	-	-	-	-	1,762	-	1,762
Valuation of financial instruments	**-**	**(93,856)**	**-**	**-**	**-**	**(93,856)**	**-**	**-**	**-**	**(93,856)**
Revaluation of available-for-sale investments net of tax	-	29,902	-	-	-	29,902	-	-	-	29,902
Revaluation of hedging financial instruments net of tax	-	(123,758)	-	-	-	(123,758)	-	-	-	(123,758)
Appropriation of retained earnings and current year profit	**-**	**3,345,845**	**-**	**100,000**	**3,245,845**	**-**	**-**	**-**	**(1,327,633)**	**2,018,212**
Dividend paid	-	-	-	-	-	-	-	-	-	-
Profit appropriation	-	3,345,845	-	100,000	3,245,845	-	-	-	(3,345,845)	-
Net profit for the period	-	-	-	-	-	-	-	-	2,018,212	2,018,212
Other	**-**	**(136)**	**-**	**-**	**-**	**-**	**(136)**	**-**	**-**	**(136)**
Foreign currency translation differences	-	(136)	-	-	-	-	(136)	-	-	(136)
Equity as at September 30, 2009	**262,261**	**15,222,754**	**9,111,695**	**1,337,850**	**4,590,737**	**(57,735)**	**3,033**	**237,174**	**2,018,212**	**17,503,227**

Unconsolidated Cash Flow Statement

(PLN thousand)

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Cash flow from operating activities - indirect method				
Net profit for the period	**597,480**	**1,934,849**	**565,742**	**2,018,212**
Adjustments:	**2,174,575**	**4,892,127**	**(510,413)**	**2,161,375**
Depreciating expense	89,568	279,264	101,588	301,653
Gain (losses) on foreign exchange differences	406,978	(32,052)	186,847	198,507
Gain (losses) on investing activities	(46,692)	(107,405)	(21,204)	(110,806)
Impairment	-	-	-	25,000
Interest and dividend	(136,419)	(726,291)	(4,040)	(516,023)
Change in loans and advances to banks	1,958,006	2,408,760	1,750,061	5,386,229
Change in financial assets as held for trading and other financial instruments at fair value through profit and loss	710,988	4,150,580	(866,098)	1,986,292
Change in derivative financial instruments (assets)	(143,350)	(8,246)	635,816	1,804,002
Change in loans and advances to customers and debt securities eligible for rediscounting at Central Bank	(1,183,165)	(3,617,966)	2,204,950	2,064,598
Change in investment securities available for sale	(14,320)	(89,099)	(23,439)	(34,415)
Change in deferred tax assets	37,197	64,188	(59,737)	(132,317)
Change in other assets	(84,941)	(184,609)	110,664	191,079
Change in amounts due to banks	54	(729,446)	1,039,833	(3,403,027)
Change in liabilities held for trading	178,145	(735,268)	358,226	425,537
Change in derivative financial instruments (liabilities) and other financial instruments at fair value	(465,892)	409,947	(582,168)	(3,200,932)
Change in amounts due to customers	1,175,012	2,886,813	(5,326,505)	(2,951,406)
Change in debt securities issued	7,700	19,107	(12,090)	(350)
Change in provisions	6,343	(7,461)	(15,736)	(32,043)
Change in other liabilities	(309,528)	589,821	536,238	985,222
Income tax paid (negative sign)	(119,068)	(231,768)	(191,479)	(748,572)
Current tax expense	107,959	553,258	(332,140)	(76,853)
Net cash flows from operating activities	**2,772,055**	**6,826,976**	**55,329**	**4,179,587**
Cash flows from investing activities				
Investing activity inflows	**97,638,201**	**220,739,944**	**52,080,310**	**86,196,189**
Sale of subsidiaries and associates	-	55,895	-	-
Sale of investment securities	97,667,747	220,280,790	52,108,154	85,740,189
Sale of intangible assets and property, plant and equipment	289	1,178	307	1,177
Other investing inflows	(29,835)	402,081	(28,151)	454,823
Investing activity outflows	**(100,301,860)**	**(227,672,617)**	**(52,705,887)**	**(89,476,265)**
Acquisition of investments in subsidiaries and associates	-	-	-	(7,500)
Acquisition of investment securities	(100,224,377)	(227,496,960)	(52,639,009)	(89,287,384)
Acquisition of intangible assets and property, plant and equipment	(77,483)	(175,657)	(66,878)	(181,381)
Net cash flows from investing activities	**(2,663,659)**	**(6,932,673)**	**(625,577)**	**(3,280,076)**

Unconsolidated Cash Flow Statement (cont)

(PLN thousand)

	III QUARTER 2010 PERIOD FROM 01-07-2010 TO 30-09-2010	3 QUARTERS 2010 PERIOD FROM 01-01-2010 TO 30-09-2010	III QUARTER 2009 PERIOD FROM 01-07-2009 TO 30-09-2009	3 QUARTERS 2009 PERIOD FROM 01-01-2009 TO 30-09-2009
Cash flows from financing activities				
Financing activity inflows	**(20)**	**82,187**	**251,645**	**303,743**
Issue of debt securities	(20)	78,508	245,734	297,832
Issue of shares	-	3,679	5,911	5,911
Financing activity outflows	**(276,303)**	**(1,329,502)**	**(157,667)**	**(872,456)**
Redemption of debt securities	(276,303)	(568,406)	(157,667)	(872,456)
Dividends and other payments to shareholders	-	(761,096)	-	-
Net cash flows from financing activities	**(276,323)**	**(1,247,315)**	**93,978**	**(568,713)**
Total net cash flows	**(167,927)**	**(1,353,012)**	**(476,270)**	**330,798**
Net change in cash and cash equivalents	**(167,927)**	**(1,353,012)**	**(476,270)**	**330,798**
Cash and cash equivalents at the beginning of the period	**13,392,832**	**14,577,917**	**12,317,590**	**11,510,522**
Cash and cash equivalents at the end of the period	**13,224,905**	**13,224,905**	**11,841,320**	**11,841,320**

Quarterly Income Statement

(PLN thousand)

Quarterly Income Statement

Consolidated Income Statement

	Q1 2010	Q2 2010	Q3 2010	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Interest income	1,576,872	1,606,604	1,652,021	1,850,533	1,661,740	1,590,896	1,644,756
Interest expense	(571,752)	(604,082)	(621,042)	(940,853)	(713,603)	(620,644)	(670,539)
Net interest income	1,005,120	1,002,522	1,030,979	909,680	948,137	970,252	974,217
Dividend income and income from equity investments	20,785	26,357	21,393	13,051	18,104	14,972	19,054
Total net interest income, dividend income and income from equity investments	**1,025,905**	**1,028,879**	**1,052,372**	**922,731**	**966,241**	**985,224**	**993,271**
Fee and commission income	681,241	691,637	693,345	636,227	667,066	686,584	726,280
Fee and commission expense	(109,013)	(103,194)	(102,751)	(107,538)	(113,389)	(93,005)	(113,632)
Net fee and commission income	572,228	588,443	590,594	528,689	553,677	593,579	612,648
Trading result	136,413	145,123	156,766	210,354	270,423	178,648	161,043
Net other operating income and expenses	16,340	12,507	23,754	20,243	11,812	32,959	11,039
Net non-interest income	**724,981**	**746,073**	**771,114**	**759,286**	**835,912**	**805,186**	**784,730**
OPERATING INCOME	**1,750,886**	**1,774,952**	**1,823,486**	**1,682,017**	**1,802,153**	**1,790,410**	**1,778,001**
Personnel expenses	(467,787)	(476,010)	(482,442)	(461,923)	(467,720)	(459,843)	(466,855)
Other administrative expenses	(329,985)	(328,598)	(338,467)	(357,082)	(363,166)	(330,678)	(337,393)
Refunding of administrative expenses	1,700	1,822	1,070	3,469	2,296	2,729	1,910
Depreciation and amortisation	(107,504)	(99,224)	(97,703)	(109,355)	(109,423)	(109,450)	(110,306)
Operating costs	**(903,576)**	**(902,010)**	**(917,542)**	**(924,891)**	**(938,013)**	**(897,242)**	**(912,644)**
OPERATING PROFIT	**847,310**	**872,942**	**905,944**	**757,126**	**864,140**	**893,168**	**865,357**
Net result on other provisions	837	320	441	(98)	1,018	222	20
Net impairment losses on financial assets and off-balance sheet commitments	(140,891)	(136,012)	(133,688)	(91,655)	(153,440)	(151,184)	(138,378)
Net result on investment activity	34,398	26,346	47,070	45,287	43,539	22,873	39,485
PROFIT BEFORE INCOME TAX	**741,654**	**763,596**	**819,767**	**710,660**	**755,257**	**765,079**	**766,484**
Income tax expense	(136,704)	(141,997)	(157,502)	(141,014)	(140,913)	(142,449)	(151,759)
NET PROFIT FOR THE PERIOD	**604,950**	**621,599**	**662,265**	**569,646**	**614,344**	**622,630**	**614,725**
Attributable to equity holders of the Bank	**602,712**	**619,115**	**659,685**	**566,295**	**613,204**	**620,458**	**611,778**
Attributable to non-controlling interest	2,238	2,484	2,580	3,351	1,140	2,172	2,947

Quarterly Income Statement

(PLN thousand)

Unconsolidated Income Statement

	Q1 2010	Q2 2010	Q3 2010	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Interest income	1,460,061	1,496,114	1,542,886	1,704,017	1,531,667	1,465,540	1,522,738
Interest expense	(547,602)	(577,653)	(590,967)	(900,524)	(688,257)	(592,878)	(649,564)
Net interest income	912,459	918,461	951,919	803,493	843,410	872,662	873,174
Dividend income	32,287	222,951	181	-	416,105	15	1,051
Total net interest income and dividend income	**944,746**	**1,141,412**	**952,100**	**803,493**	**1,259,515**	**872,677**	**874,225**
Fee and commission income	615,927	623,232	619,253	581,348	603,881	613,441	656,310
Fee and commission expense	(101,686)	(97,509)	(96,067)	(102,022)	(105,081)	(84,917)	(107,024)
Net fee and commission income	514,241	525,723	523,186	479,326	498,800	528,524	549,286
Trading result	128,865	127,910	144,107	173,105	268,735	172,959	155,787
Net other operating income and expenses	10,659	7,342	21,137	12,366	8,097	26,120	9,633
Net non-interest income	**653,765**	**660,975**	**688,430**	**664,797**	**775,632**	**727,603**	**714,706**
OPERATING INCOME	**1,598,511**	**1,802,387**	**1,640,530**	**1,468,290**	**2,035,147**	**1,600,280**	**1,588,931**
Personnel expenses	(415,343)	(419,631)	(426,780)	(412,164)	(418,762)	(412,805)	(420,875)
Other administrative expenses	(315,954)	(313,272)	(324,219)	(333,133)	(341,222)	(308,289)	(315,916)
Refunding of administrative expenses	2,348	2,285	1,513	3,782	2,496	2,253	3,151
Depreciation and amortisation	(99,193)	(90,503)	(89,568)	(99,137)	(99,537)	(100,979)	(101,366)
Operating costs	**(828,142)**	**(821,121)**	**(839,054)**	**(840,652)**	**(857,025)**	**(819,820)**	**(835,006)**
OPERATING PROFIT	**770,369**	**981,266**	**801,476**	**627,638**	**1,178,122**	**780,460**	**753,925**
Net result on other provisions	179	101	413	0	60	9	381
Net impairment losses on financial assets and off-balance sheet commitments	(118,118)	(112,278)	(105,946)	(57,169)	(112,037)	(103,297)	(134,077)
Net result on investment activity	40,471	27,871	46,693	45,624	19,155	21,219	(39,443)
PROFIT BEFORE INCOME TAX	**692,901**	**896,960**	**742,636**	**616,093**	**1,085,300**	**698,391**	**580,786**
Income tax expense	(122,821)	(129,671)	(145,156)	(116,028)	(132,895)	(132,649)	(136,735)
NET PROFIT FOR THE PERIOD	**570,080**	**767,289**	**597,480**	**500,065**	**952,405**	**565,742**	**444,051**

Quarterly Statement of Comprehensive Income

(PLN thousand)

Quarterly Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income

	Q1 2010	Q2 2010	Q3 2010	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Net profit	**604,950**	**621,599**	**662,265**	**569,646**	**614,344**	**622,630**	**614,725**
Attributable to equity holders of the Bank	**602,712**	**619,115**	**659,685**	**566,295**	**613,204**	**620,458**	**611,778**
Attributable to non-controlling interest	2,238	2,484	2,580	3,351	1,140	2,172	2,947
Other comprehensive income							
Foreign currency translation differences	4,745	51,915	(49,522)	47,418	(12,553)	(51,676)	(49,963)
Change in fair value of available-for-sale financial assets	195,966	(168,900)	121,556	(198,427)	105,306	132,571	12,671
Change in fair value of cash flow hedges	53,329	47,808	3,548	(87,271)	(52,669)	(12,847)	2,006
Income tax expense on other comprehensive income	(47,285)	23,233	(24,165)	54,730	(11,337)	(22,830)	(2,991)
Other comprehensive income (net)	**206,755**	**(45,944)**	**51,417**	**(183,550)**	**28,747**	**45,218**	**(38,277)**
Total comprehensive income	**811,705**	**575,655**	**713,682**	**386,096**	**643,091**	**667,848**	**576,448**
Attributable to equity holders of the Bank	**809,467**	**573,171**	**711,102**	**382,745**	**641,951**	**665,676**	**573,501**
Attributable to non-controlling interest	2,238	2,484	2,580	3,351	1,140	2,172	2,947

Unconsolidated Statement of Comprehensive Income

	Q1 2010	Q2 2010	Q3 2010	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Net profit	**570,080**	**767,289**	**597,480**	**500,065**	**952,405**	**565,742**	**444,051**
Other comprehensive income							
Foreign currency translation differences	(91)	45	5	76	(122)	(90)	13
Change in fair value of available-for-sale financial assets	195,781	(168,797)	119,983	(198,785)	104,926	132,056	12,094
Change in fair value of cash flow hedges	53,329	47,808	3,548	(87,271)	(52,669)	(12,847)	2,006
Income tax expense on other comprehensive income	(47,250)	23,217	(23,778)	54,662	(11,172)	(22,756)	(2,953)
Other comprehensive income (net)	**201,769**	**(97,727)**	**99,758**	**(231,318)**	**40,963**	**96,363**	**11,160**
Total comprehensive income	**771,849**	**669,562**	**697,238**	**268,747**	**993,368**	**662,105**	**455,211**

Additional Information

Additional information

The Group

The Bank Pekao S.A. Capital Group on September 30, 2010 consists of Bank Pekao S.A. as the parent entity and the following subordinated entities:

NAME OF ENTITY	LOCATION	CORE ACTIVITY	PERCENTAGE OF THE GROUP'S OWNERSHIP RIGHTS IN SHARE CAPITAL/ VOTING	CONSOLIDATION METHOD
Open Joint Stock Company UniCredit Bank, including:	Luck, Ukraine	Banking	100.00	full
- BDK Consulting Ltd.	*Luck, Ukraine*	*Consulting, hotel and transport services*	*99.99*	*full*
Centralny Dom Maklerski Pekao S.A.	Warsaw	Brokerage	100.00	full
Pekao Fundusz Kapitałowy Sp. z o.o.	Warsaw	Business consulting	100.00	full
Pekao Leasing Sp. z o.o. (*)	Warsaw	Leasing services	36.49	full
Pekao Faktoring Sp. z o.o.	Lublin	Factoring services	100.00	full
Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A.	Warsaw	Pension fund management	65.00	full
Pekao Telecentrum Sp. z o. o.	Cracow	Services	100.00	full
Centrum Kart S.A.	Warsaw	Financial support	100.00	full
Pekao Financial Services Sp. z o.o.	Warsaw	Financial services	100.00	full
Pekao Bank Hipoteczny S.A (**)	Warsaw	Banking	99.96	full
Pekao Leasing Holding S.A., including: (*)	Warsaw	Leasing services	80.10	full
- Pekao Leasing Sp. z o.o.	*Warsaw*	*Leasing services*	*50.87*	*full*
Holding Sp. z o.o., including: (**)	Warsaw	Non-financial holding	100.00	full
- Pekao Bank Hipoteczny S.A.	*Warsaw*	*Banking*	*0.04*	*full*
Centrum Bankowości Bezpośredniej Sp. z o.o.	Cracow	Call-center services	100.00	full
Pekao Property S.A, including:	Warsaw	Real estate development	100.00	non- consolidated
- Metropolis Sp. z o.o.	*Warsaw*	*Real estate development (SPV)*	*100.00*	*non- consolidated*
- Jana Kazimierza Development Sp. z o.o.	*Warsaw*	*Real estate development (SPV)*	*100.00*	*non- consolidated*
Property Sp. z o.o. (In liquidation), including:	Warsaw	Real estate management	100.00	non- consolidated
- FPB Media Sp. z o.o.	*Warsaw*	*Real estate development*	*100.00*	*non- consolidated*

(*) Total share of Pekao Leasing Sp. z o.o. equity held by the Group is 87.36% (36.49% directly and 50.87% via Pekao Leasing Holding S.A.)
(**) Total share of Pekao Bank Hipoteczny S.A. equity held by the Group is 100% (99.96% directly and 0.04% via Holding Sp. z o.o.).

Additional Information

Associates

The Bank Pekao S.A. Capital Group holds interest in the following associated entities:

NAME OF ENTITY	LOCATION	CORE ACTIVITY	PERCENTAGE OF THE GROUP'S OWNERSHIP RIGHTS IN SHARE CAPITAL/ VOTING	CONSOLIDATION METHOD
Central Poland Fund LLC (*)	Wilmington, Delaware, USA	Financial brokerage	53.19	equity
Xelion. Doradcy Finansowi Sp. z o.o. (**)	Warsaw	Supporting, financial and insurance	50.00	equity
Pioneer Pekao Investment Management S.A.	Warsaw	Financial brokerage	49.00	equity
Pirelli Pekao Real Estate Sp. z o.o.	Warsaw	Real estate management	25.00	equity
Krajowa Izba Rozliczeniowa S.A.	Warsaw	Clearing house	34.44	equity
CPF Management	Tortola, British Virgin Islands	Financial brokerage – Not operating	40.00	not valuated under equity method
Polish Banking System S.A. (In liquidation)	n/a	In liquidation	48.90	not valuated under equity method
PPP Budpress Sp. z o.o. (In liquidation)	n/a	In liquidation	36.20	not valuated under equity method

(*) The Group holds over 50% of voting rights in the Central Poland Fund LLC. The Group does not control the entity due to the provisions in this company's articles of association.
(**) The Group holds 50% of voting rights in Xelion. Doradcy Finansowi Sp. z o.o. Due to the provisions in this company's articles of association this entity is classified by the Group as an associated entity.

As at September 30, 2010 composition of the Bank Pekao S.A. Capital Group was changed as compared on December 31, 2009 due to the liquidation of Finanse Ltd. company.

As at September 30, 2010 the Group engagement at subsidiaries and associated entities non-consolidated or not valued under the equity method were included at the historical cost. Financial data of these companies are immaterial and have no influence on the Group condensed interim consolidated financial statements.

Additional Information

Results achieved in the three quarters of 2010 and factors which influenced these results

Results of the Group

The Bank Pekao S.A. Group reported solid financial results for the three quarters of 2010, with net profit attributable to equity holders amounting to PLN 1,881.5 million, i.e. an increase of PLN 81.5 million (4.5%) in comparison to the three quarters of 2009.

Sound results for the three quarters of 2010 with the operating profit increased by 4.4% in comparison with the three quarters of 2009 were driven by higher operating income as well as lower operating costs.

The strength of the capital and liquidity structure of the Bank Pekao S.A. Group is reflected by a capital adequacy ratio of 18.0% and loans to deposits ratio at the level of 82.0% at the end of September 2010. This enables for further sound and stable development of the Group's activities.

The consolidated income statement

(PLN million)

	3 QUARTERS 2010	3 QUARTERS 2009	CHANGE
Net interest income*	3,140.8	3,008.6	4.4%
Dividend income and income from equity investments	68.5	46.1	48.6%
Total net interest income, dividend income and other income from equity investments	**3,209.3**	**3,054.7**	**5.1%**
Net fee and commission income	1,751.3	1,675.9	4.5%
Trading result	336.1	479.0	(29.8%)
Net other operating income and expenses	52.6	65.0	(19.1%)
Net non-interest income	**2,140.0**	**2,219.9**	**(3.6%)**
Operating income	**5,349.3**	**5,274.6**	**1.4%**
Operating costs	**(2,723.1)**	**(2,760.1)**	**(1.3%)**
Operating profit	**2,626.2**	**2,514.5**	**4.4%**
Net result on other provisions	1.6	1.1	45.5%
Net impairment losses on financial assets and off-balance sheet commitments	(410.6)	(396.3)	3.6%
Net result on investment activities	107.8	111.7	(3.5%)
Profit before tax	**2,325.0**	**2,231.0**	**4.2%**
Income tax expense	(436.2)	(424.4)	2.8%
Net profit for the period	**1,888.8**	**1,806.6**	**4.5%**
Attributable to equity holders of the Bank	**1,881.5**	**1,800.0**	**4.5%**
Attributable to non-controlling interest	7.3	6.6	10.6%

* Including income from SWAP transactions.

Operating Income

In the three quarters of 2010, the Group's operating income amounted to PLN 5,349.3 million, an increase of PLN 74.7 million (1.4%) in comparison to the three quarters of 2009 with growth in total net interest income, dividend income and income from equity investments as well as net fee and commission income.

Additional Information

Total net interest income, dividend income and income from equity investments

(PLN million)

	3 QUARTERS 2010	3 QUARTERS 2009	CHANGE
Interest income	4,835.5	5,103.2	(5.2%)
Interest expense	(1,796.9)	(2,275.1)	(21.0%)
Income from SWAP transactions	102.2	180.5	(43.4%)
Net interest income	**3,140.8**	**3,008.6**	**4.4%**
Dividend income	7.9	6.0	31.7%
Income from equity investments	60.6	40.1	51.1%
Total net interest income, dividend income and income from equity investments	**3,209.3**	**3,054.7**	**5.1%**

Total net interest income, dividend income and income from equity investments in the three quarters of 2010 amounted to PLN 3,209.3 million and increased by PLN 154.6 million (5.1%) in comparison with previous year. The increase was driven, among others, by efficient management of interest margin as well as favourable changes in loan portfolio structure.

Net non-interest income

(PLN million)

	3 QUARTERS 2010	3 QUARTERS 2009	CHANGE
Fee and commission income	2,066.2	1,989.9	3.8%
Fee and commission expense	(314.9)	(314.0)	0.3%
Net fee and commission income	**1,751.3**	**1,675.9**	**4.5%**
Trading result*	336.1	479.0	(29.8%)
Net other operating income and expense	52.6	65.0	(19.1%)
Net non-interest income	**2,140.0**	**2,219.9**	**(3.6%)**

* Excluding income from SWAP transactions.

The Group's net non-interest income in the three quarters of 2010 amounted to PLN 2,140.0 million, a reduction of PLN 79.9 million (3.6%) in comparison with the three quarters of 2009, mainly due to lower trading result.

However, the Group's net fee and commission income in 9 months of 2010 amounted to PLN 1,751.3 million, an increase of PLN 75.4 million (4.5%) in comparison with previous year, mainly as a result of an increase in commission on loans, payment cards and investment products.

Operating costs

In the three quarters of 2010, the operating costs were kept under control and amounted to PLN 2,723.1 million. They were lower than the operating costs in comparable period of 2009 by PLN 37.0 million (1.3%).

(PLN million)

	3 QUARTERS 2010	3 QUARTERS 2009	CHANGE
Personnel expenses	(1,426.2)	(1,389.5)	2.6%
Other administrative expenses	(992.5)	(1,042.4)	(4.8%)
Depreciation and amortisation	(304.4)	(328.2)	(7.3%)
Operating costs	**(2,723.1)**	**(2,760.1)**	**(1.3%)**

In the three quarters of 2010, cost / income ratio amounted to 50.9% and was better by 1.4 p.p. than reported in the three quarters of 2009 thanks to higher income and lower costs.

Additional Information

As at the end of September 2010, the Bank Pekao S.A. Group employed 20,975 employees (in the Bank and the companies consolidated under full consolidation method) as compared to 20,874 employees as at the end of 2009. The increase in the Group's employment by 101 employees was a result of change of the scope of consolidation, that includes the company Centrum Bankowości Bezpośredniej Sp z o.o. (CBB). Under comparable conditions, (i.e. notwithstanding the effect of the extension of consolidation) the employment in the Group would be diminished by 303 employees.

As at the end of September 2010, the Bank employed 18,522 people, by 390 less as compared with the end of 2009.

Net impairment losses on financial assets and off-balance sheet commitments
Net impairment losses on financial assets and off-balance sheet commitments amounted to PLN 410.6 million in 9 months of 2010, an increase of PLN 14.3 million (3.6%) compared to previous year.

As at September 30, 2010, the ratio of impaired receivables to total receivables amounted to 6.9% as compared with 6.8% at the end of 2009.

(PLN million)

	30.09.2010	31.12.2009	CHANGE
Gross receivables*	**87,164.4**	**83,577.9**	**4.3%**
not impaired	81,131.1	77,900.7	4.1%
impaired	6,033.3	5,677.2	6.3%
Impairment losses	(4,609.9)	(4,361.3)	5.7%
Interest	265.4	238.2	11.4%
Total net	**82,819.9**	**79,454.8**	**4.2%**

* Including debt securities eligible for rediscounting at Central Bank, net investments in financial leases to customers, non quoted securities, reverse repo and buy-sell-back transactions.

Loans

(PLN million)

	30.09.2010	31.12.2009	CHANGE
Loans and advances at nominal value*	**87,417.0**	**84,022.4**	**4.0%**
Loans	81,110.8	80,055.2	1.3%
retail	30,511.2	28,669.2	6.4%
corporate	50,599.6	51,386.0	(1.5%)
Non quoted securities	2,300.8	1,552.1	48.2%
Reverse repo transactions	4,005.4	2,415.1	65.8%
Other	331.5	267.3	24.0%
Nominal value adjustment	(318.7)	(473.6)	(32.7%)
Impairment losses	**(4,609.9)**	**(4,361.3)**	**5.7%**
Net loans and advances	**82,819.9**	**79,454.8**	**4.2%**

* Including debt securities eligible for rediscounting at Central Bank, net investments in financial leases to customers, non quoted securities, reverse repo and buy-sell-back transactions.

As at the end of September 2010, the volume of retail loans amounted to PLN 30,511.2 million, an increase of PLN 1,842.0 million (6.4%) in comparison to the end of 2009. The growth of volumes of retail loans was driven by improving dynamics in sales of key lending products. Thanks to commercial focus, the Bank's sales of consumer loans in the third quarter of 2010 increased by 8.4% and sales of PLN mortgage loans was higher by 26.0% compared with the second quarter of 2010.

The Bank continued its policy of offering only PLN mortgage loans. The residual stock of mortgage loans denominated in foreign currencies, almost entirely acquired as a result of the merger of the spun-off part of Bank BPH SA, represents only 7.2% of total loans of the Bank.

The volume of corporate loans and non quoted securities and reverse repo transactions increased by PLN 1,552.6 million (2.8%) as compared to the end of 2009 and amounted to PLN 56,905.8 million at the end of September 2010.

Additional Information

Savings

(PLN million)

	30.09.2010	31.12.2009	CHANGE
Amounts due to corporate	**55,635.5**	**52,339.4**	**6.3%**
non-financial entities	39,812.3	40,147.5	(0.8%)
non-banking financial entities	7,200.2	5,848.3	23.1%
budget entities	8,623.0	6,343.6	35.9%
Retail deposits	**44,449.6**	**43,854.1**	**1.4%**
Structured Certificates of Deposits (SCD)	**827.4**	**1,297.1**	**(36.2%)**
Repo and sell-buy-back transactions	**348.9**	**514.2**	**(32.1%)**
Total amounts due to customers (including SCD, repo and sell-buy-back transactions)*	**101,261.4**	**98,004.8**	**3.3%**
Investment funds of Pioneer Pekao TFI	**17,739.0**	**15,292.3**	**16.0%**
including distributed through the Group's network	16,275.5	13,888.3	17.2%

* Excluding interest and funds in transit.

As at the end of September 2010, the total amounts due to the Group's customers (including customer deposits, structured certificates of deposits, repo and sell-buy-back transactions) amounted to PLN 101,261.4 million, an increase of PLN 3,256.6 million (3.3%) in comparison to the end of 2009.

The total volume of retail customers deposits and structured certificates of deposits amounted to PLN 45,277.0 million at the end of September 2010, an increase of PLN 125.8 million (0.3%) in comparison to the end of 2009. At the same time, the value of net assets of investment funds managed by Pioneer Pekao TFI S.A. amounted to PLN 17,739.0 million, an increase of PLN 2,446.7 million (16.0%) in comparison to the end of 2009. The increase was driven by positive net sales in this period also supported by assets valuation.

The total volume of corporate customers deposits and repo and sell-buy-back transactions amounted to PLN 55,984.4 million at the end of September 2010, an increase of PLN 3,130.8 million (5.9%) as compared to the end of 2009.

Additional Information

The structure of the Net Profit

The structure of the net profit of the Group is shown in the following table:

(PLN million)

	3 QUARTERS 2010	3 QUARTERS 2009	CHANGE
Net profit of Bank Pekao S.A.	**1,934.8**	**2,018.2**	**(4.1%)**
Entities consolidated under full method			
Centralny Dom Maklerski Pekao S.A.	42.9	41.9	2.4%
Pekao Leasing Sp. z o.o.	31.6	21.6	46.3%
OJSC UniCredit Bank	29.9	9.0	232.2%
Pekao Leasing Holding S.A.*	15.9	0.6	2,550.0%
Pekao Bank Hipoteczny S.A.	12.2	23.5	(48.1%)
Pekao Pioneer PTE S.A.	9.1	12.5	(27.2%)
Pekao Financial Services Sp. z o.o.	8.2	7.8	5.1%
Pekao Faktoring Sp. z o.o.	7.6	7.8	(2.6%)
Centrum Kart S.A.	3.3	3.2	3.1%
Pekao Fundusz Kapitałowy Sp. z o.o.	2.5	2.0	25.0%
Centrum Bankowości Bezpośredniej Sp. z o.o.**	0.6	x	x
Holding Sp. z o.o.	0.3	1.9	(84.2%)
Pekao Telecentrum Sp. z o. o.	0.3	0.3	0.0%
Finanse Ltd.	0.0	0.0	x
Entities valued under the equity method			
Pioneer Pekao Investment Management S.A.	51.6	38.6	33.7%
Krajowa Izba Rozliczeniowa S.A.	6.2	5.7	8.8%
Pirelli Pekao Real Estate Sp. z o.o.	0.8	0.2	300.0%
Central Poland Fund LLC	0.6	0.0	x
Xelion. Doradcy Finansowi Sp. z o.o.	0.4	(4.3)	x
Exclusions and consolidation adjustments * **	**(277.3)**	**(390.5)**	**(29.0%)**
Net profit of the Group attributable to equity holders of the Bank	**1,881.5**	**1,800.0**	**4.5%**

* The result of the three quarters of 2010 of Pekao Leasing Holding S.A. mainly includes the dividend received from Pekao Leasing Sp. z o.o.

** The company was not consolidated as at September 30, 2009.

*** Includes, among others, transactions within the Group (including dividends from subsidiaries for the previous year) and net profit attributable to non-controlling interest.

Additional Information

The results of Bank Pekao S.A.

The main items from the income statement of the Bank are as follows:

(PLN million)

	3 QUARTERS 2010	3 QUARTERS 2009	CHANGE
Net interest income*	2,885.0	2,700.0	6.9%
Dividend income	255.4	416.1	(38.6%)
Total net interest income and dividend income	3,140.4	3,116.1	0.8%
Net non-interest income	1,901.0	1,987.6	(4.4%)
Operating income	**5,041.4**	**5,103.7**	**(1.2%)**
Operating costs	**(2,488.3)**	**(2,517.5)**	**(1.2%)**
Operating profit	**2,553.1**	**2,586.2**	**(1.3%)**
Net result on other provisions	0.7	0.1	600.0%
Net impairment losses on financial assets and off-balance sheet commitments	(336.3)	(272.5)	23.4%
Net result on investment activities	115.0	86.0	33.7%
Profit before tax	**2,332.5**	**2,399.8**	**(2.8%)**
Net profit for the period	**1,934.8**	**2,018.2**	**(4.1%)**

* Including income from SWAP transactions.

In the three quarters of 2010, the Bank's net profit amounted to PLN 1,934.8 million, a reduction of PLN 83.4 million (4.1%) in comparison to the three quarters of 2009, mainly due to lower dividend income by PLN 160.7 million (38.6%). Dividend income recorded in the three quarters of 2009 was driven by the profit of CDM generated in 2008, which was influenced by the gain on the sale of part of enterprise of CDM conducting corporate brokerage and investment banking services.

The main items of the Bank's statement of financial position are as follows:

	30.09.2010	31.12.2009	CHANGE
Total gross loans in PLN million*	74,529.2	73,241.7	1.8%
Impaired receivables to total receivables in %	6.4	6.2	0.2 p.p.
Total deposits in PLN million*	98,691.5	95,637.8	3.2%
Structured Certificates of Deposits in PLN million	827.4	1,297.1	(36.2%)
Repo and sell-buy-back transactions in PLN million	348.9	514.2	(32.1%)
Total assets in PLN million	130,346.4	126,918.0	2.7%
Investment funds distributed through the Bank's network in PLN million	14,813.1	12,519.8	18.3%
Capital adequacy ratio in %	17.7	15.6	2.1 p.p.

* The nominal value.

The volume of gross loans of the Bank's clients as at the end of September 2010 amounted to PLN 74,529.2 million, increasing by PLN 1,287.5 million (1.8%) as compared to the end of 2009. At the end of September 2010 the total volume of retail loans amounted to PLN 29,108.5 million and volume of corporate loans amounted to PLN 45,420.7 million.

The total amounts due to the Bank's customers (including customer deposits, structured certificates of deposits, repo and sell-buy-back transactions) amounted to PLN 99,867.8 million and increased by PLN 2,418.7 million (2.5%) compared to the end of 2009.

Concurrently, as compared to the end of 2009, the value of net assets of investment funds managed by Pioneer Pekao TFI S.A. and distributed by the Bank's network increased by PLN 2,293.3 million (18.3%).

Additional Information

Achievements of Bank Pekao S.A.

Bank Pekao S.A. is a universal commercial bank providing a full range of banking services to individual and institutional clients, both in Poland and abroad. The Bank Pekao S.A. Group include financial institutions operating in banking, asset management, pension funds, brokerage services, leasing and factoring markets.

The Bank offers its clients a broad distribution network with ATMs and outlets conveniently located throughout Poland.

	30.09.2010	31.12.2009
Total number of outlets	1,016	1,028
Total number of own ATMs	1,794	1,854

Individual clients

Leveraging on initiatives completed in first half of 2010 that concentrated on re-organization of the branches network and appointment of single branch manager with clear responsibility of overall commercial performance, combined with continued focus on lending products, supported also by marketing activities, enabled the Bank, in particular, to increase market share in sales of PLN mortgage loans up to the level of 17% in September 2010. Sales of PLN mortgage loans in the third quarter of 2010 increased by 26.0% compared to the second quarter of 2010 and by 98.2% compared to the first quarter of 2010.

The Bank participates in the "Rodzina na swoim" ("Family in their Own Home") program and offers mortgage loans subsidised by the government in the framework of the program "Family in their Own Home", keeping a high, approximately 30% share in this program. In 9 months of 2010 sales of mortgage loans subsidised in the framework of the program "Family in their Own Home" accounted for nearly half of the entire Banks' mortgage loans sales.

In the area of consumer lending, the Bank continued its strategy focused on increasing its presence in the consumer financing market and developing its activities in both product and distribution. Those activities were supported by investments in marketing campaigns that were launched on local markets as well as country-wide promotional campaigns on TV, in the press and in the internet and enabled the Bank to accelerate significantly sales of "Pożyczka Ekspresowa" also in the third quarter of 2010. The Bank recorded the highest quarterly sales with the improvement of 8.4% compared to the second quarter of 2010 and of 43.0% compared to the first quarter of 2010.

In the third quarter of 2010, the Bank's regulations towards consumer lending activity have been adjusted to the requirements of The Polish Financial Supervision Authority included in Recommendation T regarding good practices in managing risks of retail credit exposure.

The Bank has continued successful sales of mutual funds to individual clients with gross sales amounting to PLN 4 billion in 9 months of 2010, i.e. 2.4 times higher than in comparable period of previous year, maintaining its leadership in the mutual funds market.

Two subscriptions of structured products: 18 month deposit in PLN based on WIG20 index and 7 week deposit in PLN based on fx rate USD/PLN have been offered in the third quarter of 2010 to Private Banking clients. With the contribution of a research agency the Bank has conducted a quality survey "Portrait of the Polish millionaire" which aim was to widen knowledge of Private Banking segment and adapt the Bank's customer service model and products and services offer to the survey results.

Additional Information

As at the end of September 2010, the Bank maintained 4,696.6 thousand PLN-denominated current accounts, 196.3 thousand mortgage loan accounts, and 713.7 thousand consumer loan accounts.

(in thousand)

	30.09.2010	31.12.2009
Total number of PLN current accounts*	4,696.6	4,537.9
of which packages	3,458.9	3,357.2
Number of mortgage loans accounts**	196.3	187.4
of which PLN mortgage loans accounts	145.3	133.9
Number of consumer loan accounts ***	713.7	729.9

* Number of accounts including accounts of pre-paid cards.
** Retail customers accounts.
*** "Pożyczka Ekspresowa".

Alternative distribution channels

The number of retail and business clients using alternative distribution channels such as the internet banking platform and Contact Center has been growing systematically. Pekao24 service (for the retail clients), PekaoFIRMA24 (for SME clients) and PekaoBiznes24 (for corporate clients) facilitate the management of financial assets, and the scope of services is being steadily extended.

Pekao24

As at the end of September 2010, the number of Pekao24 clients totalled 1,654 thousand. In the third quarter of 2010, c.a. 1 million of clients logged in to the electronic banking services. In the third quarter of 2010 online transactions represented 91% of total transactions executed through the Pekao24 platform.

The most important projects implemented in the third quarter of 2010 included:

- enhancement of the electronic banking offer with a mobile banking service - a simplified version of Pekao24 service, which is accessible via mobile phones or other mobile devices. Mobile banking service was designed to allow the clients the most intuitive and easy use,
- launching a campaign aimed to encourage the clients to use electronic channels of Pekao24 service,
- offering PekaoToken (method of transaction authorization in Pekao24 service) for iPhone users,
- continuing of educational campaign for users of Pekao24 service about safe use of internet.

PekaoFIRMA24

PekaoFIRMA24 is used by 148 thousand companies, of which 93.1 thousand are active clients. In the third quarter of 2010, the customers have ordered over 4.6 million transactions through PekaoFIRMA24 system, and the value of PLN transactions alone amounted to PLN 20 billion. The system makes it easier to take advantage of a broad deposit offer of the Bank, what was reflected in the number of deposits opened through PekaoFIRMA24 system.

(in thousand)

	30.09.2010	30.09.2009
Number of individual clients with an access to electronic banking as at the end of period	1,653.9	1,316.3
Number of individual clients actively using electronic banking*	974.8	808.3
Number of business clients (SME) with an access to electronic banking as at the end of period	203.1	175.4
Number of business clients (SME) actively use electronic banking*	124.3	114.6

* A customer actively using electronic banking is a customer who logged in to the system at least once during the last quarter.

Additional Information

Contact Center

In the third quarter of 2010, Contact Center continued the process of support the sales activities of the Bank. The number of outbound calls amounted to 919 thousand, which means a 156% increase as compared to the third quarter of 2009. This dynamic growth is a result of significant demand for support of the sales activities and conducting the marketing campaign of the Bank.

In the third quarter of 2010, Contact Center actively contributed in a campaign to encourage the Bank's clients to resign from paper statements.

(in thousand)

	Q3 2010	Q3 2009
Total number of outbound calls initiated by Contact Center	2,671.3	1,558.8
of which number of commercial outbound calls initiated by Contact Center supporting sales activities of the Bank	918.8	359.5
Number of inbound calls served by Contact Center	702.9	782.5
Total number of inbound and outbound calls served by Contact Center	3,374.2	2,341.3

Corporate clients

In the third quarter of 2010, the Bank continued to enhance its offer for corporate clients by introducing additional functionalities of existing products. In the area of trade finance, a settlement and booking of letter of credit and collection have been automated thus significantly reducing the time to process a clearing of customer transactions.

Thanks to the option to place an electronic order concerning configuration of advanced access rights to PekaoBIZNES24 system, in the third quarter of 2010 the share of orders placed electronically amounted over 40% of all customer orders.

The Bank's activities within the area of banking and financial services for public sector were focused on strengthening the Bank's position as the market leader. The Bank expanded its customer base in providing ongoing services to the entities from the public finance sector and increased its exposure to public sector financing in the third quarter of 2010. At the end of September 2010, the Bank's share in the local government debt in the form of a loan and bond issue came to a 14%.

In the third quarter of 2010, Bank Pekao S.A. arranged a bond issue, which was at this time the biggest corporate issue listed on the Alternative Trading System of BondSpot. The Bank was also acting as the Joint Bookrunner in issue of five year Eurobonds denominated in PLN in the amount of PLN 1 billion for one of its clients. It was the first Eurobonds issue dematerialized in The National Depository for Securities and listed on ASO BondSpot S.A. and the biggest corporate issue in Poland placed with institutional investors.

Awards

In the third quarter of 2010, Euromoney Magazine - a high-profile financial monthly, honoured Bank Pekao S.A. with "The Best Bank in Poland in 2010" title. This award was granted in recognition of the Bank's consistency in realization of sustainable development strategy as well as a high profitability and development of the Bank's offer and internal processes. A program of creation of the Bank's customer satisfaction and development of electronic banking dedicated for all group of customers were also found to be particularly commendable by the judging panel.

In July 2010, Bank Pekao S.A. was recognised to be a safety leader among online banks for corporate customers in Central and Eastern Europe, winning Best Information Security Initiatives category in a prestigious competition "2010 World's Best Internet Banks" organized by Global Finance magazine. Biometric identification of the PekaoBIZNES24 customers was recognised to be the best initiative in online corporate banking services in a region. It has been appreciated, that Bank Pekao S.A. introduced this innovative solution as the first bank on European market and one of the pioneer banks worldwide.

In September 2010, the Bank was awarded for „Excellent quality in delivering commercial payments and financial institutions transfers" for a high level of STP transactions (straight through processing).

Additional Information

Bank Pekao S.A. came out as the winner in the 14th edition of the contest "IT Leader" in the category "Banking and Finance" organised by Computerworld magazine. To the Bank's winning contributed, among others, the projects of corporate banking, therein BOA (Branch Operators Application) – an application for fx transactions and negotiations of deposits.

Achievements of subsidiaries

Pioneer Pekao Investment Management S.A.
As at September 30, 2010, the net asset value of investment funds under the management of Pioneer Pekao TFI S.A. (a company managed by Pioneer Pekao Investment Management S.A. in which the Bank holds a 49% share), amounted to PLN 17,739.0 million, an increase of PLN 2,446.7 million (16.0%) as compared to the end of 2009. The increase was driven by positive net sales in this period also supported by assets valuation.

As at the end of September 2010, the company had 1,093 thousand open customer accounts (an increase by 2.2% in comparison to the end of 2009), managing portfolios of 35 investment funds and sub-funds.

The value of net assets of investment funds managed by Pioneer Pekao TFI S.A. is presented in the table below:

(PLN million)

	30.09.2010	31.12.2009
Net asset value	**17,739.0**	**15,292.3**
bond and money market funds	6,258.5	3,906.1
equity funds	4,511.3	4,420.5
balanced funds	6,969.2	6,965.7

Centralny Dom Maklerski Pekao S.A.
As at the end of September 2010, Centralny Dom Maklerski Pekao S.A. (CDM) maintained 222 thousand investment accounts and its market share reached the level of 15.9%. CDM offers also on-line access to investment accounts (www.cdm24.pl), allowing its customers to buy and sell all instruments listed on the Warsaw Stock Exchange and on the BondSpot market via the internet. As at the end of September 2010, CDM handled 72.6 thousand on-line accounts, an increase of 24 thousand (49.4%) from the end of 2009.

In the three quarters of 2010 the company achieved the following shares on the Warsaw Stock Exchange:

- a 19.2% share in the bond trading volume,
- a 4.3% share in the futures trading volume,
- a 3.8% share in the stock trading volume.

OJSC UniCredit Bank
OJSC UniCredit Bank operates in Ukrainian market as 100% subsidiary of Bank Pekao S.A. It pursues its activity through a network of 59 branches developed as a "green field project" and as a result of the merger with HVB Bank Ukraine, it provides services for 108.6 thousand individual customers and 3.0 thousand corporate clients. In the three quarters of 2010, OJSC UniCredit Bank generated net profit of PLN 29.9 million due to stabilization of quality of the loan portfolio and strict costs control. The bank maintains a sound capital structure with a capital adequacy ratio (Basel II) at the level of 22.36% as at the end of September 2010.

Performance of the bank is under continuous monitoring, specifically with the use of reinforced credit risk monitoring procedures.

Additional Information

MiFID – Markets in Financial Instruments Directive

The provisions of the EU directive – MiFID, the main objective of which is to create an integrated financial market in EU, enhance the investors' protection, increase competition in the area of investment services, as well as to increase transparency of the activities of companies offering investment products, took effect as of April 21, 2010.

MiFID imposes certain obligations on companies offering investment products to act in the best interest of clients, in particular to act in an honest, fair and professional way, provide them with clear and understandable rules governing the investment services, provide complete and not misleading information and to offer services and products appropriate for the clients.

In the first quarter of 2010, within the framework of the MiFID project implemented in Bank Pekao S.A., appropriate modifications to procedures, information systems, marketing information and clients documentation were introduced and professional training for the employees was provided.

In the area of individual customers' services, the Bank's activities were focused on providing the customers with the earliest opportunity to sign the agreement for accepting and submitting orders relating to investment funds while satisfying other MiFID requirements in order to mitigate possible inconvenience with regard to the obligation of having such an agreement until April 21, 2010. These activities were accompanied by information campaign, addressed first of all to those customers who do not place the orders relating to investment funds in the Bank's premises but are operating by a proxy or using electronic channels.

In the area of corporate customers' services, the works on business specification for the information systems were completed. In order to adjust the client's documentation, the required procedures, agreements and regulations have been prepared and the transparent process to manage client's documentation has been put in place. Additionally, the sales process has been altered to incorporate new tasks and new internal regulations for dealers and relationship managers were created as well.

The activities relating to the implementation of MiFID requirements applied also to brokerage services rendered by Dom Maklerski Pekao (Dom Maklerski) – entity operating in the Bank's structure and Centralny Dom Maklerski Pekao S.A. (CDM) – subsidiary of the Bank. The MiFID requirements resulting from secondary regulations to the Act on Financial Instruments Trading, in particular the Ministry of Finance Ordinance on procedure and conditions for the operations of investment companies, were fully implemented in Dom Maklerski and CDM on June 17, 2010. Until the above has been implemented, Dom Maklerski and CDM performed works aimed at adjusting its activities in terms of operation, information technology and documentation, in particular to implement a range of internal regulations and regulations for customers. The customers were notified of being ascribed to a relevant group specified in the provisions of law and of the new Rules and Regulations for rendering brokerage services together with the Information Package containing the Policy of performing the orders and acting in the best customer's interest, Policy of classifying and reclassifying the customer and the description of risks relating to the investments in financial instruments.

Similar activities relating to the implementation of MiFID requirements have been undertaken in the area of services of management of financial instruments rendered by Pioneer Pekao Investment Management S.A. (PPIM). Substantial efforts were put aiming at full alignment of operations, IT solutions and documentation with the requirements resulting from secondary regulations. Full implementation of MiFID requirements in PPIM was completed on June 17, 2010.

Additional Information

Segment reporting

Segment reporting is based on the application of the management model ("Model") in which the main criterion for segmentation in the Group reporting is the classification of customers based on their profile and service model.

The Model assumes that budgeting and monitoring of results at the segments' level includes all the components of income statement to the level of profit before income tax. This means that both income generated by activities of specific segments and operating costs associated with these activities (both direct costs and allocated costs, in accordance with the adopted model of the allocation) are assigned to distinctive segments, as well as other components of income statement.

The Group settles transactions between segments on an arms length basis by applying current market prices. Fund transfers between the Bank's segments namely retail, private, corporate and investment banking and Assets and Liabilities Management and other unit are based on market prices applicable to the funds' currency and maturity, adjusted for liquidity margins.

Reported segments of the Group include the following areas:

- Retail banking – full scope of banking activity offered to the individual customers (excluding Private banking customers), small and micro enterprises with annual turnover not exceeding PLN 10 million, as well as results of those of the Group's consolidated subsidiaries, and share in net profit of those of the Group's associated entities accounted for using the equity method, that are assigned to the retail banking activity,
- Private banking – full scope of banking activity offered to wealthiest individual customers,
- Corporate and Investment banking – full scope of banking activity offered to the medium and large enterprises, including activities on the inter-bank market, investments in debt securities and other instruments as well as results of those of the Group's consolidated subsidiaries consolidated under the full method, that are assigned to the corporate and investment banking activities,
- Assets and Liabilities Management and other – covers supervision and monitoring of fund transfers, other areas centrally managed including proceeds from collections activity, results of Group's subsidiaries consolidated under the full method and share in the profits of associated entities accounted under the equity method that are not assigned to other reported segments.

Additional Information

Information on segments' results for the three quarters of 2010

(PLN million)

	RETAIL BANKING	PRIVATE BANKING	CORPORATE AND INVESTMENT BANKING	ASSETS AND LIABILITIES MANAGEMENT AND OTHER	TOTAL GROUP
External interest income	1,833.3	23.0	2,885.2	94.0	4,835.5
External interest expense	(701.6)	(163.5)	(1,024.6)	92.8	(1,796.9)
Net external interest income	**1,131.7**	**(140.5)**	**1,860.6**	**186.8**	**3,038.6**
Internal interest income	1,344.3	186.8	1,280.2	(2,811.3)	0.0
Internal interest expense	(872.6)	(16.6)	(1,912.0)	2,801.2	0.0
Net internal interest income	**471.7**	**170.2**	**(631.8)**	**(10.1)**	**0.0**
Dividend income and income from equity investments	53.1	0.0	0.0	15.4	68.5
Total net interest income, dividend income and income from equity investments	**1,656.5**	**29.7**	**1,228.8**	**192.1**	**3,107.2**
Non-interest income	**1,475.6**	**27.0**	**699.2**	**40.3**	**2,242.1**
Operating income	**3,132.1**	**56.7**	**1,928.0**	**232.4**	**5,349.3**
Personnel expenses	(853.4)	(14.5)	(228.3)	(330.0)	(1,426.2)
Other administrative expenses	(1,140.3)	(21.2)	(330.0)	499.0	(992.5)
Depreciation and amortisation	(112.8)	(0.3)	(25.0)	(166.3)	(304.4)
Operating costs	**(2,106.5)**	**(36.0)**	**(583.3)**	**2.7**	**(2,723.1)**
OPERATING PROFIT	**1,025.6**	**20.7**	**1,344.7**	**235.1**	**2,626.2**
Net result on other provisions	0.9	0.0	0.0	0.7	1.6
Net impairment losses on financial assets and off-balance sheet commitments	(350.8)	2.0	(58.7)	(3.1)	(410.6)
Net result on investment activity	0.0	0.0	101.7	6.1	107.8
PROFIT BEFORE INCOME TAX	**675.7**	**22.7**	**1,387.7**	**238.9**	**2,325.0**
Income tax expenses					(436.2)
NET PROFIT FOR THE PERIOD					**1,888.8**
Attributable to equity holders of the Bank					**1,881.5**
Attributable to non-controlling interest					7.3
Allocated assets	34,494.3	595.2	93,090.6	(2,290.9)	125,889.2
Unallocated assets					8,732.4
TOTAL ASSETS					**134,621.6**
Allocated liabilities	51,260.5	6,524.8	58,794.9	(5,038.2)	111,542.0
Unallocated liabilities					23,079.6
TOTAL LIABILITIES					**134,621.6**

Additional Information

Information on segments' results for the three quarters of 2009

(PLN million)

	RETAIL BANKING	PRIVATE BANKING	CORPORATE AND INVESTMENT BANKING	ASSETS AND LIABILITIES MANAGEMENT AND OTHER	TOTAL GROUP
External interest income	1,845.2	28.9	3,159.3	69.8	5,103.2
External interest expense	(898.5)	(225.3)	(1,258.4)	107.1	(2,275.1)
Net external interest income	**946.7**	**(196.4)**	**1,900.9**	**176.9**	**2,828.1**
Internal interest income	1,726.7	253.1	1,612.9	(3,592.7)	0.0
Internal interest expense	(961.4)	(22.0)	(2,315.7)	3,299.1	0.0
Net internal interest income	**765.3**	**231.1**	**(702.8)**	**(293.6)**	**0.0**
Dividend income and income from equity investments	34.3	0.0	0.0	11.8	46.1
Total net interest income, dividend income and income from equity investments	**1,746.3**	**34.7**	**1,198.1**	**(104.9)**	**2,874.2**
Non-interest income	**1,434.2**	**24.2**	**886.3**	**55.7**	**2,400.4**
Operating income	**3,180.5**	**58.9**	**2,084.4**	**(49.2)**	**5,274.6**
Personnel expenses	(805.2)	(14.1)	(237.0)	(333.2)	(1,389.5)
Other administrative expenses	(1,229.7)	(24.6)	(319.5)	531.4	(1,042.4)
Depreciation and amortisation	(111.3)	(0.2)	(25.5)	(191.2)	(328.2)
Operating costs	**(2,146.2)**	**(38.9)**	**(582.0)**	**7.0**	**(2,760.1)**
OPERATING PROFIT	**1,034.3**	**20.0**	**1,502.4**	**(42.2)**	**2,514.5**
Net result on other provisions	(0.3)	0.0	0.9	0.5	1.1
Net impairment losses on financial assets and off-balance sheet commitments	(182.4)	2.3	(215.2)	(1.0)	(396.3)
Net result on investment activity	3.1	0.0	5.4	103.2	111.7
PROFIT BEFORE INCOME TAX	**854.7**	**22.3**	**1,293.5**	**60.5**	**2,231.0**
Income tax expenses					(424.4)
NET PROFIT FOR THE PERIOD					**1,806.6**
Attributable to equity holders of the Bank					**1,800.0**
Attributable to non-controlling interest					6.6
Allocated assets	32,115.7	644.6	87,065.2	(2,901.2)	116,924.3
Unallocated assets					7,287.6
TOTAL ASSETS					**124,211.9**
Allocated liabilities	49,337.6	6,760.3	52,668.0	(5,683.2)	103,082.7
Unallocated liabilities					21,129.2
TOTAL LIABILITIES					**124,211.9**

Additional Information

Provisions, deferred tax assets and liabilities

(PLN million)

	GROUP		BANK PEKAO S.A.	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Total provisions	**246.0**	**255.0**	**273.9**	**281.4**
of which:				
provisions for off-balance sheet commitments	96.4	103.3	128.7	135.2
provisions for liabilities to employees	133.1	133.1	131.2	130.9
other provisions	16.5	18.6	14.0	15.3
Deferred tax liabilities	**11.9**	**2.5**	**0.0**	**0.0**
Deferred tax assets	**605.1**	**462.1**	**445.8**	**338.0**

Impairment losses

(PLN million)

	GROUP		BANK PEKAO S.A.	
	3 QUARTERS 2010	3 QUARTERS 2009	3 QUARTERS 2010	3 QUARTERS 2009
for loans and other financial assets	(417.3)	(427.9)	(343.1)	(304.2)
for off-balance sheet commitments	6.7	31.6	6.8	31.7
Total	**(410.6)**	**(396.3)**	**(336.3)**	**(272.5)**

Off–balance sheet items

Statement of Off-balance sheet items

(PLN million)

	30.09.2010	31.12.2009	CHANGE
Contingent liabilities granted and received	47,070.3	48,132.7	(2.2%)
Liabilities granted:	30,137.1	30,524.4	(1.3%)
financial	24,096.9	25,634.1	(6.0%)
guarantees	6,040.2	4,890.3	23.5%
Liabilities received:	16,933.2	17,608.3	(3.8%)
financial	3,768.2	3,049.5	23.6%
guarantees	13,165.0	14,558.8	(9.6%)
Derivative financial instruments	173,573.5	168,350.6	3.1%
currency transactions	81,109.5	76,458.9	6.1%
interest rate transactions	88,056.7	87,248.4	0.9%
securities transactions	4,407.3	4,643.3	(5.1%)
Other	27,764.7	26,324.7	5.5%
Total off-balance sheet items	**248,408.5**	**242,808.0**	**2.3%**

Additional Information

Changes in the Statutory Bodies of the Bank

Supervisory Board
On January 12, 2010, Mrs. Alicja Kornasiewicz, Member of the Supervisory Board, resigned from her position in connection with the appointment to the Management Board of Bank Pekao S.A.

Mr. Paolo Fiorentino, Deputy Chairman, Secretary of the Supervisory Board resigned from his position in the Supervisory Board of the Bank effective from April 26, 2010.

On April 28, 2010, the Ordinary General Meeting of the Bank appointed Mr. Sergio Ermotti and Mr. Roberto Nicastro as Members of the Supervisory Board for the current common term of office of the Supervisory Board of the Bank effective from April 29, 2010.

The Supervisory Board of the Bank, at the meeting held on June 16, 2010, entrusted Mr. Federico Ghizzoni, Deputy Chairman of the Supervisory Board, with the function of the Secretary of the Supervisory Board and Mr. Roberto Nicastro with the function of the Deputy Chairman of the Supervisory Board.

Composition of the Supervisory Board:

SEPTEMBER 30, 2010	DECEMBER 31, 2009
Jerzy Woźnicki Chairman of the Supervisory Board	Jerzy Woźnicki Chairman of the Supervisory Board
Federico Ghizzoni Deputy Chairman, Secretary of the Supervisory Board	Paolo Fiorentino Deputy Chairman, Secretary of the Supervisory Board
Roberto Nicastro Deputy Chairman of the Supervisory Board	Federico Ghizzoni Deputy Chairman of the Supervisory Board
Paweł Dangel Member of the Supervisory Board	Paweł Dangel Member of the Supervisory Board
Sergio Ermotti Member of the Supervisory Board	Oliver Greene Member of the Supervisory Board
Oliver Greene Member of the Supervisory Board	Alicja Kornasiewicz Member of the Supervisory Board
Enrico Pavoni Member of the Supervisory Board	Enrico Pavoni Member of the Supervisory Board
Leszek Pawłowicz Member of the Supervisory Board	Leszek Pawłowicz Member of the Supervisory Board
Krzysztof Pawłowski Member of the Supervisory Board	Krzysztof Pawłowski Member of the Supervisory Board

Management Board of the Bank
On November 24, 2009, Mr. Jan Krzysztof Bielecki, President of the Management Board, resigned from his position effective from January 11, 2010.

On January 12, 2010, the Supervisory Board adopted a resolution to appoint Mrs. Alicja Kornasiewicz as the President of the Bank's Management Board for the current joint term of office of the Bank's Management Board, effective as of the date of obtaining approval of the Polish Financial Supervision Authority. Until the above consent has been obtained, Mrs. Alicja Kornasiewicz was appointed, effective from February 15, 2010 as Member of the Management Board acting as the President of the Management Board.

Mr. Luigi Lovaglio acted as the President of the Bank's Management Board since January 12, 2010 up to February 14, 2010.

On April 28, 2010, the Supervisory Board of the Bank appointed the Members of the Management Board for the common term of office of three years, effective from April 29, 2010.

On August 31, 2010, the Polish Financial Supervision Authority gave its consent to appoint Mrs. Alicja Kornasiewicz as the President of the Management Board of Bank Pekao S.A.

Additional Information

Composition of the Management Board:

SEPTEMBER 30, 2010	DECEMBER 31, 2009
Alicja Kornasiewicz President of the Management Board	Jan Krzysztof Bielecki President of the Management Board CEO
Luigi Lovaglio First Vice President of the Management Board General Manager	Luigi Lovaglio First Vice President of the Management Board General Manager
Diego Biondo Vice President of the Management Board	Diego Biondo Vice President of the Management Board
Marco Iannaccone Vice President of the Management Board	Marco Iannaccone Vice President of the Management Board
Andrzej Kopyrski Vice President of the Management Board	Andrzej Kopyrski Vice President of the Management Board
Grzegorz Piwowar Vice President of the Management Board	Grzegorz Piwowar Vice President of the Management Board
Marian Ważyński Vice President of the Management Board	Marian Ważyński Vice President of the Management Board

Subsequent Events

On October 4, 2010, Bank Pekao S.A. acquired from Holding Sp. z o.o., which is a 100% subsidiary of the Bank, one series C ordinary share no 1 in Pekao Bank Hipoteczny S.A. Following the transaction the Bank holds 100% in equity and voting rights of Pekao Bank Hipoteczny S.A.

On October 20, 2010, the Extraordinary General Meeting of the company Holding Sp. z o.o., a 100% subsidiary of Bank Pekao S.A., took the resolution on opening the liquidation process of the company.

Seasonality or cyclical nature of the Bank's activity

The demand for the financial services offered by the Bank is stable with no material impact of seasonal changes. Due to the nature of the Bank's activity, it is not subject to seasonal or cyclical changes.

Issuance, redemption and repayment of debt securities

Issuance of bonds of Bank Pekao S.A.
Under Resolution No. 6 of the Bank's Extraordinary General Meeting dated July 25, 2003 on the issue of registered bonds under an incentive program, the Bank issued registered A and B series bonds with pre-emptive rights to take up the Bank's F series shares as well as registered C and D series bonds with pre-emptive rights to take up the Bank's G series shares.

All the pre-emptive rights to take up F series shares pursuant to the implementation of the right of priority ensuing from the A and B series bonds and all the pre-emptive rights to take up G series shares pursuant to the implementation of the right of priority ensuing from the C series bonds were exercised.

The pre-emptive rights to take up G series shares can be exercised in respect of D series bonds from January 1, 2009 to December 31, 2012.

The issue price of G series shares amounts to PLN 123.06.

Structured Certificates of Deposits
Structured Certificates of Deposits are investment products for the Bank's clients that form an alternative to traditional banks' deposits. The total value of the Bank's liabilities relating to these products amounted to PLN 827.4 million (principal value) as at the end of September 2010. There are 19 issues of Structured Certificates of Deposits open in PLN, EUR and USD with the maximum maturity date set at May 7, 2013. Those liabilities that mature in 2010, 2011, 2012 and 2013 account for 10.6%, 46.2%, 38.6% and 4.6% of its total value, respectively.

Additional Information

Pekao Leasing Sp. z o.o. bonds
The total value of the company's liabilities under these bonds amounted to PLN 31.3 million as at September 30, 2010 with the maturity date up to 1 month.

Pekao Bank Hipoteczny S.A. mortgage bonds
The total value of liabilities due to mortgage bonds amounted to PLN 909.8 million as at September 30, 2010. The liabilities under mortgage bonds with maturity date up to 1 year account for 66.7% and with maturity date from 1 up to 3 years account for 33.3% of the total nominal value.

Appropriation of profit achieved in 2009

On April 28, 2010, the Ordinary General Meeting of Bank Pekao S.A. took a resolution regarding the distribution of the net profit of the Bank for 2009 in the amount of PLN 2,462,263,195.94 in the following manner:

- PLN 761,096,398.60 for dividend,
- PLN 1,601,166,797.34 for reserve equities,
- PLN 100,000,000.00 for the general risk fund.

Dividend paid

Pursuant to Resolution of the Ordinary General Meeting of Bank Pekao S.A. dated April 28, 2010, PLN 761,096,398.60 (30.91% of the net profit of the Bank for 2009) was allocated as dividend, i.e. PLN 2.90 per one share. The dividend's setting date was established on May 17, 2010 and the dividend's pay-out day was established on June 1, 2010. All the Bank's shares are ordinary shares.

Effects of Changes in the Group's structure

Liquidation of the company
On September 7, 2010, Finanse Ltd. - a 100% subsidiary of the Bank, has been dissolved from UK Companies House register. The British proceedings provided for solvent companies have been applied for liquidation. Currently, the Bank holds no shares in Finanse Ltd.

Management Board position regarding the possibility of achieving previously published forecasts

On August 1, 2008 Management Board of Bank Pekao S.A. published in the current report no 69/2008 the forecast of Bank Pekao S.A.'s financial results in years 2008-2010.

Given the high volatility of the macroeconomic scenario, influenced by the global financial crisis, the Management Board of Bank Pekao S.A. has decided to refrain from the forecast's evaluation of the Bank's results for years 2008-2010.

Additional Information

Information regarding shareholders owning at least 5% of the total number of votes at the General Meeting of Bank Pekao S.A.

The shareholders of Bank Pekao S.A. owning directly or indirectly through their subsidiaries at least 5% of the total number of voting rights at the General Meeting of Bank Pekao S.A. are as follows:

SHAREHOLDER'S NAME	NUMBER OF SHARES AND VOTES AT THE GENERAL MEETING	SHARE IN SHARE CAPITAL AND TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	NUMBER OF SHARES AND VOTES AT THE GENERAL MEETING	SHARE IN SHARE CAPITAL AND TOTAL NUMBER OF VOTES AT THE GENERAL MEETING
	SEPTEMBER 30, 2010		DECEMBER 31, 2009	
UniCredit S.p.A.	155,433,755	59.24%	155,433,755	59.25%
Other shareholders	106,926,781	40.76%	106,896,856	40.75%
Total	**262,360,536**	**100.00%**	**262,330,611**	**100.00%**

At the date of submitting the report, the share capital of the Bank amounts to PLN 262,360,536. Since the beginning of the year until the date of submitting the report, the share capital of the Bank has been increased by the total amount of PLN 29,925 as a result of issue of 29,925 series G ordinary bearer shares which have been taken up by participants of share option program. The share of UniCredit S.p.A. in the share capital and the total number of votes at the General Meeting amounts to 59.24% while the share of other shareholders amounts to 40.76%.

The Issuer's shares held by the Management and Supervisory Board Members

According to information available to the Bank as at the date of submitting of this report, the members of the Bank's management and supervisory bodies held 40,857 shares of Bank Pekao S.A.

The table below presents the number of shares held by the Management Board Members:

	AS AT THE DATE OF SUBMITTING THE REPORT		CHANGE
	FOR THE THIRD QUARTER OF 2010	FOR THE FIRST HALF OF 2010	
Diego Biondo	9,500	9,500	0
Luigi Lovaglio	31,357	31,357	0
Total	**40,857**	**40,857**	**0**

The Bank Pekao S.A. Group is running an incentive program in the form of management stock options. The Program covers the Management Board of the Bank, other managerial staff, key employees for implementing the Bank's strategy, as well as employees of the Bank's subsidiaries. The persons who meet the requirements set in the program will be able to acquire the Bank's shares.

As at the date of submitting this report the incentive program for 2004 includes 19 persons for a total 86,498 shares, 32,678 of which will be eligible for purchase by the management.

The Members of the Supervisory Board did not participate in the management stock options program.

The table below presents the number of management stock options held by the Management Board Members:

	AS AT THE DATE OF SUBMITTING THE REPORT		CHANGE
	FOR THE THIRD QUARTER OF 2010	FOR THE FIRST HALF OF 2010	
Luigi Lovaglio	32,678	32,678	0
Total	**32,678**	**32,678**	**0**

Additional Information

Pending litigations

In the third quarter of 2010 the number of the legal proceedings pending before courts, arbitration bodies or public administration authorities in respect of the Group's liabilities was 598 with the total value amounting to PLN 314.8 million. The number of legal proceedings in respect of receivables was 12,688 with the total value of PLN 912.1 million. The value of legal proceedings relating to the liabilities and/or receivables of the Group in the third quarter of 2010 does not exceed 10% of the Bank's equity.

In the opinion of the Bank none of the individual pending proceedings before any courts, arbitration bodies or public administration authorities during the third quarter of 2010, nor the proceedings in aggregate pose any threat to the Bank's financial liquidity.

Assessment of creditworthiness of Bank Pekao S.A.

As at September 30, 2010, Bank Pekao S.A.'s creditworthiness was rated as follows:

FITCH RATINGS	BANK PEKAO S.A.	POLAND
Long-term rating (IDR)	A-	A-
Short-term rating	F2	F2
Individual rating	C	-
Support rating	1	-
Rating outlook	Negative	Stable
STANDARD AND POOR'S	**BANK PEKAO S.A.**	**POLAND**
Long-term rating	A-	A-
Short-term rating	A-2	A-2
Rating outlook	Stable	Stable
MOODY'S INVESTORS SERVICE LTD. (UNSOLICITED RATING)	**BANK PEKAO S.A.**	**POLAND**
Long-term foreign-currency deposit rating	A2	A2
Short-term deposit rating	Prime-1	Prime-1
Financial strength	C-	D+*
Rating outlook	Stable	Negative*

* Average for the Polish banking sector.

Additional Information

Related Party Transactions

Balance sheet transactions as at September 30, 2010

(PLN thousand)

	PARENT ENTITY UNICREDIT S.P.A	ENTITIES OF UNICREDIT GROUP EXCLUSIVE OF PEKAO S.A. GROUP ENTITIES	FULL CONSOLIDATED SUBSIDIARIES	NOT FULL CONSOLIDATED SUBSIDIARIES	ASSOCIATES	KEY MANAGEMENT STAFF OF THE BANK OR ITS PARENT ENTITY
Loans and advances	139,648	438,746	4,643,810	79,431	-	3,646
Receivables from securities	-	-	236,221	-	-	-
Receivables from revaluation of derivatives	-	-	45,711	-	-	-
Other receivables	5	22,348	19,535	-	45	-
Liabilities from loans and deposits	4,614	3,160,192	4,604,922	10,180	139,651	11,626
Liabilities from securities	-	-	236,221	-	-	-
Liabilities from revaluation of derivatives	-	-	45,711	-	-	-
Other liabilities	15,171	8	58,423	-	-	-

Balance sheet transactions as at December 31, 2009

(PLN thousand)

	PARENT ENTITY UNICREDIT S.P.A	ENTITIES OF UNICREDIT GROUP EXCLUSIVE OF PEKAO S.A. GROUP ENTITIES	FULL CONSOLIDATED SUBSIDIARIES	NOT FULL CONSOLIDATED SUBSIDIARIES	ASSOCIATES	KEY MANAGEMENT STAFF OF THE BANK OR ITS PARENT ENTITY
Loans and advances	2,712,916	429,553	5,061,258	112,256	-	3,658
Receivables from securities	-	-	217,156	-	-	-
Receivables from revaluation of derivatives	-	270,987	27,164	-	-	-
Other receivables	-	19,929	9,862	-	76	-
Liabilities from loans and deposits	826	2,696,088	5,020,761	21,235	199,146	13,905
Liabilities from securities	-	-	232,555	-	-	-
Liabilities from revaluation of derivatives	-	286,901	27,164	-	-	-
Other liabilities	8,487	32,532	34,960	-	-	-

Income and expenses from transactions with related entities for the three quarters of 2010

(PLN thousand)

	PARENT ENTITY UNICREDIT S.P.A	ENTITIES OF UNICREDIT GROUP EXCLUSIVE OF PEKAO S.A. GROUP ENTITIES	FULL CONSOLIDATED SUBSIDIARIES	NOT FULL CONSOLIDATED SUBSIDIARIES	ASSOCIATES	KEY MANAGEMENT STAFF OF THE BANK OR ITS PARENT ENTITY
Interest income	1,163	89,234	143,167	4,657	1	129
Interest expense	(91)	(71,088)	(143,167)	(198)	(5,160)	(325)
Fee and commission income	204	205,509	14,365	13	494	5
Fee and commission expense	(2,871)	(4,232)	(14,365)	-	(31)	-
Other income	830	4,315	105,606	10	142	-
Other expense	(8,290)	(111,389)	(105,606)	-	(7,474)	(6)

Additional Information

Income and expenses from transactions with related entities for the three quarters of 2009

(PLN thousand)

	PARENT ENTITY UNICREDIT S.P.A	ENTITIES OF UNICREDIT GROUP EXCLUSIVE OF PEKAO S.A. GROUP ENTITIES	FULL CONSOLIDATED SUBSIDIARIES	NOT FULL CONSOLIDATED SUBSIDIARIES	ASSOCIATES	KEY MANAGEMENT STAFF OF THE BANK OR ITS PARENT ENTITY
Interest income	2,017	70,066	178,188	6,256	5	171
Interest expense	(293)	(147,691)	(178,188)	(394)	(9,728)	(312)
Fee and commission income	694	160,259	14,504	301	383	3
Fee and commission expense	(2,543)	(741)	(14,504)	(1,551)	(52)	-
Other income	862	319,641	103,769	1,886	192	-
Other expense	(29,984)	(26,923)	(103,769)	(8,890)	(6,652)	-

The off-balance sheet exposure related to financing as at September 30, 2010 amounted to PLN 687,459 thousand (PLN 894,921 thousand as at December 31, 2009); guarantee-related exposure as at September 30, 2010 amounted to PLN 222,903 thousand (PLN 148,980 thousand as at December 31, 2009).

In the third quarter of 2010, the Bank and its subsidiaries have not concluded any significant transactions (single or aggregate) with related entities other than those executed on arm's length.

In the third quarter of 2010, the Bank and its subsidiaries did not provide any sureties or guarantees in respect of loans or advances to an entity or a subsidiary of such entity, as a result of which the total value of existing sureties and guarantees would have equalled or exceeded 10% of the Bank's equity.

Factors which will affect the results in the next quarter

Economic growth is one of the most important factor for overall business activity, also in the banking sector. According to the Central Statistical Office estimates, economic growth in the second quarter of 2010 accelerated to 3.5% year-on-year, after 3.0% year-on-year growth in the first quarter of 2010, giving an increase of 3.2% year-on-year in the first half of 2010. It is expected that the growth rate in the third quarter of 2010 was the same as the average in the first half of the year, while in the fourth quarter it is likely to accelerate due to investments, mainly public, finalized before the end of the year. The structure of economic growth was not especially favorable so far as quite an important share of the growth was based on temporary factors, such as rebuilding of stocks, while the foundations of sustainable growth, such as consumption or investment, remained weak. This structure, however, is steadily improving, which is reflected, among others, by the growing momentum of private consumption and investments.

The main consumption determinant is the situation on the labor market. On the one hand, the stream of wages for employees is a major and direct source of funding for consumption, on the other hand the situation on the labor market sets ability to support the consumption by credit. With the expected labor market stabilization there are no indications of significant changes in consumption level.

With reference to investments, a key factor in the coming quarters will be investments co-financed from EU funds. The EU funds designated for Poland up to a maxium amount of EUR 67 billion within the framework of 2007-2013 financial perspective, begin to be used to a large scale this year, however, significant acceleration is expected next year, when the majority of investments related to the organization of the European Football Championships in 2012 will be finalized.

Recent months have witnessed an acceleration in the allocation of EU funds was observed (more than half of total amount of grants for 2007-13, i.e. about PLN 170 billion have been already awarded) which in a wider perspective represent a kind of "stimulus package". This will be an important factor supporting economic growth in the coming years, both in real terms, as well as in psychological terms.

Additional Information

In the context of investment it should be also noted, however, that there is still a very low propensity of the private sector to undertake new investment projects. The private sector points to low capacity utilization and the uncertainty about the prospects of the international situation as the main factors restricting investment in new capacity. From the perspective of the banking sector, the good financial condition of enterprises is also worth noting, as it translates into earlier repayment of loans and in the context of the lack of investment needs - weakening of borrowing needs. This translates into decrease in credit volume for corporates in year-on-year terms, a strong competition for lending among banks and a narrowing of credit margins.

As expected, the second half of 2010 brought a reversal of the recent downward trend in CPI inflation. The figures for September showed the CPI inflation at the level of 2.5% year-on-year which is the inflation target of the Monetary Policy Council. The next months may bring a further increase in inflation and a serious risk of an increase above the upper band of the inflation target (3.5%) in 2011.

A key threat to the Polish economy remains the risk of a global slowdown, enhanced by the likelihood of the implementation of savings programs in many countries, while both consumer demand and investment remain weak. If this uncertainty is removed in the coming quarters, the growth prospects of Polish economy will be significantly improved.

Also the scale of the public sector deficit, remaining at around 7% of GDP, is still a potential risk factor for the further economy development. The high deficit leads to the accumulation of public debt, and high scale of public borrowing needs creates a crowding-out effect on private investment.

Factors that will affect the activity of the banking sector, will be regulatory changes that have already been implemented (T Recommendation), as well as those being planned for implementation like for example S2 Recommendation. Changes related to the introduction of T Recommendation consisted mainly of clarifying the rules for credit assessment of individual clients and the monitoring of collateral while the changes proposed in the S2 Recommendation may bring a significant reduction in the proportion of lending in foreign currencies.

Signature of persons representing the Company

DATE	FIRST NAME / FAMILY NAME	POSITION / FUNCTION	SIGNATURE
9/11/2010	Luigi Lovaglio	First Vice President, General Manager	
9/11/2010	Piotr Miałkowski	Director of Accounting Department	